

WATERMELON ATTITUDES AND USAGE IN FOODSERVICE

Applications
Hurdles
Opportunities

September 2023



Key Objectives

- Understand current use of fresh watermelon overall and by format
- Identify pain points or hurdles to use
- Identify opportunities for driving increased use of watermelon
- Measure perceptions of watermelon
- Assess current menuing behavior and potential innovation areas to drive growth
- Understand opportunities for nonuser conversion
- Gauge opportunities for National Watermelon Promotion Board messaging and activities

This is the second year for what is now the NWPB's benchmarking study, which will allow the Board and industry to better track opportunities, gains and engagement in foodservice.



Methodology

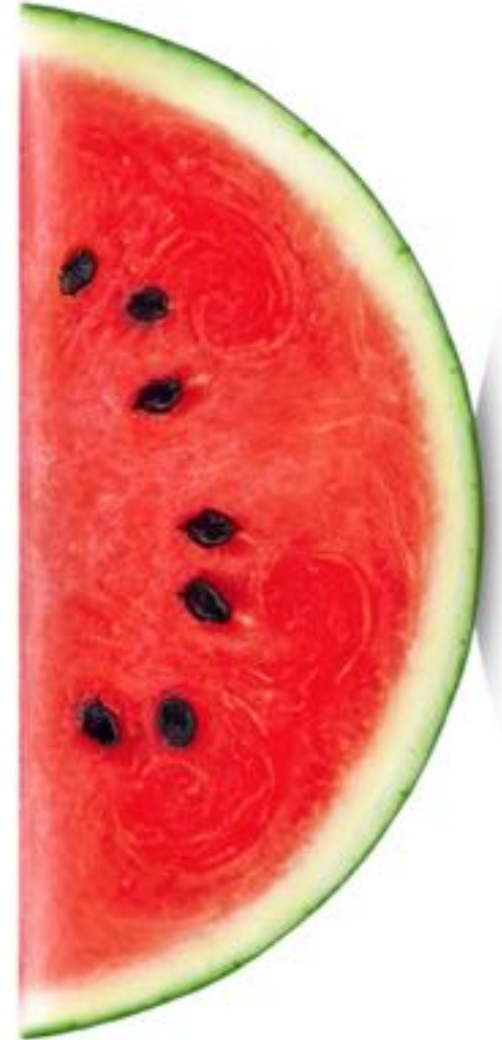
The following methodology was used to complete this project and meet stated objectives

- Survey designed in close cooperation with the National Watermelon Promotion Board
- Online survey fielded to operators across all commercial, noncommercial and retail segments
 - Note that retail sample is too small to analyze separately but is included in the total results.
- 400 operators were qualified based on purchase responsibility
- The online survey was fielded in June 2023
- This report both analyzes both the 2023 findings and trends results from 2022 as possible



Industry Dynamics Impacting Results

- 🍉 Ongoing labor supply and skill issues
- 🍉 Ongoing supply chain issues
- 🍉 Inflation and recessionary concerns
- 🍉 Increased competition from a wider array of segments
- 🍉 Return to pre-pandemic innovation efforts



Definitions/ Terms

- ◈ **LSR** – limited service restaurants including quick service/ fast food and fast casual
- ◈ **FSR** – full service restaurants including midscale/ family style, casual dining, high-end casual dining and fine dining
- ◈ **Noncommercial** – also referred to as “on-site” or any operation for which foodservice revenue is not the primary focus
- ◈ **Retail** – includes all prepared food at retail venues
- ◈ **Penetration** – percent of restaurants featuring at least one item featuring watermelon
- ◈ **Application** – any way in which a foodservice operator uses watermelon





FRESH WATERMELON USAGE

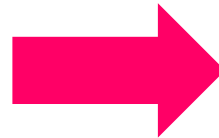
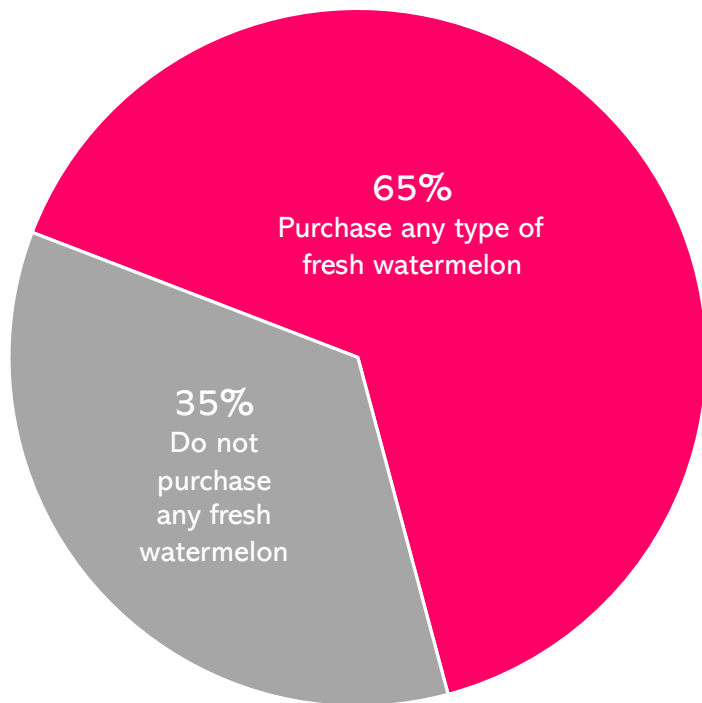
Penetration

Fresh Formats Used

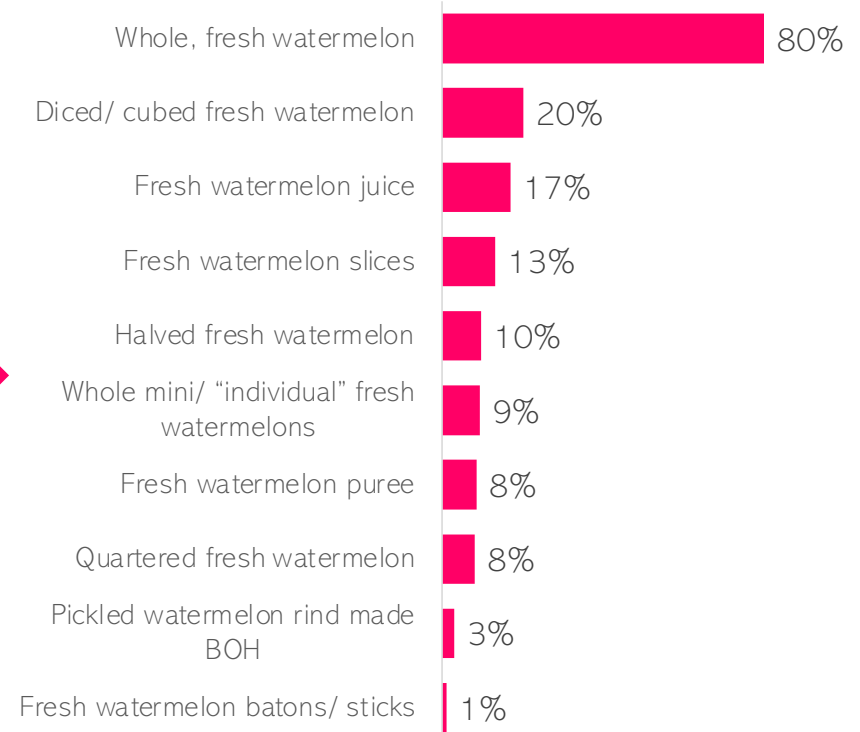
Valued Added Use

Most operators feature fresh watermelon on the menu, up from 38% in 2020 and 50% in 2022.

Fresh Watermelon Penetration



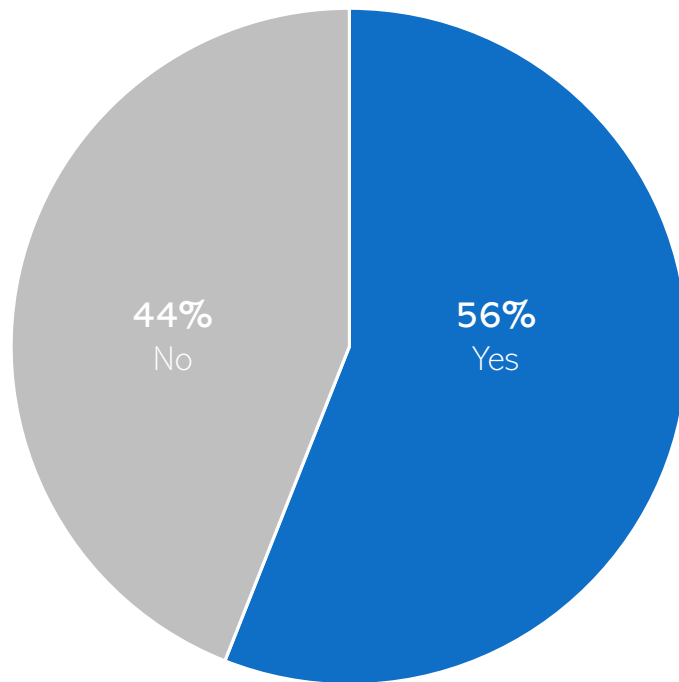
Fresh Format Usage Among Users



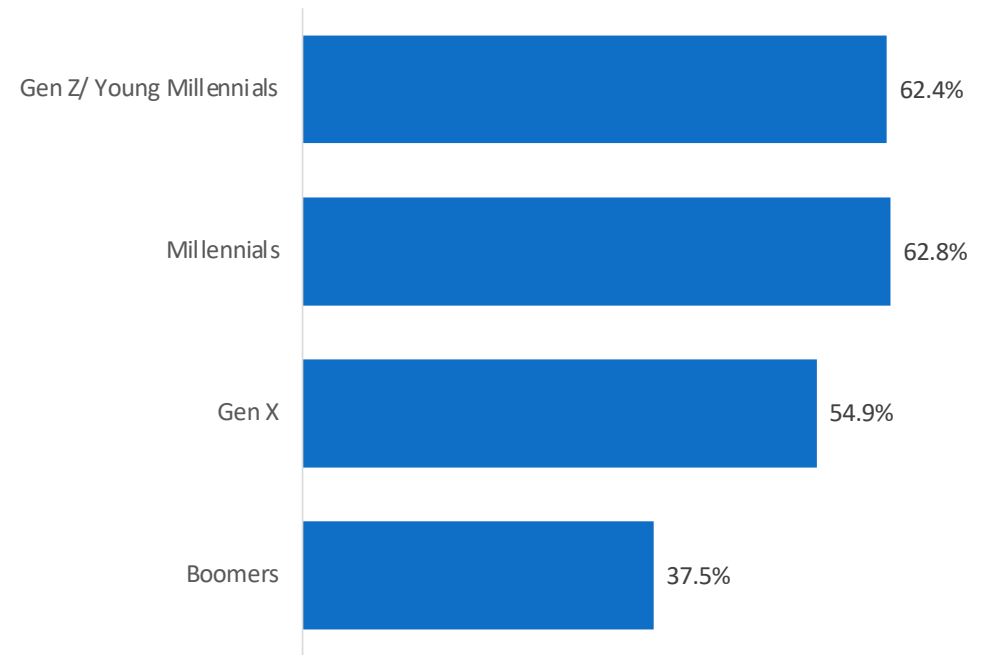
Q: - Which of the following FRESH WATERMELON formats or options do you currently purchase for use in your operation? Please select all that apply. (n=401, 262)

Last year, nearly 60% of consumers had ordered something with watermelon in the past six months

Past Six Month Ordering of Watermelon AFH



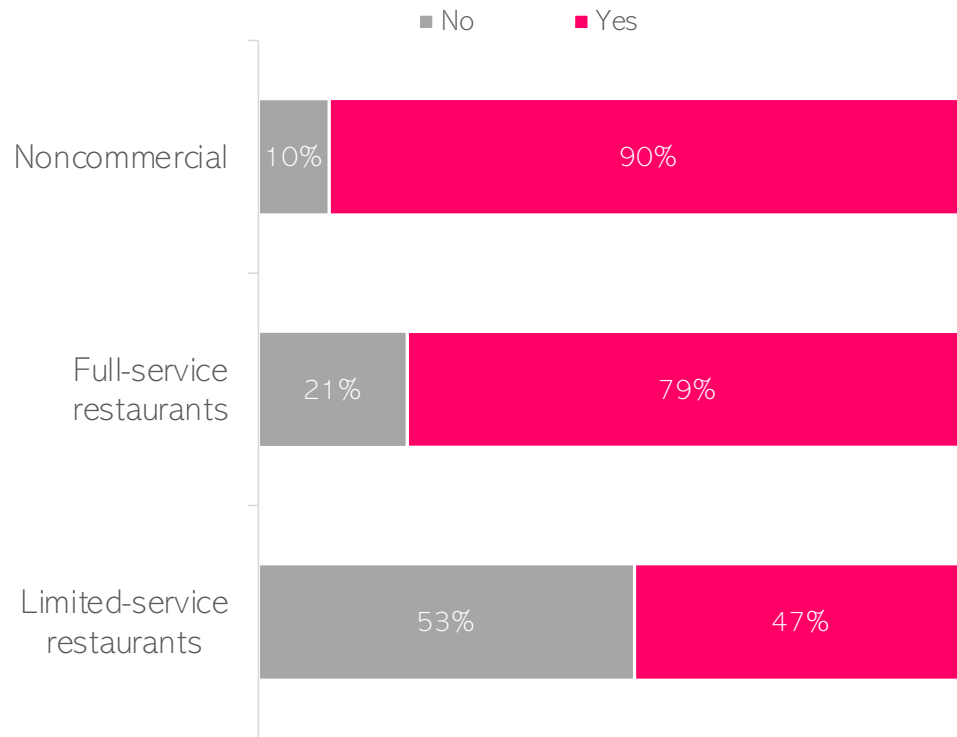
Ordered Watermelon AFH Past Six Months



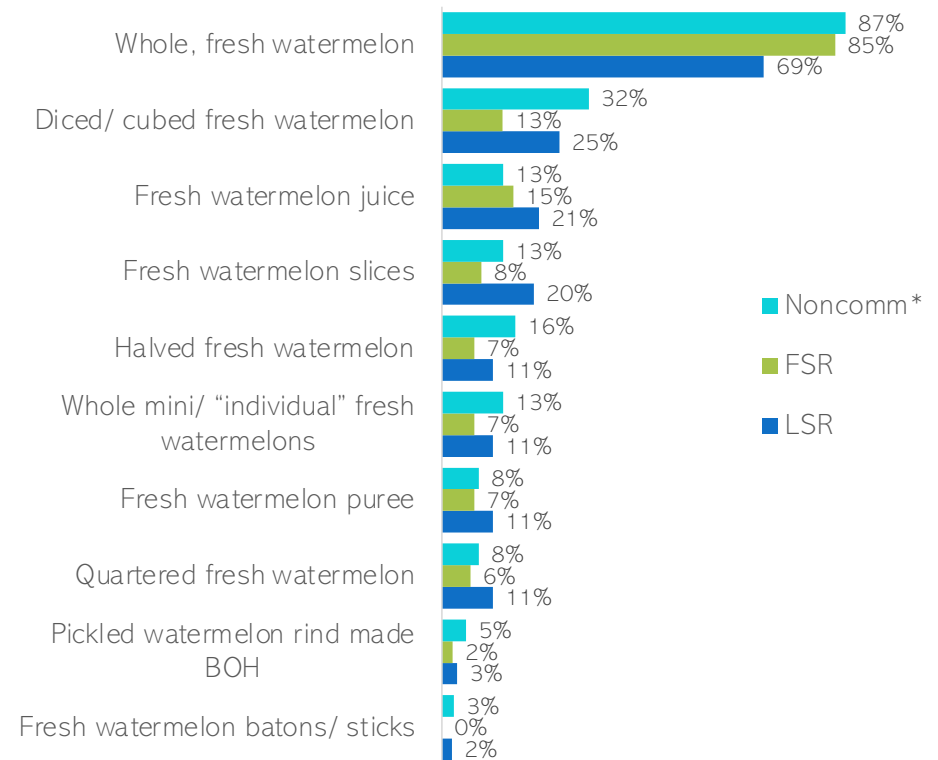
Q: Have you ordered a food or beverage item from a restaurant that incorporated fresh watermelon or was watermelon flavored within the past six months? (n=1185)
 NOTE: Survey was fielded in July, which is the height of watermelon season. This may have elevated the share of consumers who have ordered watermelon in the past six months

Noncommercial operators are more likely to use fresh watermelon and use a wider variety of formats

Fresh Watermelon Penetration



Fresh Format Usage Among Users



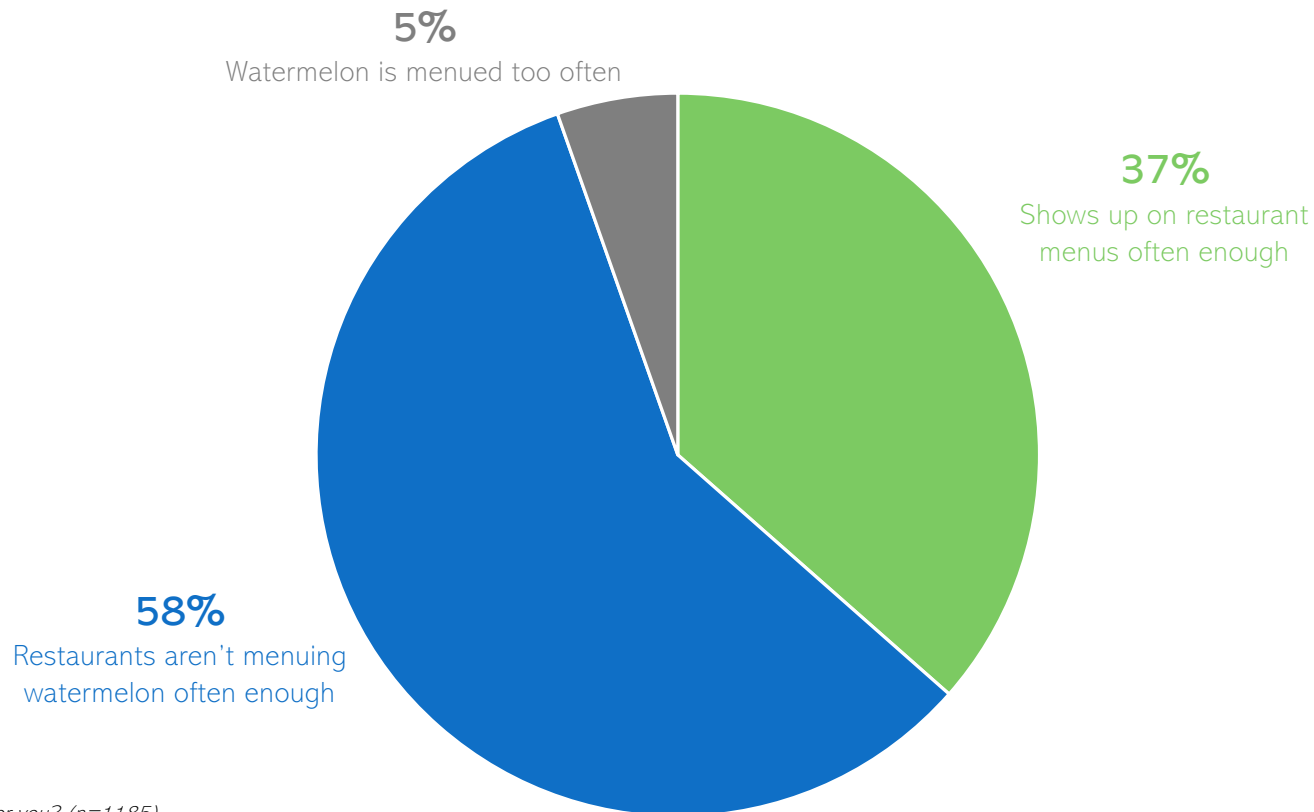
Q: - Which of the following FRESH WATERMELON formats or options do you currently purchase for use in your operation? Please select all that apply. (n=401, 262)

*Very small sample size

Watermelon is far from over-exposed in foodservice based on consumer perceptions from last year's study.

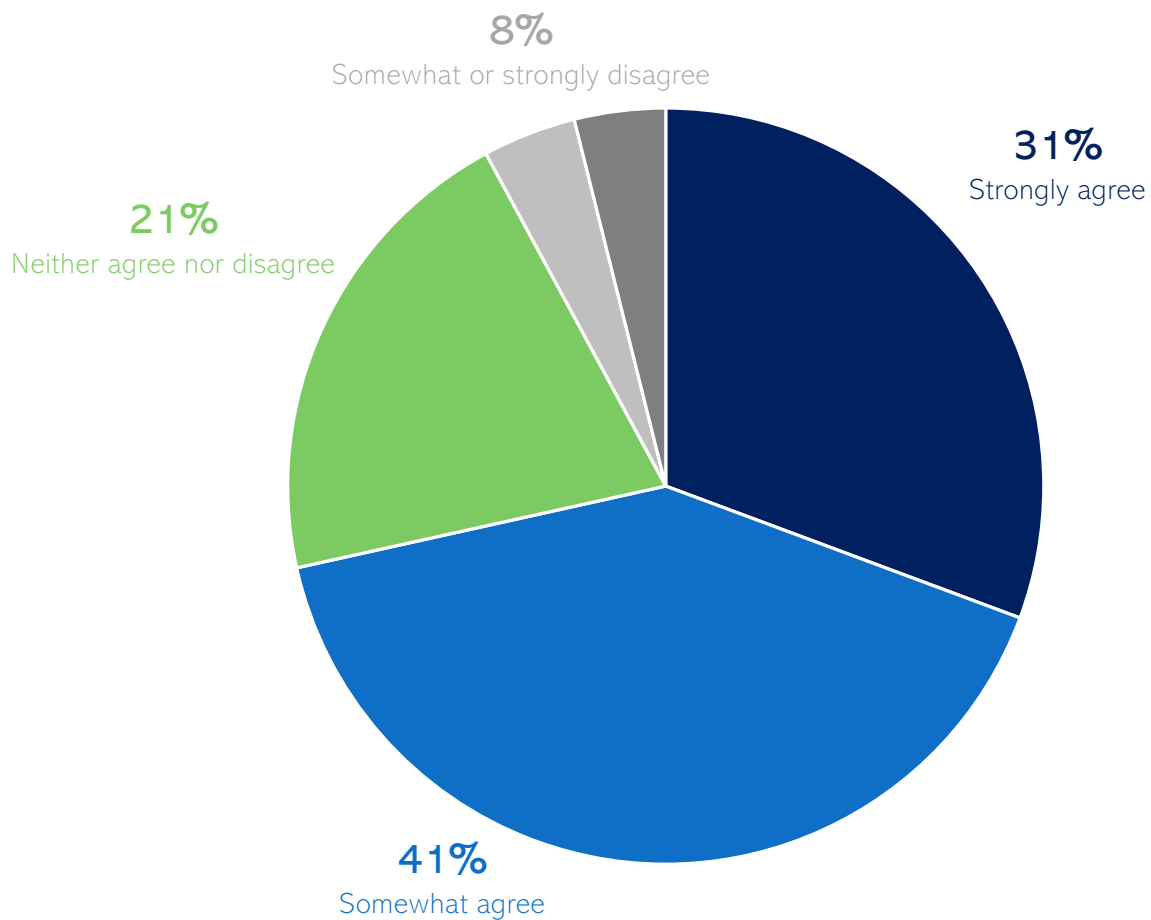
CONSUMER

Perception of Watermelon Innovation AFH



Q: Which of the following is true for you? (n=1185)

Statement Agreement



Statement Tested:
“Fresh watermelon is under appreciated, and restaurants should be doing more to use fresh watermelon in new and interesting ways.”

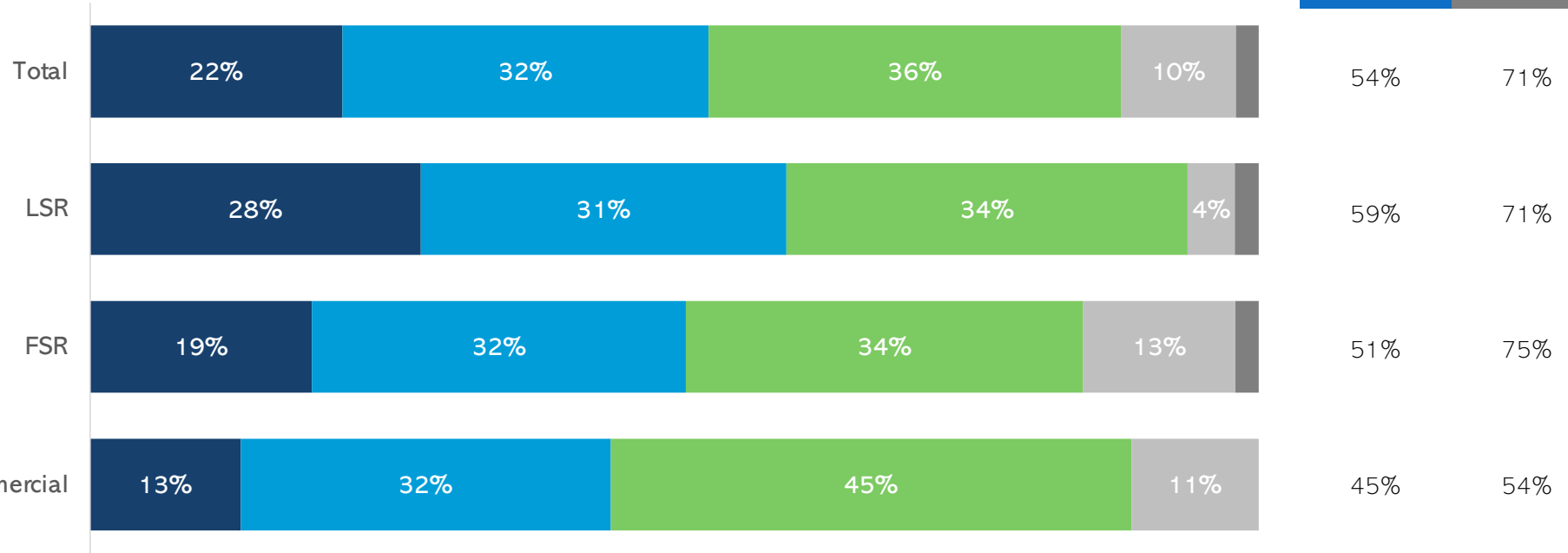
Q: To what degree do you agree with the following statement: Fresh watermelon is under appreciated, and restaurants should be doing more to use fresh watermelon in new and interesting ways. (n=1162)

Watermelon use continues to grow, but at slower rate as operators move past post-pandemic recovery

Change in Fresh Watermelon Use Among Users Past Year

■ Significantly increased
 ■ Somewhat increased
 ■ No change
 ■ Somewhat decreased
 ■ Significantly decreased

Top 2 Box 2023	Top 2 Box 2022
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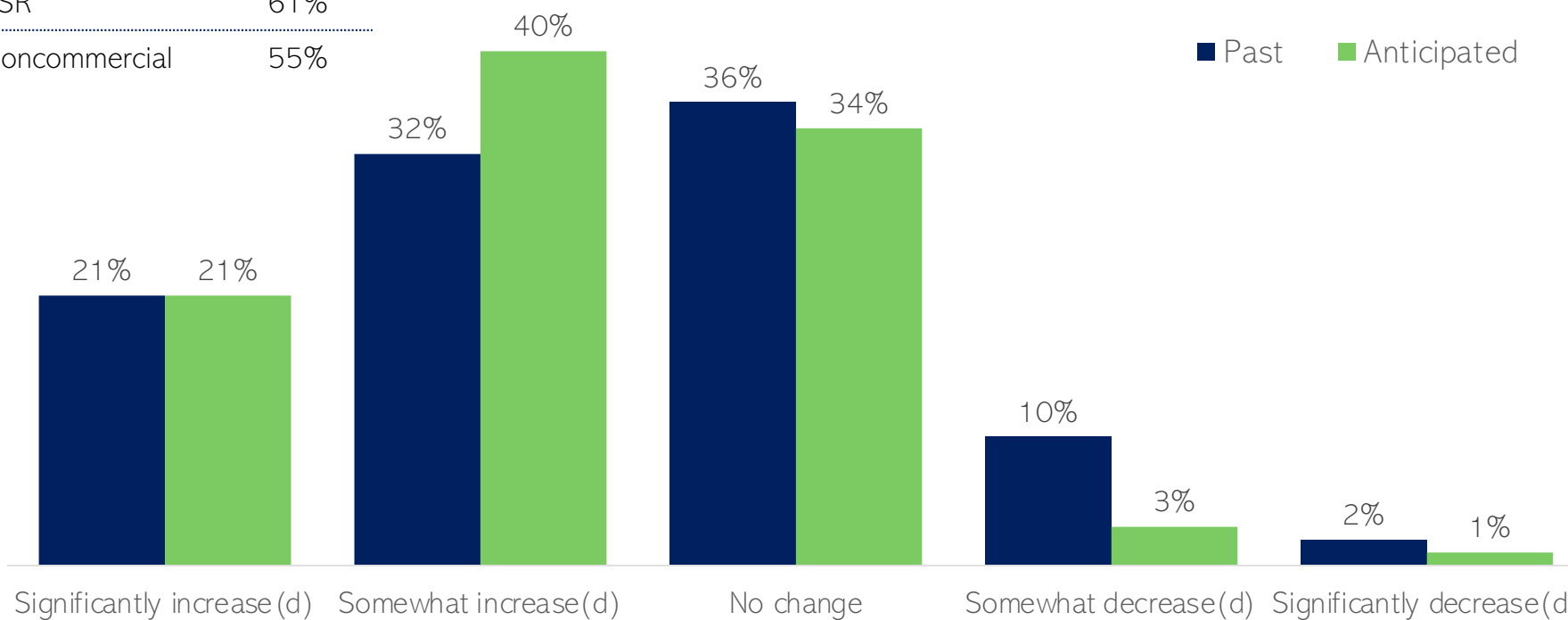
Q: - How has your use of fresh watermelon changed over the past year? (n=262, 93, 131, 38*)
 *Extremely small sample size

Watermelon use expected to grow over coming year

Share Indicating Anticipated Increase

LSR	63%
FSR	61%
Noncommercial	55%

Past vs Anticipated Change in Watermelon Use

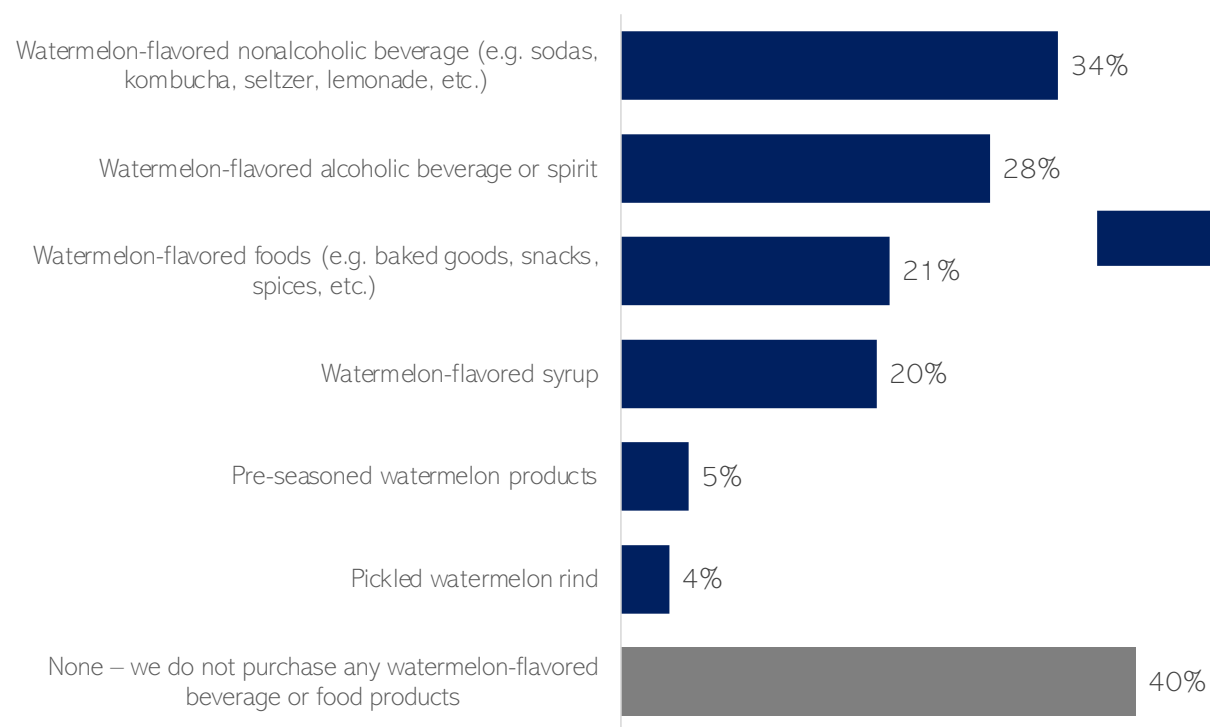


Q: - How has your use of fresh watermelon changed over the past year? (n=262)

Q: - How do you expect your use of fresh watermelon to change over the next year? (n=262)

Value-added watermelon products are common, even among fresh users

Use of Value-added Watermelon Products



76% of fresh watermelon users also use some type of value-added watermelon product.

30% of fresh nonusers use a value-added watermelon product. Among fresh nonusers currently using value-added products, the most commonly used are syrups (44%), nonalcoholic beverages (44%), and alcoholic beverages (35%).

Fresh users are more likely than nonusers to add watermelon-flavored foods/ beverages in next year

Q: - Do you currently purchase any of the following watermelon-flavored products for your operation? Please select all that apply. (n=401)

Operators love the taste of fresh watermelon

46%
Love the taste of watermelon

Second Tier Attributes

Offers vibrant color	29%
Offers health benefits/ increases dish healthfulness	28%
Good value for money	24%
Love the texture	21%
Doesn't require much skill to prepare/ handle BOH	21%
Popular with customers	20%
Easy to work with/ prepare	20%

Bottom Tier

Items made with fresh watermelon hold well	5%
Works well in innovative applications	6%
Wide variety of types/ formats available	6%
Consistent/ reliable ripeness	8%
Good fit for dayparts on menu	8%
Items made with fresh watermelon work well for delivery/ off-premise	8%

Q: - What attribute do you most closely associate with fresh watermelon? Please select all that apply. (n=401)

Q: - Of the attributes you most closely associate with fresh watermelon, please rank each attribute in order of how closely you associate that attribute with fresh watermelon. Rank the most closely associated attribute #1, the second most closely associated attribute #2, and the third #3, etc. (n=401 - %'s rebased to total)



FRESH WATERMELON MENUING DYNAMICS

Seasonality, Promotions

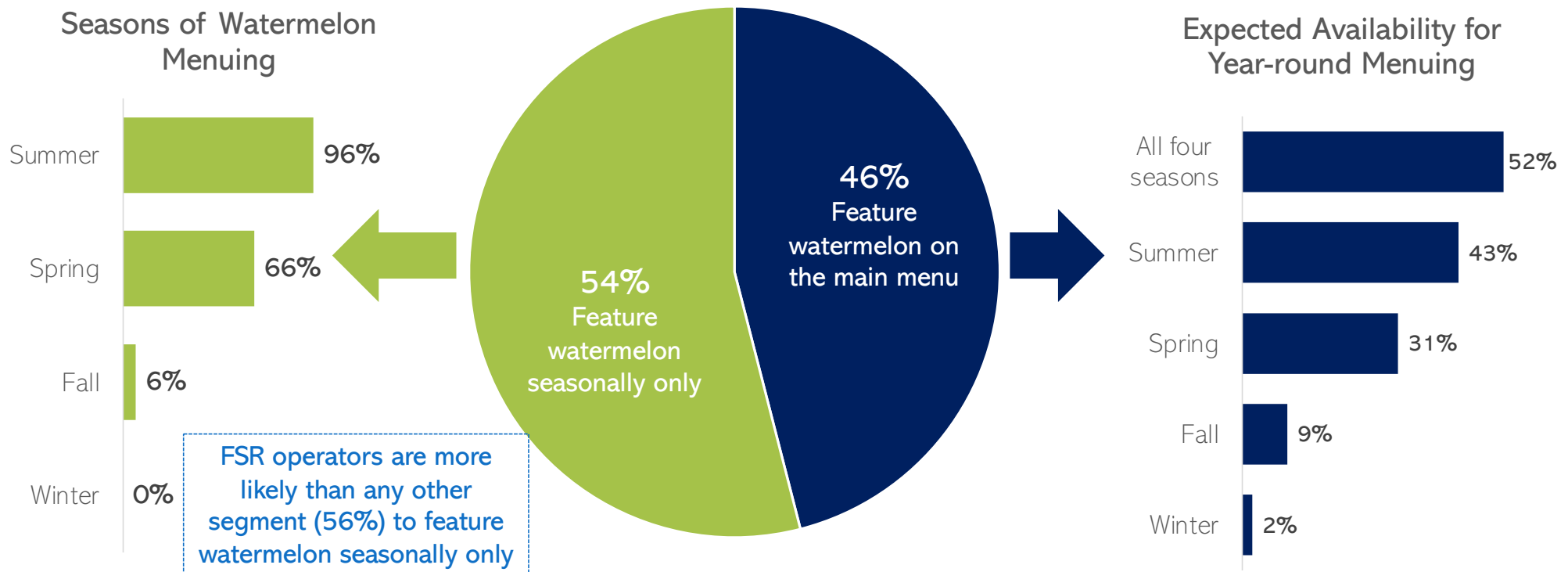
Applications

Off-premise Menuing



Spring and summer menuing are most common seasons, though year-round menuing does occur

Main Menu vs Seasonally Only



Q: - Do you feature fresh watermelon on your main menu year-round or do you feature fresh watermelon seasonally only? (n=262)

Q: - During which seasons do you feature fresh watermelon as a seasonal item? Please select all that apply. (n=141)

Q: - When menuing year-round, for how many months do you expect fresh watermelon to be available? Please select all that apply. (n=121)

Spring and summer offers watermelon the greatest opportunity.

CONSUMER

Seasonal Demand for Watermelon AFH

78.7%

43.1%

23.7%

12.3%

20.7%

Spring

Summer

Fall

Winter

Year-round

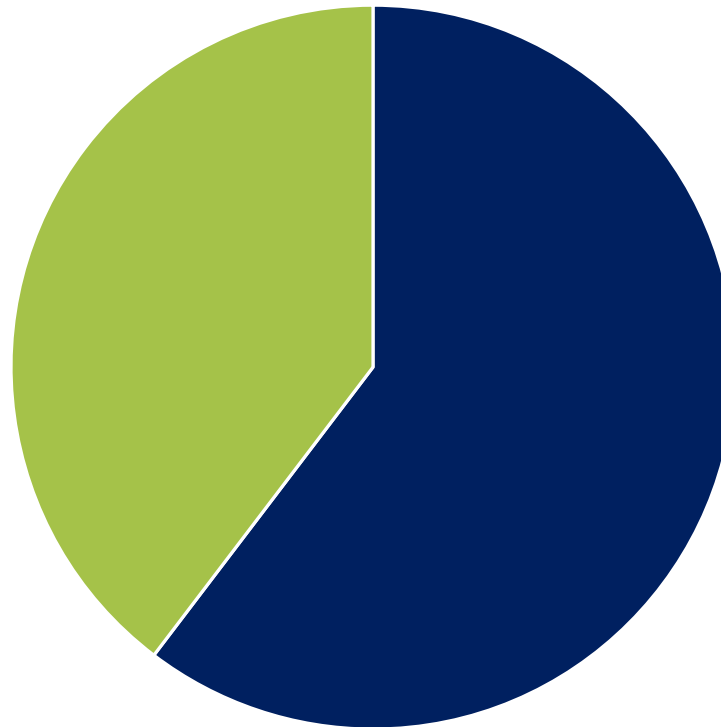
Note that while watermelon pricing and availability in spring may present challenges in leveraging this season, watermelon is intuitively a warm weather vs a cold weather fruit.

Q: During which of the following seasons would you like to see fresh watermelon incorporated into menu items? Please select all that apply. (n=1160)

Seasonal availability is part of watermelon's appeal for most operators – users and nonusers

Seasonal vs Year-round Availability

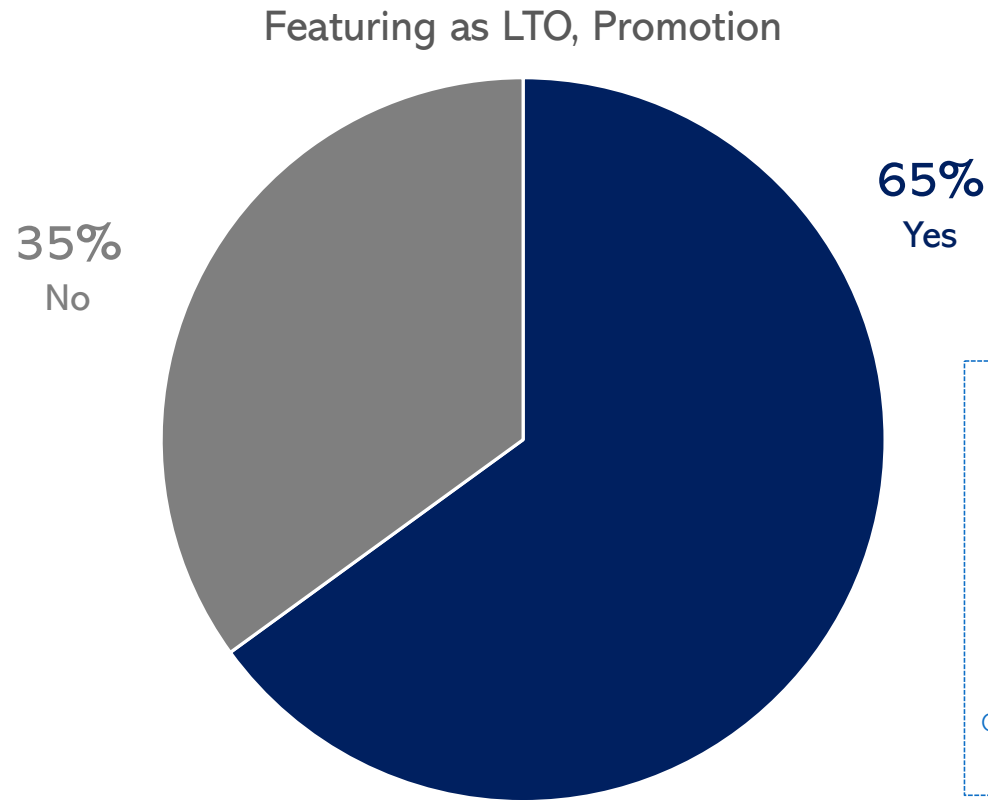
40%
Popularity means year-round availability would make it a more attractive ingredient



60%
Watermelon is special because it's only available seasonally

Q: - Which of the following statements is true for you? (n=401)

Watermelon is a promotion favorite



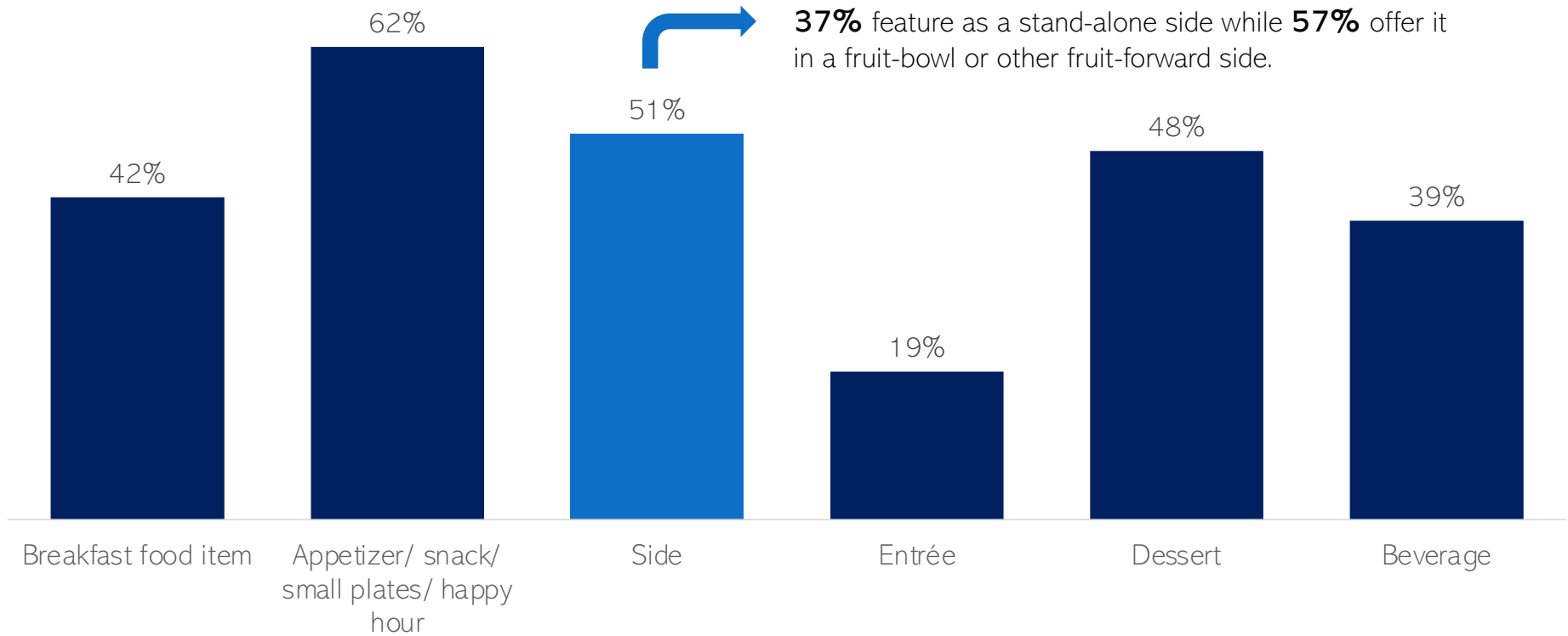
62% of operators featuring watermelon on the main menu/ year round also feature it as an LTO or promotion.

69% of seasonal menuers feature watermelon as an LTO or promotion beyond featuring it on the seasonal menu.

Q: - Do you feature fresh watermelon in limited time offers and other promotions? (n=262)

Watermelon is featured across the menu, but lags in entrées

Application by Menu Part



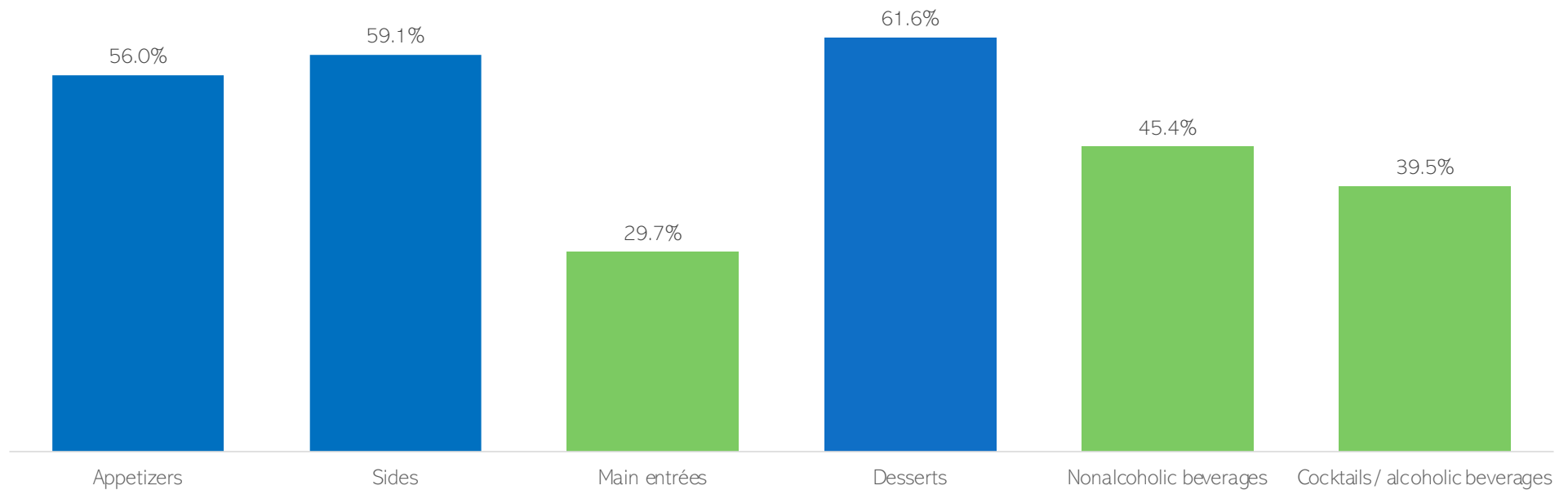
Q: - In which of the following menu parts do you feature fresh watermelon? Please select all that apply. (n=262)

Q: - How do you feature fresh watermelon in your side item(s)? Please select all that apply. (n=133)

Consumers are interested in a range of applications, with interest paralleling menuing for the most part.

CONSUMER

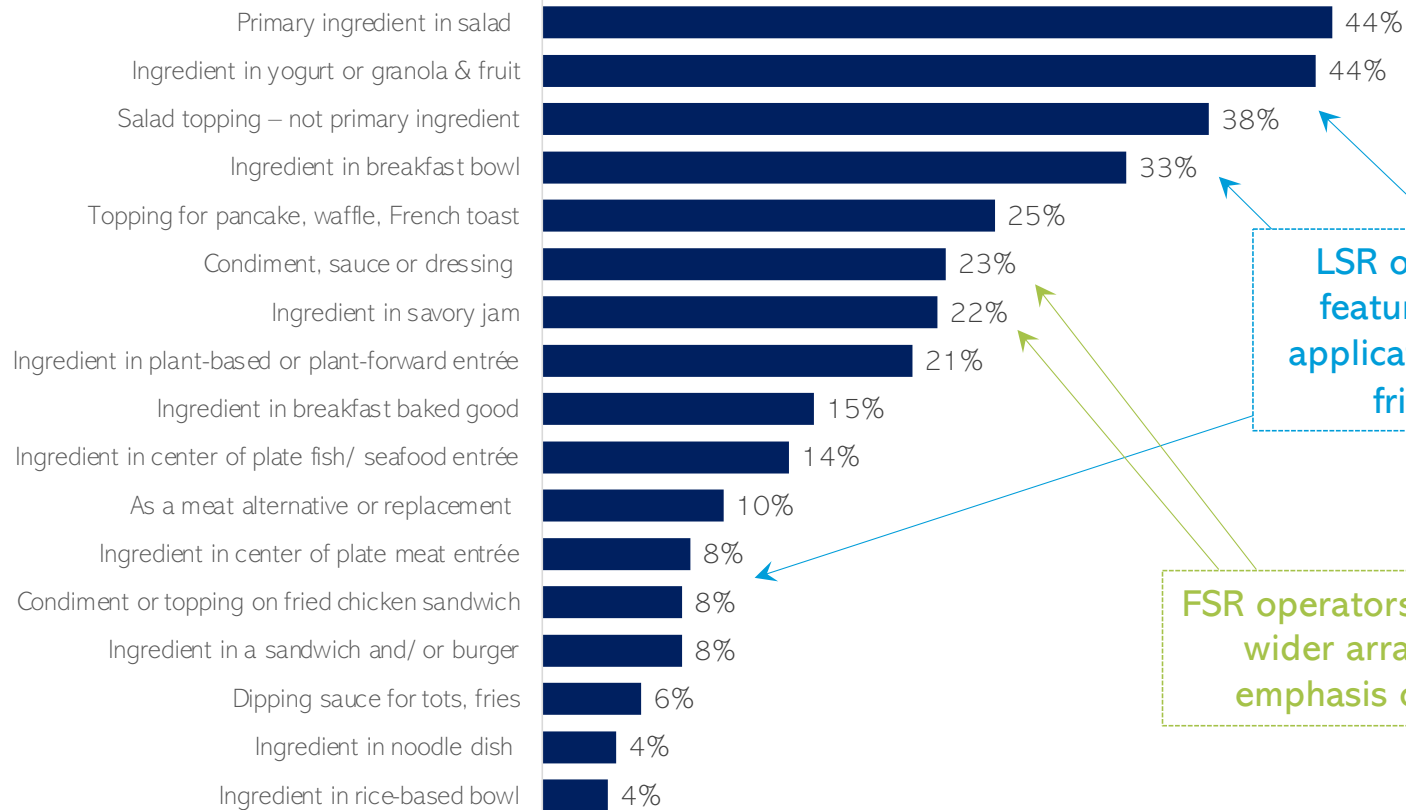
Menu Part Demand for Watermelon AFH



Q: In which of the following types of dishes would you like to enjoy fresh watermelon when dining away from home? Please select all that apply. (n=1160)

Watermelon is used broadly – driven by salads, similar applications

Savory Applications



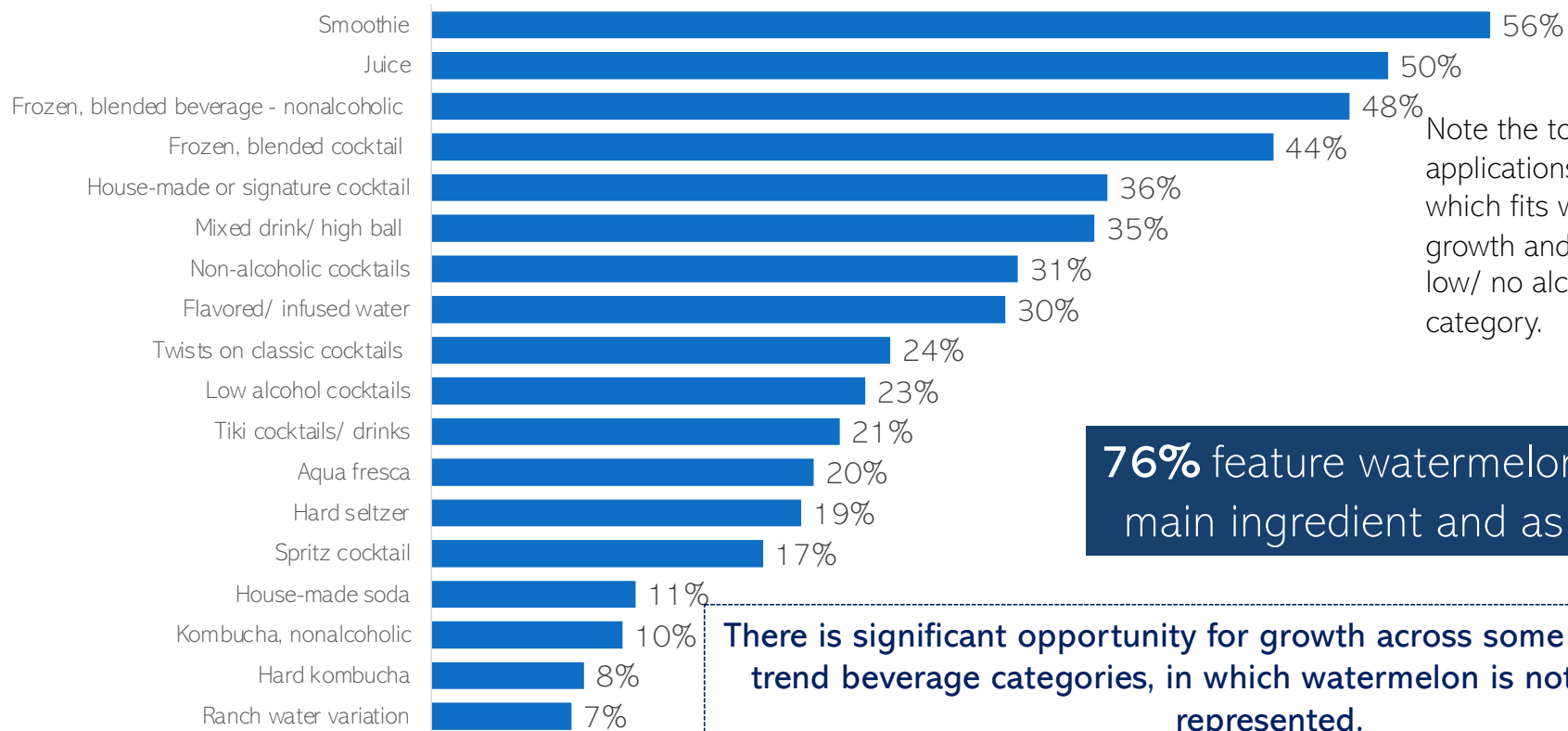
LSR operators are more likely to feature watermelon in breakfast applications and as a condiment on fried chicken sandwiches.

FSR operators use watermelon across a far wider array of applications, with an emphasis on salads and condiments.

Q: - In what type of food items do you currently feature fresh watermelon? Please select all that apply. (n=216)

Watermelon even more versatile in beverages

Beverage Applications



Note the top three applications are nonalcoholic, which fits with ongoing growth and expansion of the low/ no alcohol beverage category.

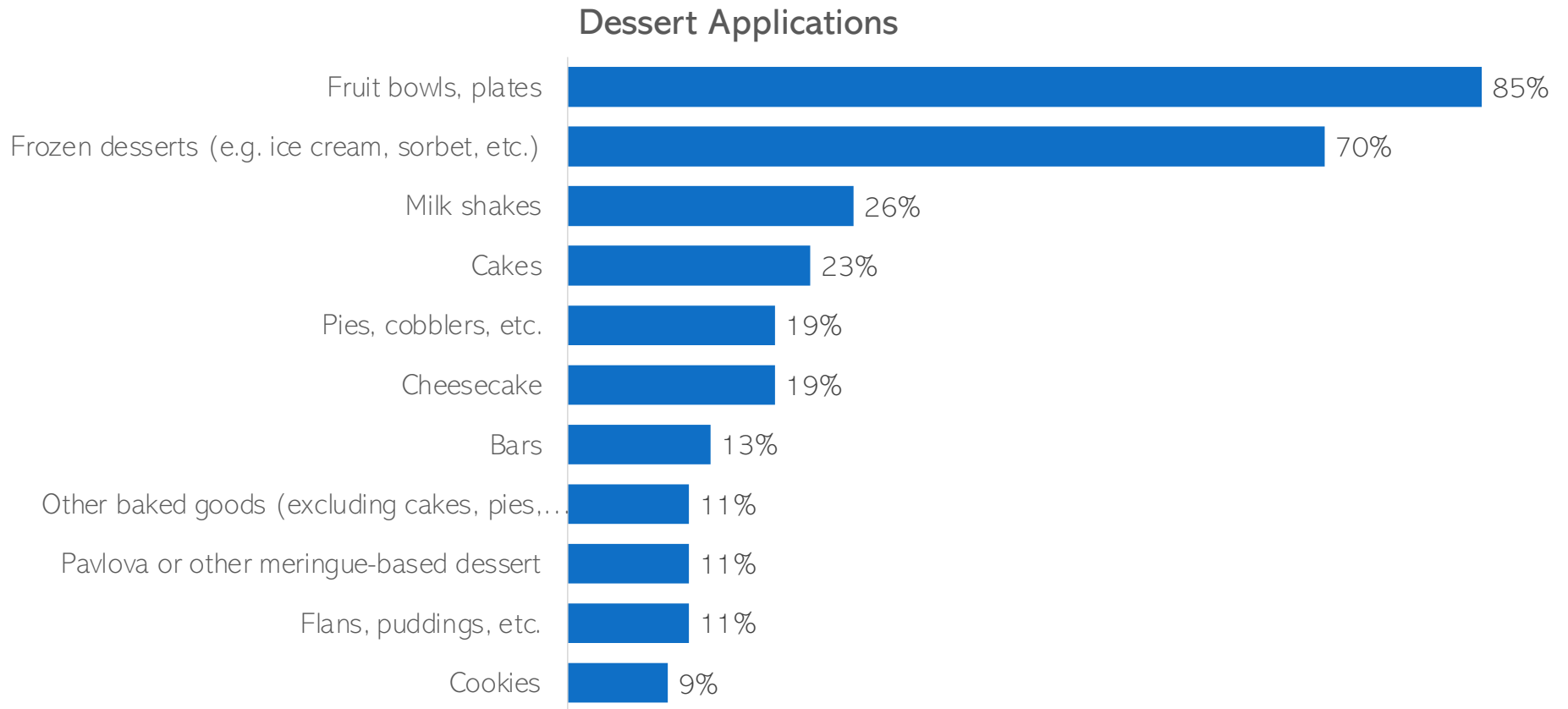
76% feature watermelon as both a main ingredient and as a garnish

There is significant opportunity for growth across some of the more on-trend beverage categories, in which watermelon is not currently well represented.

Q: - In which of the following types of beverages do you currently feature fresh watermelon? Please select all that apply. Note this does not include beverages you purchase that are watermelon flavored. (n=149)

Q: - Across the beverage(s) in which you feature fresh watermelon, is the fresh watermelon a primary ingredient or a garnish? (n=149)

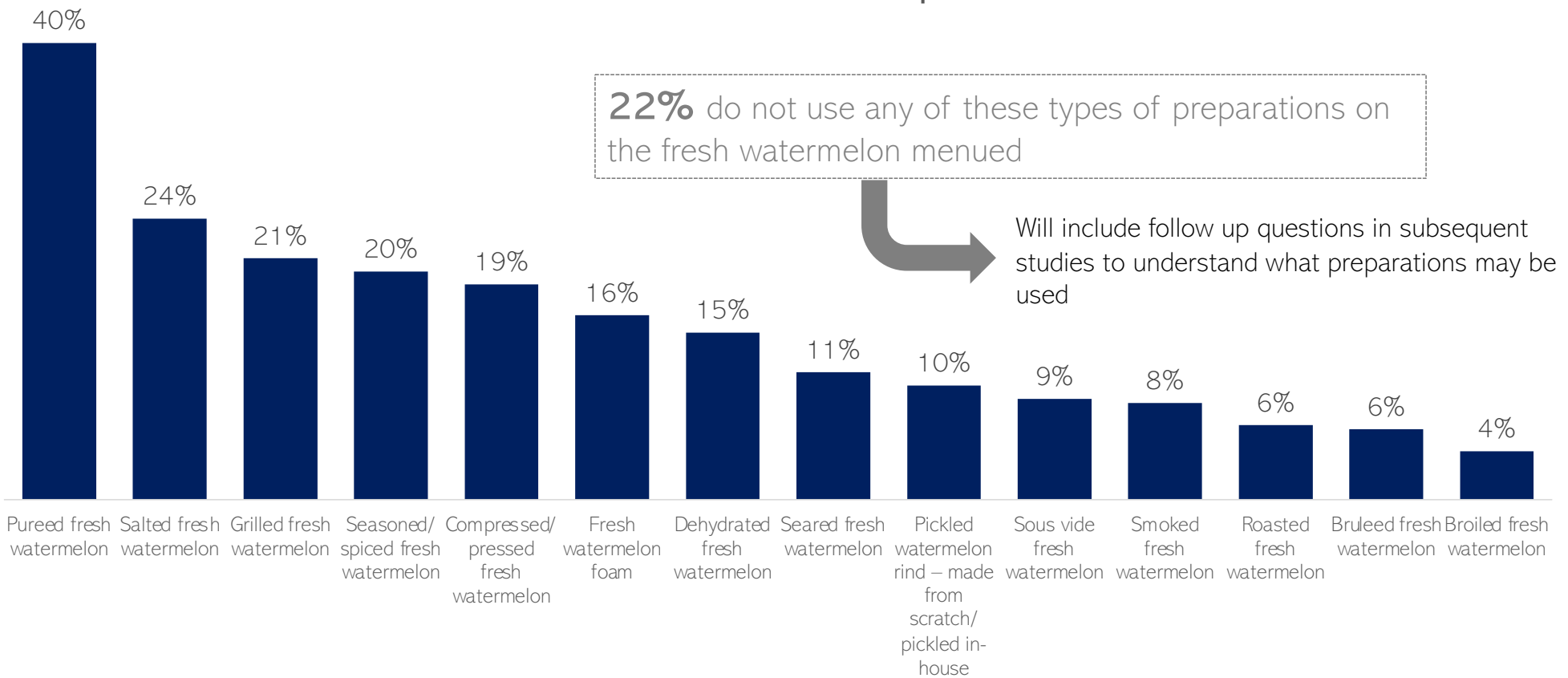
Less watermelon innovation within desserts



Q: - Considering the desserts in which you feature fresh watermelon, what types of dessert(s) do you currently use fresh watermelon in? Please select all that apply. (n=151)

Pureeing remains the most common fresh watermelon prep

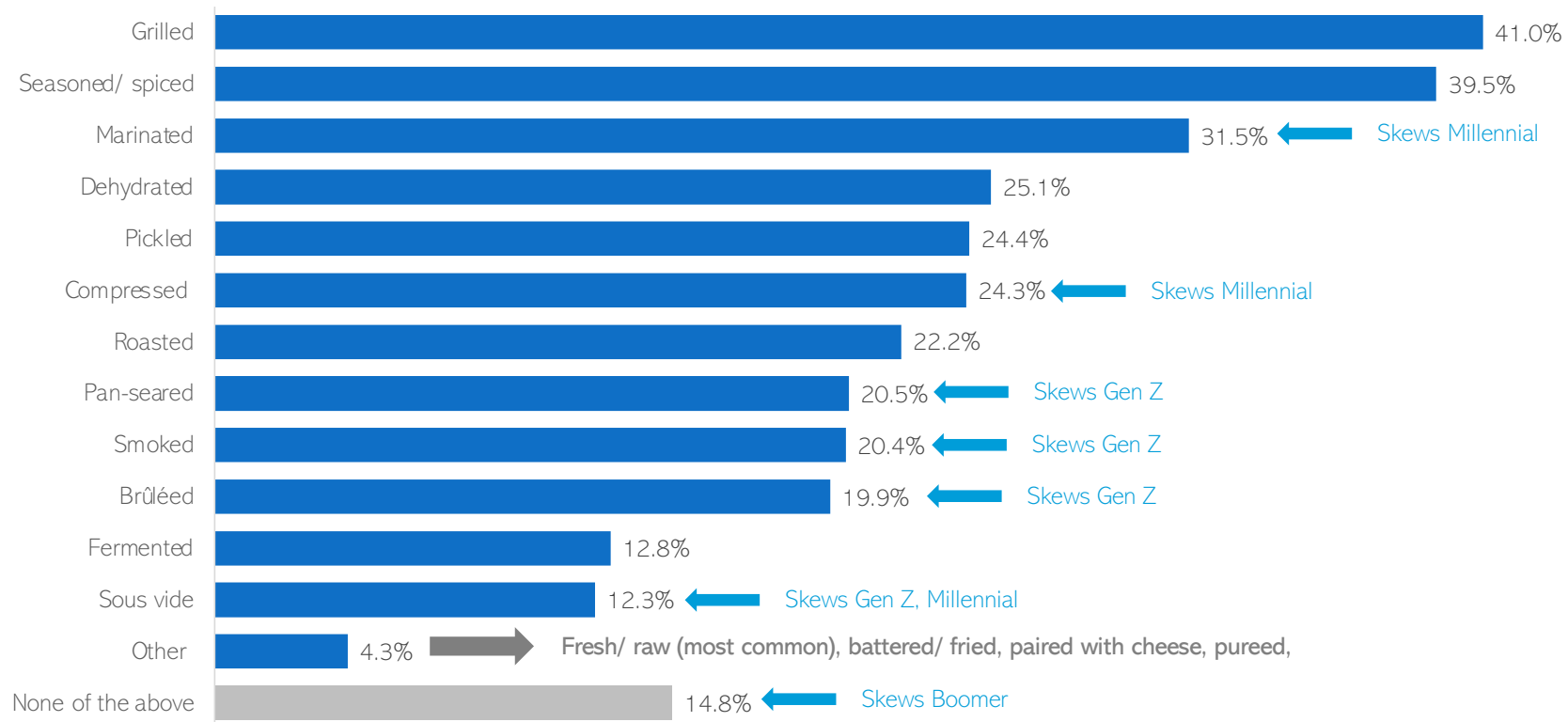
Fresh Watermelon Preparations



Q: - Do you use any of the following preparations on the fresh watermelon you purchase for your operation? Please select all that apply. (n=262)

Of particular interest to consumers are grilled watermelon and seasoned/ spiced watermelon.

Watermelon Preparation Interest



Q: Which of the following types of preparations used with fresh watermelon would you be interested to try at a restaurant? Please select all that apply. (n=1154)

Other usage findings...

- 65% of fresh watermelon users **feature it on their off-premise menu**
 - Issues with fresh watermelon off-premise include temperature control and making the overall dish soggy
 - 53% of that don't feature it on the off-premise menu may add it over the next year
- 69% feature fresh watermelon on **both the kids and main menu**
 - 28% feature it only on the main menu
- 29% of fresh watermelon users are **familiar with pickled rind**
 - 75% are interested in learning more about how to use pickled watermelon rind



FRESH WATERMELON INNOVATION OPPORTUNITIES

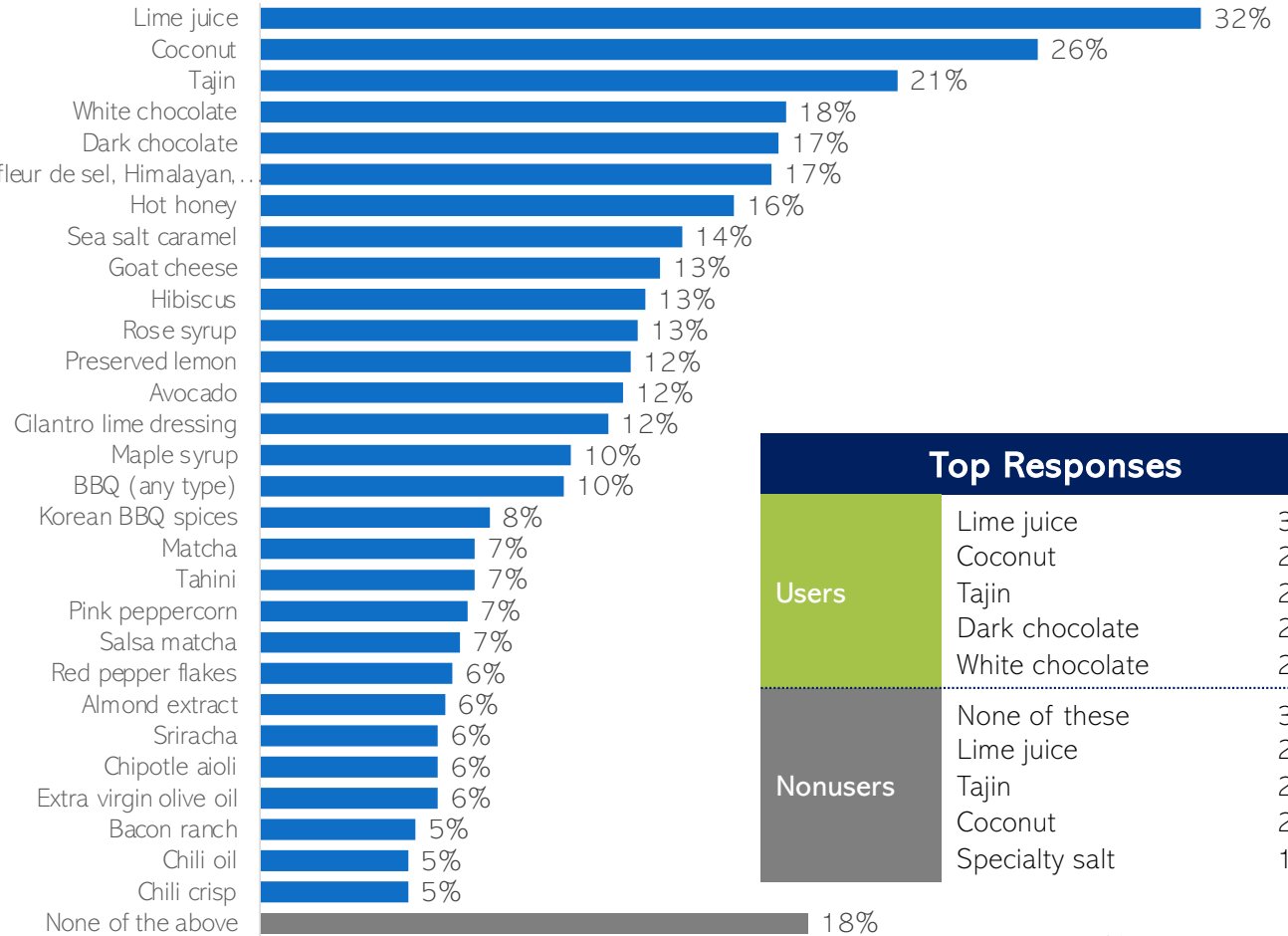
Flavors

Applications

Trend Perceptions

Operators are interested in a broad array of trending flavors paired with fresh watermelon

Interest in Trending Flavors Paired with Fresh Watermelon



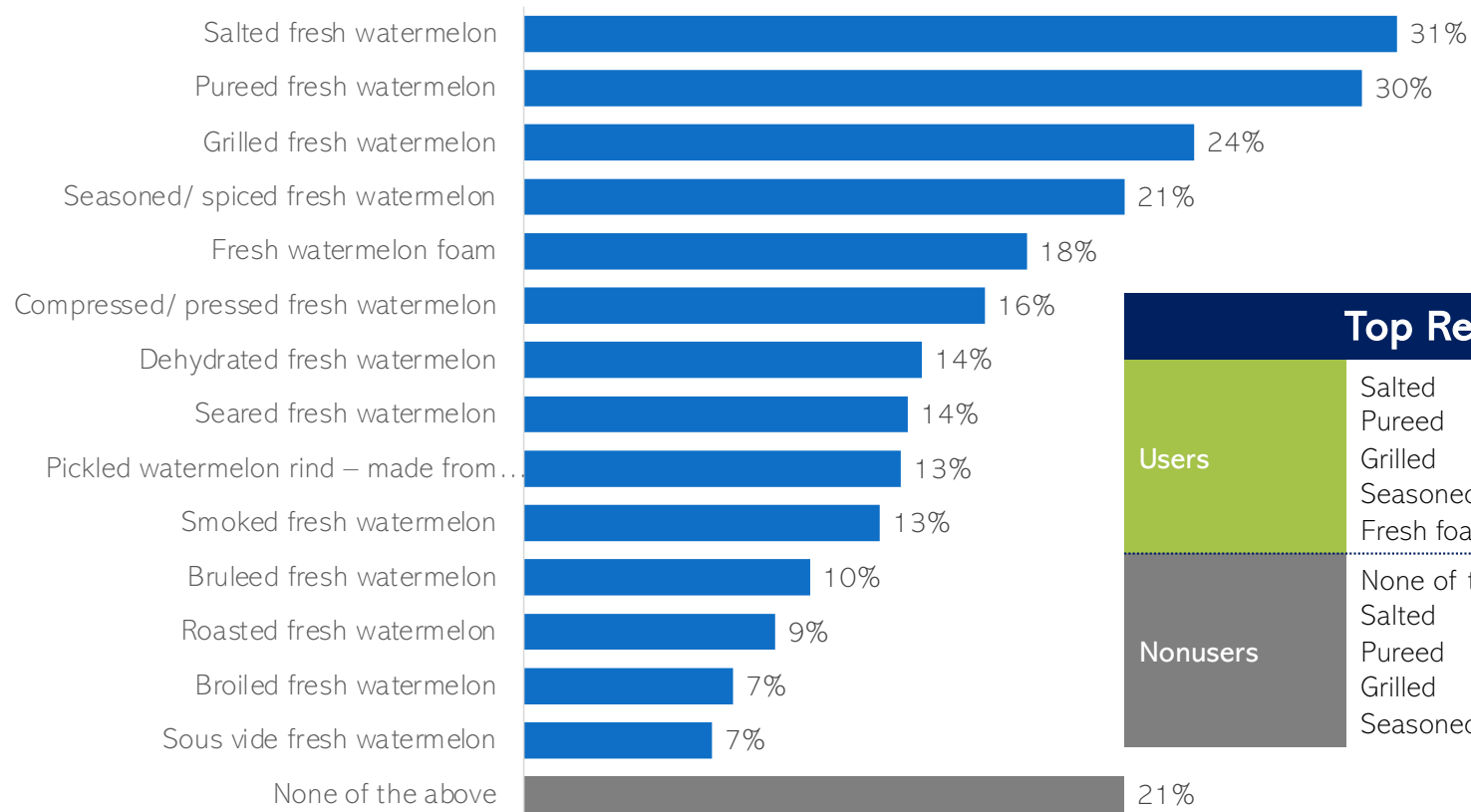
Top Responses		
Users	Lime juice	36%
	Coconut	29%
	Tajin	21%
	Dark chocolate	21%
	White chocolate	20%
Nonusers	None of these	33%
	Lime juice	25%
	Tajin	21%
	Coconut	20%
	Specialty salt	15%

Q: - Which of the following flavors/ ingredients would you be interested in featuring with fresh watermelon or believe would work well with fresh watermelon? Please select all that apply. (n=401)

NOTE: Flavors/ingredients with less than 5% indicating are not shown here.

Unique preparations for fresh watermelon are of interest

Interest in Fresh Watermelon Preparations



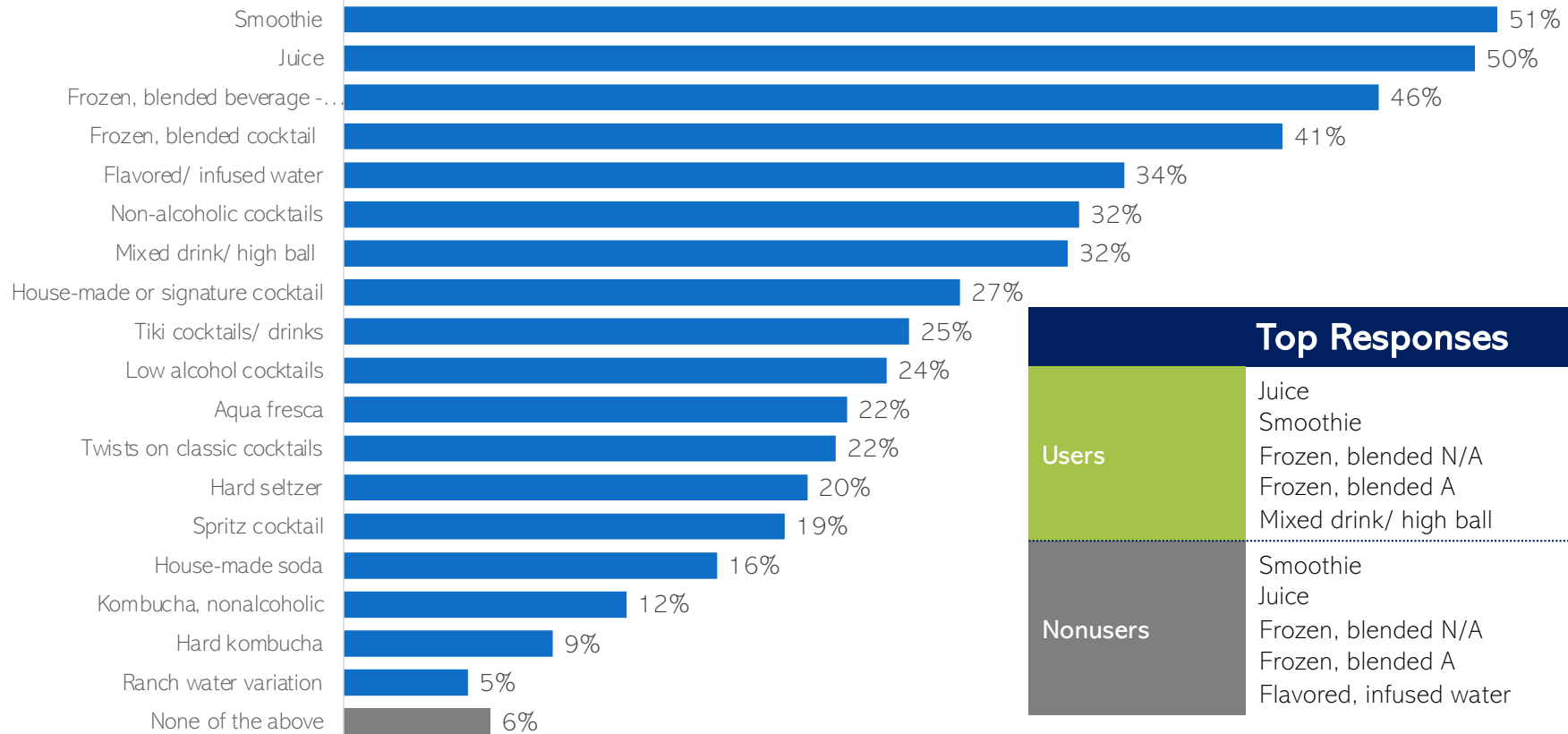
Top Responses

Group	Preparation	Percentage
Users	Salted	34%
	Pureed	32%
	Grilled	27%
	Seasoned/ spiced	24%
	Fresh foam	21%
Nonusers	None of these	37%
	Salted	27%
	Pureed	25%
	Grilled	18%
Nonusers	Seasoned/ spiced	18%

Q: - Which of the following preparations would you be interested in featuring with fresh watermelon or believe would work well with fresh watermelon? Please select all that apply. (n=401)

Strong interest in watermelon-focused beverages

Interest in Beverage Applications with Fresh Watermelon

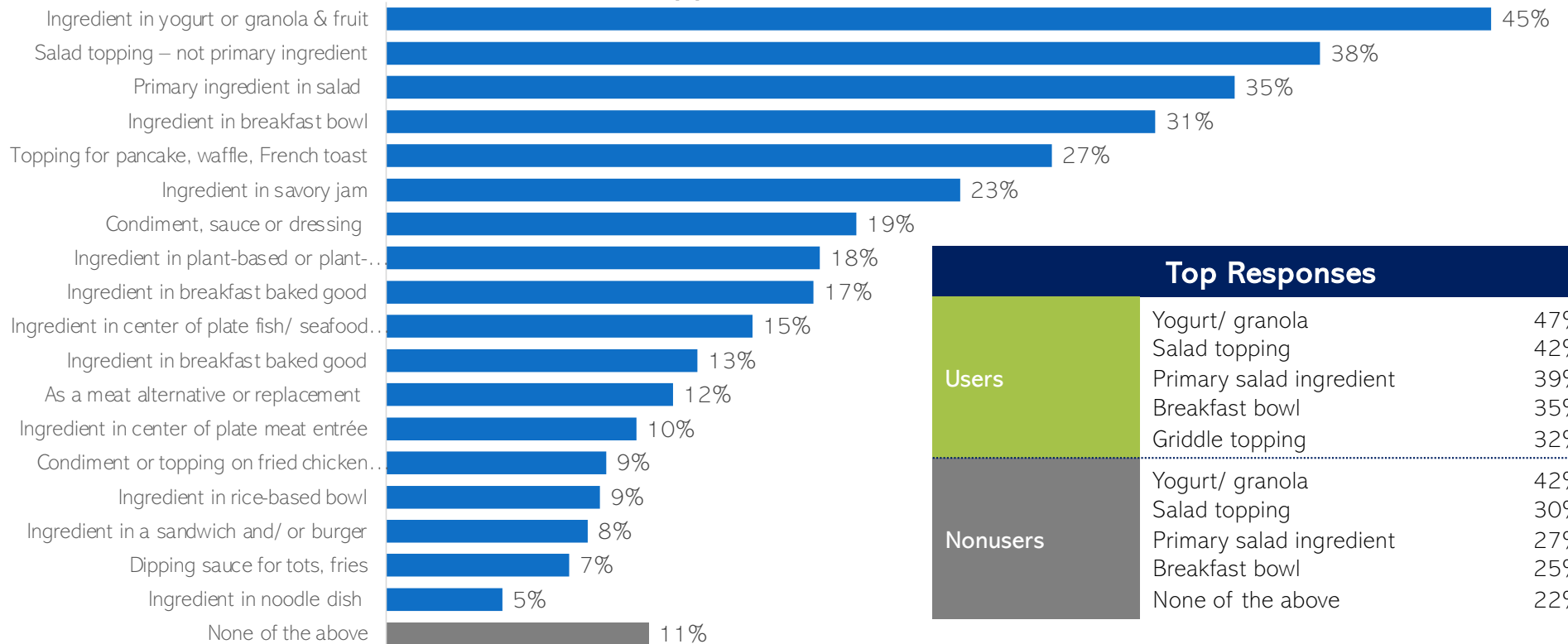


Top Responses		
Users	Juice	53%
	Smoothie	50%
	Frozen, blended N/A	47%
	Frozen, blended A	42%
	Mixed drink/ high ball	36%
Nonusers	Smoothie	53%
	Juice	44%
	Frozen, blended N/A	44%
	Flavored, infused water	32%

Q: - In which of the following types of beverages would you be interested in featuring fresh watermelon or believe fresh watermelon would work well in? Please select all that apply. (n=401)

Interest in food applications, but skew toward more “obvious” options

Interest in Food Applications with Fresh Watermelon

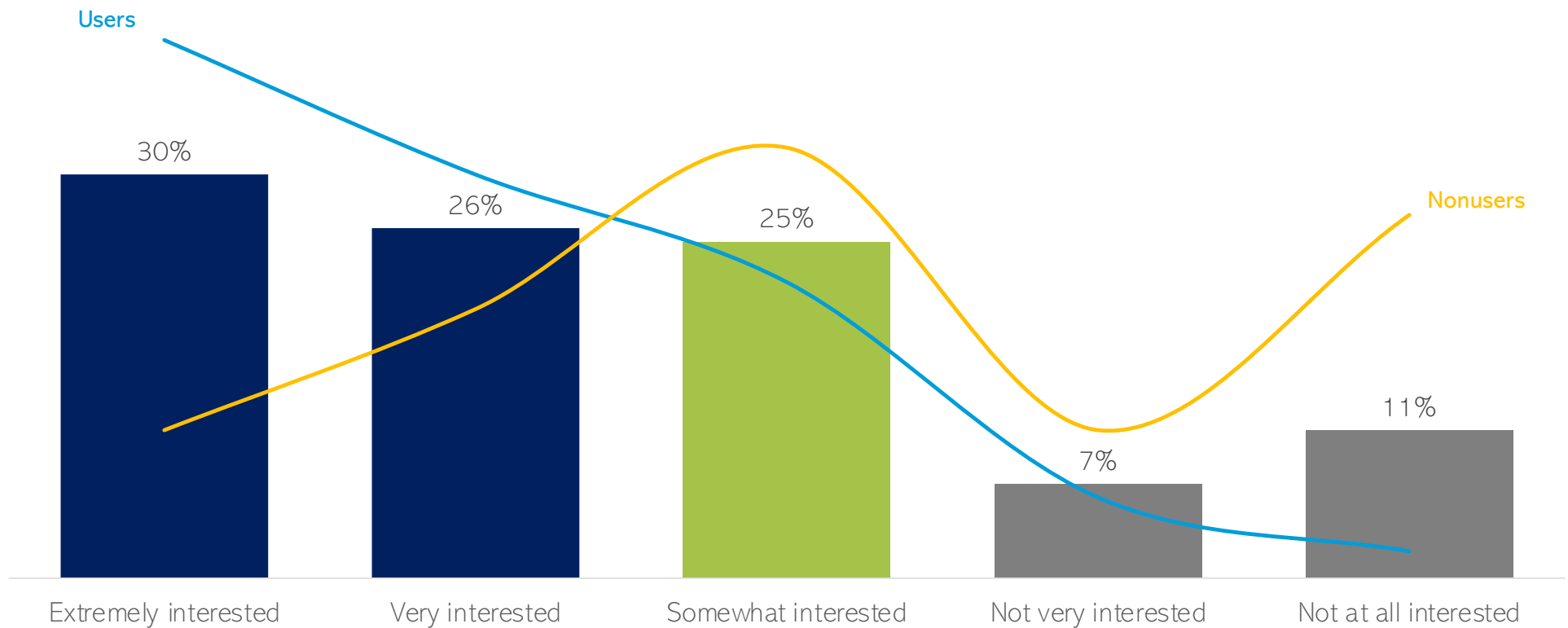


Top Responses		
Users	Yogurt/ granola	47%
	Salad topping	42%
	Primary salad ingredient	39%
	Breakfast bowl	35%
	Griddle topping	32%
Nonusers	Yogurt/ granola	42%
	Salad topping	30%
	Primary salad ingredient	27%
	Breakfast bowl	25%
	None of the above	22%

Q: - In which of the following types of dishes or applications would you be interested in featuring fresh watermelon or believe fresh watermelon would work well in? Please select all that apply. (n=401)

Education focused on increasing shelf life and reducing waste will be of interest

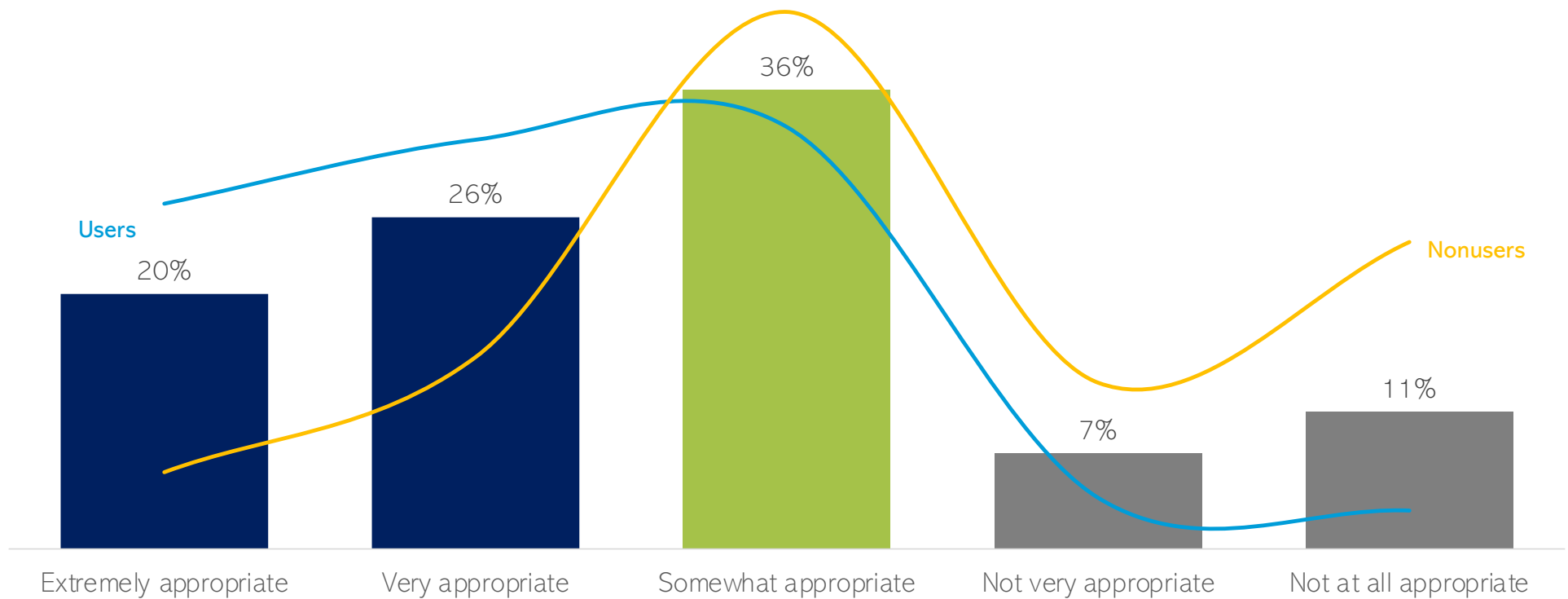
Interest in Training to Reduce Spoilage/ Waste



Q: - How interested would you be in learning how to use fresh watermelon to maximize its shelf life and to reduce waste? (n=401)

Watermelon can work in trend-forward applications

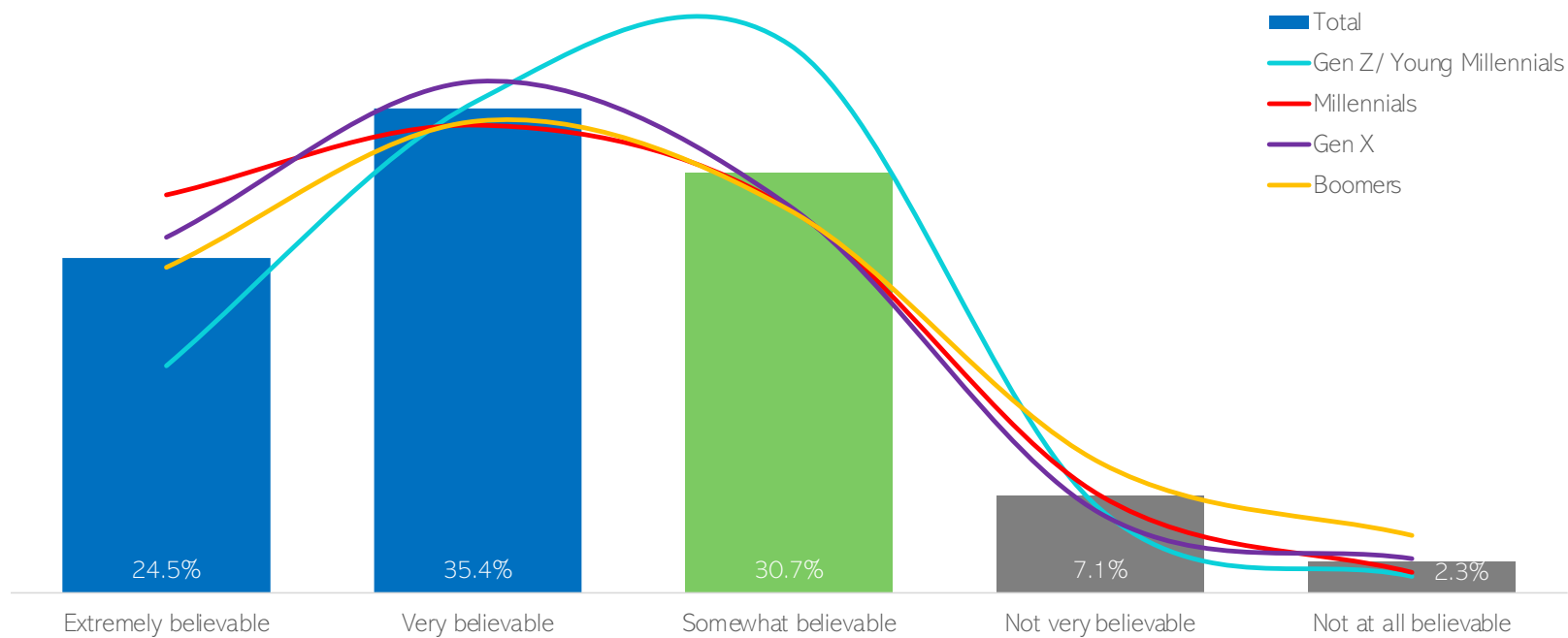
Perceived appropriateness of Fresh Watermelon for Trend-forward Applications



Q: - How appropriate do you believe fresh watermelon is as an ingredient in innovative or trend-forward applications? (n=401)

Most consumers believe watermelon can be an on-trend ingredient.

Believability of Watermelon as On-trend Ingredient



Q: How believable is watermelon as a modern, on-trend ingredient if restaurants prepared it in new ways, featured it in new dishes, or paired it with unique, interesting flavors? (n=1186)



NWPB OPPORTUNITIES

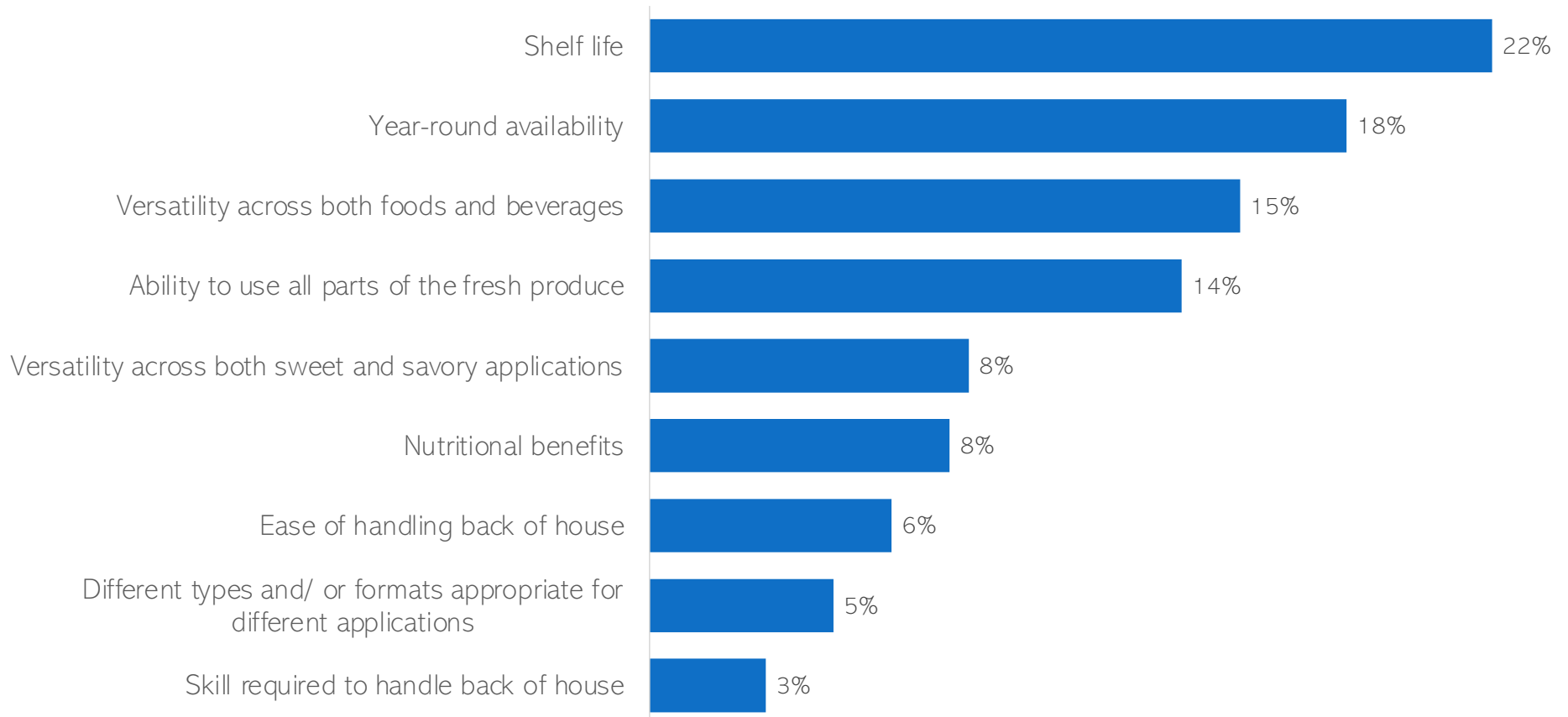
Perceptions for Messaging

Resource Interest

Key Issues

Shelf life is the top fresh product purchasing issue

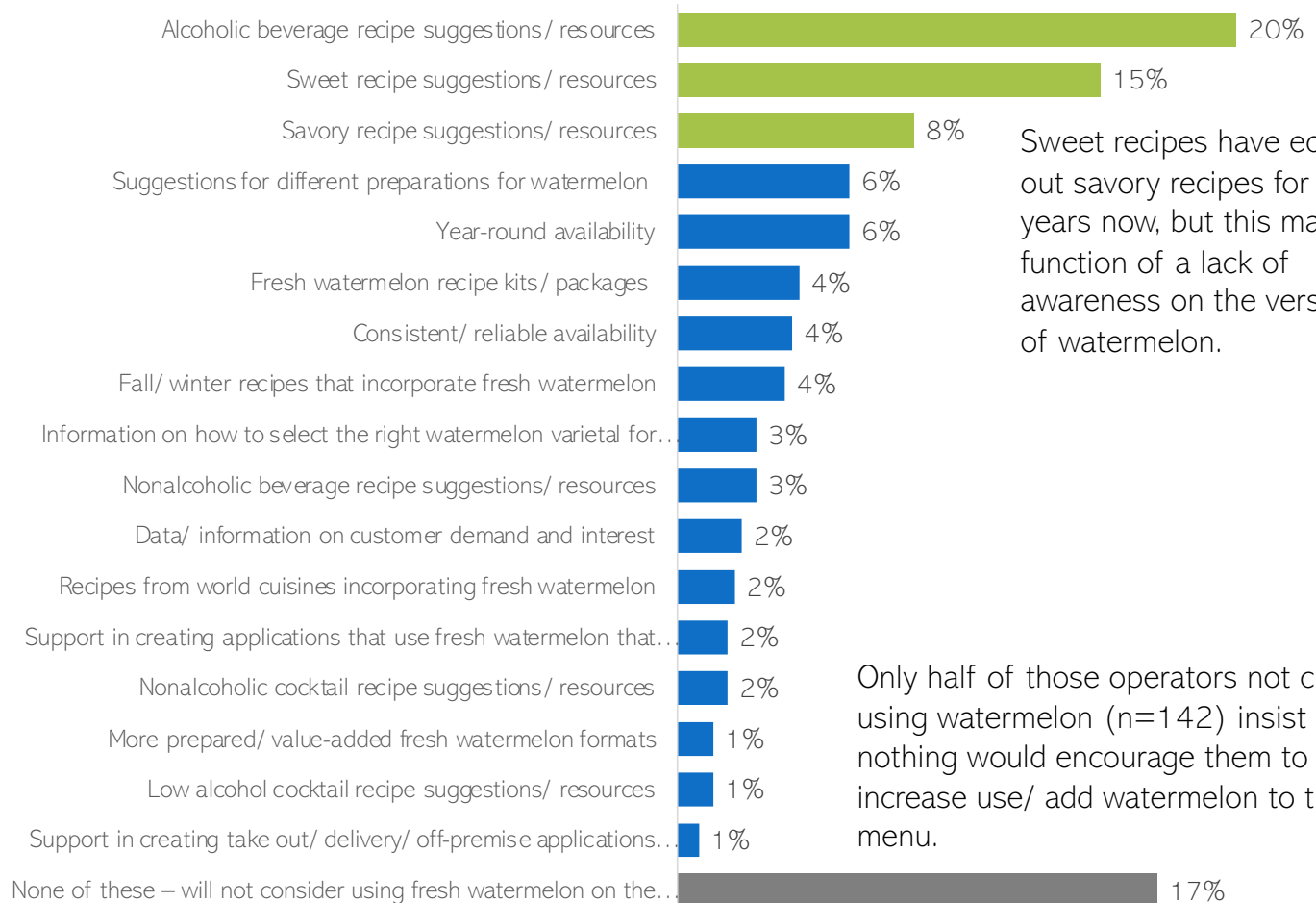
Top Purchasing Issues



Q: - Please identify the most important issue to your operation when considering fresh product for purchasing. (n=401)

Recipe resources and other innovation support may be most effective

Potential Tools for Encouraging Increased Use



Sweet recipes have edged out savory recipes for two years now, but this may be a function of a lack of awareness on the versatility of watermelon.

Only half of those operators not currently using watermelon (n=142) insist that nothing would encourage them to increase use/ add watermelon to the menu.

Q: - What ONE would encourage you to start using or to increase the use of fresh watermelon in your operation? (n=401)



THANK YOU

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