National Watermelon Promotion Board

September 2024

SHOPPER SEGMENTATION STUDY

Prepared by FUSION

Clear Direction For Your Business℠

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EXECUTIVE SUMMARY

The watermelon category experienced strong growth during the 52 weeks ending 06-30-2024, with U.S. households spending nearly an estimated $3B, a +$207M increase over the prior year. To better understand the factors behind this performance, this study analyzed purchase trends across different shopper segments, revealing primary drivers of growth, and identified key opportunities that could further expand the category and fuel continued growth.

In 2024, over +3M additional households entered the fresh watermelon category, increasing U.S. household penetration to 72%. Shoppers averaged five watermelon trips during the period, and spent $5.83 per trip, for an estimated annual purchase dollar spend of $28.94.

For this study, watermelon households were divided into three segments—Light, Medium, and Heavy—based on their annual spend. The growth seen in 2024 was largely driven by the Heavy segment, which comprised 25% of watermelon households but accounted for 63% of category purchase dollars. These high-spending households were the backbone of the category ’s success, contributing nearly half of the incremental purchase dollars (+$97M) in 2024 alone.

Analysis of watermelon purchase behavior revealed several key opportunities. Gaining a deeper understanding of the Heavy shopper segment and targeting marketing efforts around this group could strengthen shopper loyalty and increase overall household spending. Encouraging just one additional purchase trip per household (from 5 to 6 trips per year) could inject over +$550M into the category. Additionally, increasing household penetration by just +1% (from 72% to 73%) has the potential to generate an additional +$38M in incremental purchase dollars.

Watermelon shoppers show a strong preference for purchasing through traditional grocery channels (81%), with emerging growth in the mass, club, online, and dollar channels. While demographic analysis showed that watermelon households were predominantly older, married, White/Caucasian, with children present and have higher incomes..

Leverage the insights and opportunities from this study to capitalize on shopper behavior and dynamics to elevate watermelon sales and deliver meaningful growth.

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

KEY ACTIONS AND OPPORTUNITIES

Leverage Heavy Shoppers to Refine Target Audience

Heavy shoppers, who represent 25% of watermelon households, had a disproportionately strong impact on the category in 2024, contributing 63% of purchase dollars.

These shoppers boast the highest purchase frequency and spend more per trip than any other segment. Targeted marketing strategies centered around this high-value segment could help deepen shopper engagement and maximize household spend. Ensuring consistent product quality and availability for these shoppers is essential to maintaining their high purchase frequency and loyalty. Optimizing marketing strategies to resonate with current Heavy shoppers can also help bring in new consumers that fit the Heavy shopper profile.

Develop Tactics to Increase Watermelon Purchase Trips

Implement in-store promotions that generate trial purchases for new shoppers and increase purchase frequency for current shoppers.

While 72% of U.S. households purchased watermelon in 2024, there is still significant potential for growth. A modest +1% increase in household penetration could generate an additional +$38M in purchases. Promotional incentives that promote trial purchases can help bring new shoppers into the category. Additionally, watermelon promotions can encourage current shoppers to purchase watermelon more often. In 2024, watermelon shoppers averaged five trips per year. However, increasing this purchase frequency by one additional trip could result in an additional +$553M in watermelon purchases. In contrast, shoppers purchase an average of one watermelon per trip. Increasing this spend may be a more difficult barrier to overcome, while driving purchase frequency could help reinforce and elevate watermelon's position as a household staple.

Get To Know the Heavy Shopper

Heavy shoppers are key to category growth.

Developing a deeper understanding of these shoppers can help build a foundation for watermelon marketers and retailers to further define their target shopper. Uncovering who they are, where they are located, which channels they shop, and when they purchase watermelon is the next step to driving greater engagement in the category. Keep up-to-date with watermelon research to learn more about these shopper groups and their impact on the watermelon category.

Visit Watermelon.org for more retail and consumer research that can identify opportunities and help pave the way for the next surge in category growth.

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

TERMS AND DEFINITIONS

Product
Fresh Watermelon

Time Periods
2024: 52 weeks ending 06-30-2024
2023 (PY): 52 weeks ending 06-30-2023

Geographies
Total U.S.

Source:
Numerator Insights. This report reflects omnichannel household panel data. The panel consists of a representative sample of over 100K U.S. households balanced to the general U.S. population.

Study Development:
Fusion (GoWithFusion.com)

Demographics

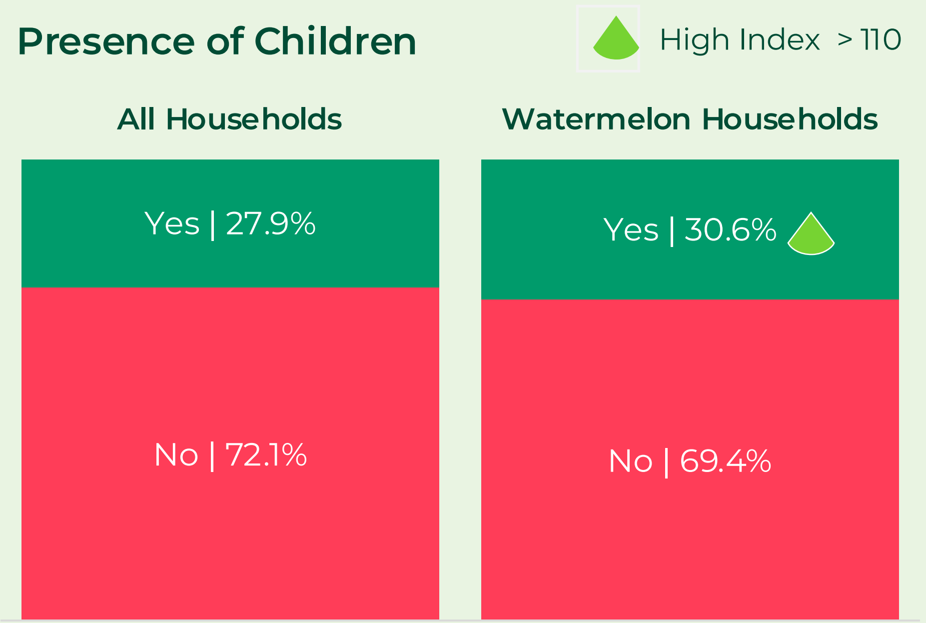
- **General Population**
  Numerator's total shopper panel representing the U.S. population
- **Demographic Index (Low/High)**
  Measures a demographic's share of watermelon households relative to their share of the Total U.S. population. Indices of 110 and above are considered high, below 90 are low, and between 90 and 110 are on par with the U.S. population

Annual Purchase Trends — All Metrics Are Rounded

- **Households (Shoppers)**
  Households that purchased watermelon
- **Household Penetration (%)**
  The percentage of U.S. households that purchased watermelon
- **Household Growth**
  The increase in watermelon-purchasing households vs. the prior period
- **Segment**
  Categorization of watermelon shoppers based on annual spend (Light, Medium, Heavy)
- **Prior Year (PY)**
  The period immediately preceding the current reporting period, used as a benchmark for comparison
- **Purchase Dollars**
  The amount spent on watermelon by households
- **Units**
  The number of watermelon products (whole, cut, sliced, etc.) purchased by households
- **Annual Spend**
  A household's average annual spend (purchase dollars) on watermelon
- **Repeat Shoppers (%)**
  Percentage of households that purchased watermelon more than once during the reporting period
- **Purchase Trips**
  The annual number of shopping trips in which watermelon was purchased
- **Purchase Dollars (Spend) per Trip**
  The amount spent on watermelon per purchase trip
- **Units per Trip**
  The number of watermelon units purchased per trip
- **Incremental**
  The additional value the watermelon category gained or lost compared to the previous year
- **Segment Share (%)**
  The share of total purchase dollars, units, trips, or households attributed to Light, Medium, or Heavy buyers

UNDERSTANDING DEMOGRAPHICS AND DEMOGRAPHIC INDEX

This study examines seven demographic variables for watermelon-purchasing households. These demographics are compared to the Total U.S. general population*, highlighting whether each demographic segment represents a larger (high index), smaller (low index), or similar share of watermelon shoppers relative to their share of the overall population.



Households with children present made up 27.9% of the Total U.S. general population in 2024.

Households with children present made up 30.6% of watermelon-purchasing households in 2024.

Demographic index measures a demographic group's share of watermelon-purchasing households relative to their percentage in the general population

- Indices that are 110 and above skew high
- Indices that are 90 and below skew low
- Indices higher than 90 but lower than 110 are considered to be on par with the Total U.S. general population

(Watermelon Households / General Population) * 100 = Index

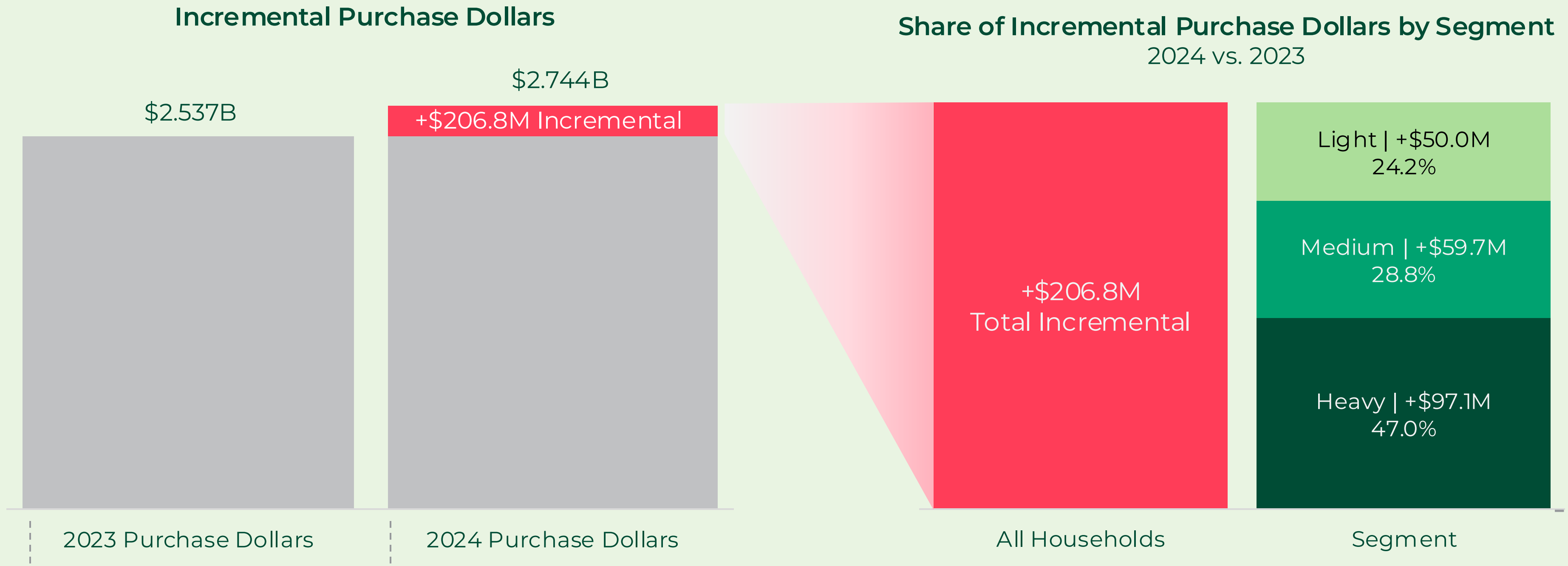
Example: Presence of Children in Household
The share of watermelon-purchasing households with children present is greater than that of the general population. These households have a high index of 110.

*(30.6% / 27.9%) * 100 = 110*

All figures rounded
*Total U.S. general population = Numerator's total panel
Source: Numerator Insights, 52 weeks ending 06-30-2024

UNDERSTANDING INCREMENTAL GROWTH

Incremental purchase dollars, units, trips, and households refer to the additional value the watermelon category gained or lost compared to the previous year. These incremental changes highlight the net growth (or decline) achieved in 2024 vs. 2023.



How did each segment contribute to the incremental growth? The data shows that Heavy households contributed +$97.1M (47.0%) of the +$206.8M incremental growth, despite representing only 25% of total purchase dollars.

The watermelon category's total purchase dollars were $2.537B in 2023.

As of 2024, the category has grown to $2.744B, adding +$206.8M in incremental purchase dollars over the prior period.

Incremental drivers are the factors that contributed to or reduced this growth. By analyzing these drivers, we can gain insights into how the watermelon category is evolving and identify the forces propelling the category forward.

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

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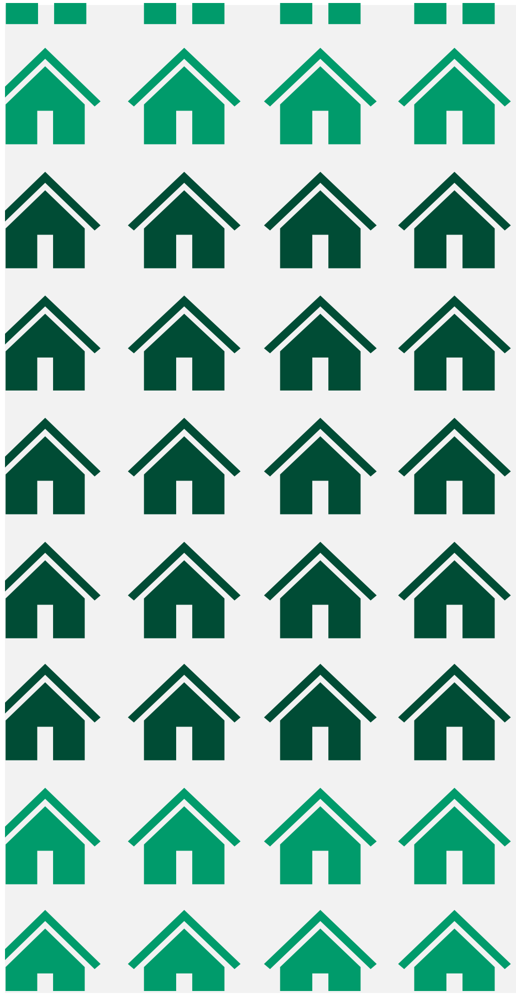
WATERMELON ANNUAL PURCHASE TRENDS

Nearly +3.4M households entered the watermelon category in 2024, raising Total U.S. household penetration to 72%.

Household Penetration

72.0%

+2.6 pts. vs. PY



Household Growth

+3.4M

additional households

+3.7% vs. PY

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Of those households that purchased watermelon in 2024, 72% purchased more than once.

REPEAT SHOPPERS

71.9%

were repeat shoppers

+1.8 pts. vs. PY

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Watermelon shoppers purchased watermelon an average of 5 times in 2024, spending $5.83 per trip.

Purchase Trips

5.0

trips

+2.5% vs. PY

Units Purchased per Trip

1.1

units per trip

No change vs. PY

Purchase Dollars per Trip

$5.83

per trip

+1.7% vs. PY

All figures rounded

Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

In 2024, shoppers spent an average of $28.94 on watermelon, bringing total category purchase dollars to an estimated $2.7B.

Annual Spend per Household

$28.94

+4.3% vs. PY

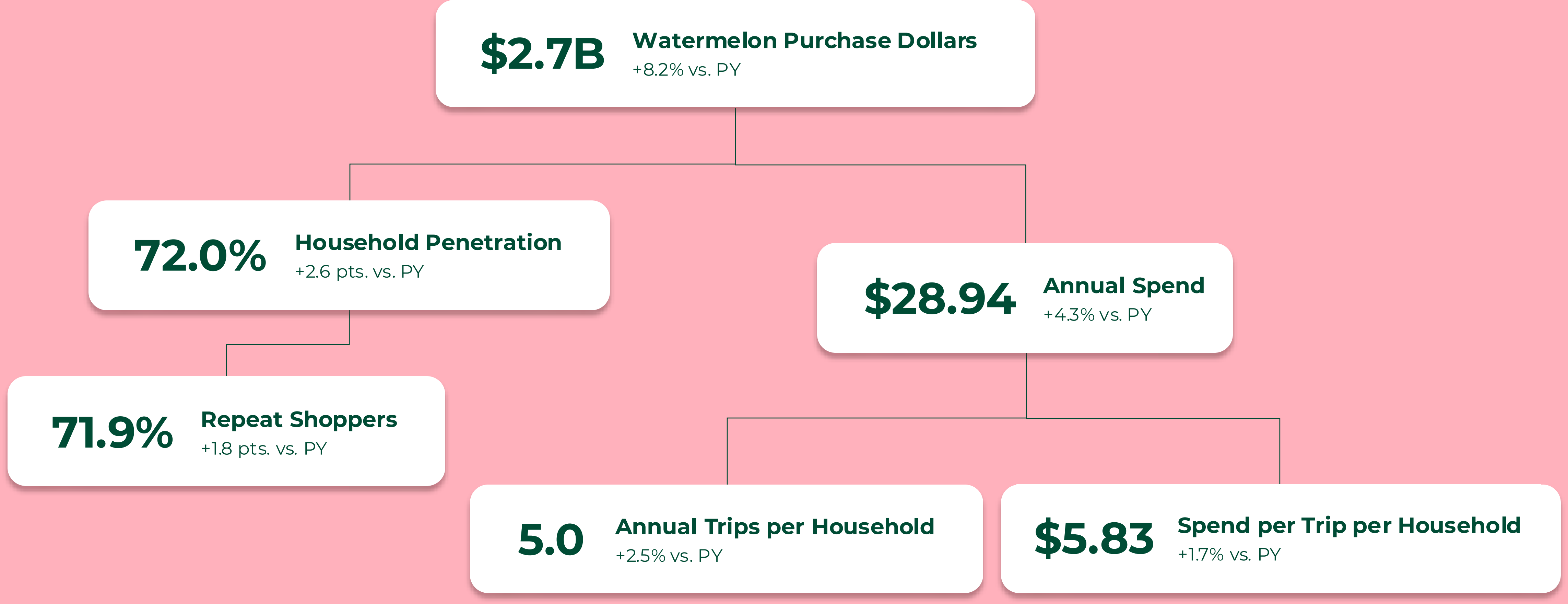
Total Purchase Dollars

$2.7B

+8.2% vs. PY

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

2024 SHOPPER PROFILE: ALL HOUSEHOLDS



$2.7B **Watermelon Purchase Dollars**
+8.2% vs. PY

72.0% **Household Penetration**
+2.6 pts. vs. PY

71.9% **Repeat Shoppers**
+1.8 pts. vs. PY

$28.94 **Annual Spend**
+4.3% vs. PY

5.0 **Annual Trips per Household**
+2.5% vs. PY

$5.83 **Spend per Trip per Household**
+1.7% vs. PY

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Annual Opportunity for the Watermelon Category

AN INCREASE IN…

+1 pt. **Household Penetration** represents an annual purchase dollar opportunity of +$38.1M	**72.0%** $2,744,200,597	+1 pt.	**73.0%** $2,782,312,120	**+$38.1M** annual purchase dollar opportunity
+$1 **Purchase Dollars per Trip** represents an annual purchase dollar opportunity of +$470.9M	**$5.83** $2,744,200,597	+$1	**$6.83** $3,215,091,581	**+$470.9M** annual purchase dollar opportunity
+1 **Purchase Trips** represents an annual purchase dollar opportunity of +$552.6M	**5.0** $2,744,200,597	+1	**6.0** $3,296,751,992	**+$552.6M** annual purchase dollar opportunity

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

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SHOPPER SEGMENTATION:

ANNUAL PURCHASE TRENDS BY SHOPPER SEGMENT

Watermelon shoppers were divided into three segments: Light, Medium, and Heavy.

This shopper segmentation study ranked watermelon-purchasing households according to each household’s average annual watermelon spend (low to high). This ranked list was then divided into three segments (shopper groups).

Segmentation Definitions

- **Light** — Households in the bottom 50% of fresh watermelon shoppers that spend less than $14.96 per household on watermelon annually*
- **Medium** — Households in the middle 25% of fresh watermelon shoppers that spend between $14.96 and $29.95 per household on watermelon annually*
- **Heavy** — Households in the top 25% of fresh watermelon shoppers that spend $29.96 or more per household on watermelon annually*

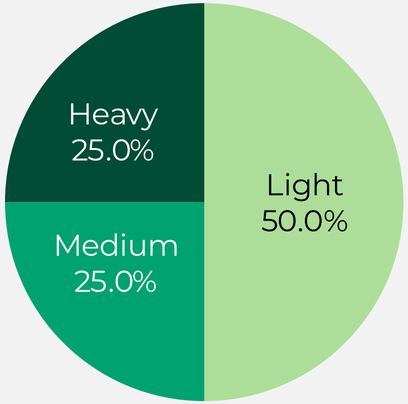
All figures rounded

*Source: Numerator Insights, 52 weeks ending 06-30-2024

Heavy households made up 25% of watermelon shoppers yet accounted for 63% of 2024 total purchase dollars.

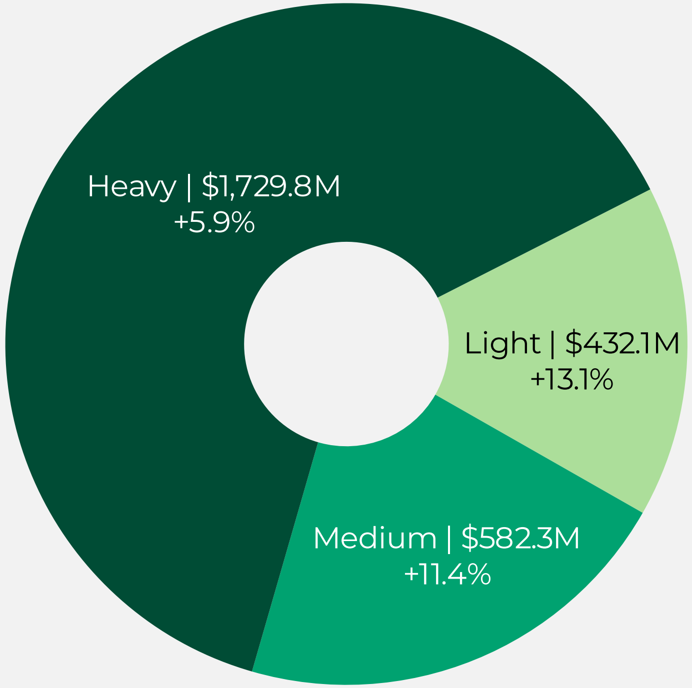
Watermelon Shopper Segmentation

(% share of households)



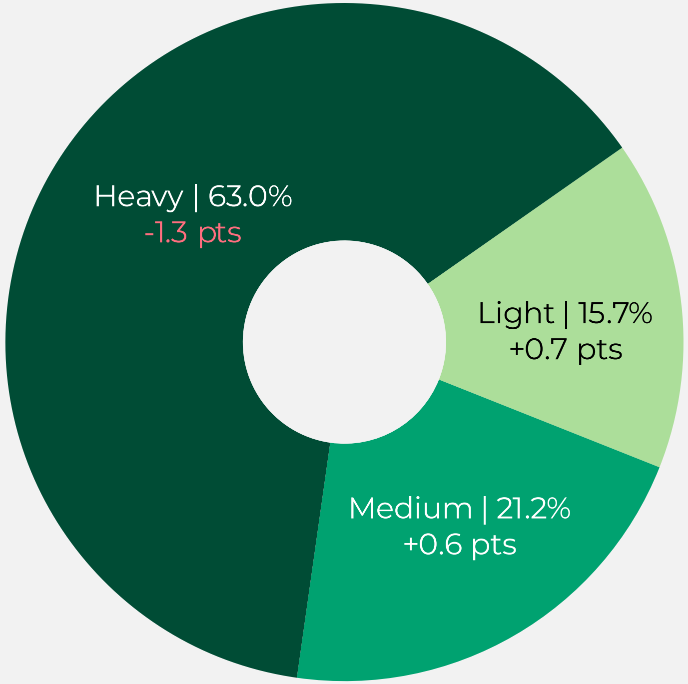
Total Purchase Dollars by Segment

with % change vs. PY



Share of Total Purchase Dollars by Segment

with pt. change vs. PY

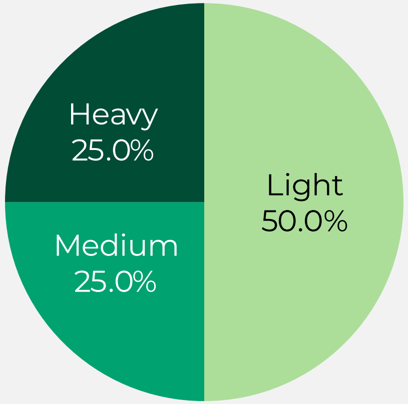


All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Heavy households made up 25% of watermelon shoppers yet accounted for 60% of total units purchased and 58% of total purchase trips in 2024.

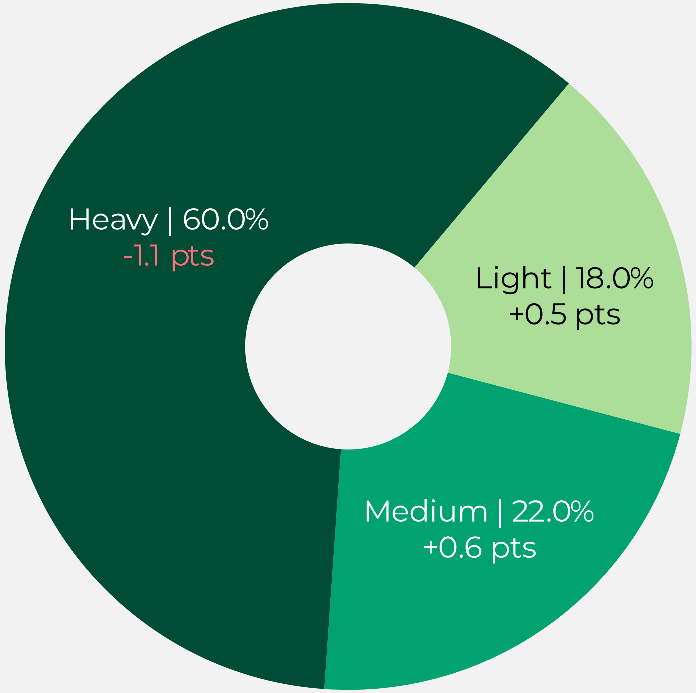
Watermelon Shopper Segmentation

(% share of households)



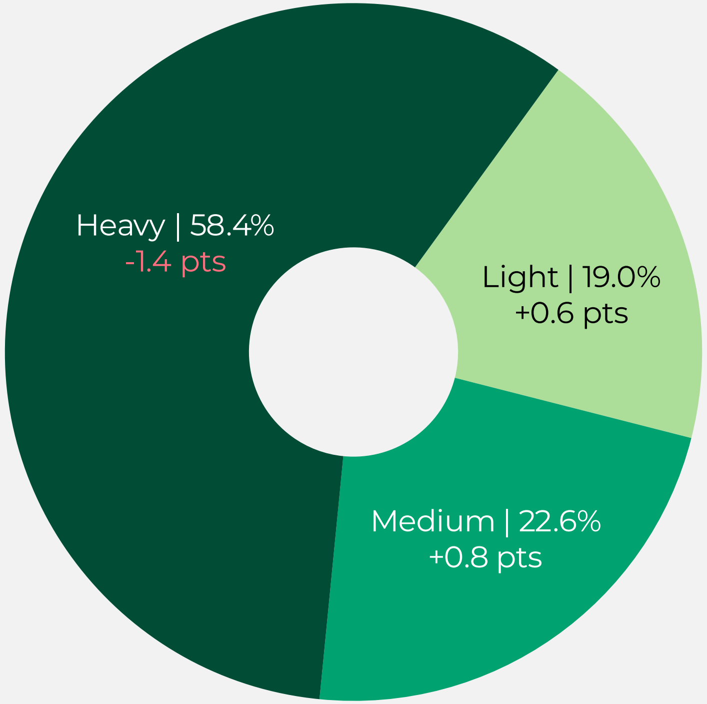
Share of Total Units Purchased by Segment

with pt. change vs. PY



Share of Total Purchase Trips by Segment

with pt. change vs. PY



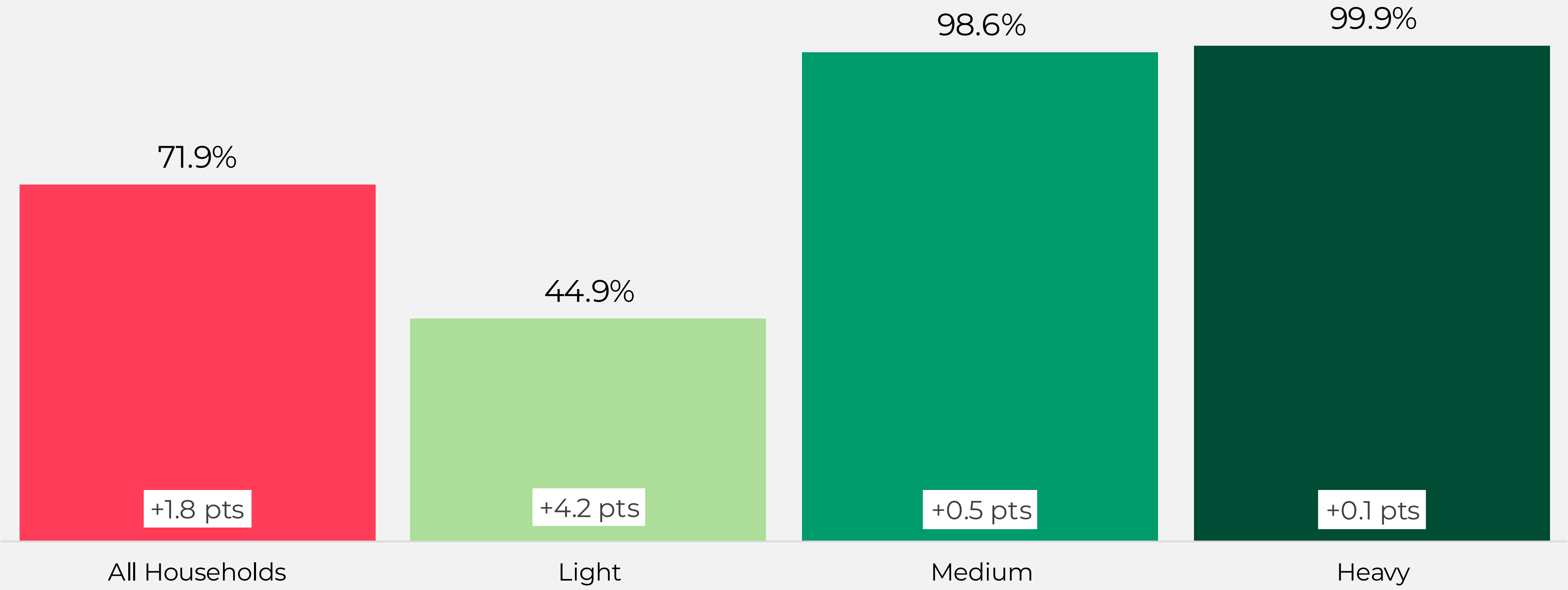
All figures rounded

Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Nearly all Heavy shoppers purchased watermelon more than once in 2024.

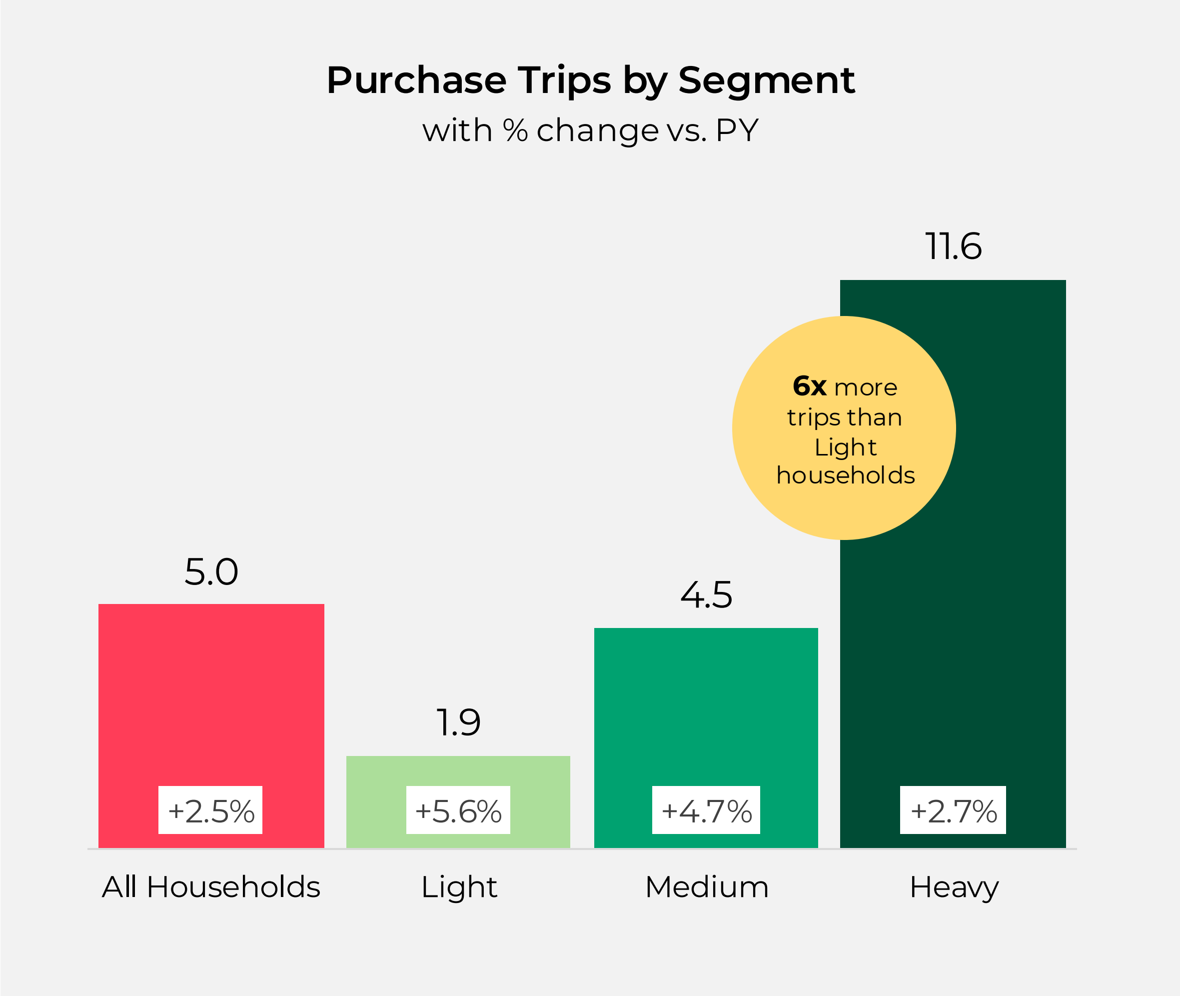
Repeat Shoppers by Segment

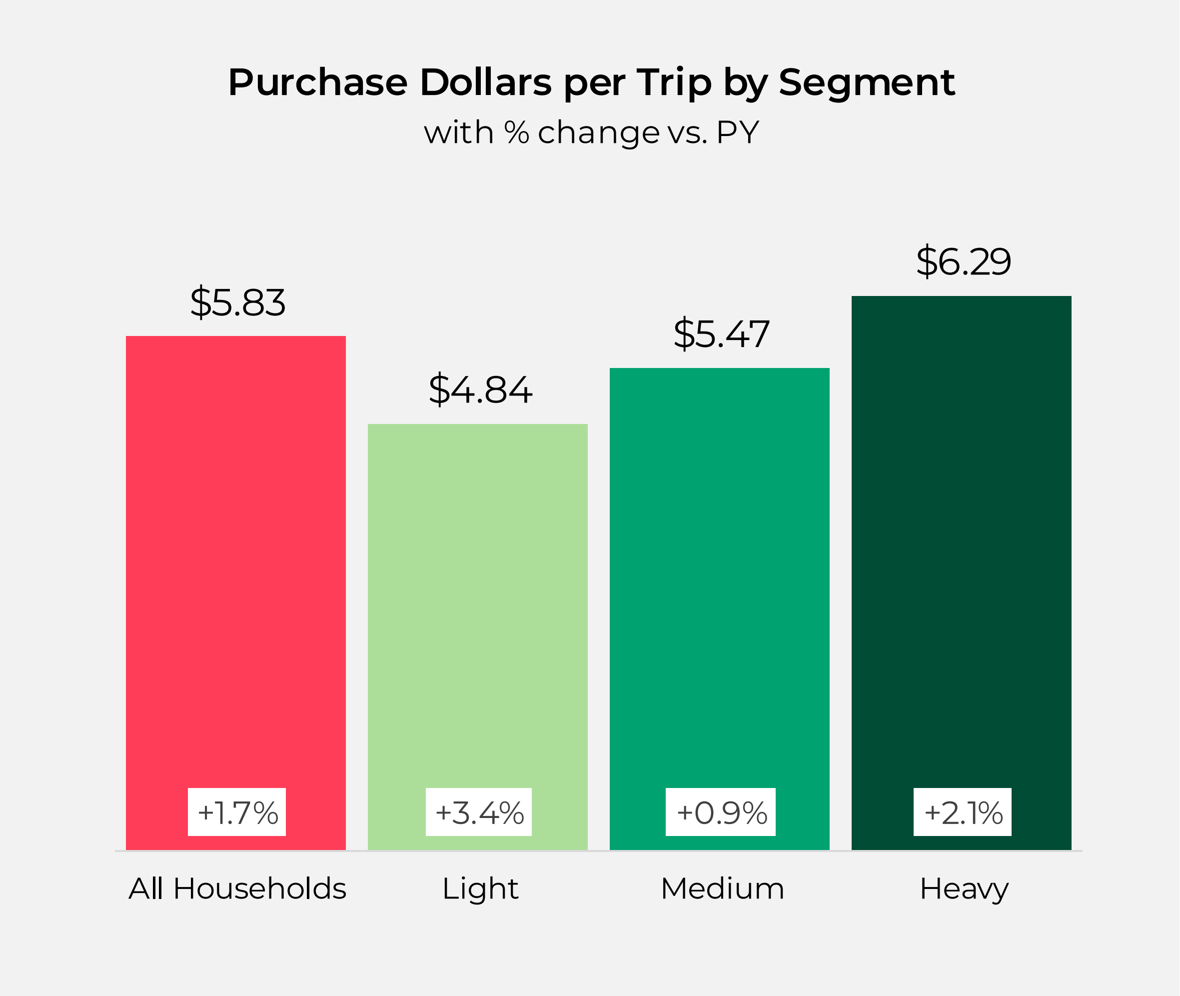
with pt. change vs. PY



All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

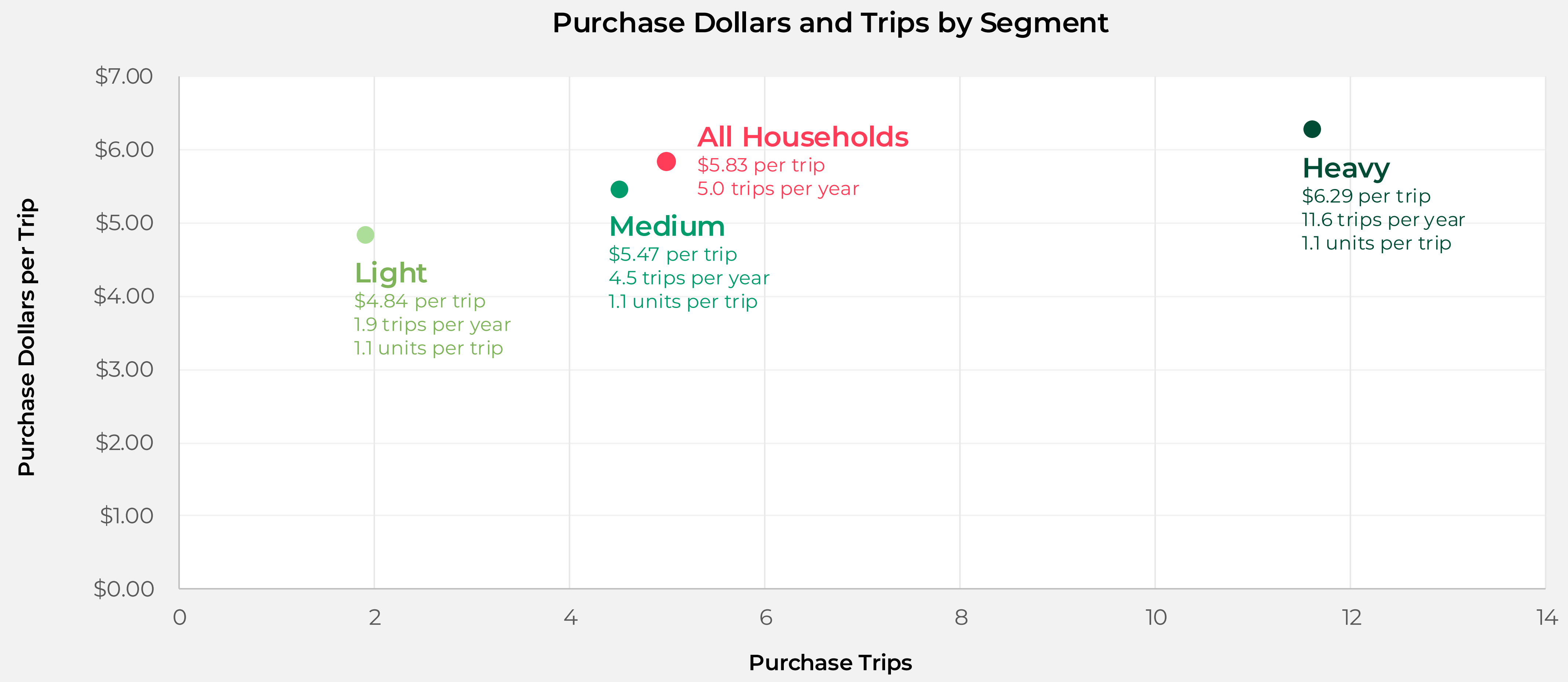
In 2024, Heavy households purchased watermelon more often (12 times) and spent more per trip ($6.29 per trip) than the other segments.





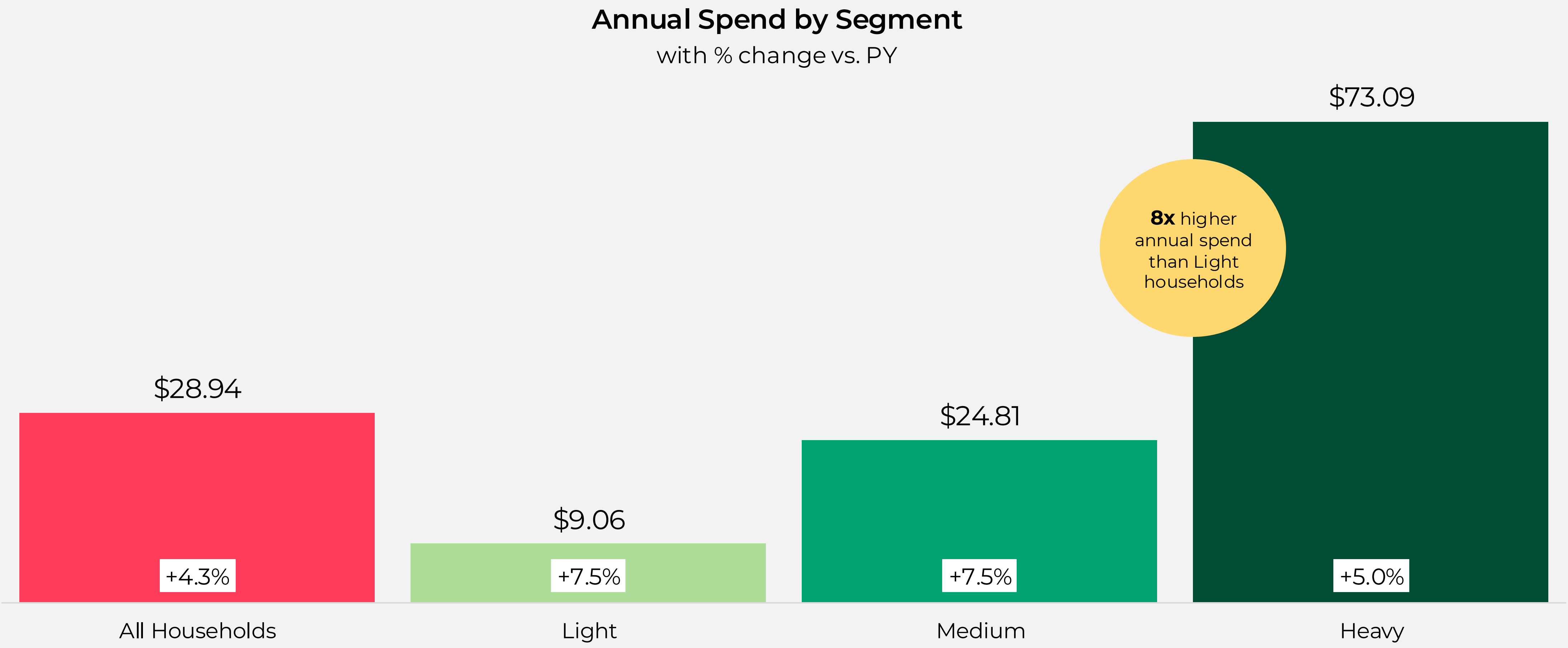
All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Heavy shoppers made 2x as many trips as the average shopper and 6x more than Light shoppers.



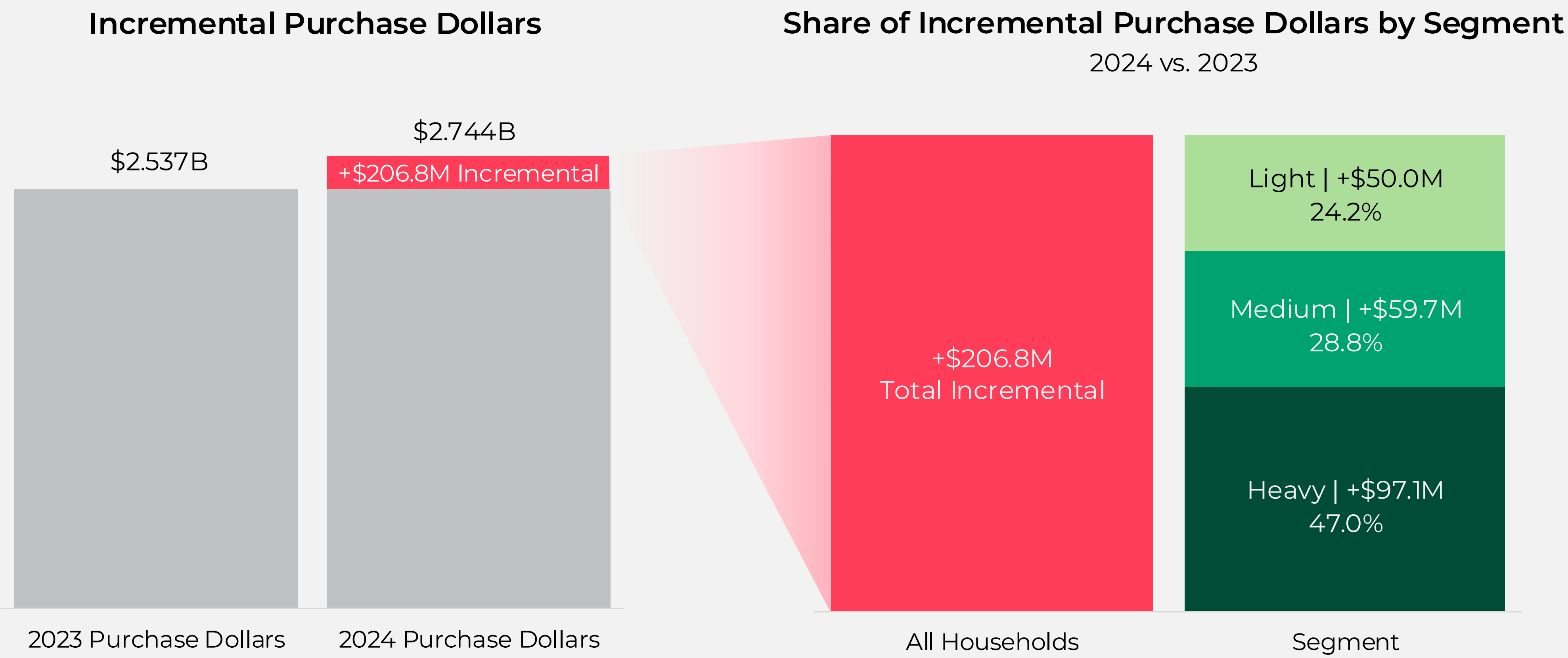
All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

Heavy shoppers spent an average of $73 on watermelon in 2024, 8x that of Light shoppers.



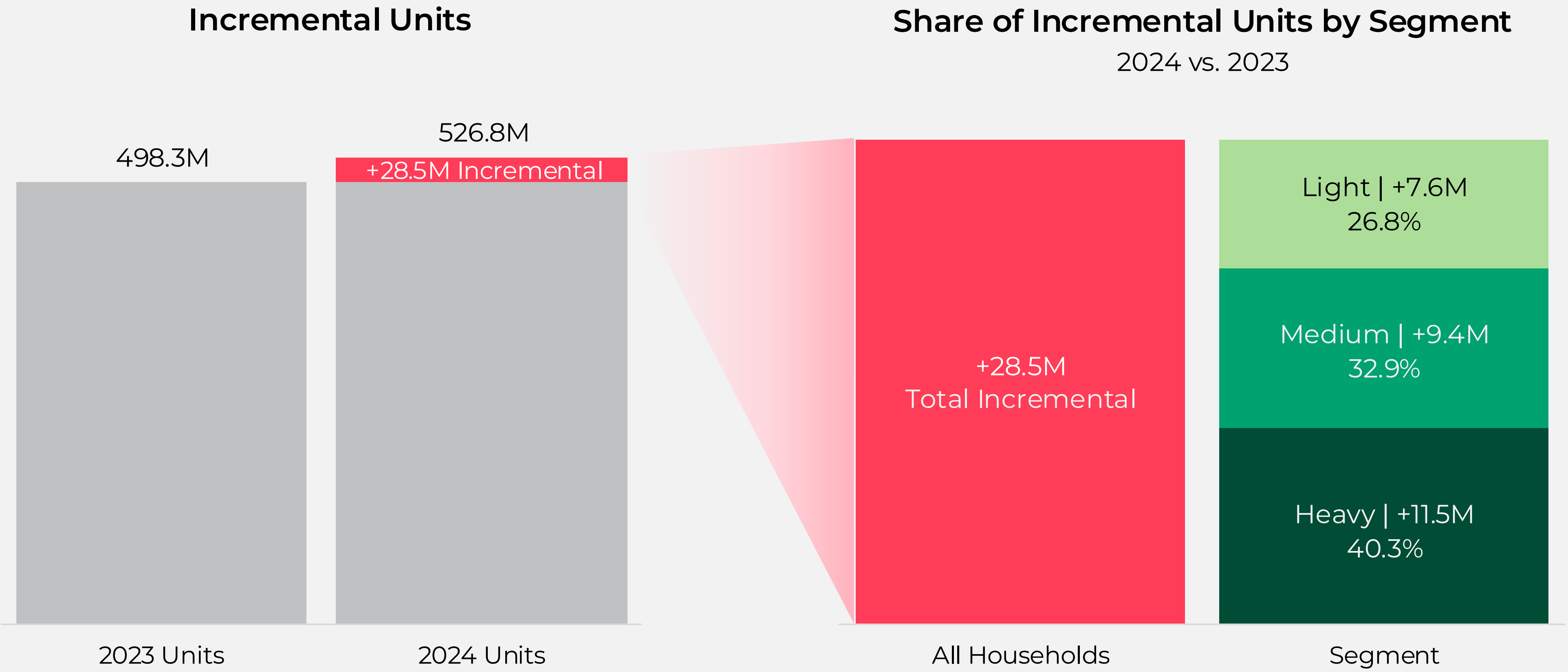
All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Incremental purchase dollar growth was driven primarily by Heavy shoppers who contributed +$97M (47%) to the category in 2024.



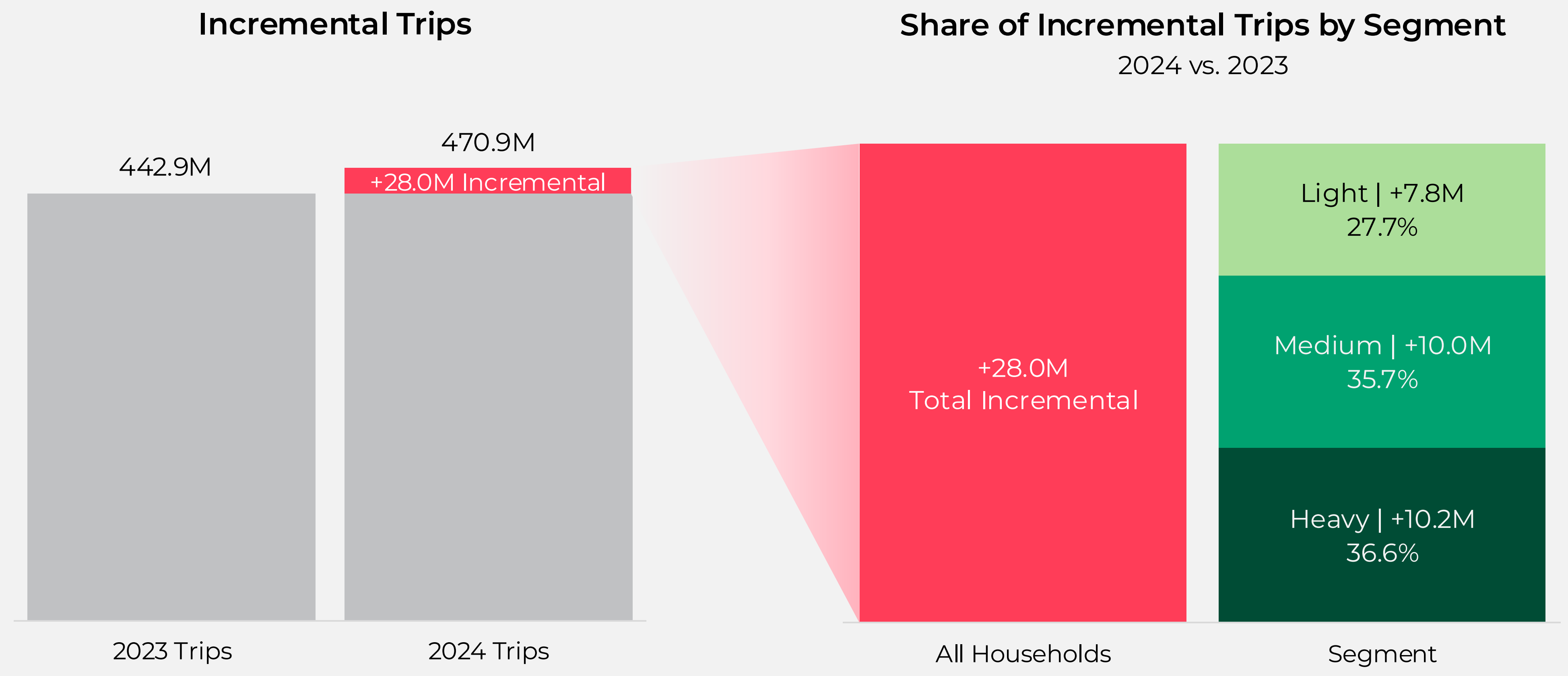
All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Heavy watermelon shoppers contributed the largest share of incremental units in 2024, accounting for over 40% of the increase.



All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Heavy and Medium watermelon shoppers accounted for most of the incremental trips in 2024, contributing over 72% combined.



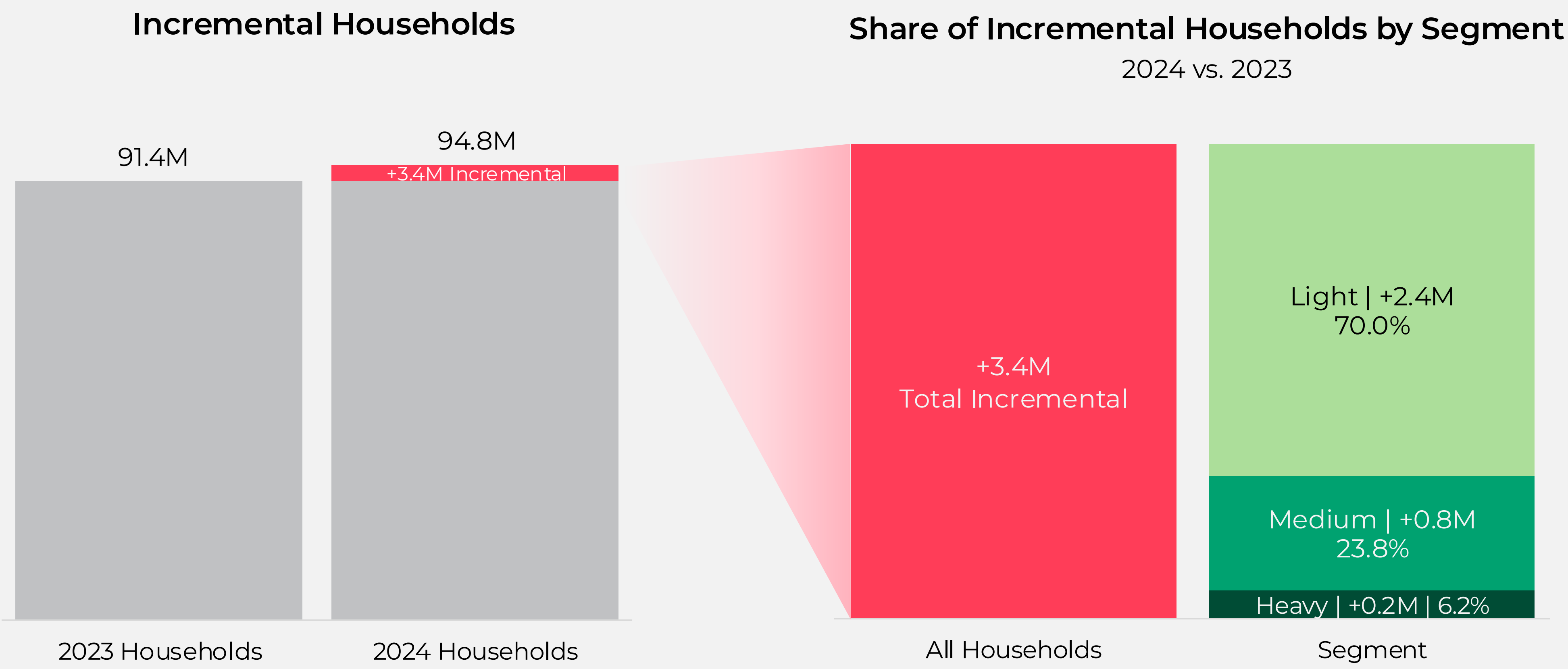
Incremental Trips

Share of Incremental Trips by Segment

2024 vs. 2023

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

Among the +3.4M additional watermelon households, 70% entered the category as Light shoppers.



All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

2024 SHOPPER PROFILE: LIGHT HOUSEHOLDS

$432.1M **Watermelon Purchase Dollars**
+13.1% vs. PY

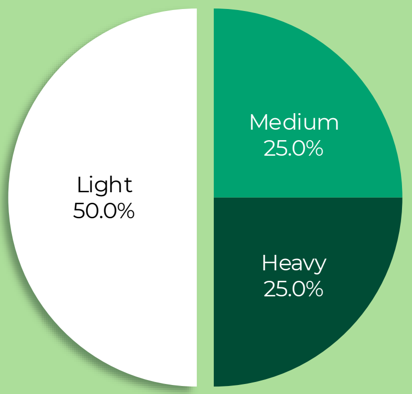
44.9% **Repeat Shoppers**
+4.2 pts. vs. PY

$9.06 **Annual Spend**
+7.5% vs. PY

1.9 **Annual Trips per Household**
+5.6% vs. PY

$4.84 **Spend per Trip per Household**
+3.4% vs. PY

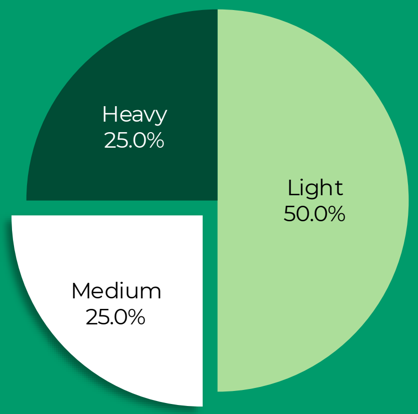
Watermelon Shopper Segmentation



All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

2024 SHOPPER PROFILE: MEDIUM HOUSEHOLDS

Watermelon Shopper Segmentation



$582.3M **Watermelon Purchase Dollars**
+11.4% vs. PY

98.6% **Repeat Shoppers**
+0.5 pts. vs. PY

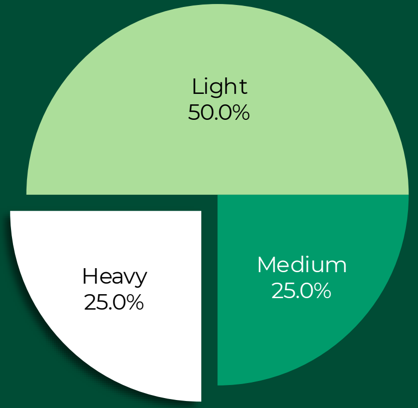
$24.81 **Annual Spend**
+7.5% vs. PY

4.5 **Annual Trips per Household**
+4.7% vs. PY

$5.47 **Spend per Trip per Household**
+0.9% vs. PY

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

2024 SHOPPER PROFILE: HEAVY HOUSEHOLDS


Watermelon Shopper Segmentation

$1,729.8M **Watermelon Purchase Dollars**
+5.9% vs. PY

99.9% **Repeat Shoppers**
+0.1 pts. vs. PY

$73.09 **Annual Spend**
+5.0% vs. PY

11.6 **Annual Trips per Household**
+2.7% vs. PY

$6.29 **Spend per Trip per Household**
+2.1% vs. PY

All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024 vs. 52 weeks ending 06-30-2023

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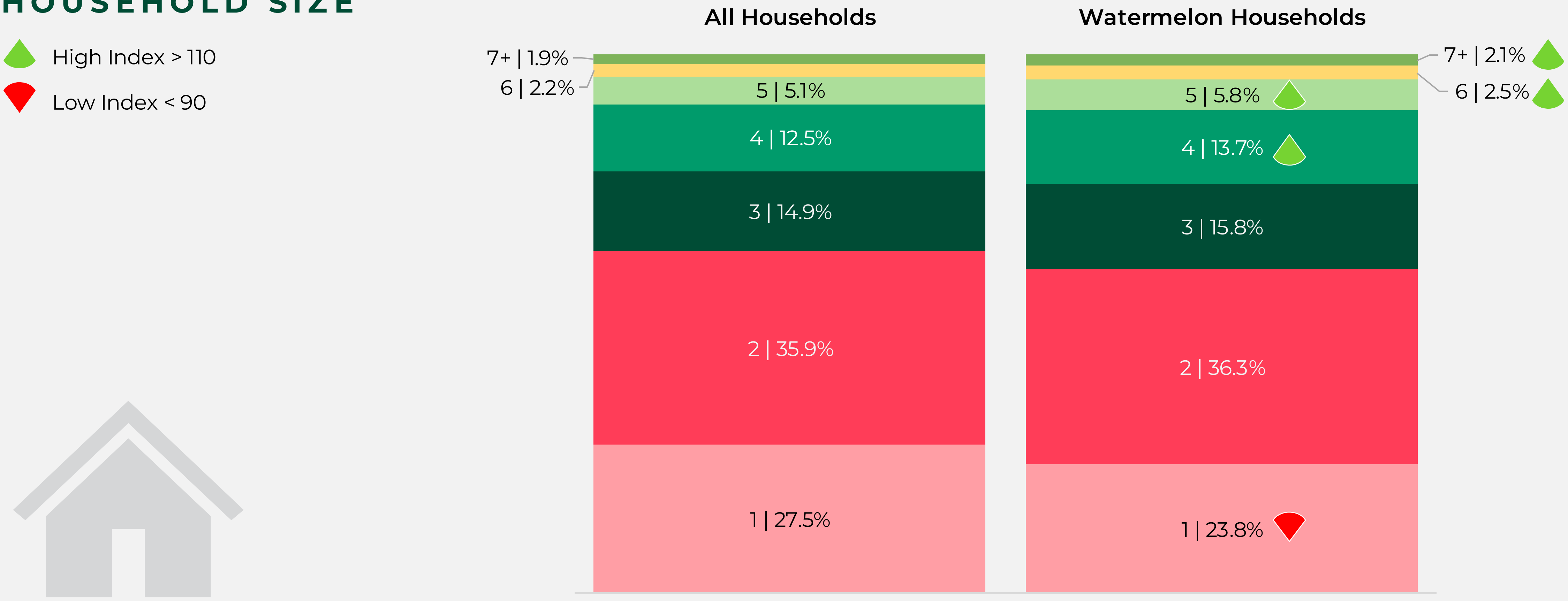
WATERMELON SHOPPER DEMOGRAPHICS

Watermelon shoppers were slightly less likely to be single-person households, indexing lower at 87, while households with four or more people index at or over 110.

HOUSEHOLD SIZE

▲ High Index > 110

▼ Low Index < 90

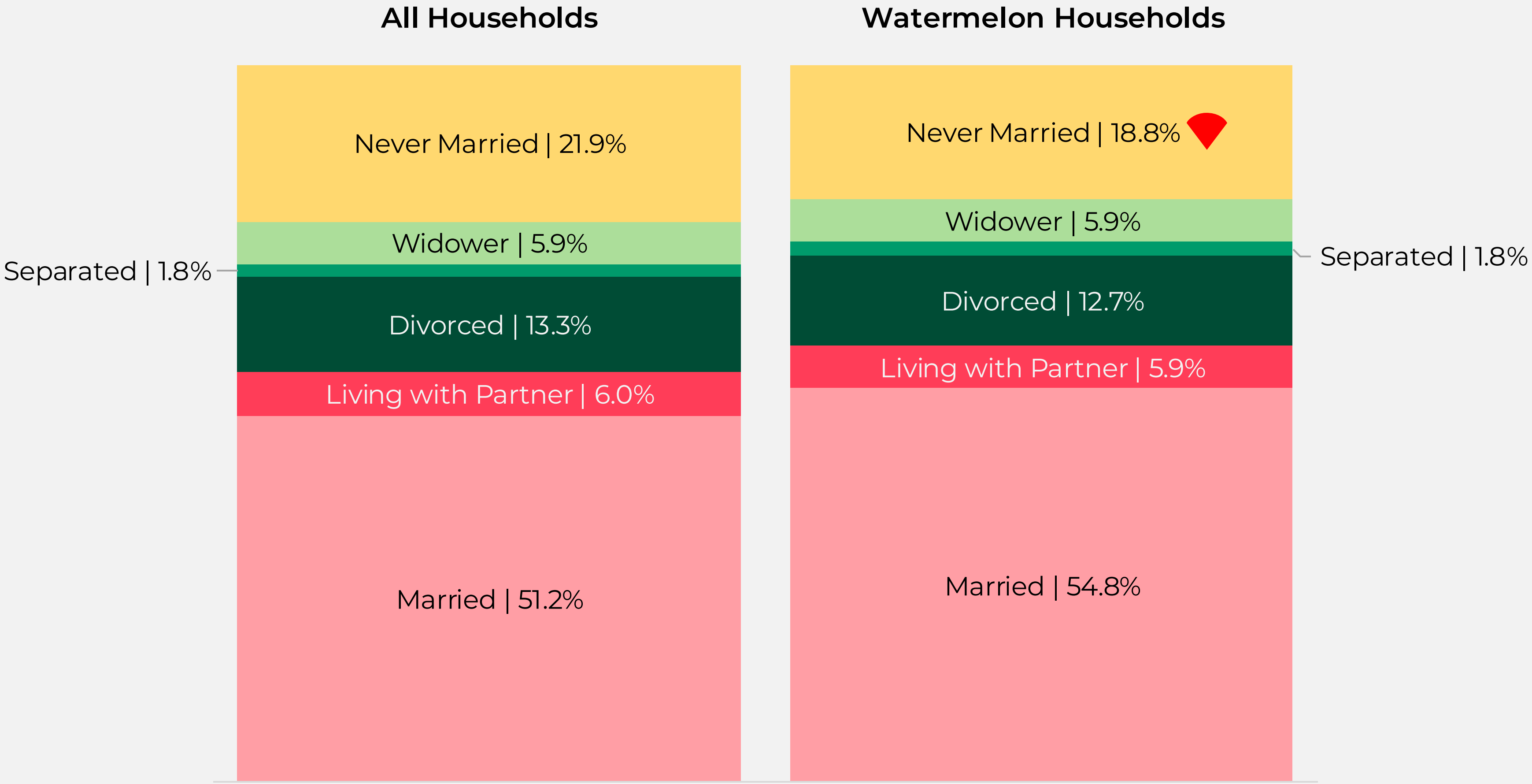


All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

A higher proportion of watermelon households were married compared to the general U.S. population, while households with individuals who have never married made up a smaller share, with an index of 86.

MARITAL STATUS

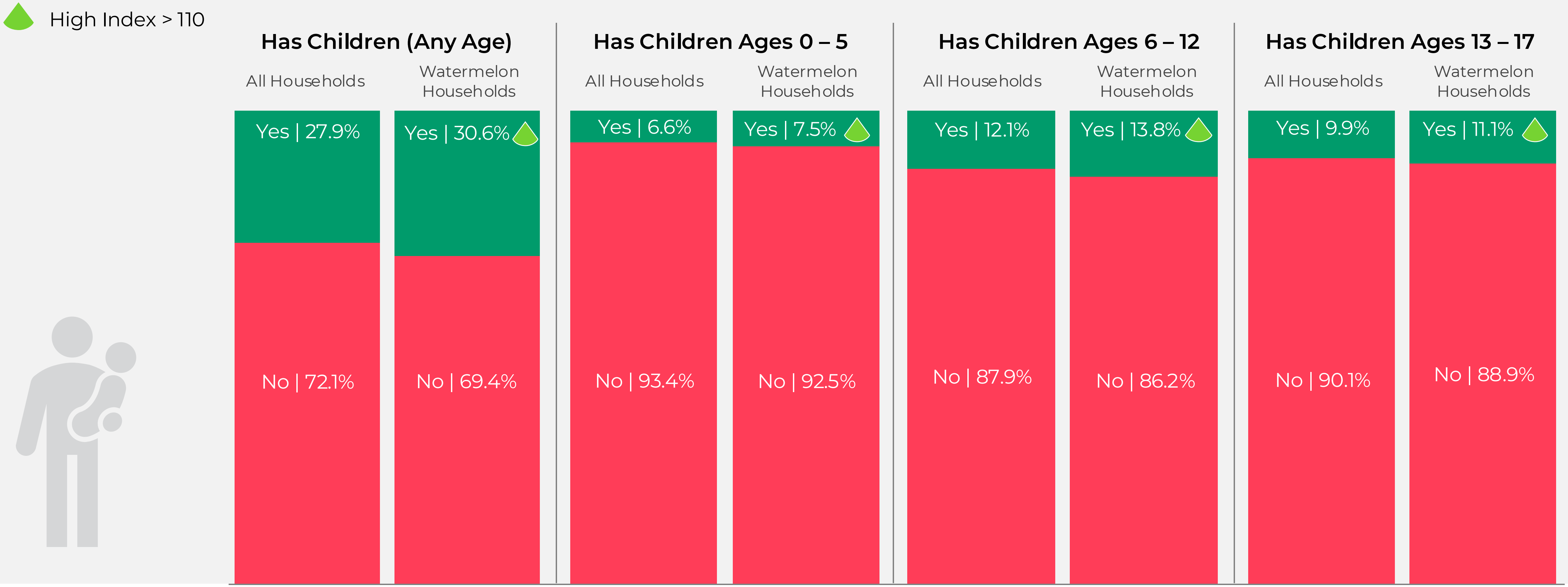
🔻 Low Index < 90



All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

Watermelon households were more likely to have children, with 31% having kids compared to 28% of households in the general U.S. population.

PRESENCE OF CHILDREN

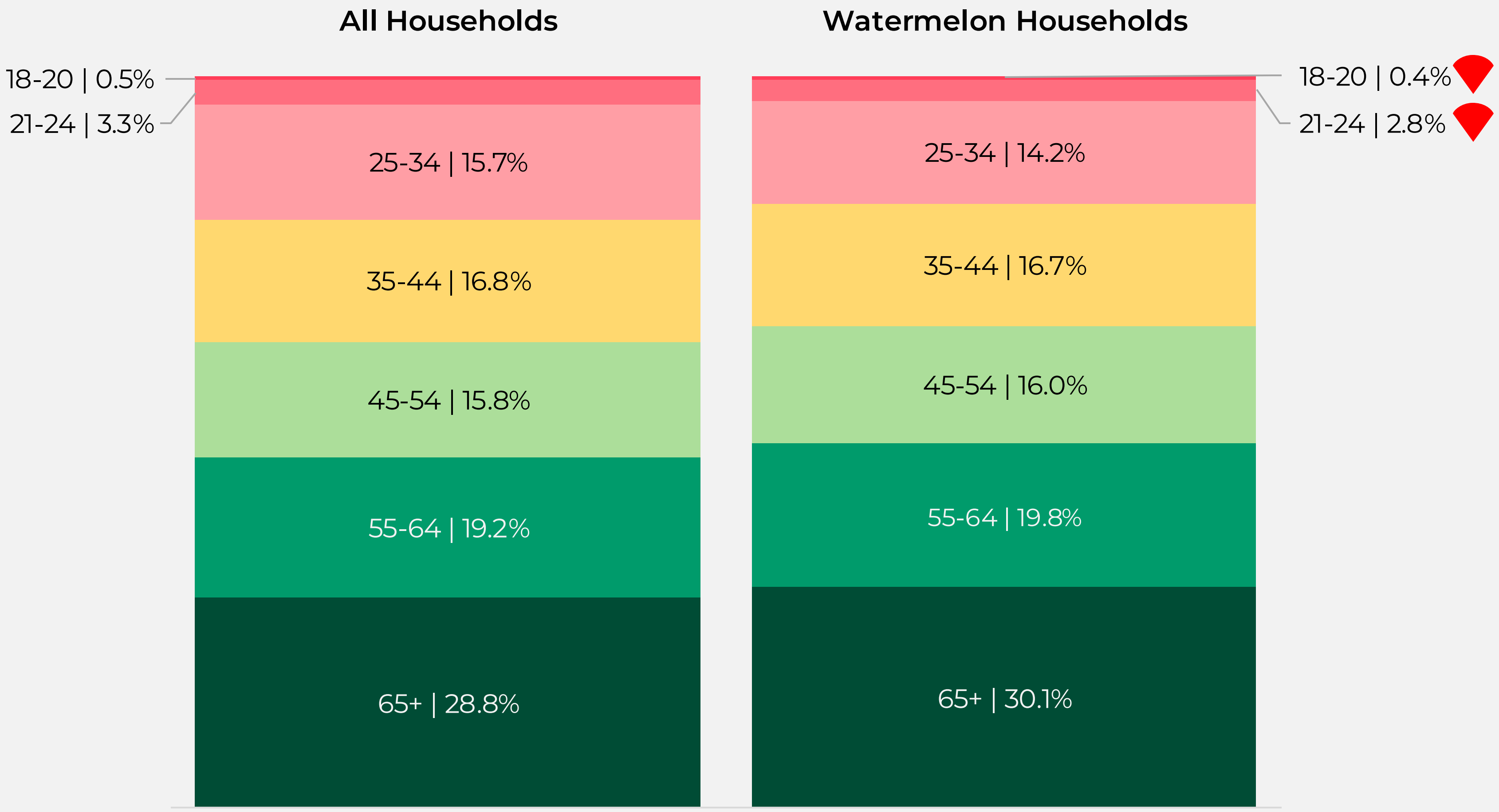


All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

Compared to the general U.S. population, watermelon households had a higher proportion of individuals aged 65+, while those under 24 index lower than 90.

AGE

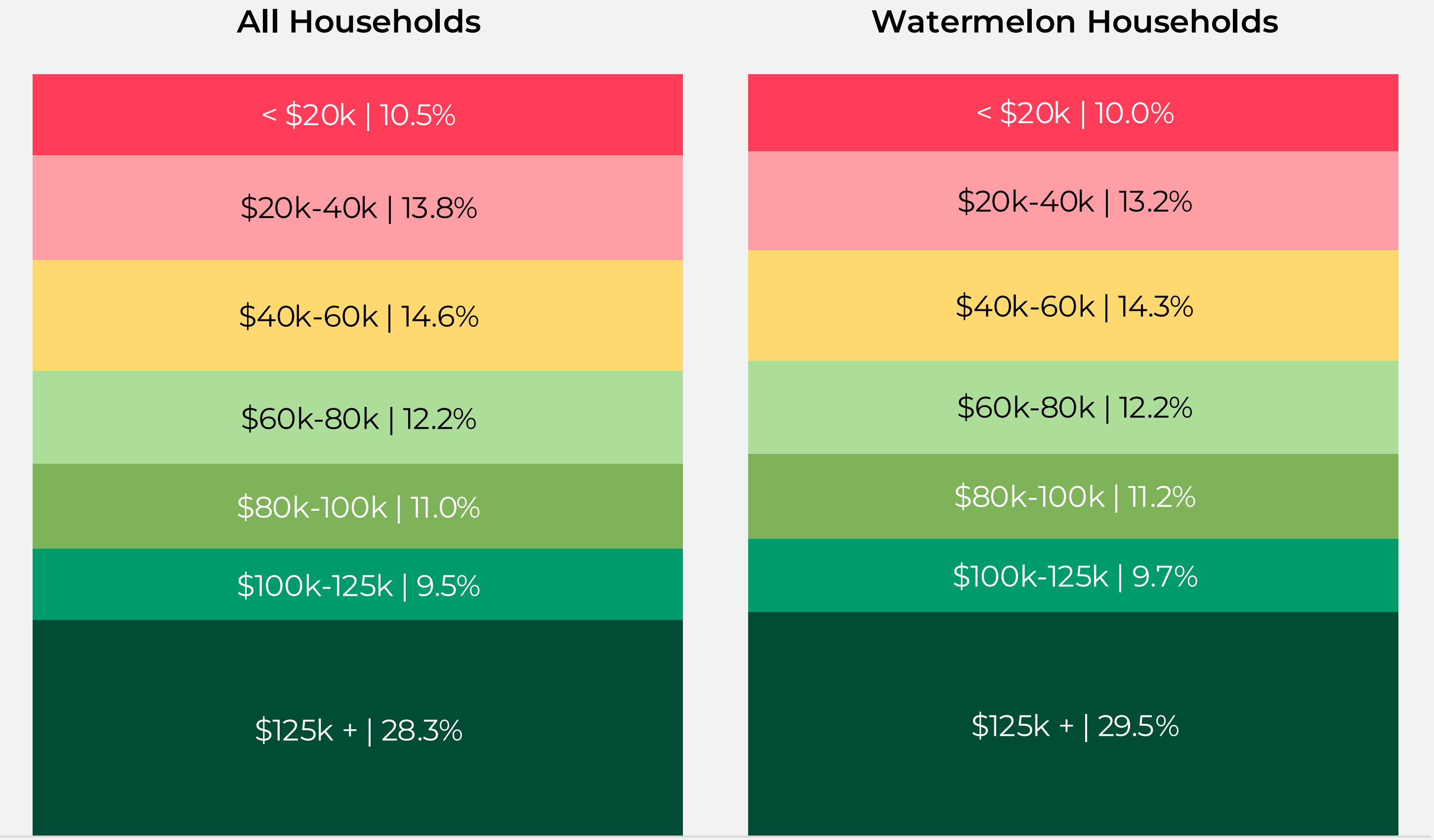
🔻 Low Index < 90



All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

Watermelon shoppers tend to have higher incomes, with fewer households earning below $60k compared to the general U.S. population.

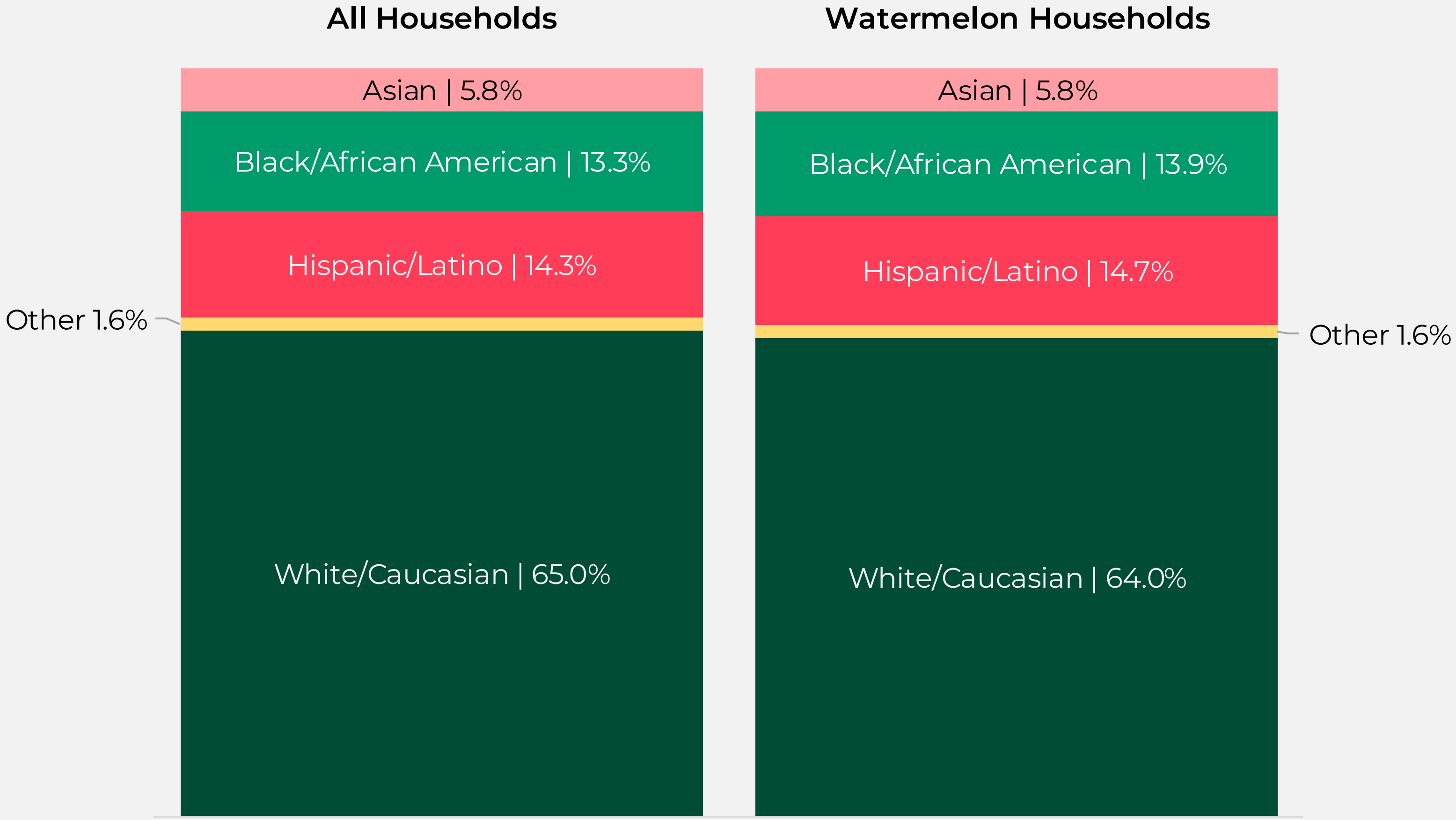
INCOME



All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

Watermelon shoppers were predominantly White/Caucasian. Hispanic/Latino and Black/African American households made up a larger share of watermelon shoppers compared to their share of the U.S. population.

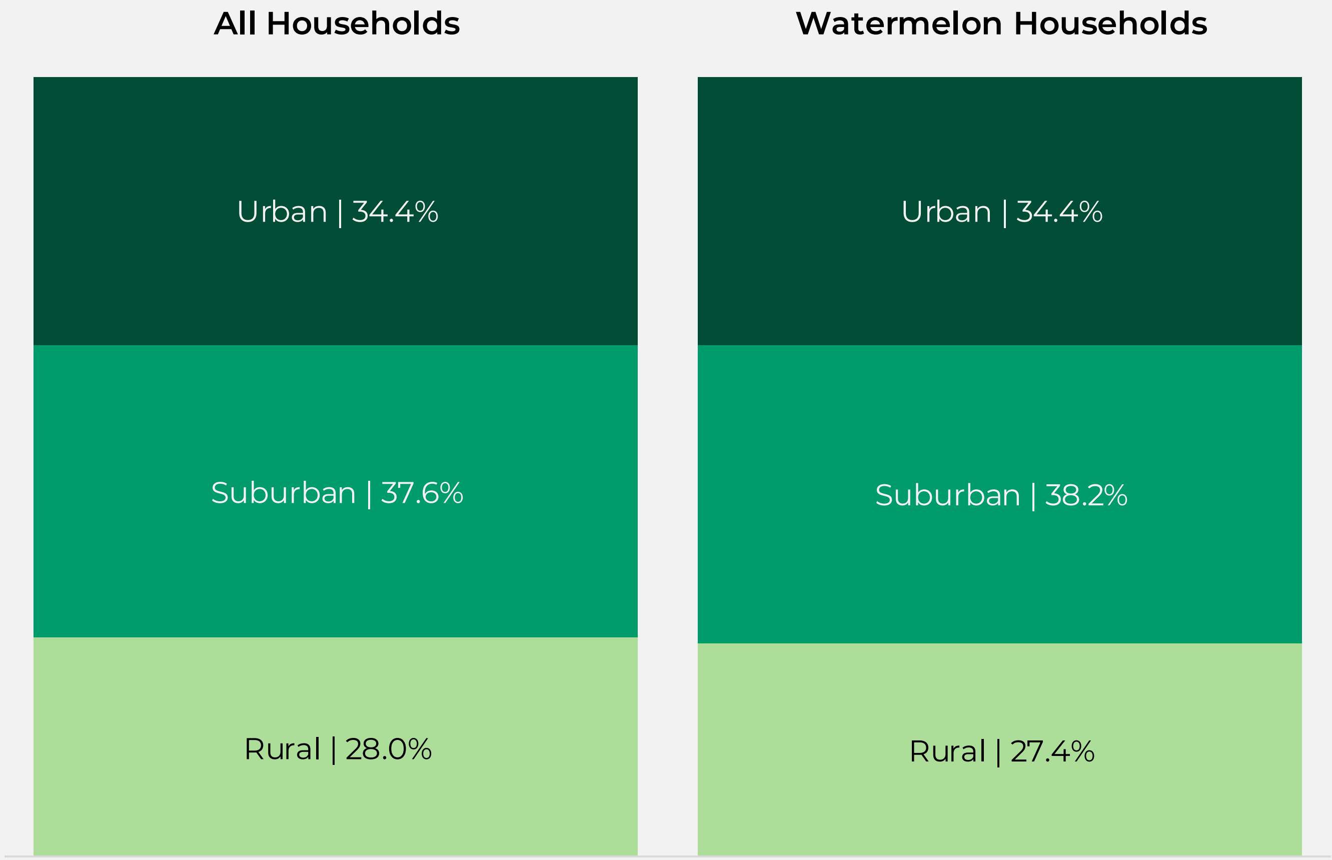
ETHNICITY



All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

Watermelon shoppers were more concentrated in suburban areas, while rural households made up a smaller share compared to the overall U.S. population.

URBANICITY

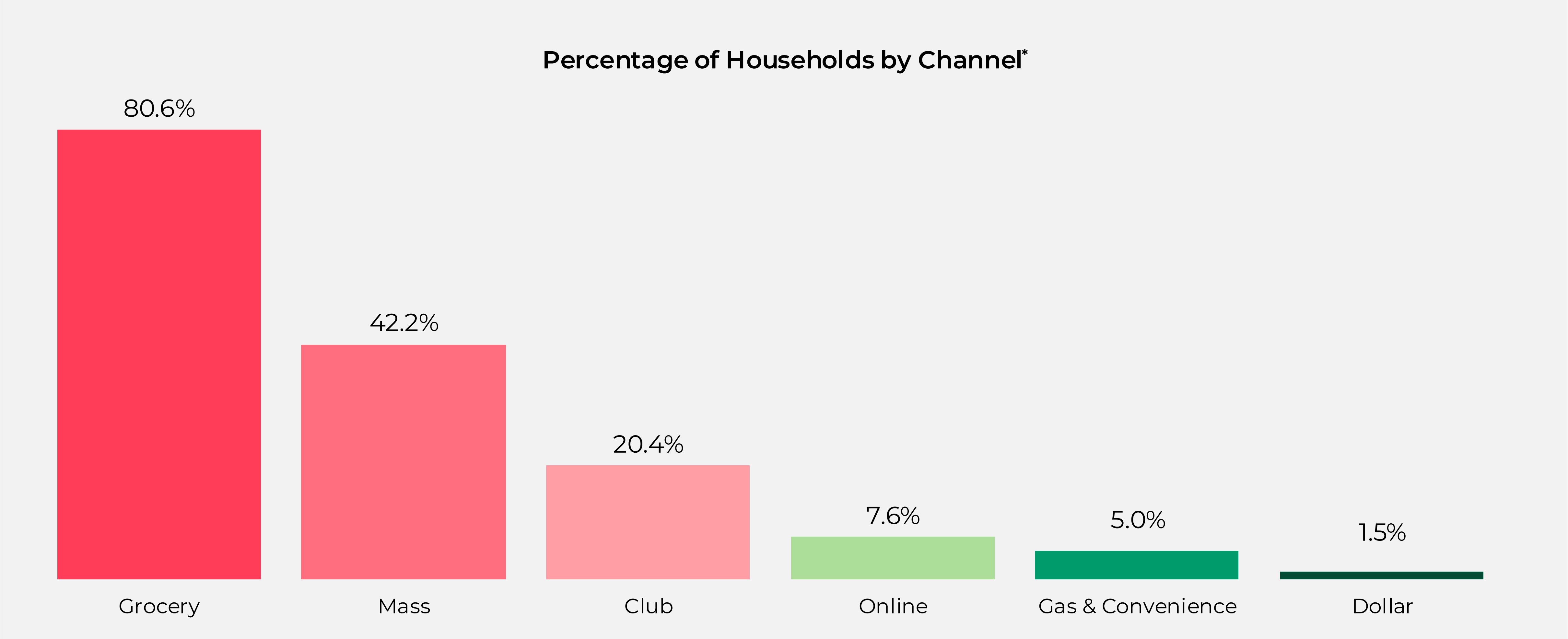


All figures rounded
Source: Numerator Insights, 52 weeks ending 06-30-2024

4

WATERMELON PURCHASE CHANNELS

Watermelon shoppers primarily shop at grocery stores (81%), while 8% purchase online.



All figures rounded
*Less than 1% of households shopped other channels
Source: Numerator Insights, 52 weeks ending 06-30-2024

Thank You!

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