

"Better Pizza" Franchising Segment Being Overtaken by Large, Fast Casual Brands

From all accounts, "better pizza" is the next frontier for fast casual dining. The new breed of pizza place prides itself on fresher ingredients than the average Papa John's or Domino's. It also boasts lower prices than fancier Italian fare. According to *QSR Magazine*, a group of 11 "better pizza" chains are currently engaged in an all-out "arms race" to take over the U.S.

"Made-to-order pizza can be the next big growth niche because its fresh, gourmet positioning provides a strong platform for popular health and wellness concepts," according to Darren Tristano, Vice President of Technomics, a leading restaurant consultancy. "The 'better' trend seen in 'better burgers' will also drive 'better sandwich' and 'better pizza' concepts. Not only are made-to-order pizza concepts delivering better quality and fresher ingredients, consumers are able to create their own pizzas that are ready within minutes, a proven recipe for success within the fast casual space."

So what does this mean to those looking to buy a "better pizza" franchise now? With so many new brands entering the market and none of them dominating yet, potential franchisees face the dilemma of jumping in or sitting on the sidelines to see which brand(s) will emerge as the next big thing.

Making that question even tougher to answer are recent developments that are changing the landscape before our eyes. Even though year-end 2013 figures compiled by Technomics showed Pie Five Pizza Co., Uncle Maddio's and Your Pie leading some competitors in the number of units, other successful fast casual franchisors are jumping into the category.

"I think right now the two brands that are at the forefront would be PizzaRev because of the investment of Buffalo Wild Wings and Blaze Pizza, which is expanding rapidly," said Tristano. "They both have strong management and overall knowledge of the consumer market." To that group, we would also add Pizzeria Locale, which recently entered into a partnership with Chipotle.

The Takeaway: Timing is everything, and with no clear leader in the emerging "better pizza" segment, it's too early to tell which brand(s) will pull ahead of the pack and which will recede.