

Pizza Industry Report

2024-2025



Created by Forum3





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→ Executive Summary

The pizza industry is undergoing a pivotal transformation as generative AI unlocks new ways to elevate efficiency, accuracy, and guest satisfaction. From predictive tools that optimize delivery timing to algorithms that help design locally resonant menu items, AI is becoming a core driver of competitiveness. The sector's unique dynamics, tight margins, high-volume orders, and a hybrid mix of dine-in, takeout, and delivery make it especially ripe for intelligent automation.

Operators that integrate AI into operations and marketing can expect not only better customer insights and smoother workflows but also increased loyalty and differentiation. From streamlining kitchen flow to re-engaging lapsed customers, the most valuable use cases will be those that merge convenience with care.

HIGH IMPACT USE CASES IDENTIFIED

Key AI applications uniquely suited to pizza operations include **predictive delivery optimization** that accounts for traffic, weather, and kitchen load to ensure on-time, hot deliveries; **dynamic menu design** informed by local preferences and order data; **real-time order flow monitoring** to reduce kitchen bottlenecks; and **AI-assisted guest re-engagement tools** that automate custom follow-up offers based on visit history.

These use cases reflect the pizza industry's specific focus on speed, accuracy, and omnichannel engagement, and demonstrate how AI can drive measurable improvements while keeping the guest experience front and center.



NEXT STEPS

To begin realizing the benefits of AI, pizza operators should start with a focused pilot in one or two areas where friction is highest, such as delivery timing, guest re-engagement, or kitchen throughput. These small-scale implementations allow teams to test, learn, and build comfort with the tools. Once early wins are established, organizations can confidently expand AI adoption across marketing, operations, and customer experience.

Market Size

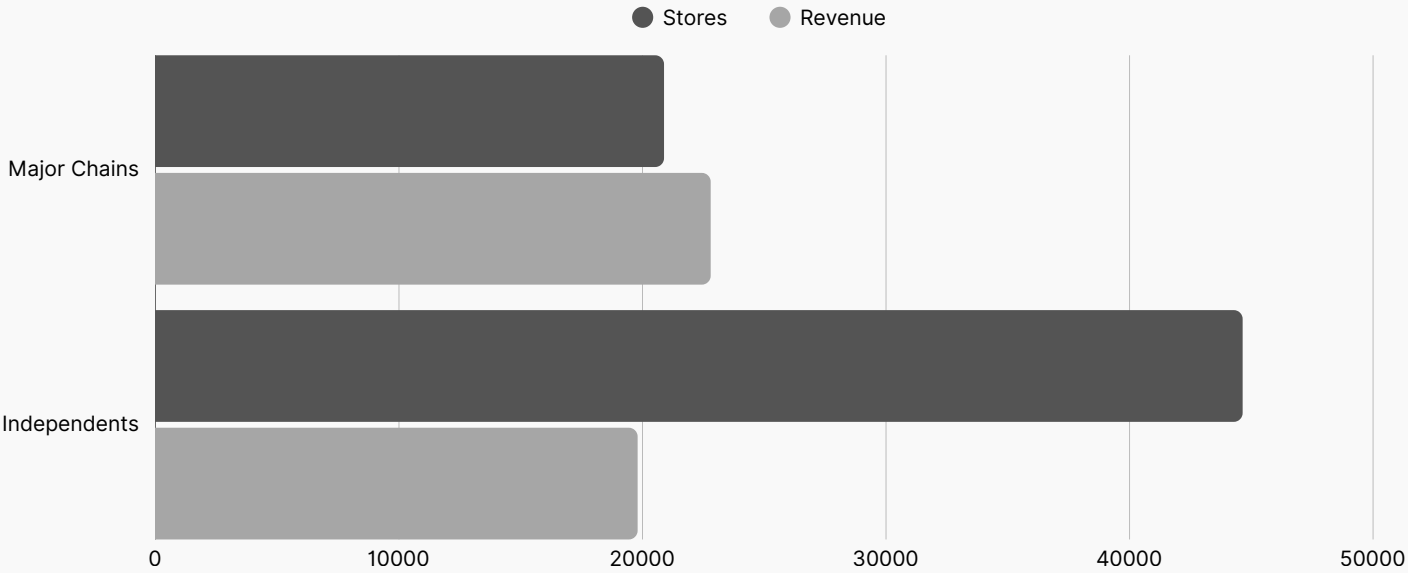
CHAIN AND INDEPENDENT PIZZERIAS

\$50b

2024 estimated global market size

1.4%

Projected annual growth



The U.S. pizza restaurant market is valued at **approximately \$50 billion**, comprising over 75,000 establishments and spanning both global chains and independently owned shops. While growth is expected to remain modest, projected in the low single digits annually, the sector continues to evolve rapidly, fueled by digital convenience, rising labor costs, and shifting customer expectations.

Major chains account for around **60% of total revenue**, while independents, despite representing over half of all U.S. pizzerias, capture only **about 40% of the market**. This imbalance reflects the operational efficiencies and brand reach of national players, yet it also highlights a massive opportunity: independent operators who adopt AI strategically can compete more effectively on speed, personalization, and value.

Delivery, carryout, and dine-in each remain vital service channels, and AI has applications across all three. From predictive demand planning in delivery zones to optimizing dine-in staffing or testing new carryout bundles, AI is becoming a critical asset not just for enterprise chains, but for any brand looking to stay competitive in a fast-changing landscape.

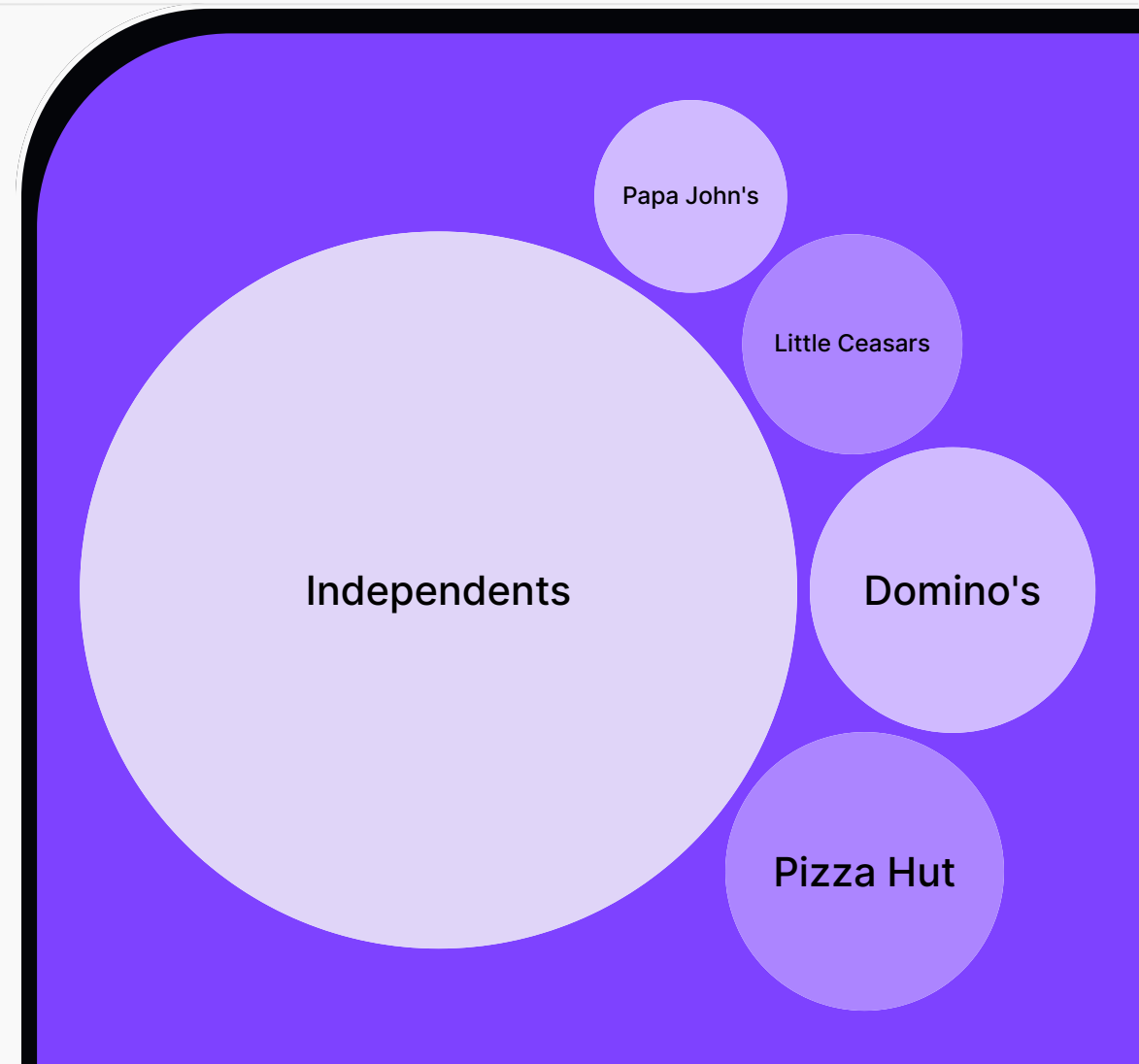
Competitive Landscape

The U.S. pizza industry is split between powerful national chains and a wide base of independent pizzerias. Chains like Domino's, Pizza Hut, Little Caesars, and Papa John's account for roughly 60% of total U.S. pizza revenue, leveraging scale, digital infrastructure, and national branding to drive growth. Independents, which make up the majority of store count, capture the remaining 40% and rely on authenticity, local loyalty, and personalized service.

While chains dominate in convenience and visibility, independents are well-positioned to capitalize on AI for flexible menu development, smart marketing, and regional guest engagement.

Generative AI offers strategic upside for both segments. Chains can deepen personalization at scale, tailoring promos and product recommendations based on location and behavior, while independents can use AI to level the playing field through smarter operations and nimble experimentation.

The gap is narrowing as delivery models converge: Domino's now partners with Uber Eats, and Little Caesars uses DoorDash, reflecting broader consumer demand for frictionless access. AI is rapidly becoming a necessity to keep pace with these evolving delivery dynamics and customer expectations.



Competitor Analysis

As AI becomes a competitive differentiator in foodservice, it's important to understand how the largest players in the pizza sector are positioning themselves. From advanced delivery systems to loyalty programs and kitchen innovation, leading brands are already leveraging technology to sharpen their edge. Below is a breakdown of how the top four national chains and the independent sector are deploying digital strategies and exploring generative AI.

DOMINO'S

Domino's continues to lead the U.S. pizza market with over 7,000 stores and an estimated \$9 billion in annual revenue. The brand sets the benchmark for delivery optimization and digital ordering, offering customers features like GPS tracking, voice assistant ordering, and a revamped loyalty program.

Its recent partnership with Uber Eats marked a strategic shift, broadening reach while maintaining control of last-mile logistics. Domino's also invests heavily in AI-powered store management tools, helping operators forecast demand, schedule staff, and maintain quality and timing at scale.

PIZZA HUT

Pizza Hut, with roughly 6,700 locations, remains a household name. Its pivot from dine-in to carryout and delivery-focused "Delco" stores reflects shifting consumer preferences. Though slightly trailing Domino's in tech innovation, Pizza Hut leverages nostalgia-driven branding, NFL sponsorships, and menu diversity, including pasta, wings, and Detroit-style pizza, to stay relevant.

The brand is also investing in AI through parent company Yum! Brands, applying data analytics to kitchen operations and marketing campaign performance.

LITTLE CEASARS

Little Caesars has over 4,200 stores and is known for its "Hot-N-Ready" value model. Once a holdout from delivery, it now partners with DoorDash and has introduced innovations like Pizza Portal lockers for mobile pickups. The chain's strength lies in affordability and convenience, appealing to cost-conscious families and grab-and-go customers.

Its marketing remains bold and memorable, and its tech stack, while less sophisticated than Domino's, is evolving quickly to support online and app-based ordering.



Competitor Analysis

PAPA JOHN'S

Papa John's, with 3,200 stores, has invested heavily in personalization and quality positioning. Recent collaborations with Google Cloud signal its focus on using AI to enhance operations, marketing, and customer experience. Known for menu experimentation and loyalty incentives, Papa John's is aiming to close the tech gap with its larger rivals. The brand is also experimenting with predictive analytics to optimize delivery times and targeted promotions.

Papa John's also focuses on elevating the guest experience through its Papa Rewards loyalty program and premium menu options like stuffed crust and limited-time collaborations. The brand's digital investments include mobile-first design and AI-enhanced guest segmentation tools designed to personalize offers in real time across web, app, and email.

INDEPENDENT PIZZERIAS

Independent Pizzerias, making up over 44,000 stores, hold the majority in unit count yet face challenges competing with the digital infrastructure of national chains. Still, they benefit from strong community ties, hyper-local branding, and operational flexibility. Many are now embracing third-party platforms, AI-powered marketing tools, and POS-integrated delivery solutions to modernize without sacrificing authenticity.

With the right systems in place, independents can offer faster delivery estimates, run smarter promotions, and build loyalty through uniquely personalized experiences. AI also empowers them to test and iterate quickly—whether by adjusting menu items in response to local demand or using review sentiment analysis to refine service in real time.



Post-Pandemic Behaviors

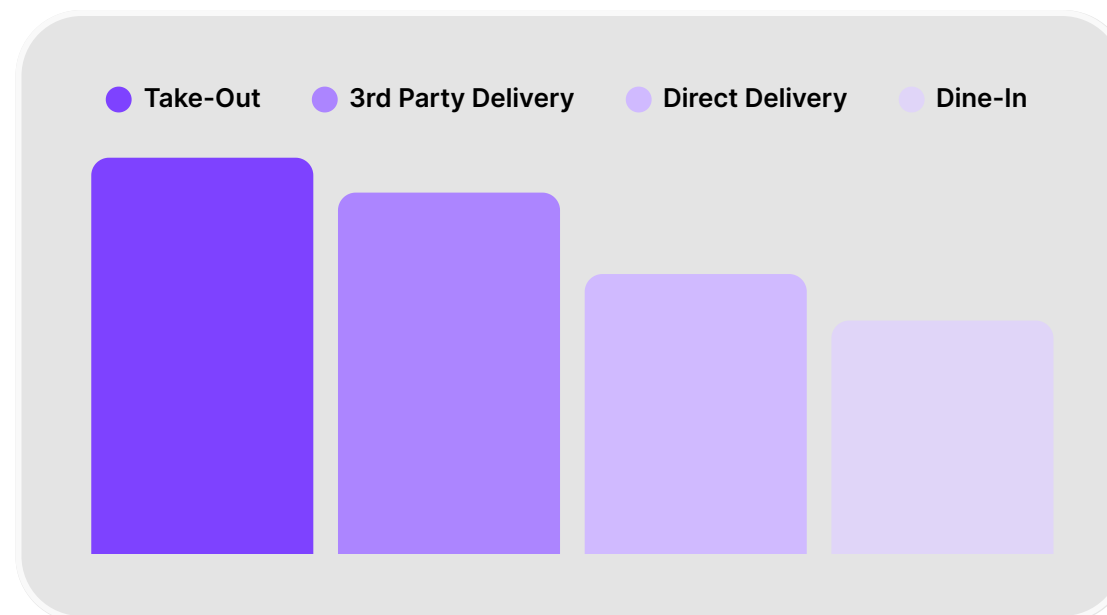
DIGITAL FLUENCY & VALUE CONSCIOUSNESS

Digital expectations also grew significantly. Consumers now expect seamless online ordering, transparent tracking, low-friction payment options, and contactless pickup as standard. Over 60% of consumers say they are more likely to return to restaurants with digital loyalty programs, and app-based ordering is now a top channel among younger demographics. DoorDash and Uber Eats continue to command a significant share of pizza delivery, even among legacy brands that previously relied solely on in-house delivery.

Convenience and value have also taken center stage. With inflation still affecting consumer behavior, bundled meals, digital-only discounts, and subscription-based loyalty programs (such as Pizza Hut's Hut Rewards or Papa John's Papa Rewards) are gaining traction. Guests are also more likely to respond to re-engagement campaigns post-pandemic, with data showing a 20–30% uplift in conversion rates for AI-driven “we miss you” style promotions.

PERSISTENT OFF-PREMISE PREFERENCE

The pandemic reshaped how Americans order and consume pizza. During lockdowns, the category saw surging demand due to its affordability, comfort-food appeal, and delivery-friendly format. Even as dining rooms reopened, many of the habits formed during this period have persisted. According to Technomic, nearly 70% of pizza orders in 2024 are still off-premise, with delivery and takeout remaining dominant channels.



Evolving Expectations

SHIFTING HABITS AND PERSONALIZED EXPERIENCES

Consumer behavior in the pizza sector continues to evolve rapidly, driven by shifting habits, digital convenience, and growing personalization demands. Customers today toggle between dine-in, takeout, and third-party delivery based on need and context, expecting frictionless experiences across all channels. At the same time, personalization is no longer optional, guests want to customize crusts, toppings, and dietary options with ease.

This emphasis on individual control extends to broader experiences: diners now seek novelty, shareability, and alignment with their values. From Instagrammable packaging to regional product launches, pizza is as much about identity as it is about indulgence. AI empowers brands to meet these shifting expectations through intelligent ordering systems, menu testing, and localized campaign execution.

VALUE, WELLNESS, AND DIGITAL EXPECTATIONS

Meanwhile, financial pressures are shaping how value is perceived. Portion size, pricing transparency, and deal frequency have become decision drivers—especially as inflation persists. Diners are more cost-conscious but still want to feel good about their choices, whether that means healthier options like plant-based meats and gluten-free crusts or confidence in the quality of their go-to order.

These pressures are unfolding in an environment where digital behavior is the norm. Customers expect real-time tracking, loyalty perks, personalized promotions, and seamless mobile reordering. AI tools enable operators to not only deliver on these expectations but also anticipate needs—optimizing promotions, pricing, and experiences through constant feedback loops and guest modeling.



Emerging Technology

As AI adoption deepens across the restaurant sector, a new wave of technology is beginning to shape what's next for pizza operators. These tools are not just futuristic, they're already being piloted by leading brands to improve speed, accuracy, and guest engagement.

Autonomous delivery is being tested by companies like Domino's and Serve Robotics using self-driving cars and sidewalk robots. These innovations aim to reduce labor costs and enhance consistency, offering 24/7 reliability while generating brand buzz. Similarly, conversational AI is gaining traction through voice ordering systems and chatbots. These tools streamline phone and app interactions, reduce wait times, and assist during peak periods.

In the back of house, robotics is revolutionizing pizza prep, dough handling, and oven scheduling. These systems help maintain quality while easing operational strain. Predictive guest modeling is also gaining momentum, using multimodal AI platforms to anticipate order surges, tailor offers, and provide deep behavioral insights for resource planning and guest engagement.

Looking further ahead, AR menus and virtual brand collaborations inside gaming environments are redefining what it means to engage with pizza in a digital-first world. These emerging technologies won't replace the core of what makes pizza appealing—but they will shape how that core is delivered, marketed, and scaled.

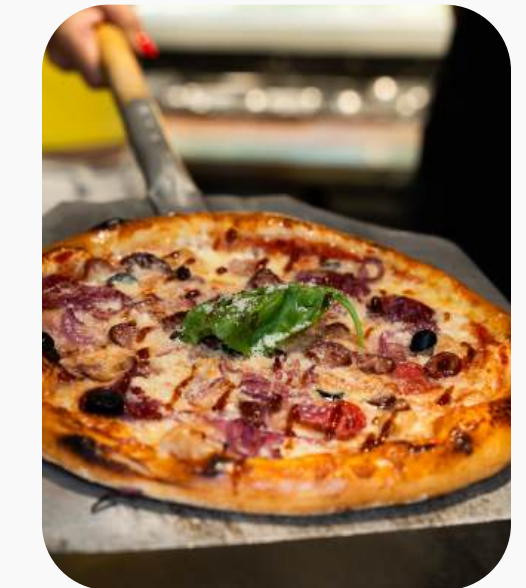


Implications

The rapid advancement of AI and emerging technologies presents pizza operators with more than just operational upgrades, it offers a path to true differentiation. As consumer expectations grow more complex and digital behaviors become deeply embedded, operators who treat AI as a foundational strategy rather than a bolt-on feature will be best positioned for long-term success.

AI allows brands to anticipate rather than react, building smarter menus, targeting promotions with precision, and optimizing delivery systems around hyperlocal demand patterns. Just as importantly, it empowers teams to focus on what matters most, delivering hospitality, creativity, and connection, by reducing friction behind the scenes.

Operators who succeed in the next phase of industry evolution will be those who combine empathy with intelligence: using AI not to replace the human touch, but to amplify it. Whether through personalized service, adaptive pricing, or predictive operations, the brands that thrive will be the ones who understand that technology is a means to elevate, not override, the guest experience.



Strategic Recommendations

To compete in an increasingly digital and personalized marketplace, pizza operators must adopt a focused, practical approach to AI. The most successful AI strategies in the pizza industry will combine experimentation with structured implementation, starting with high-impact, low-complexity areas and expanding into broader operations.

Based on the opportunities outlined in this report, we recommend a four-part approach: **Pilot AI in targeted areas** by identifying one or two friction-heavy pain points, such as inaccurate delivery timing, low guest re-engagement, or kitchen bottlenecks, and launching focused pilots that generate early wins.

Invest in clean, connected data infrastructure by ensuring systems across POS, CRM, loyalty, and marketing channels can talk to one another, creating a reliable foundation for AI insights. **Embed AI across teams** by bringing operators, marketers, and frontline staff into the design and rollout of AI solutions, ensuring tools solve real problems and fit into workflows. Finally, **scale with a personalization mindset** by prioritizing tools that tailor offers, improve relevance, and connect with guests in ways that deepen loyalty.

AI is not just a tool for efficiency, it's a lever for loyalty, creativity, and growth.

1

Pilot AI in Targeted Areas

- ▶ Smart delivery routing to reduce late arrivals
- ▶ AI-driven kitchen load balancing to cut prep times

2

Invest in Clean, Connected Data Infrastructure

- ▶ Unified guest profiles across POS and loyalty systems
- ▶ Centralized performance dashboards for real-time insights

3

Embed AI Across Teams

- ▶ Assistive AI tools for frontline order-taking
- ▶ Predictive staffing support integrated with labor management systems

4

Scale with a Personalization Mindset

- ▶ Behavior-based promotions and dynamic offer engines
- ▶ AI-curated product recommendations tailored to order history

Conclusion

As the pizza industry evolves amid rapid digital transformation, those who embrace AI will be better positioned to adapt, grow, and lead. From optimizing daily operations to delivering personalized guest experiences at scale, AI is no longer a distant innovation, it's a current competitive advantage.

This shift begins with targeted experimentation and thoughtful implementation, but it must be followed by breaking down data silos, empowering staff, and scaling personalization efforts. Success comes not from chasing every new tool, but from aligning technology with real guest needs and internal capabilities.

In an industry rooted in both tradition and innovation, the operators who thrive will be those who use AI to elevate what makes pizza powerful: hospitality, consistency, and connection. The opportunity isn't just to keep pace, but to lead with purpose in a rapidly evolving marketplace.



Ready to become an AI First organization?



Andy Sack

An entrepreneur with two decades at the forefront of digital innovation, driving strategy and investment across the tech and finance sectors from early-stage startups to industry leaders like Microsoft.



Adam Brotman

A renowned expert in customer loyalty and engagement with over 25 years of experience leading digital transformation for Fortune 500 brands like Starbucks and J.Crew.

[Get in touch](#)

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