
WATERMELON PRESENTATION

Domestic A & U Study



Watermelon
National Watermelon Promotion Board



rose research, llc.

November, 2008

Study Purpose

- Understand the dynamics operating in the watermelon category - - among purchasers (respondents who have purchased watermelon in the past 12 months) and non-purchasers.
 - Both summer and winter purchasing/non-purchasing habits
- Measure consumer awareness of watermelon health benefits
- Determine the affect the economy has on watermelon purchasing habits
- Update the attitudes and behavioral practices of consumers since the last project was conducted in 2006.

Methodology

A total of 3,204 interviews were conducted – 2,802 during June - August and 402 during March/April, 2008.

Qualified respondents were men and women 18 years of age or older, who are the primary grocery shoppers of their household.

The study was conducted online among a nationally representative sample of consumers living in the United States.



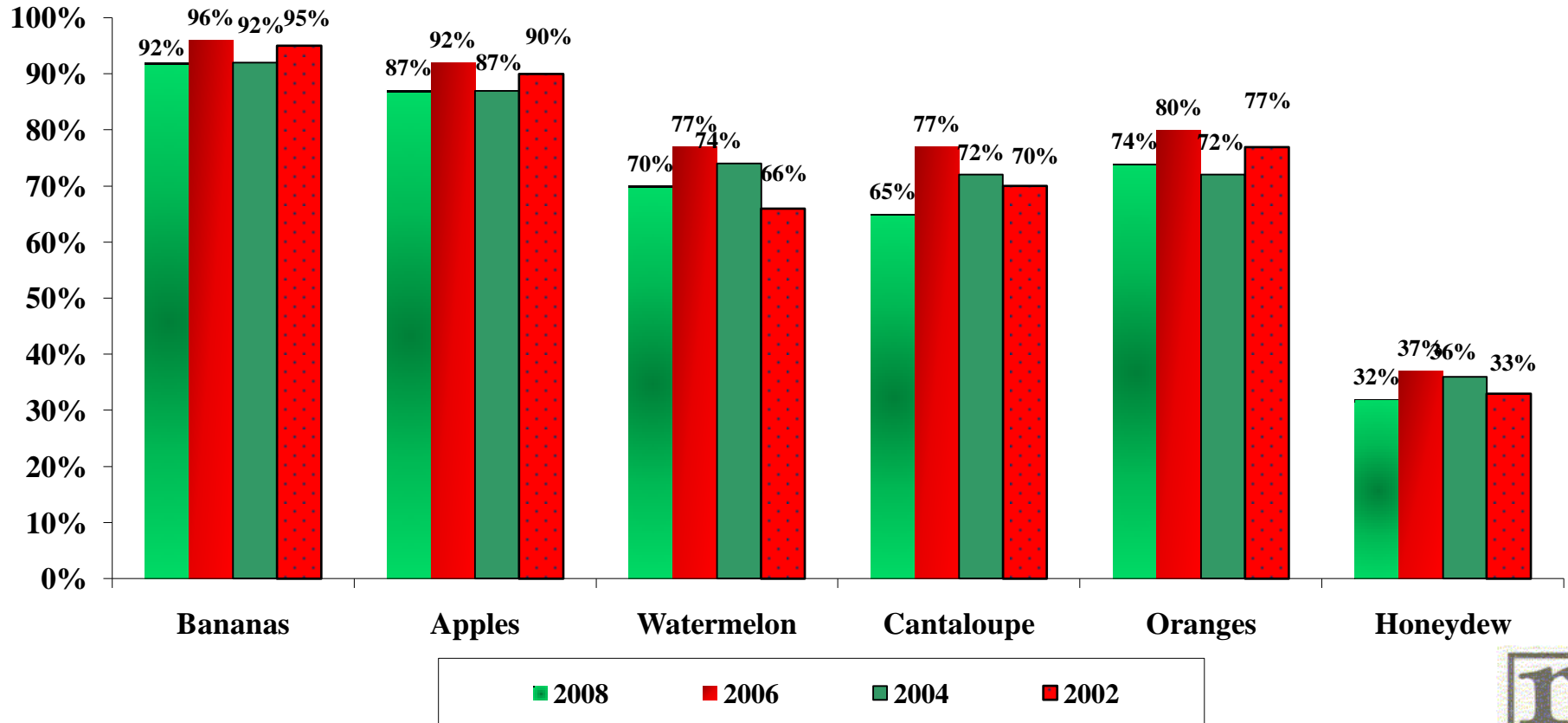
Purchase Penetration



Fruit Purchased Within the Past 12 Months



While incidence of purchasing produce has gone down slightly this year compared to previous years, watermelon purchase penetration remains strong despite weakened consumer spending.

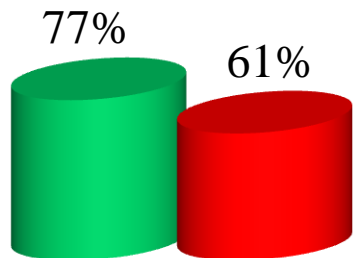


Watermelon Purchasers (By Subgroup)



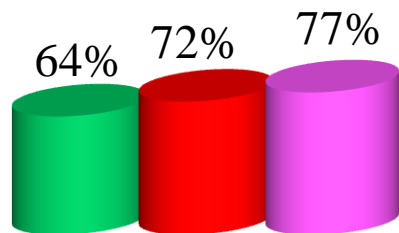
Watermelon purchasing is skewed toward consumers who are aware of watermelon health benefits, households earning in excess of \$50,000 and respondents with children under the age of 18 living at home.

Aware of Watermelon Health Benefits



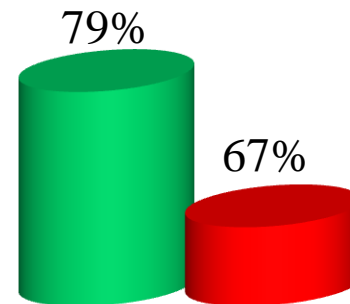
■ Yes ■ No

Income



■ <\$50K ■ \$50-\$75K ■ \$75K+

Children <18 @ Home



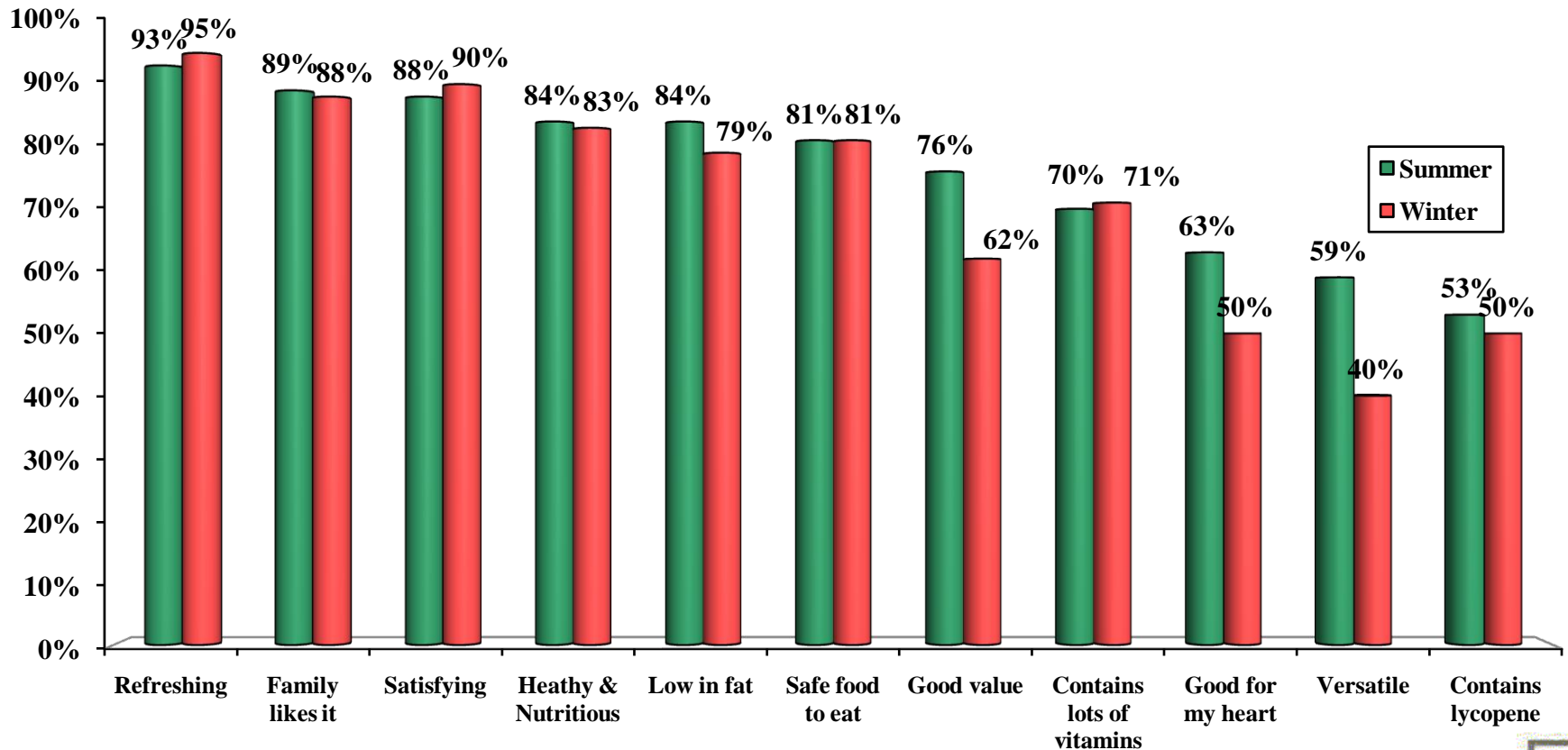
■ Yes ■ No

Reasons for Purchase & Non-Purchase

Watermelon Purchase Motivators



In addition to being loved for its refreshing great taste, consumers also praise watermelon for the following:



Reasons for Non-Purchase – Summer vs. Winter



While price is the major reason for not purchasing watermelon – especially in the winter, the perception that watermelon is a summer fruit, lack of availability and quality concerns are the primary reasons for not buying watermelon during the winter months.

| | <u>Summer</u> % | <u>Winter</u> % |
|--|--------------------|--------------------|
| It's too expensive/not a good value | 27 | 42 |
| It has a poor taste | 8 | 21 |
| It's poor quality | 5 | 23 |
| It's not available at the store where I shop | 3 | 27 |
| It has a poor texture | 3 | 11 |
| I only buy it in season | 1 | 8 |
| It's too cold outside | - | 14 |
| It's a summer fruit | - | 36 |
| Nothing/no particular reason | 62 | 66 |

Health Awareness & Benefits

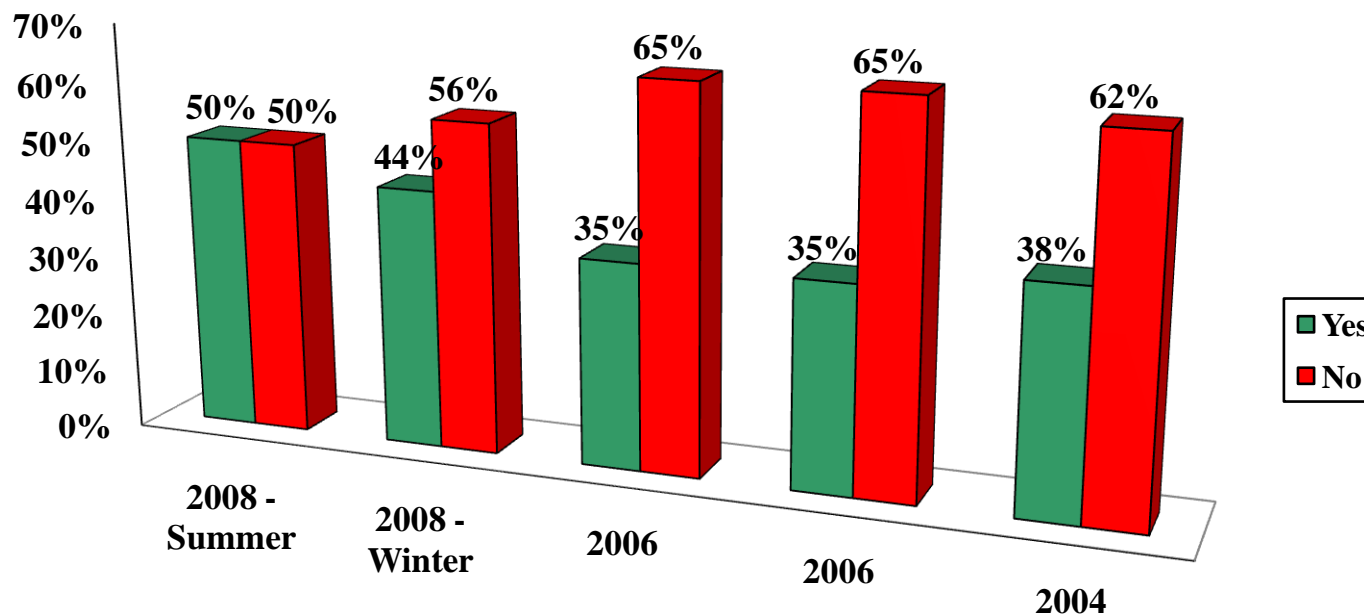


Awareness of Health Benefits



NWPB has been successfully promoting the various health benefits of watermelon - - and positively, awareness of it's health benefits continues to grow.

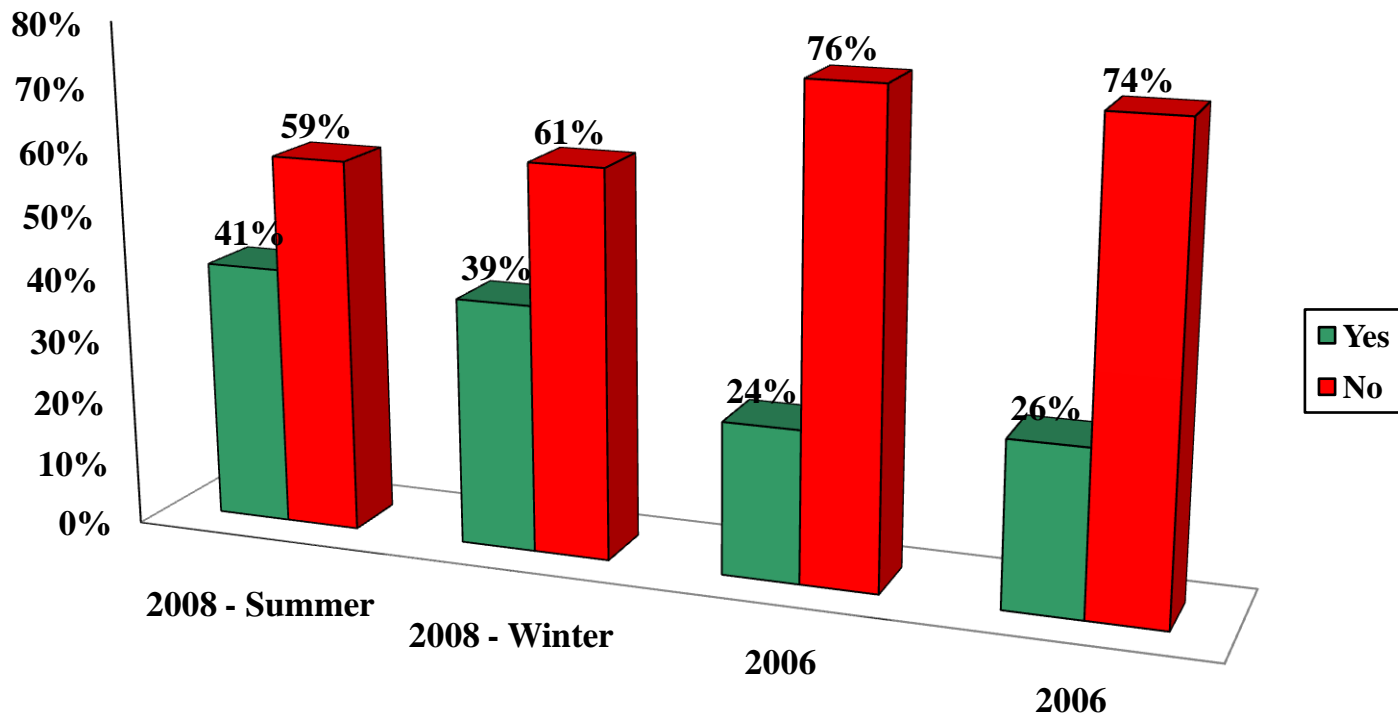
Awareness of Watermelon Health Benefits



Watermelon & Lycopene Content



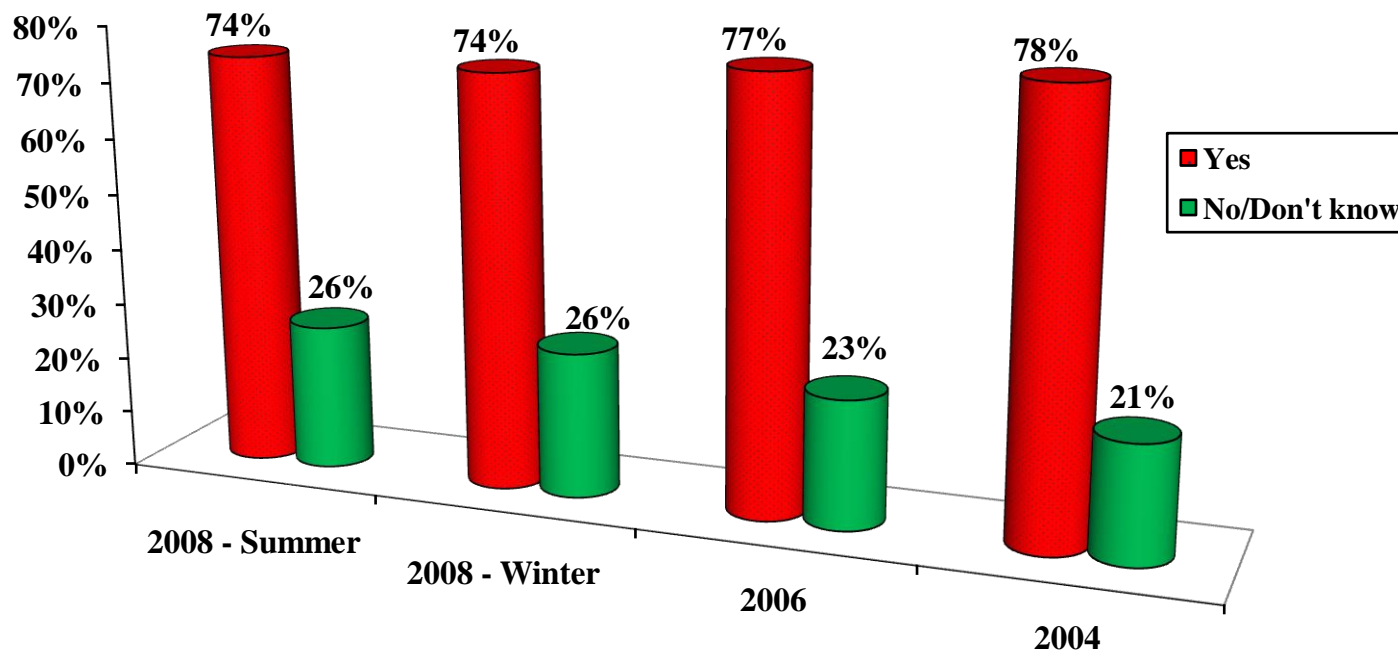
Also encouraging, a greater number of respondents (who know that watermelon contains lycopene) are aware that it contains more of this antioxidant than any other fresh produce item versus previous years.



Awareness of Watermelon Health Benefits and Purchase Intent



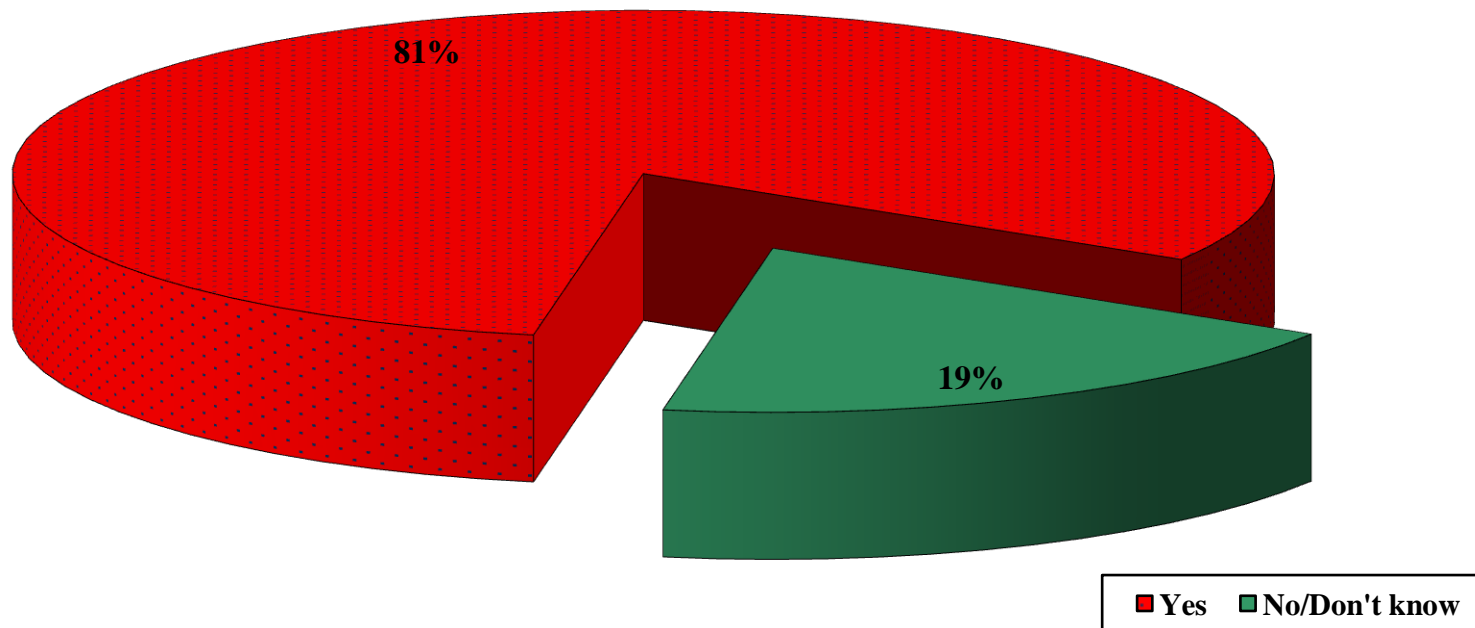
Moreover, and an indication of the importance of “watermelon health benefits”, the vast majority of the respondents (who are aware of watermelon health benefits) would buy watermelon because “it’s healthy and nutritious”.



Awareness of Heart-Healthy Benefits of Watermelon and Purchase Intent



Knowing that watermelon is “good for your heart” is even more impactful, as 81% of the respondents indicated that they would be more apt to buy it if they had this information.





NWPB Health Claims & Logos



Affect of Health Claims on Purchase Decision



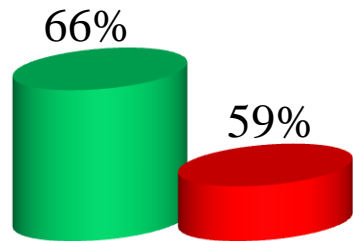
Reinforcing the importance of watermelon health perceptions, at least three-fifths of the consumers reported that all of the claims below (which have been approved for use by the USDA) would be impactful and encourage them to buy watermelon – however the more general positioning is directionally more positive.

| | <u>Summer</u> % | <u>Winter</u> % |
|--|--------------------|--------------------|
| Eating watermelon can help maintain cardiovascular health | 74 | 69 |
| Watermelon amino acids citrulline and arginine can help maintain blood flow and heart health | 72 | 67 |
| Watermelon consumption increases free arginine and citrulline, which can help maintain cardiovascular function | 70 | 67 |
| Watermelon has amino acids such as citrulline and arginine that help maintain arteries | 70 | 65 |

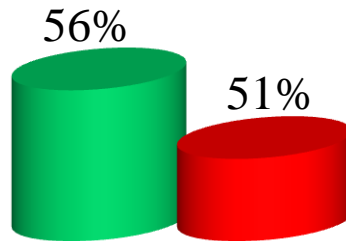
Affect of Health Claims on Purchase Decision



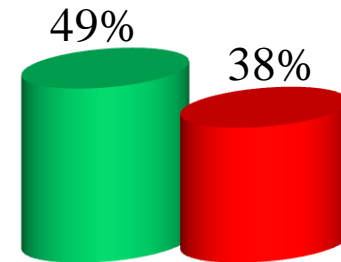
The “heart healthy” logo elicits a better response (in terms of stimulating purchasing), followed by the “lycopene leader” logo and the “I love watermelon” logo.



■ Summer ■ Winter



■ Summer ■ Winter



■ Summer ■ Winter



Price/Value, Economic Environment & Watermelon

Affect of Current Economic Environment



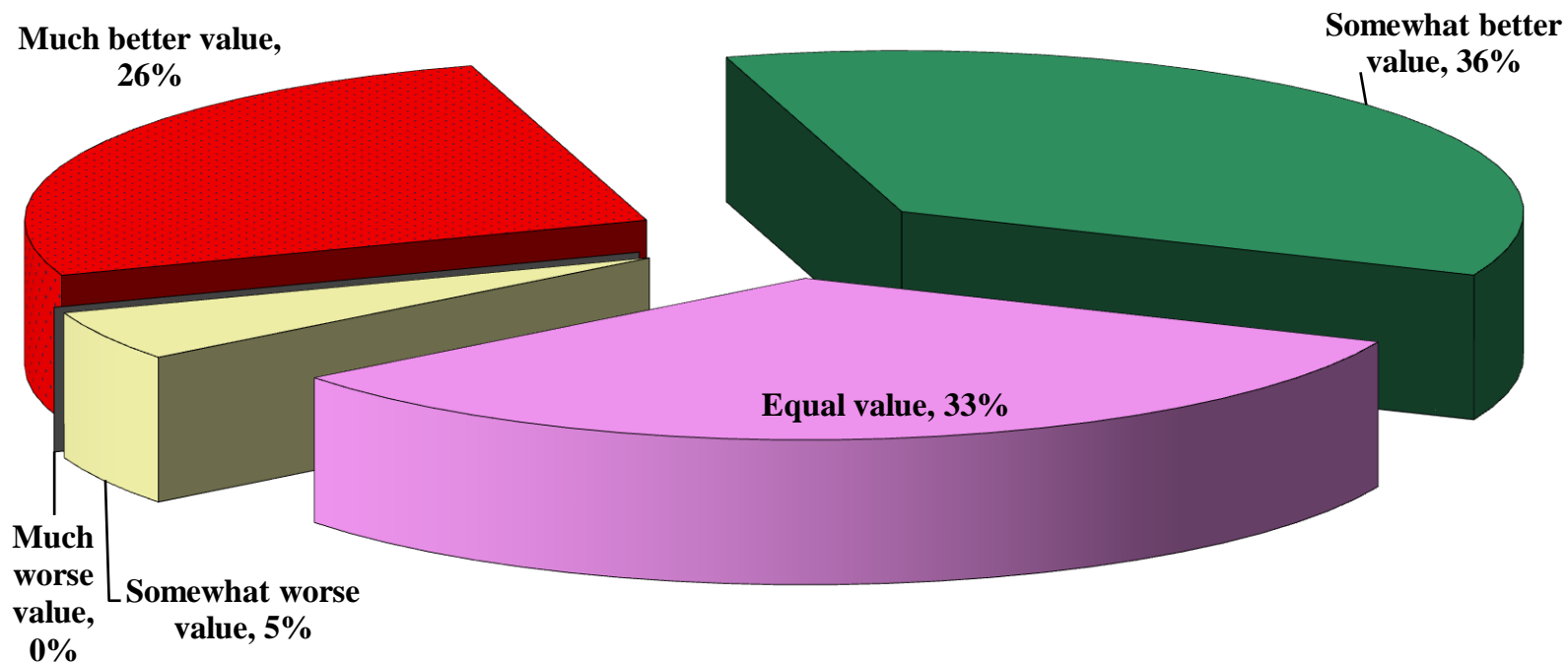
At least three-quarters of the respondents agree that they are paying more attention to prices (including food products) and cutting back on expenditures due to the current economic climate.

| | <u>Summer</u> % |
|--|--------------------|
| I am more concerned about the prices of food products than ever before | 87 |
| I am cutting back on my expenditures due to the current economic environment | 82 |
| I pay attention to prices when I'm shopping more than I used to | 88 |
| I am sacrificing luxury items and only buying the things I need | 76 |

Perceived Value for the Money - Summer



Importantly (especially in this soft economic environment), more than three-fifths of the respondents who've bought watermelon this past summer believe it is a better value compared to other produce items.





Recommendations



Recommendations






The National Watermelon Promotion Board should continue to stress its health strategy to consumers - - especially the cardiovascular/heart healthy messages (approved by the USDA) as well as utilize their “heart healthy” logo – which will help differentiate it from competitive items in the produce section.



In addition, the NWPB should consider positioning watermelon as the produce item that offers the best value for the money (especially price per pound) during these difficult economic times.

Recommendations

-  The NWPB should also reinforce watermelon “all-year-round” usage by stressing its healthiness, versatility and availability as this can result in significant sales gains.
-  In addition, the NWPB should consider testing promotions before launch to determine which ones will work the best in terms of increasing sales.
-  Finally, based upon our experience working with numerous commodities (some of whom have had to change their strategic plans based upon our research results and the declining economy), results from this study validate & confirm NWPB’s 2009 strategic approach of “Making Watermelon an Everyday Healthy Choice”.