

US Cannabis Market Opportunities: A Focus on The Wellness Consumer

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Dig Insights is a tech-enabled insight & strategy consultancy that offers up smarter insights across the innovation lifecycle.

Upsiide is our proprietary innovation insights platform, helping researchers and marketers test ideas in a new, clever way.

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Methodology

Dig Insights conducted an online survey of 500 residents of the US aged 21+ who have consumed cannabis in the last 12 months using our unique Upside platform.

The survey sample was balanced by age, gender and region to be representative of the national cannabis consumer population.

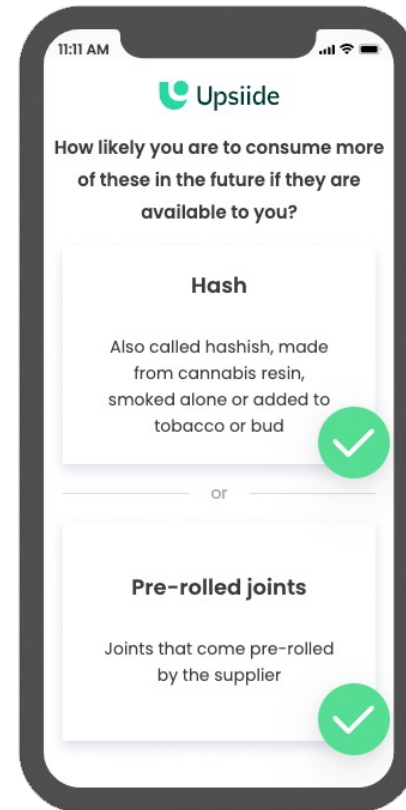
We used Dig Insights' unique Upside idea screening exercise to examine 16 cannabis formats among Cannabis 'Wellness consumers'



Interest

If you like the product, you swipe right.

If you dislike the product, you swipe left.



Commitment

Once a respondent indicated they like 2 products, those products were shown head-to-head and the respondent selected which one they were likely to consume more of in the future.

For those products they selected, they were asked the reasons why they chose it.

The Cannabis Wellness Consumer: Looking for answers

- The Cannabis Wellness consumer skews older and is more likely to be female compared to general cannabis consumers.
- They consume less frequently compared to reactionary users, although most are at least weekly users.
- They are looking for products that provide convenience, taste, and dosage control. Currently they are most likely to find this in edibles, and specifically gummies.
- But they are often in the dark navigating the complexities of formats and products that meet wellness needs.
- Unlike the Canadian market where regulations prevent it, there is an opportunity for companies within the US market to make claims promoting the benefits (i.e., sleeping aid, to reduce anxiety or pain) and provide guidance to this consumer segment to drive their loyalty.



Key Insight

Cannabis market is unique compared to most consumer products, in that consumers use the product for a wide variety of purposes that span mental and physical wellness as well as pure recreation.

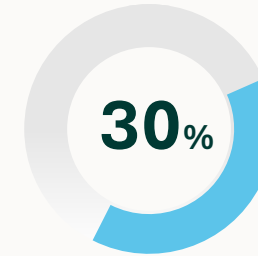
Only a minority (30%) of consumers use it purely for recreational purposes. Almost half (45%) use it mostly for reaction and occasionally wellness and a quarter of consumers, use the product primarily for wellness.

Industry Implication

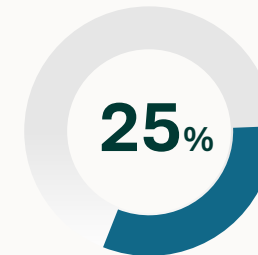
The key to increasing consumer engagement as well as consumption occasions is aligning product offerings with the various need states that span mental and physical wellness, and recreation.

The US Cannabis Industry has an opportunity to match brands and product formats to consumers and to help them navigate their multiple needs.

Supporting Data



Only 30% of past year cannabis users claim their usage is purely for recreational purposes



And one-quarter of users use it mostly or purely for mental and physical wellness reasons

Key Insight

Diving deeper into the ‘Wellness Consumer’ – the quarter of the market that uses the product primarily for wellness – we see certain characteristics.

This segment skews older. About 70% of people within the wellness segment are over 50 years old. This segment also skews female (62%).

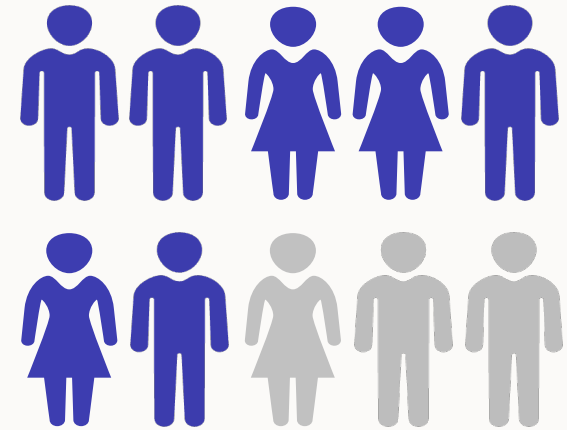
Wellness users consume less frequently compared to reactionary users. However, most would still be considered regular users (73% are consuming more than once a week).

Industry Implication

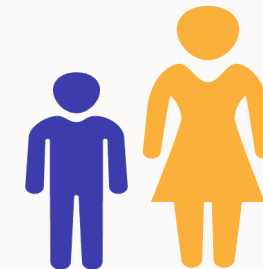
Older, female consumers who are using cannabis primarily for wellness may feel alienated from mainstream cannabis consumer culture. They also need distinct formats that will allow them to control dosage as well as treat their specific wellness needs.

Supporting Data

70% is 50+



62% of the over 50 wellness consumer identifies as female.



Cannabis and the Wellness Consumer

There are opportunities to create edible formats that speak directly to the wellness segment and meet the taste and dosage control needs that wellness consumers need. Wellness related product attributes like organic, non-GMO will also differentiate brands in the minds of consumers.

Preferred format

Top 3 products for the wellness consumer are **edibles**, and **gummies** are especially attractive to them.



82%
Edible
Gummies



71%
Edible
Chocolate



70%
Edible Cookies/
Brownies



43%
Convenient
to Consume



39%
Tastes
Good



37%
Control
Dosage

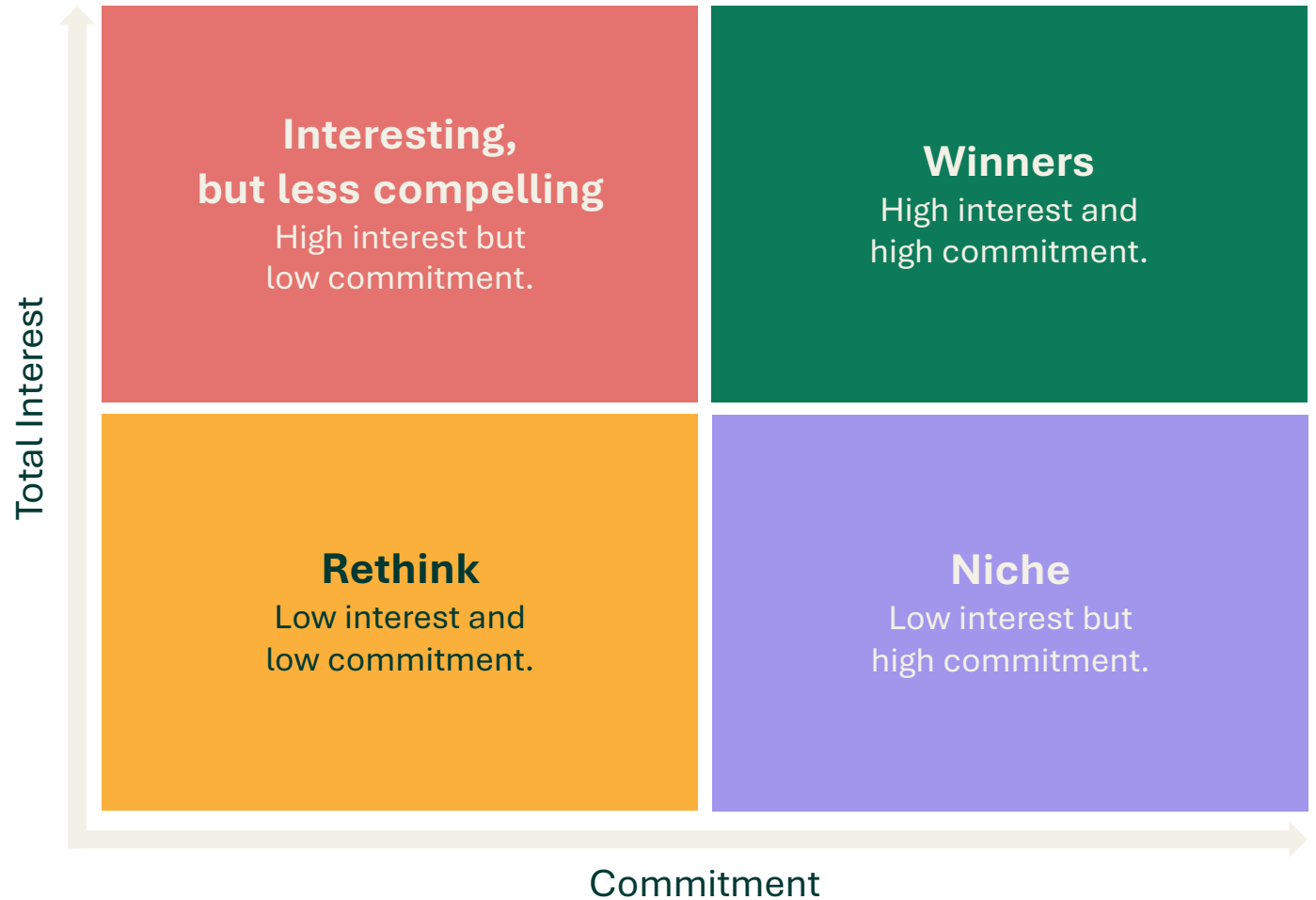
Benefits

They enjoy the **taste**, **convenience** of consumption and can easily **control the dosage** compared to other formats.

Understanding Niche Products

Upsiide Idea Screen is a powerful tool to identify niche products that might have less interest throughout the entire population.

However, within a specific segment, the commitment to those products is high. This opens up an opportunity for a niche product within a particular segment.



Commitment vs. Interest



Products that could attract
the Wellness Consumer

Niche Products for the Wellness Consumer

Beyond gummies, it is possible to provide a repertoire of formats that can appeal to the Wellness Consumer IF they meet wellness needs such as convenience of consumption, taste and dosage control.



Thanks!

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