

ATKearney

The Cannabis Opportunity

Research Overview



Executive Summary

High awareness

A.T. Kearney surveyed 1,000 US and 1,000 Canadian consumers, from various demographic and economic backgrounds, who had an awareness of the term “cannabis.”

The majority of the US and Canada respondents have used, or know someone who has used, cannabis, mostly in the smoking (92 percent) or edible forms (61 percent).

More than 75 percent of consumers surveyed are aware that cannabis has non-psychoactive components.

Consumer and retail opportunities

More than half of the US and Canada respondents would try recreational cannabis if or when it becomes legal—mostly in smoking (39 percent), food (41 percent), and edible (28 percent) forms.¹

Consumers are most likely to try therapeutic cannabis in foods (55 percent), vitamins (50 percent), and skincare (43 percent).

Health and wellness opportunities

Health and wellness and personal care companies would see an improvement in public perception with consumers cited as seeing the brand as innovative and trendy.

Approximately 80 percent of the respondents agree or strongly agree that cannabis products can offer wellness or therapeutic benefits; and this agreement is similar across age groups.

New opportunity for brands and retailers

Brand is important when choosing products derived from cannabis and the majority of consumers would not perceive a company or brand negatively if they were to become involved in the legalized cannabis industry.

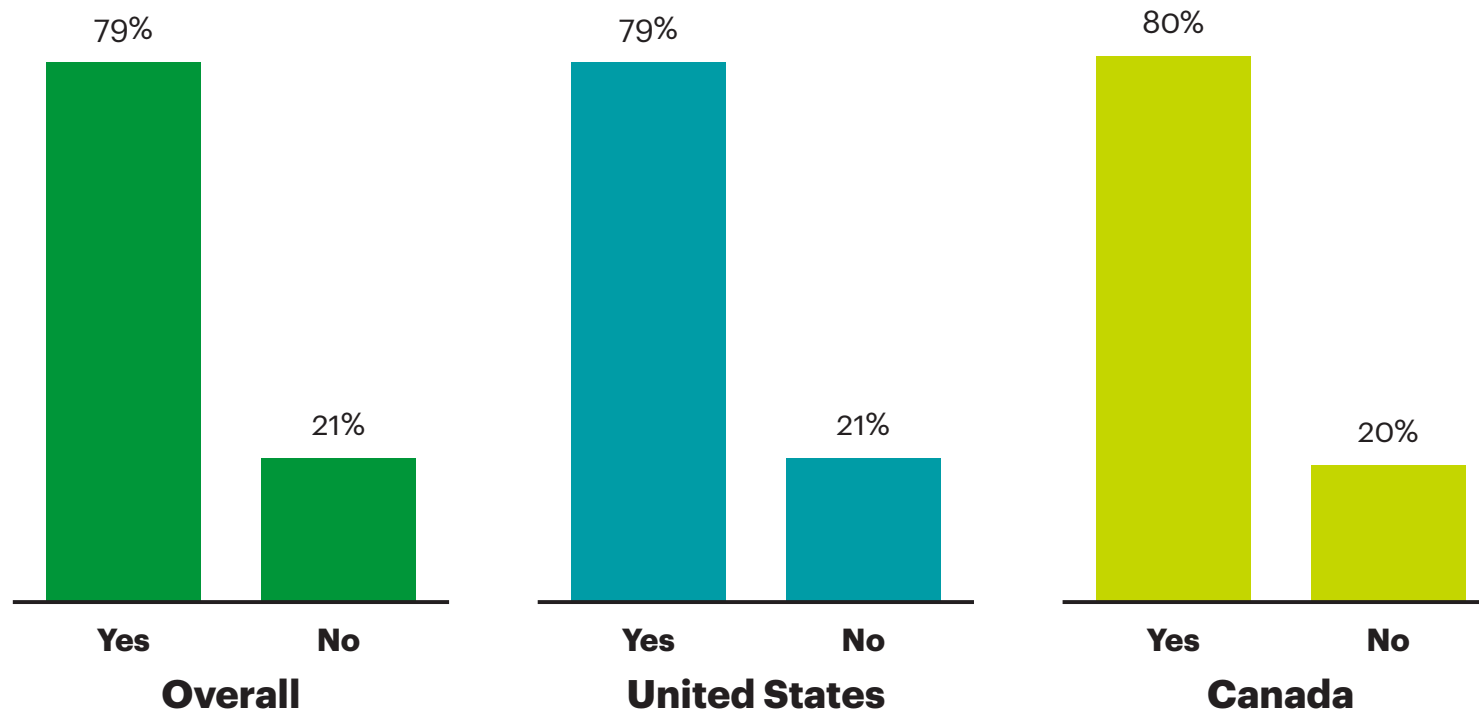
On average, Canadians and Americans proved to have a very similar tolerance or acceptance toward cannabis products, with more than 70 percent believing medical cannabis should be legal.

¹Food includes candy, chocolate snacks and packaged foods while edible forms includes capsules, soft gels and powders
Note: Ability to act on survey findings subject to regulatory environment of individual state or country. For specific regulatory information please seek legal counsel.
Source: A.T. Kearney Spotlight Survey: The Cannabis Opportunity

Consumers have an awareness of cannabis

Q1a: Have you or anyone you know ever used cannabis in any form?

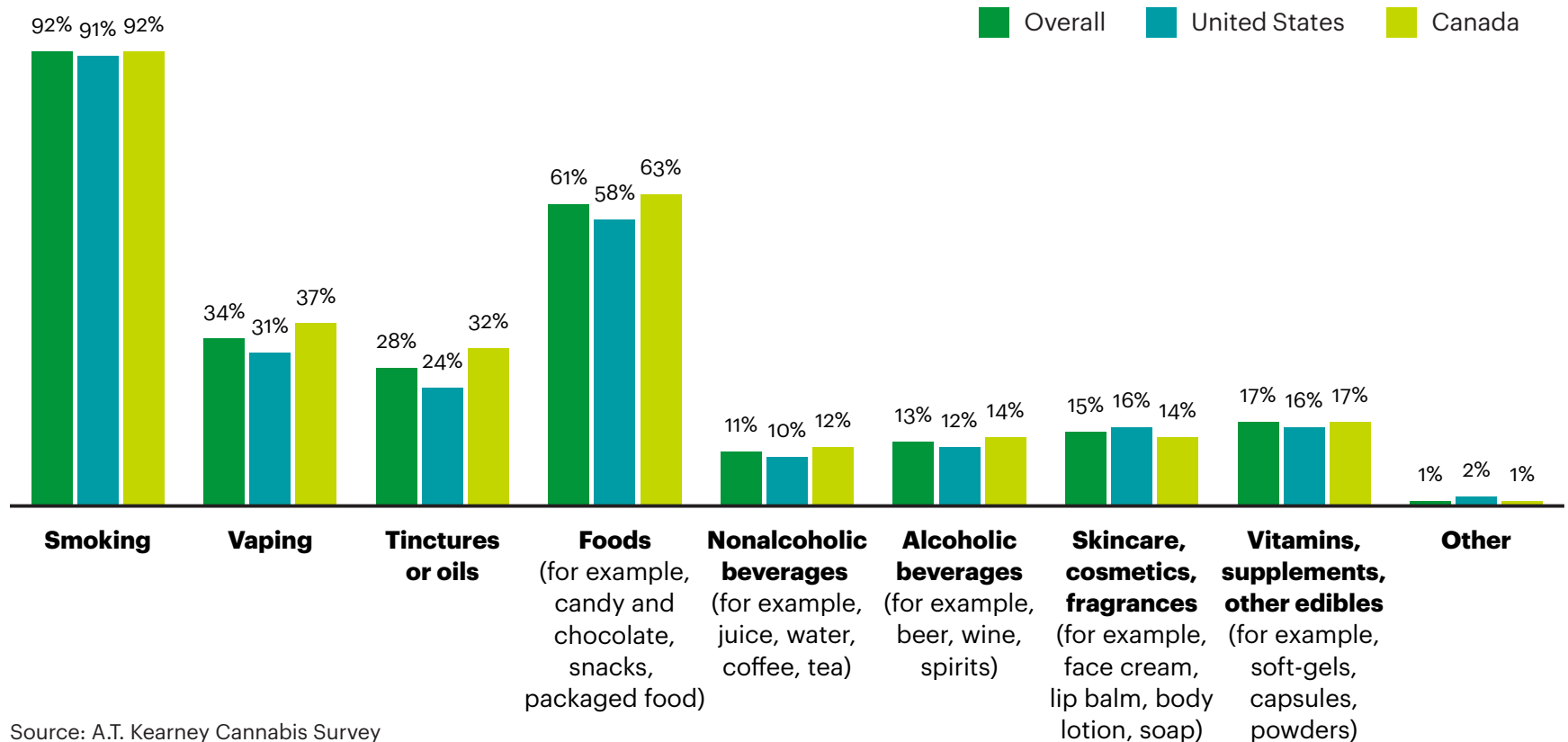
(Results)



Exposure to cannabis among consumers is highest in the smoking and edible forms

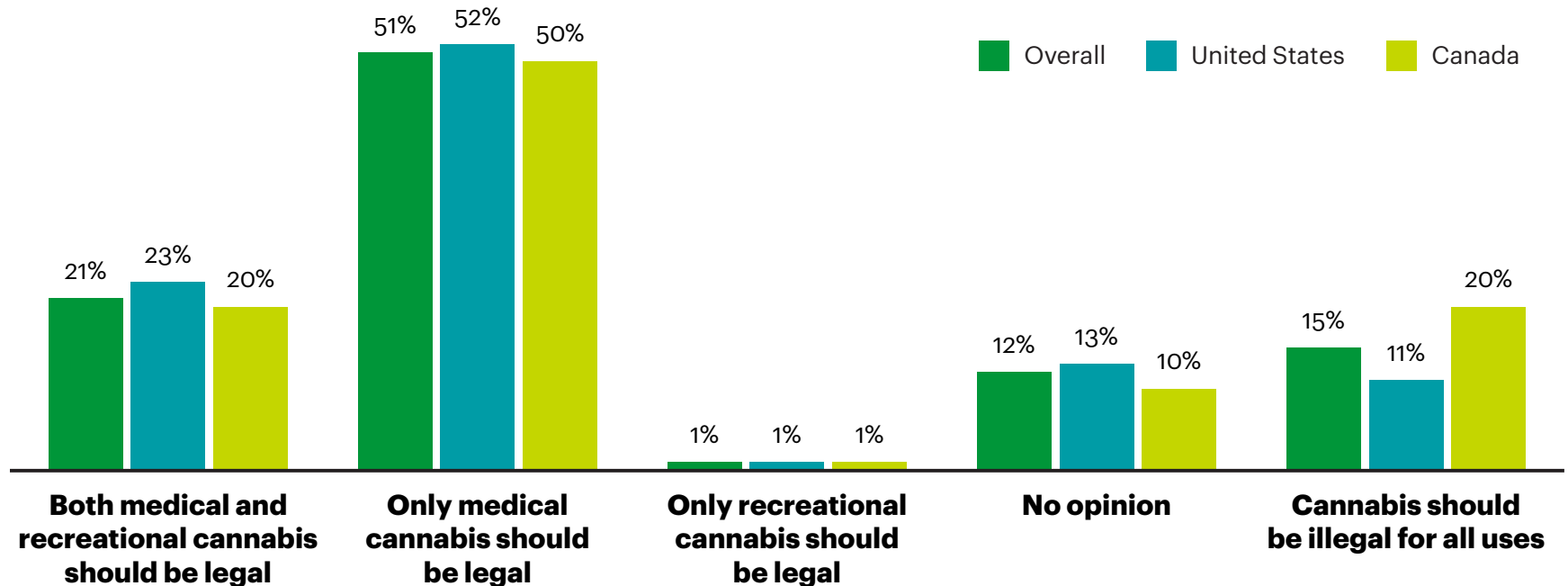
Q1b: If yes, which forms have you or anyone you know tried?

(Overall results)



More than 70% of those surveyed believe medical cannabis should be legal

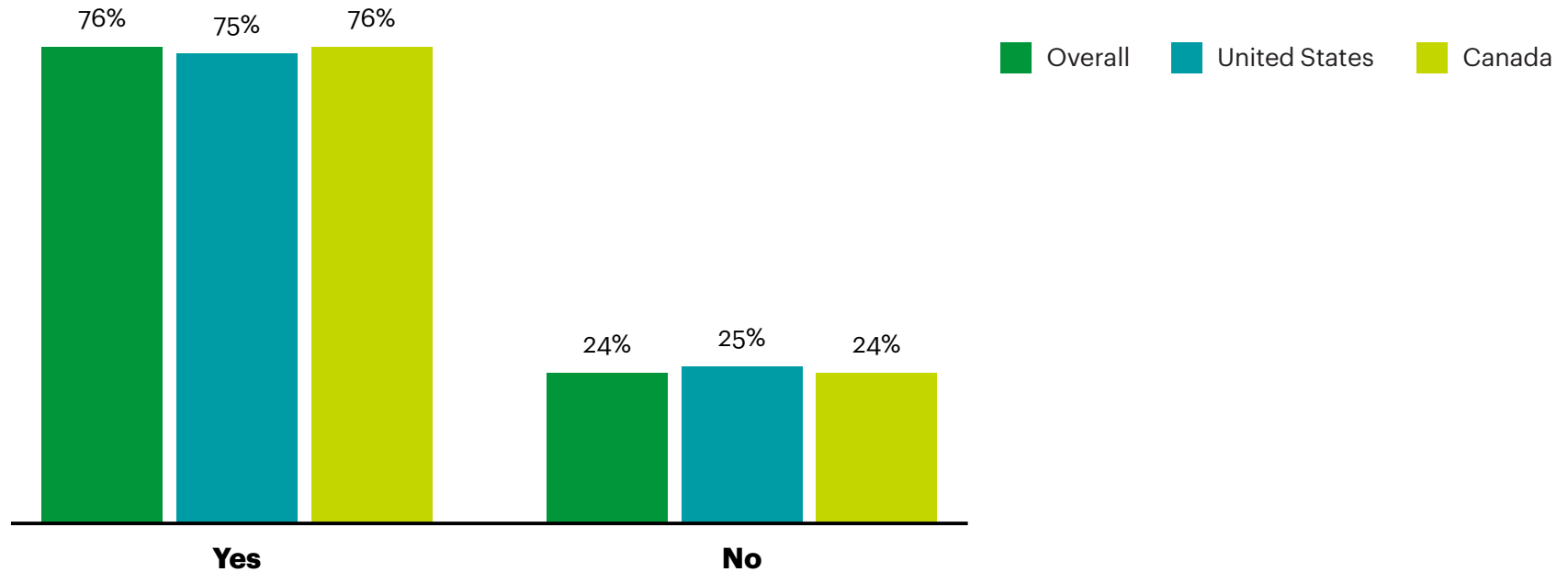
Q2: Do you believe medical and/or recreational cannabis should be legal in your state/country?



Source: A.T. Kearney Cannabis Survey

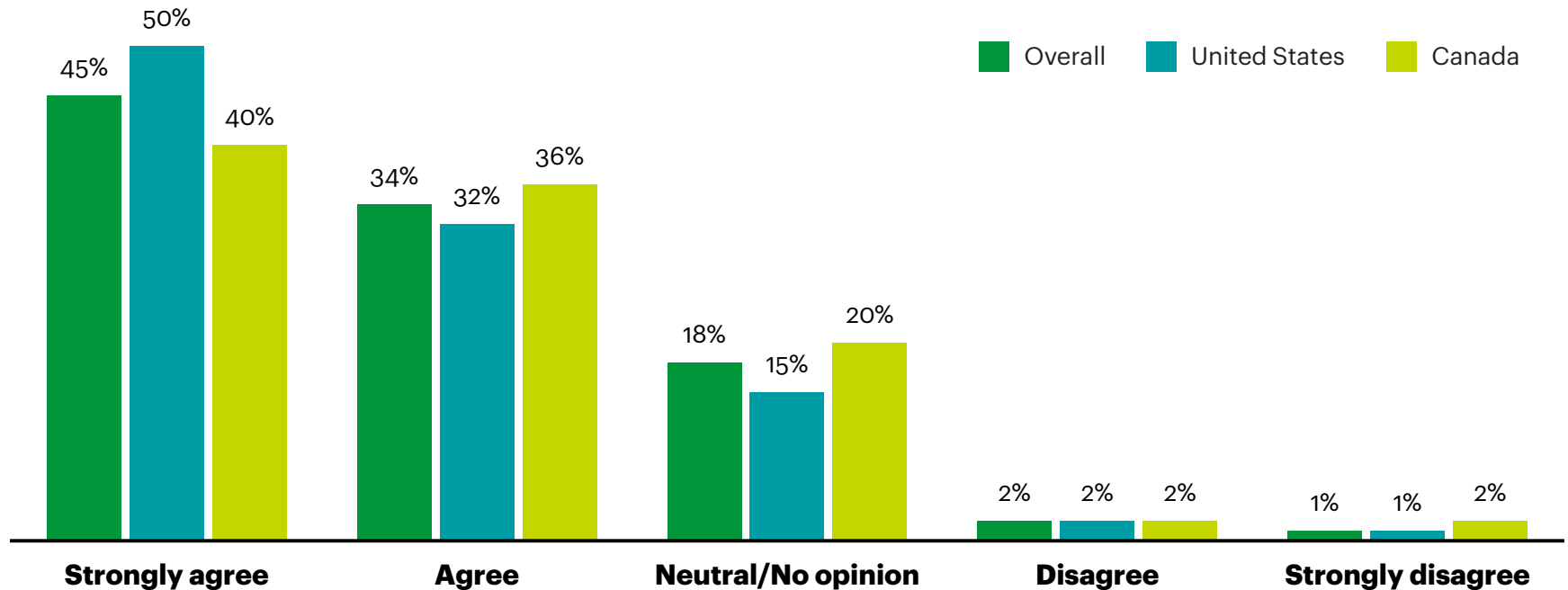
The population is mostly aware that one of cannabis' two main components is non-psychoactive

Q3: Did you know there are two main compounds in cannabis and only one produces a high?



There is strong agreement and understanding that cannabis can offer wellness and therapeutic benefits

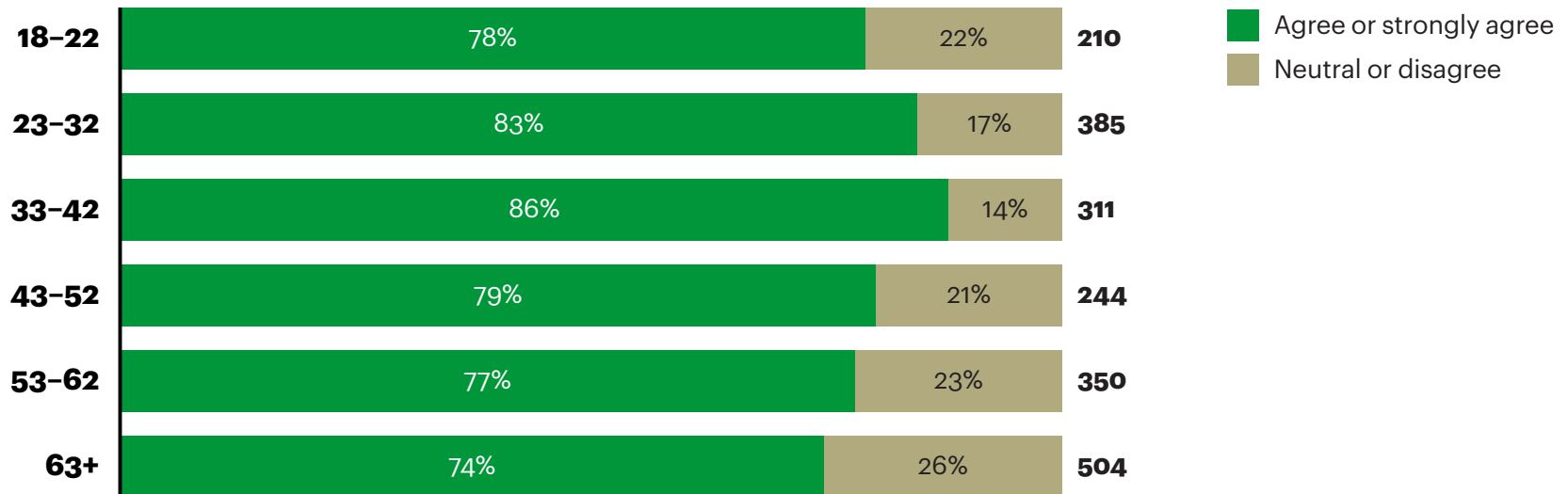
Q4: Do you believe that products derived from cannabis or containing cannabis can offer wellness or therapeutic benefits?



The belief that cannabis can offer wellness and therapeutic benefits is similar across age demographics

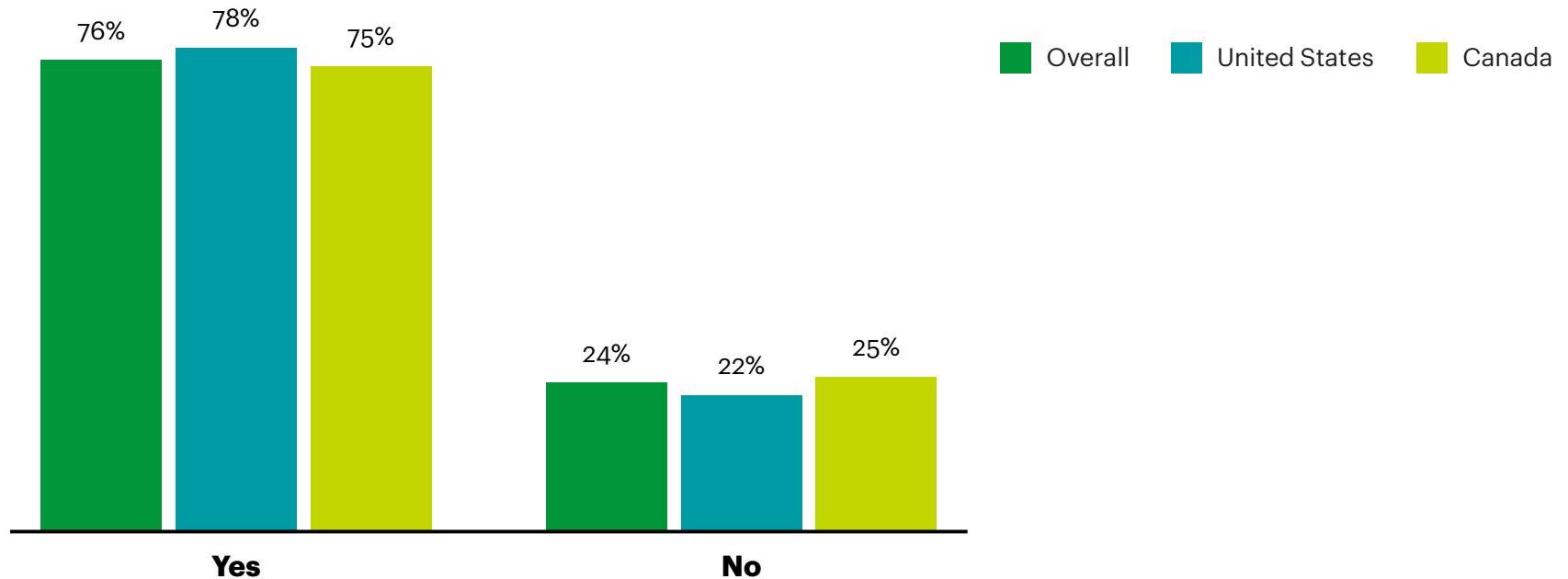
Demographic analysis of the respondents who answered Agree or Strongly agree compared to those who did not for Q4: Do you believe that products derived from cannabis or containing cannabis can offer wellness or therapeutic benefits?

(Overall results by age—gender independent)



Most people would be willing to try a legal therapeutic product infused with cannabis

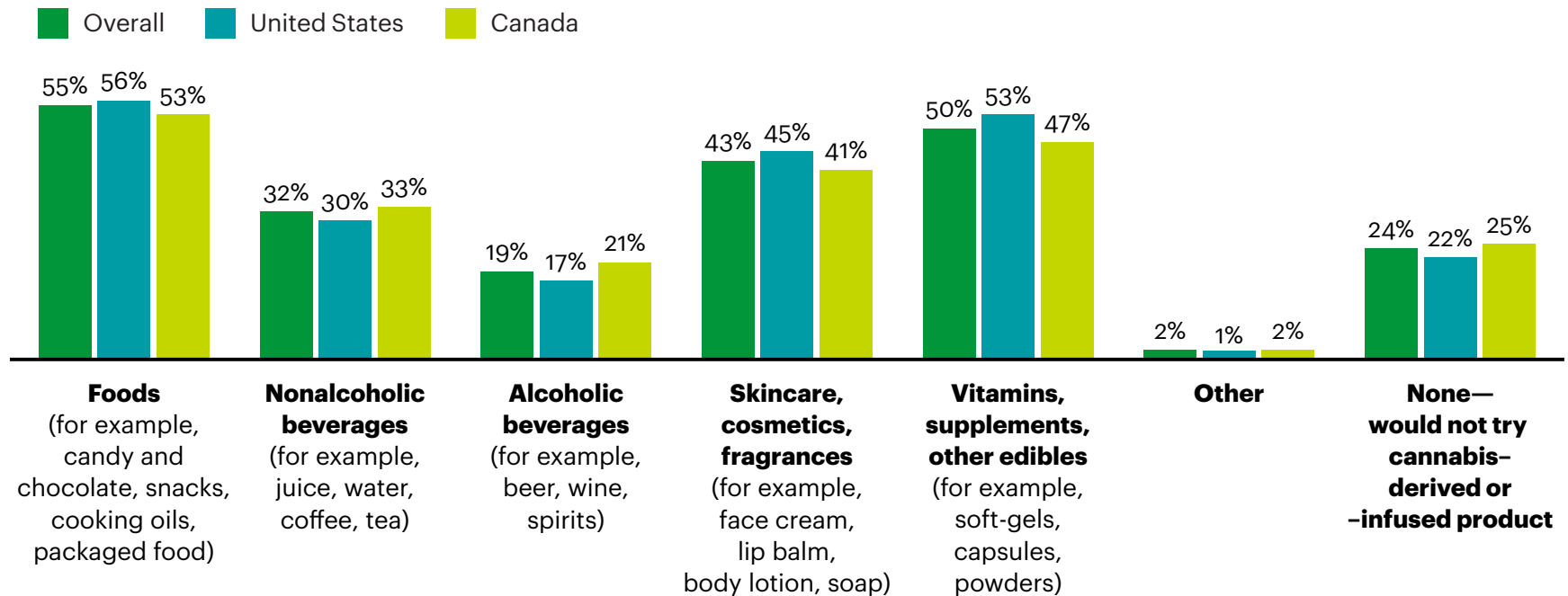
Q5a: Some therapeutic products infused with cannabis are legal and do not give a high. Would you try?



Source: A.T. Kearney Cannabis Survey

Consumers are most likely to try cannabis in foods, edibles, or cosmetics and skincare

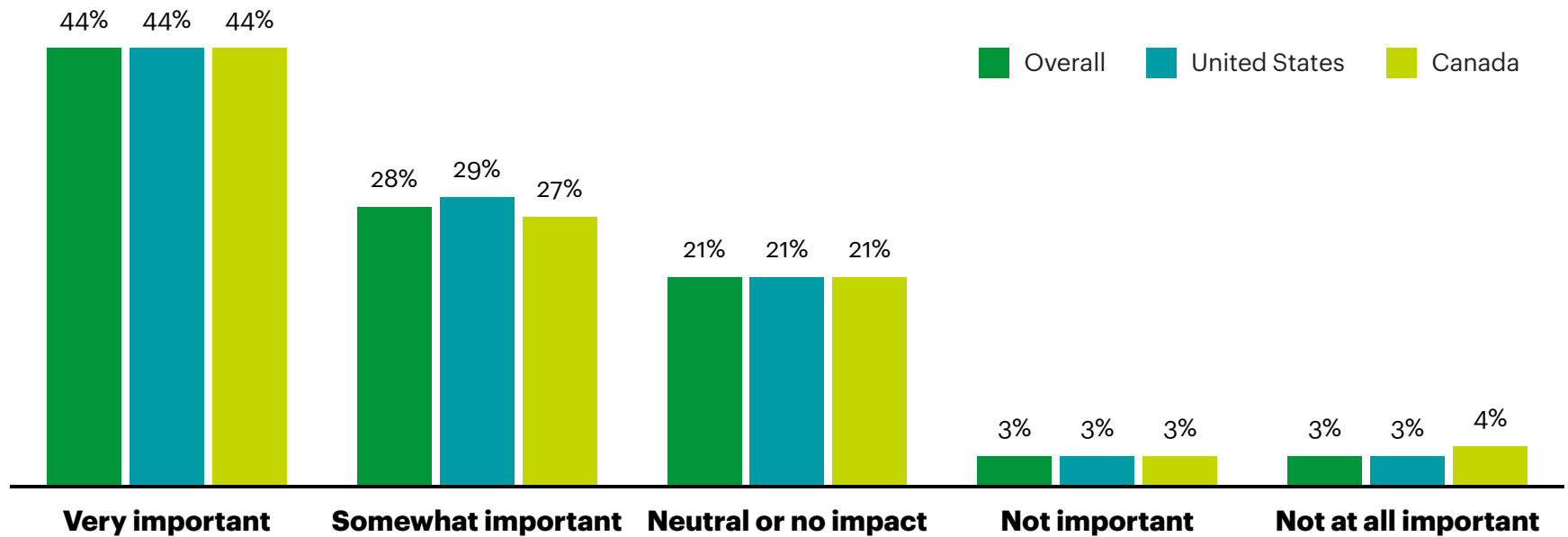
Q5b: Some therapeutic products infused with cannabis are legal and do not give a high. Which would you try?



Source: A.T. Kearney Cannabis Survey

Brand is important when choosing products derived or infused with cannabis

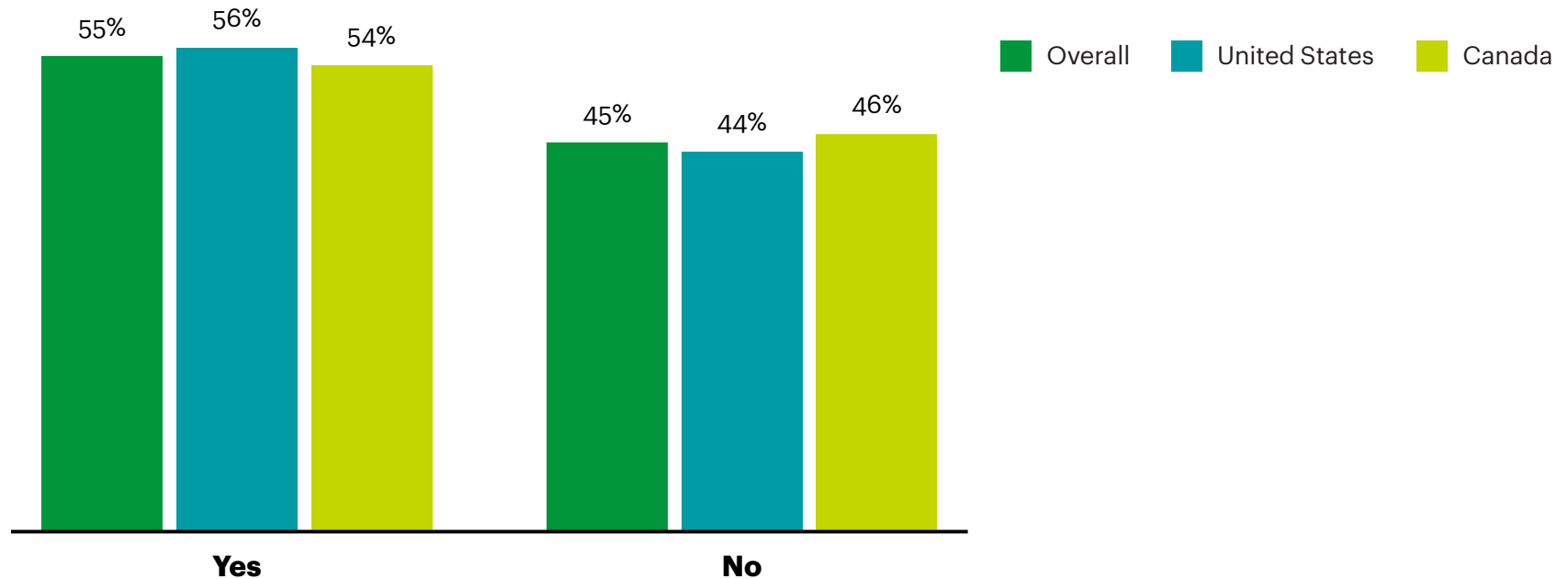
Q5c: How important would brand be in assessing the quality and safety of products derived from or infused with cannabis?



Source: A.T. Kearney Cannabis Survey

More than half of the US and Canadian respondents would try recreational cannabis if or when it becomes legal

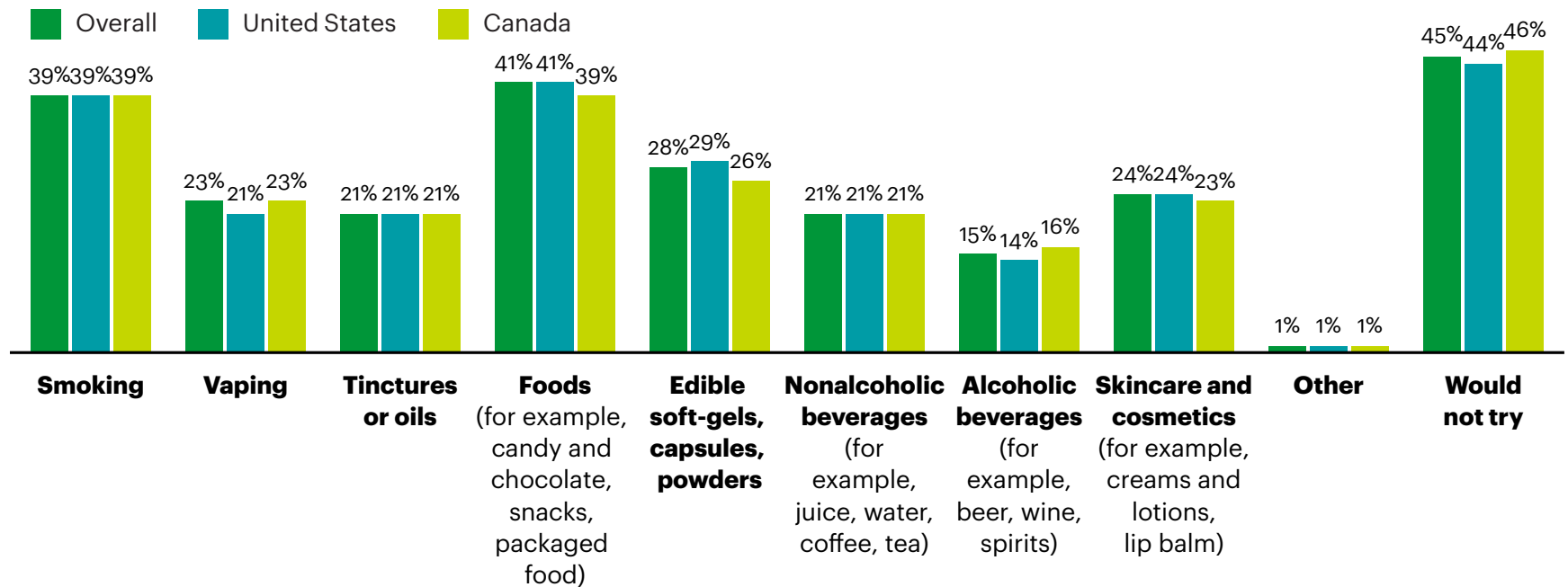
Q6: If recreational cannabis were to become legal, would you try it?



Source: A.T. Kearney Cannabis Survey

Consumers would be most interested in trying recreational cannabis in edibles, smoking, or skincare

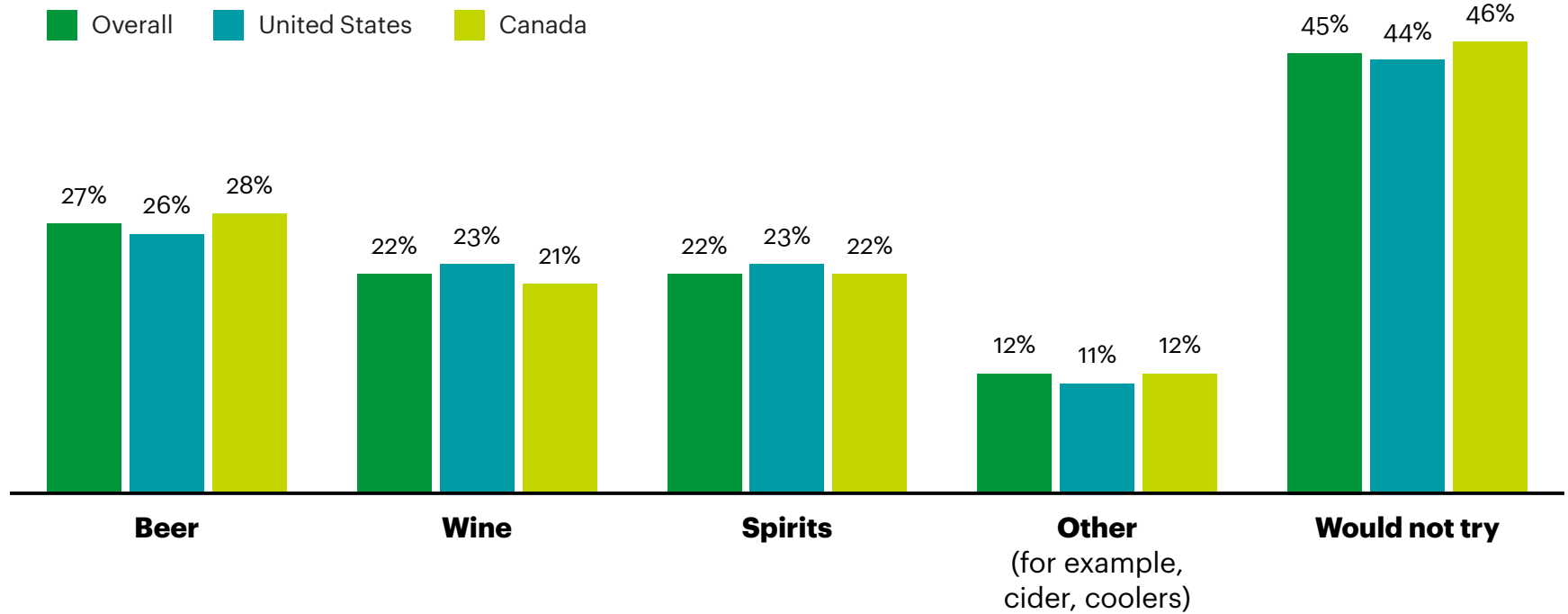
Q7a: If recreational cannabis were to become legal, what forms would you try?



Source: A.T. Kearney Cannabis Survey

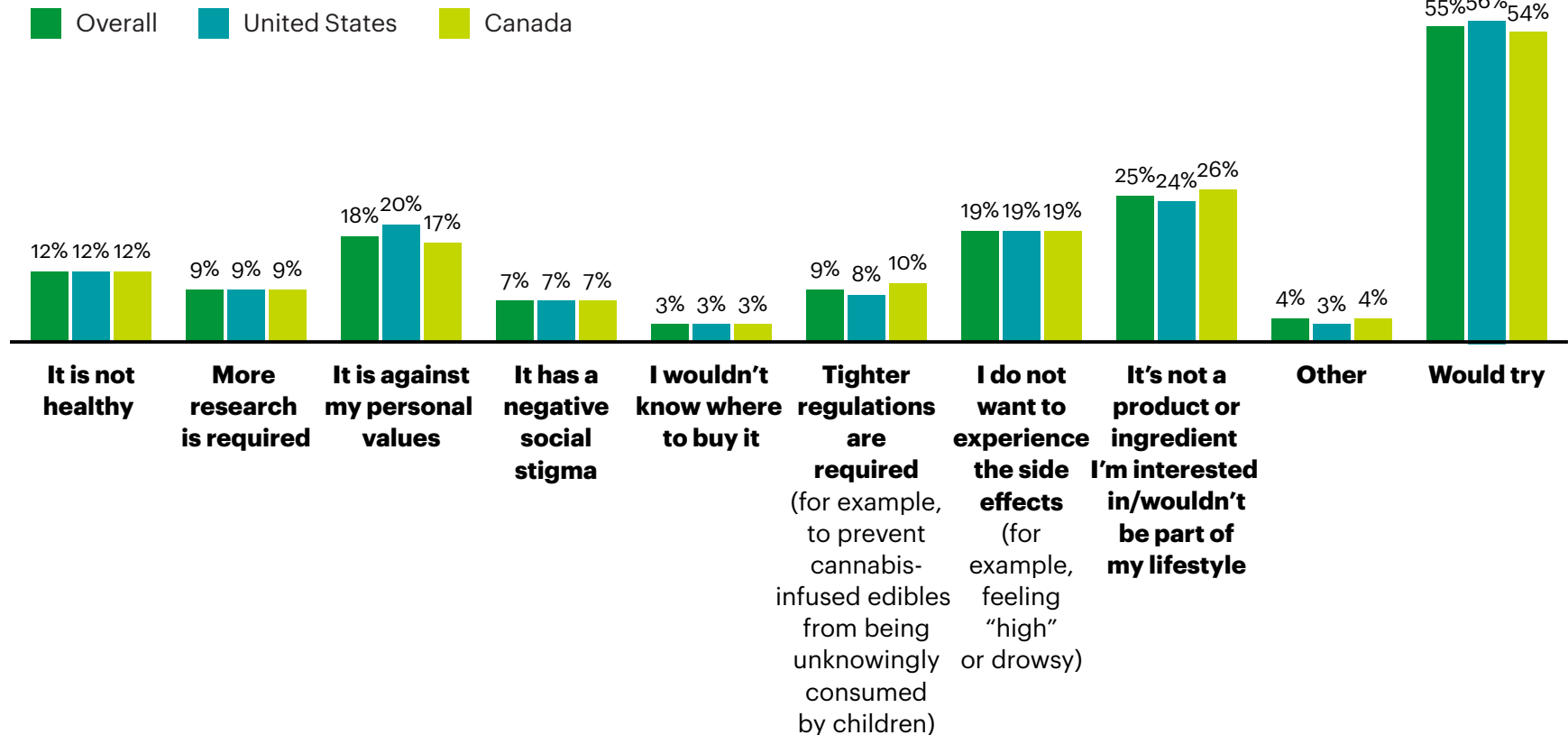
Of the respondents who said they would try recreational cannabis, most would consume it in place of beer

Q7b: Would you use recreational cannabis instead of consuming alcohol? If so, which alcohol?



Reasons for not trying cannabis are very personal

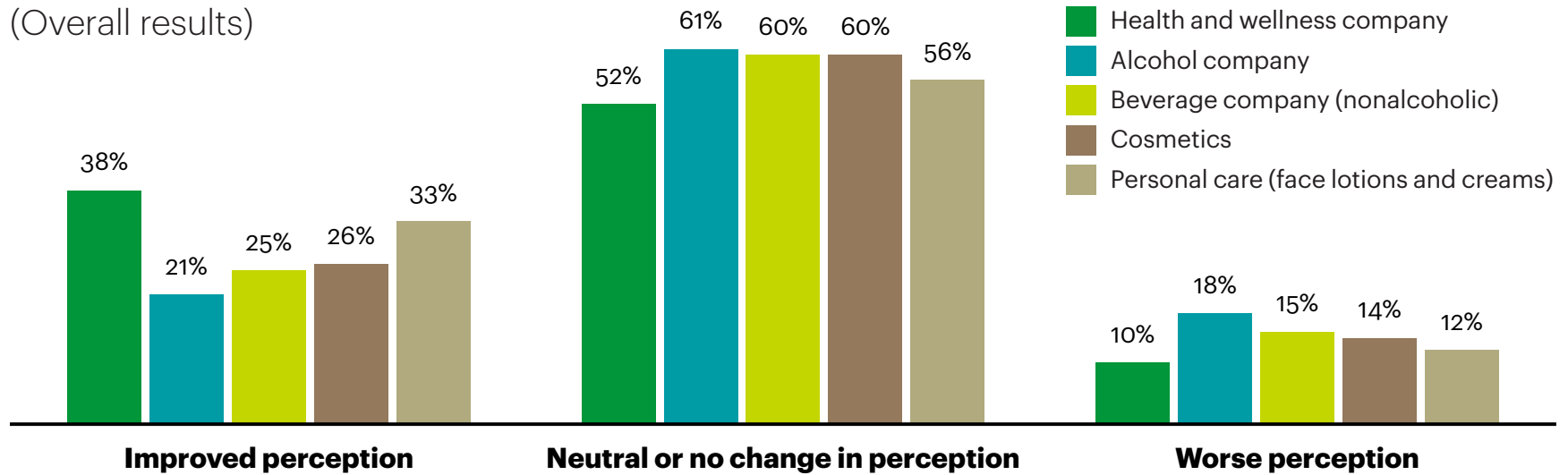
Q7c: If you would not try recreational marijuana, why not?



The majority of respondents said they would perceive the brand positively or neutral if they were to become involved in cannabis

Q8: If a large, well-known company were associated with cannabis, would your perception of that company change?

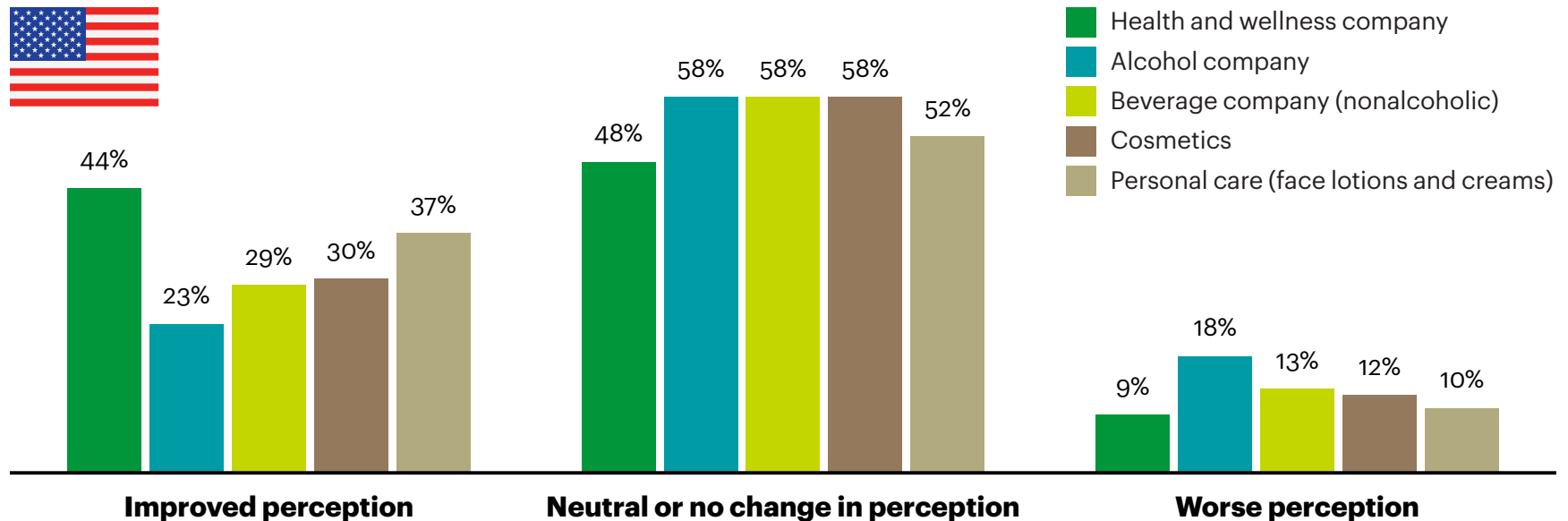
(Overall results)



Source: A.T. Kearney Cannabis Survey

Q8: If a large, well-known company were associated with cannabis, would your perception of that company change?

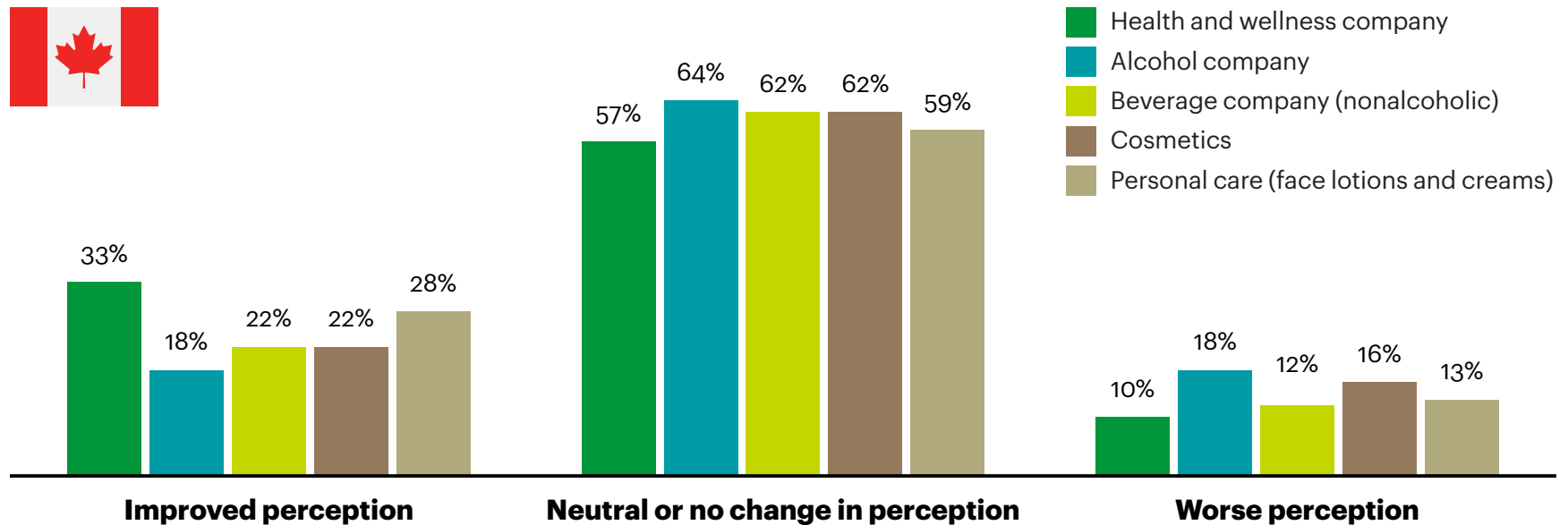
United States results



Source: A.T. Kearney Cannabis Survey

Q8: If a large, well-known company were associated with cannabis, would your perception of that company change?

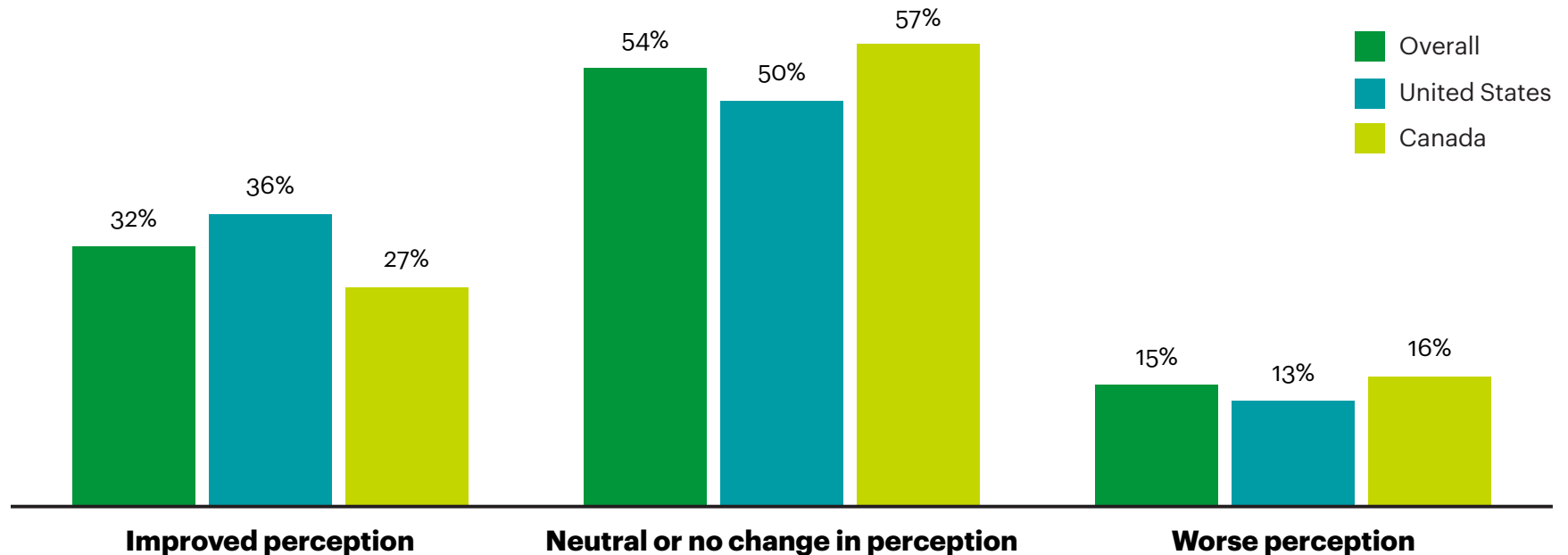
Canada results



Source: A.T. Kearney Cannabis Survey

Releasing a cannabis product does not worsen consumer perception

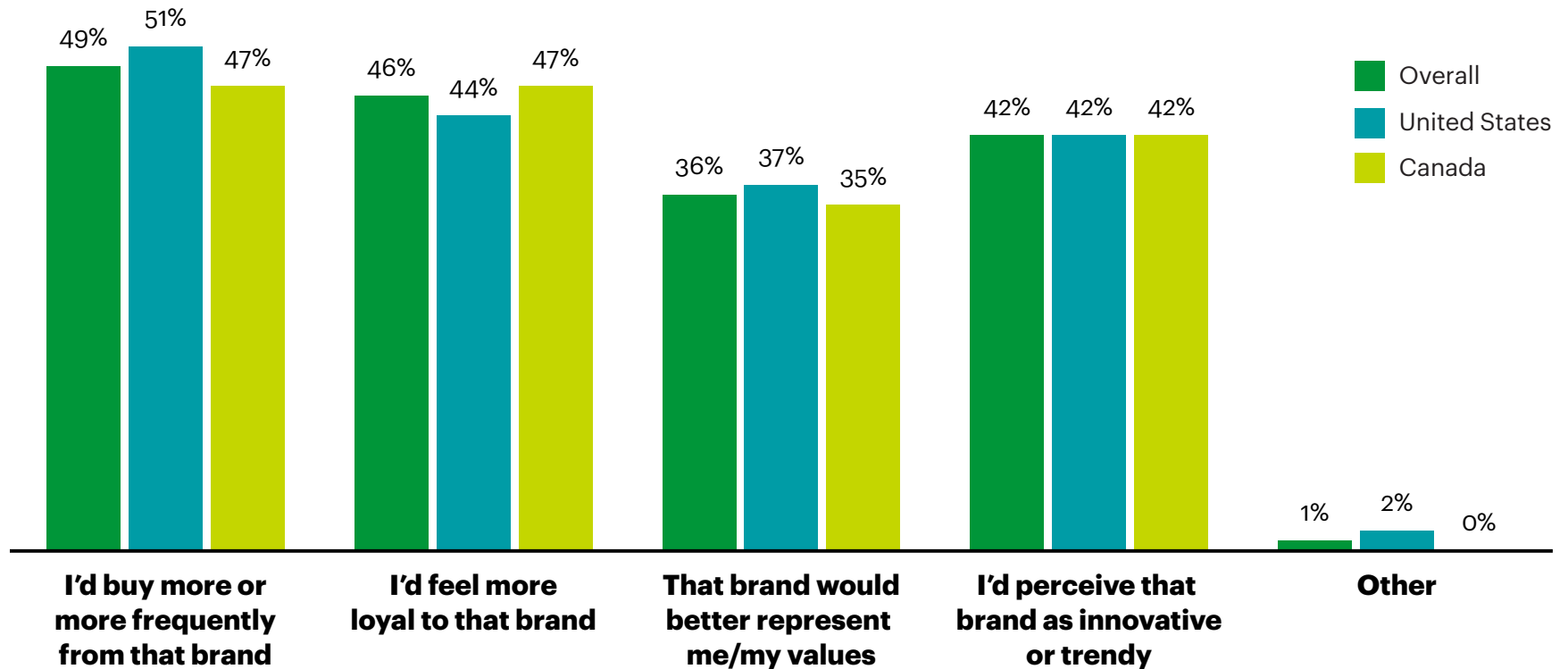
Q9: How would you perceive your favorite brand if it were to launch a product containing cannabis?



Source: A.T. Kearney Cannabis Survey

Improved perception means more consumer loyalty and higher purchase frequency

Q10a: If you selected improved perception, what would that mean?

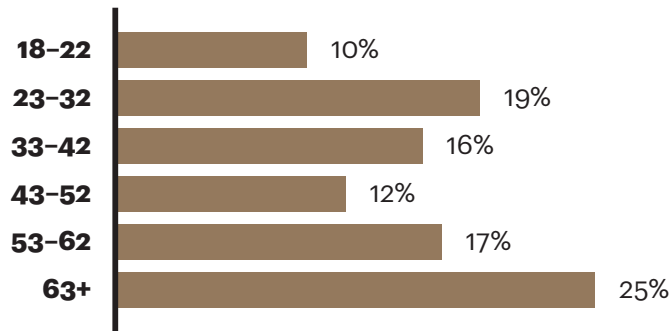


Demographic questions	Survey questions and answers (1/2)
<p>Do you know what cannabis is?</p> <p>Age</p> <p>Gender</p> <p>Marital status</p> <p>Highest degree or level of education</p> <p>Annual household income</p> <p>Current employment status</p> <p>Which US state/Canadian province do you reside in?</p>	<p>Q1a: Have you or anyone you know ever used cannabis in any form? Y / N</p> <p>Q1b: Which forms have you or anyone you know tried? (select multiple) Smoking / Vaping / Tinctures / Food / Nonalcoholic beverage / Alcoholic beverage Cosmetics / Vitamins / Other</p> <p>Q2: Do you believe medical and/or recreational cannabis should be legal in your country/state? Only medical cannabis legal / Only recreational cannabis legal / Both legal None legal / No opinion</p> <p>Q3: Did you know there are two main compounds in cannabis and only one produces a high? Yes / No—I thought all produced a high</p> <p>Q4: Do you believe that products derived from cannabis can offer wellness or therapeutic benefits? Strongly agree / Agree / No opinion / Disagree / Strongly disagree</p> <p>Q5a: Some therapeutic products infused with cannabis are legal and do not give a high. Would you try? Y / N</p> <p>Q5b: Some therapeutic products infused with cannabis are legal and do not give a high. Which would you try? (select multiple) Foods / Nonalcoholic beverage / Alcoholic beverage / Cosmetics / Vitamins / Other / None</p> <p>Q5c: How important would brand be in assessing the quality and safety of products derived from or infused with cannabis? Very important / Somewhat important / No impact / Not important / Not at all important</p> <p>Q6: If recreational cannabis were to become legal in your state or country, would you try it? (various consumption methods) Y / N</p>

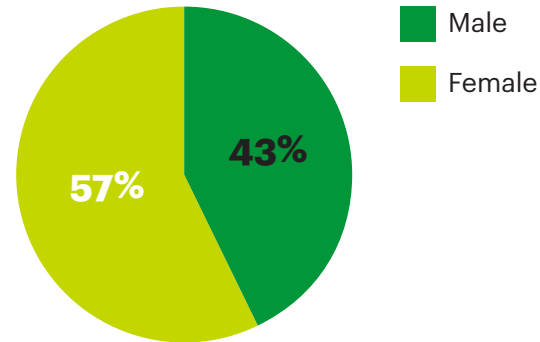
Demographic questions	Survey questions and answers (2/2)
<p>Do you know what cannabis is?</p> <p>Age</p> <p>Gender</p> <p>Marital status</p> <p>Highest degree or level of education</p> <p>Annual household income</p> <p>Current employment status</p> <p>Which US state/Canadian province do you reside in?</p>	<p>Q7a: If recreational cannabis were to become legal, what forms would you try? Smoking / Vaping / Tinctures / Food / Edible soft-gels / Nonalcoholic beverage Alcoholic beverage / Cosmetics / Other</p> <p>Q7b: Would you use recreational cannabis instead of consuming alcohol? If so, which ones? Beer / Wine / Spirits / Other (cidery, coolers)</p> <p>Q7c: If not, why not? Not healthy / More research needed / Against personal values / Negative stigma Not sure where to buy / Tighter regulations are required Don't want to experience side effects / Not interested in</p> <p>Q8: If a large company were to be associated with cannabis (for example, new product or partnership) would your perception change? Company types: Food / Nonalcoholic beverage / Alcohol / Health and wellness Personal care / Cosmetics</p> <p>Q9: How would you perceive your favorite brand if it launched a product containing cannabis? (select one) Improved perception / No impact / Worse perception</p> <p>Q10a: If you selected improved perception, what would that mean? (select multiple) Buy more frequently from brand / Feel more loyal / Brand would better represent my values Perceive brand as innovative or trendy / Other</p> <p>Q10b: If you selected worse, what would that mean? (select multiple) Buy less frequently / Feel less loyal / Brand would not represent my values Perceive brand as irresponsible or reckless</p>

Demographic overview of all survey respondents (1/2)

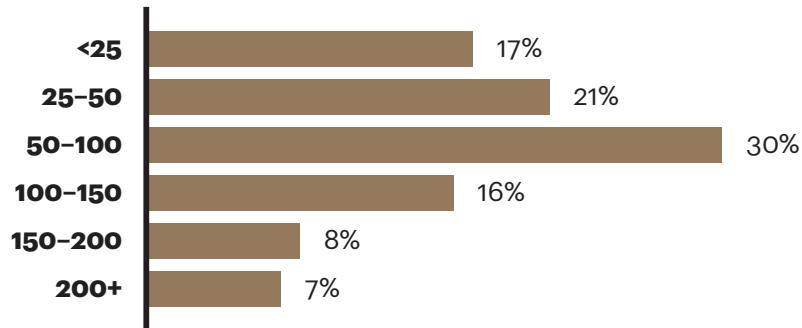
Age



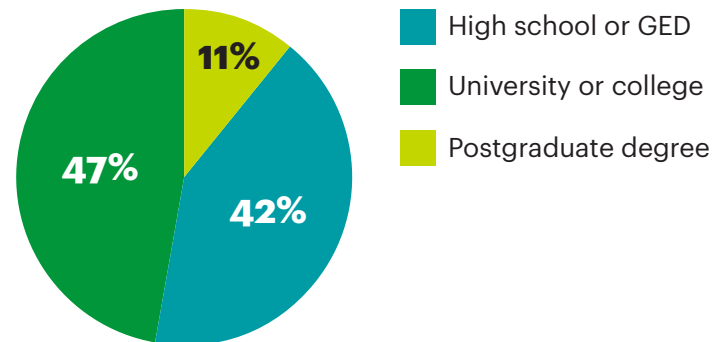
Gender



Annual income (\$'000)

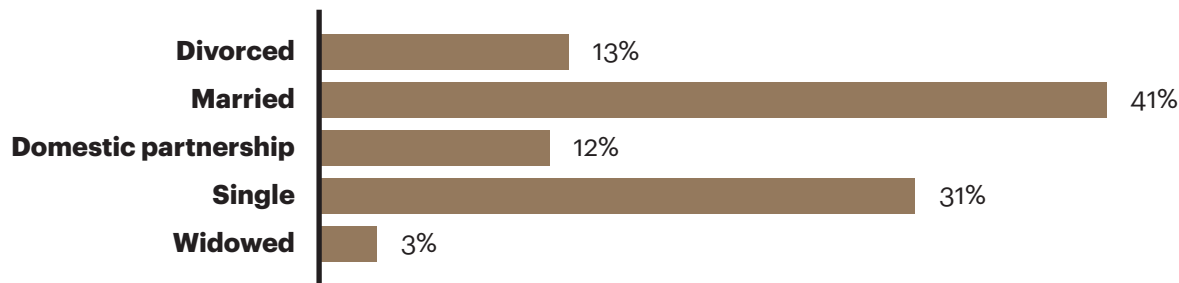


Education

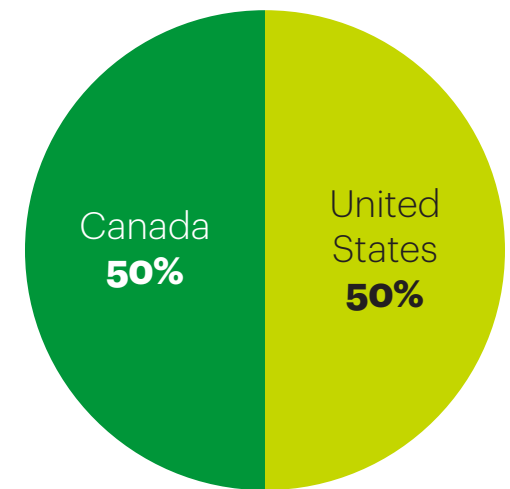


Demographic overview of all survey respondents (2/2)

Marital status



Country



Employment status

