



GENERATIONS 2020

A STUDY OF GENERATIONAL ATTITUDES &
PERCEPTIONS ABOUT CANNABIS LEGALIZATION AND USAGE

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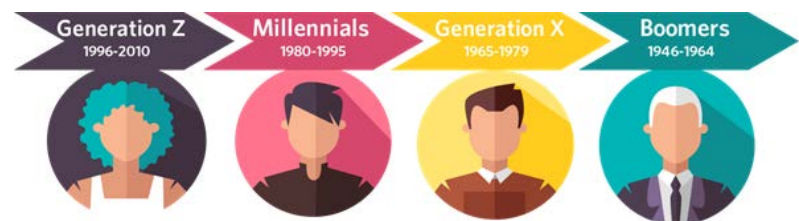
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LEGALIZATION OF CANNABIS IS FUELING SOME OF THE FASTEST GROWING PRODUCT SEGMENTS IN NORTH AMERICA

Our Team at Insights In Marketing (IIM) partners with clients in the marijuana and cannabidiol (CBD) categories among others to provide consumer insights. New product developments and recent shifts in the regulatory climate inspired us to dig deeper to gain a better understanding of adult consumers' attitudes and perceptions about cannabis legalization and uses.

IIM's proprietary generational research illuminates the core values and beliefs shaping attitudes, perceptions and shopping behavior among four generations of adult consumers. From January 31 to February 14, 2020 we surveyed 1,400 consumers born between 1945 and 1999:



The findings identified distinct differences and similarities across generations which enabled us to identify actionable insights to help brands and businesses:

- Effectively communicate cannabis product uses and benefits to consumers
- Appeal to consumers with new CBD-infused products in the Health & Beauty and Consumer Packaged Goods categories
- Make dispensaries a safe and viable part of communities

Note: Generation Z represents people born between 1996 and 2010, but for the purpose of this survey, we interviewed adult consumers born between 1999 and 1946 who were at least 21-years old (or would be 21 in 2020). Respondents were from the U.S. and were obtained from Dynata's consumer panel.

INTRODUCTION

Study Methodology

All figures in this report are drawn from customized IIM online research between January 31 and February 14, 2020. Findings are based on online surveys with 1,400 U.S. Dynata panelists born between 1999 and 1945. Approximately 58 percent of respondents have access to medical marijuana, and 28 percent are from states that have legalized recreational and medical marijuana.

Regulatory Climate

Marijuana Legalization & Regulation

Marijuana has been illegal in the U.S. at the federal level since 1937, and it is currently regulated by the U.S. Department of Drug Enforcement under the Controlled Substances Act of 1970. However as of February 2020, 11 states and Washington D.C. have legalized medical and recreational marijuana use, and 22 states have legalized the use of medical marijuana only. In these areas, state and local governments license marijuana businesses and regulate product safety independently.



Cannabidiol (CBD) Legalization & Regulation

CBD regulations vary among states. However, hemp-derived products with less than 0.3 percent tetrahydrocannabinol (THC) have been legal under federal law since 2018. The U.S. Food and Drug Administration regulates CBD products under the Federal Food, Drug, and Cosmetic Act, and announced plans for a comprehensive scientific evaluation of CBD products starting in March 2020. To date, one prescription drug derived from CBD has been approved for human use by the FDA.



CONTEXT



KEY TAKEAWAYS

Effectively Communicate Benefits & Uses to Consumers

The study found product safety and health benefits are important to all generations, and awareness of the benefits of marijuana and CBD products is low across all generations. We believe there is an opportunity for brands to scientifically validate the health benefits of products and establish trusting relationships through consumer education.

Health & Beauty and Consumer Packaged Goods Opportunities

All generations believe CBD can relieve pain and most believe marijuana can aid pain and anxiety. Younger generations are willing to try most CBD-infused products, and are likely to make a purchase at a drugstore, health food store, grocery store or department store. There is an opportunity to inform consumers across all age groups about all CBD products and benefits.

Boomers are more likely to have purchased CBD for pain relief, and are most likely to shop at a dispensary. **Gen X** is more aware of products with antioxidants, and some have purchased CBD-infused coffee or tea. More **Millennials** have tried skin care, hair care and non-alcoholic beverages, and are most likely to have purchased a CBD product. **Gen Z** is more likely to believe CBD products can calm irritated skin and reduce acne.

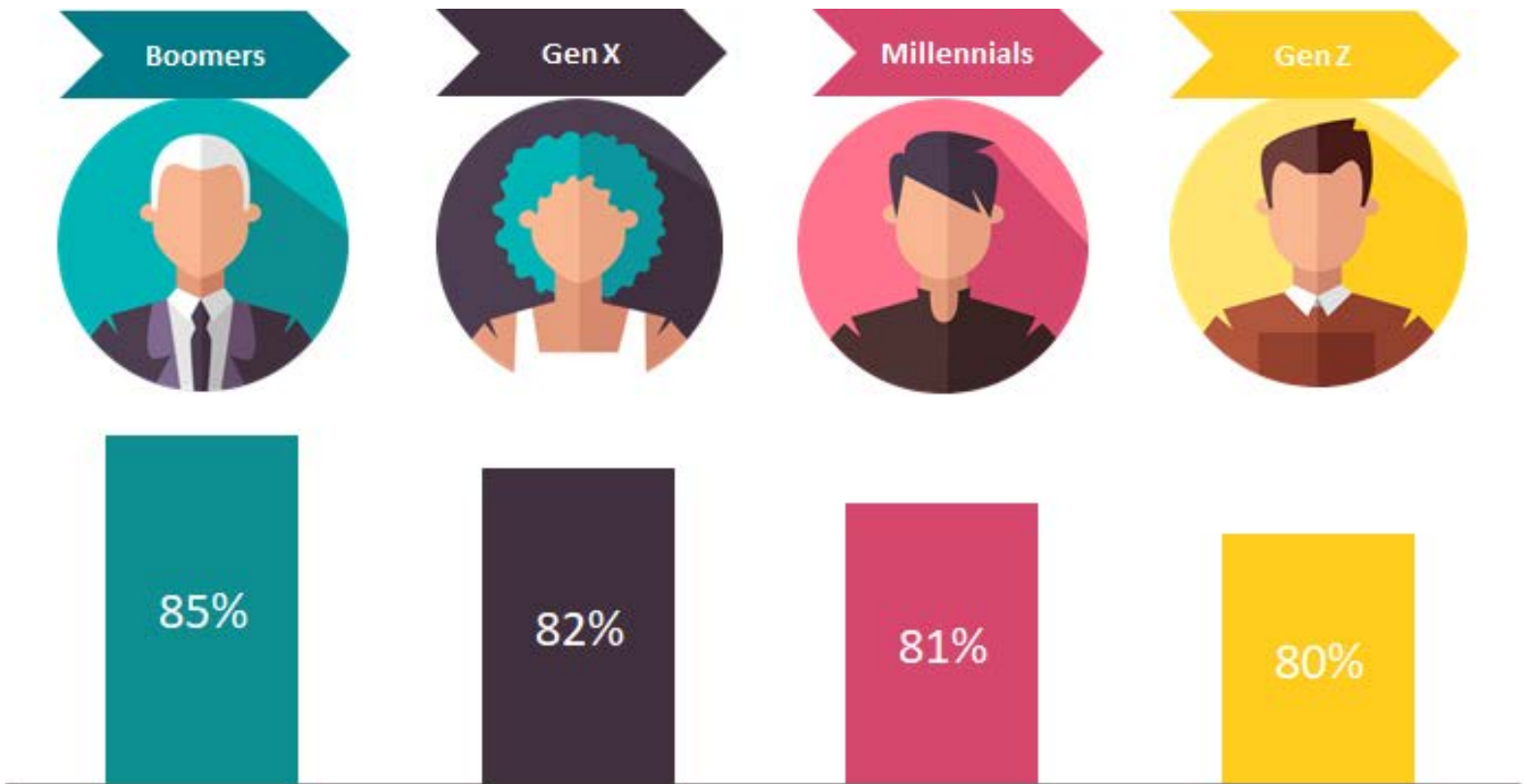
Permission to Play Hinges on Social Responsibility

Making dispensaries a safe and viable part of communities hinges on social responsibility and trust. Opportunities exist to educate all generations about product benefits and safe ways to use marijuana and CBD. We believe there are opportunities for dispensaries to partner with local health authorities and community officials to host educational forums.



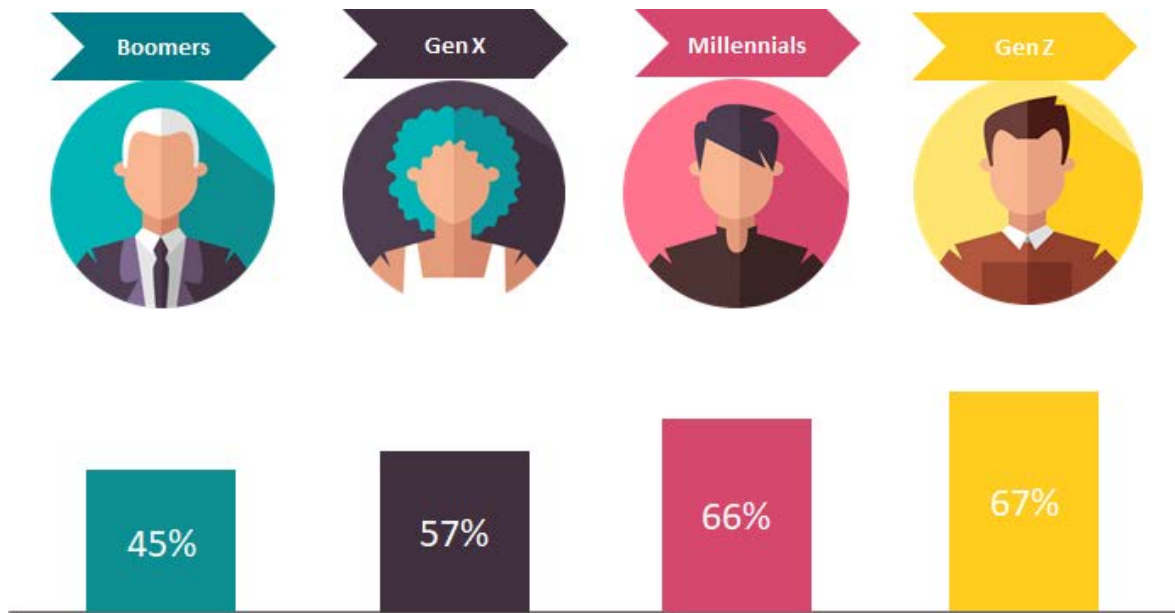
PERCEPTIONS OF MEDICAL VS RECREATIONAL MARIJUANA USE


THE MAJORITY OF GENERATIONS SUPPORT THE USE OF MARIJUANA FOR MEDICAL PURPOSES.



Do you believe use of marijuana should be legal for medical purposes? Y/N - %Yes


HOWEVER, WHEN IT COMES TO RECREATIONAL USAGE, BOOMERS SHOW MUCH LESS SUPPORT FOR MARIJUANA USE THAN YOUNGER GENERATIONS.



 Do you believe use of marijuana should be legal for recreational purposes? Y/N - %Yes

POTENTIALLY BECAUSE THEY SEE IT AS A BIGGER HEALTH RISK VS. OTHER GENERATIONS.

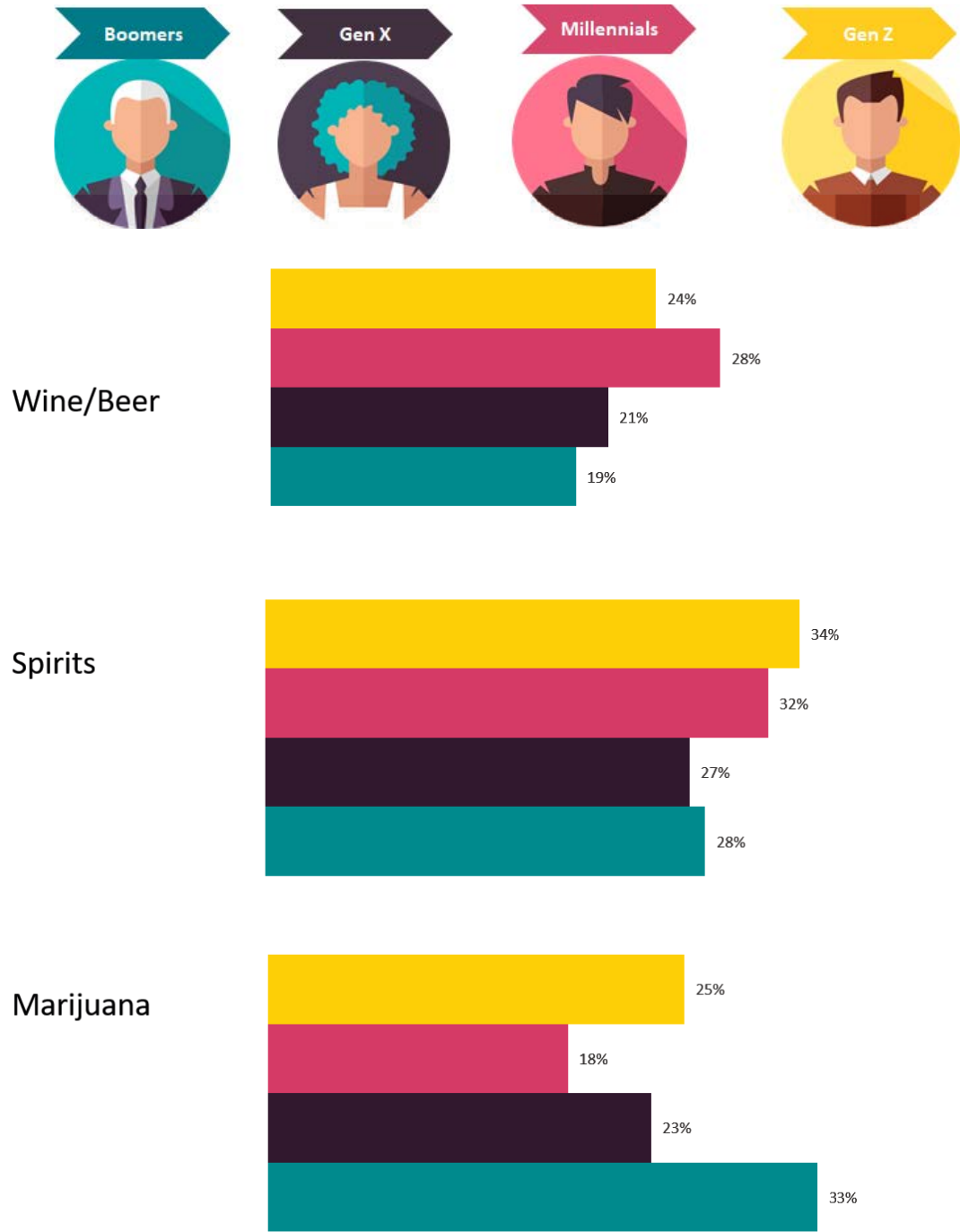



 Do you believe use of marijuana is dangerous to a person's health? Y/N - %Yes



HEALTH PERCEPTIONS OF MARIJUANA USE VS. ALCOHOL CONSUMPTION

WHEN IT COMES TO HEALTH CONCERNS, YOUNGER GENERATIONS ARE MORE CONCERNED ABOUT THE HEALTH RISKS OF ALCOHOL THAN MARIJUANA.



 Do you think consuming beer/wine/spirits/marijuana is dangerous to a person's health?
Top 3 box on 10-point scale

BASED ON THEIR HEALTH CONCERNS, IT IS NO SURPRISE THAT YOUNGER GENERATIONS WOULD CHOOSE MARIJUANA OVER ALCOHOL IF ONLY ONE COULD BE USED LEGALLY.

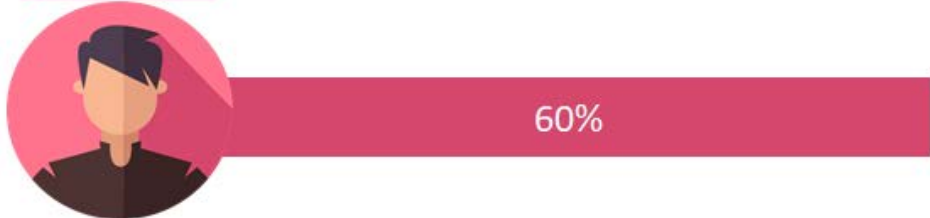
Boomers



Gen X




Millennials



Gen Z



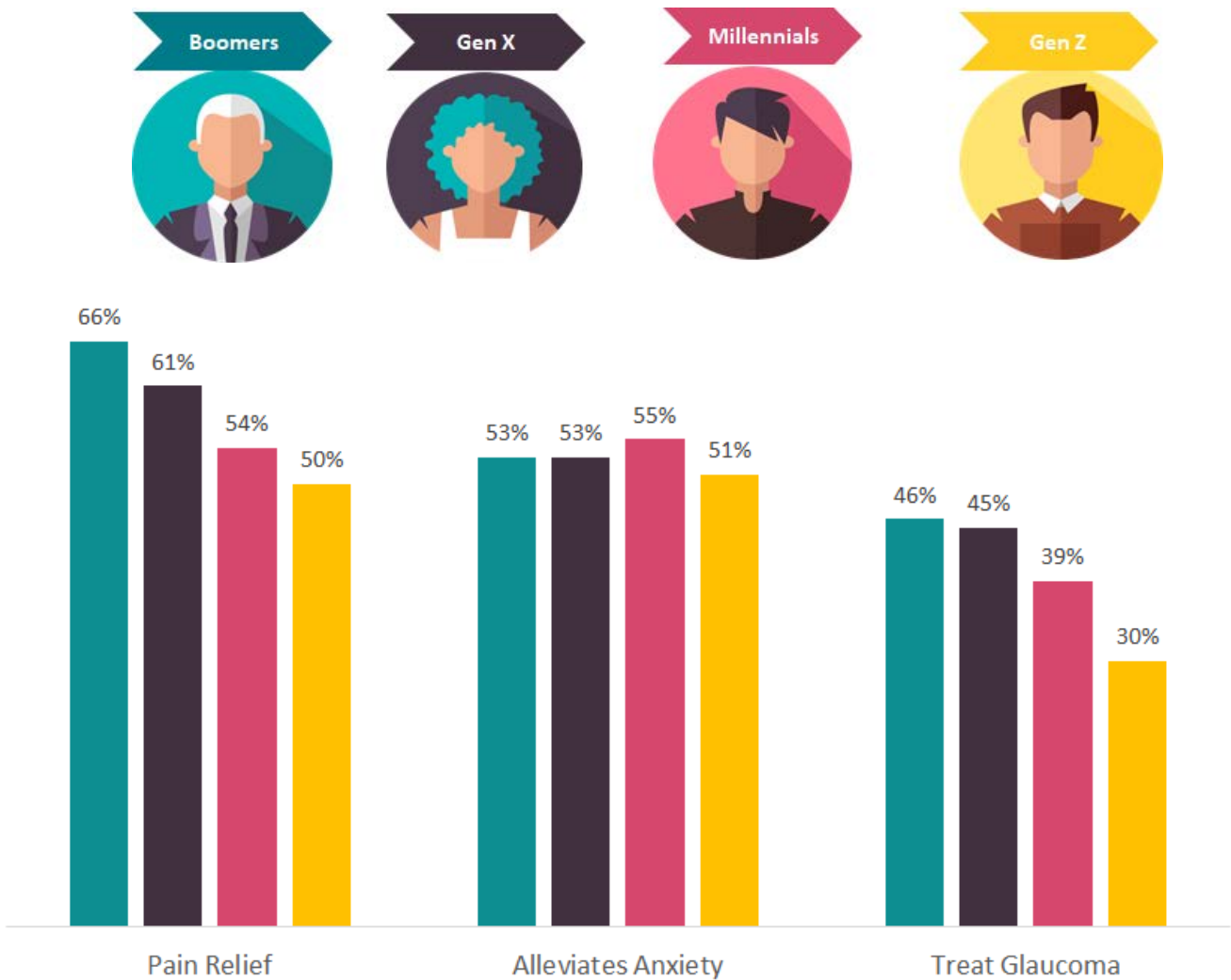
 If only one could be legal would you choose alcohol or marijuana? - % Would Legalize Marijuana Instead Of Alcohol



PERCEIVED BENEFITS OF MARIJUANA

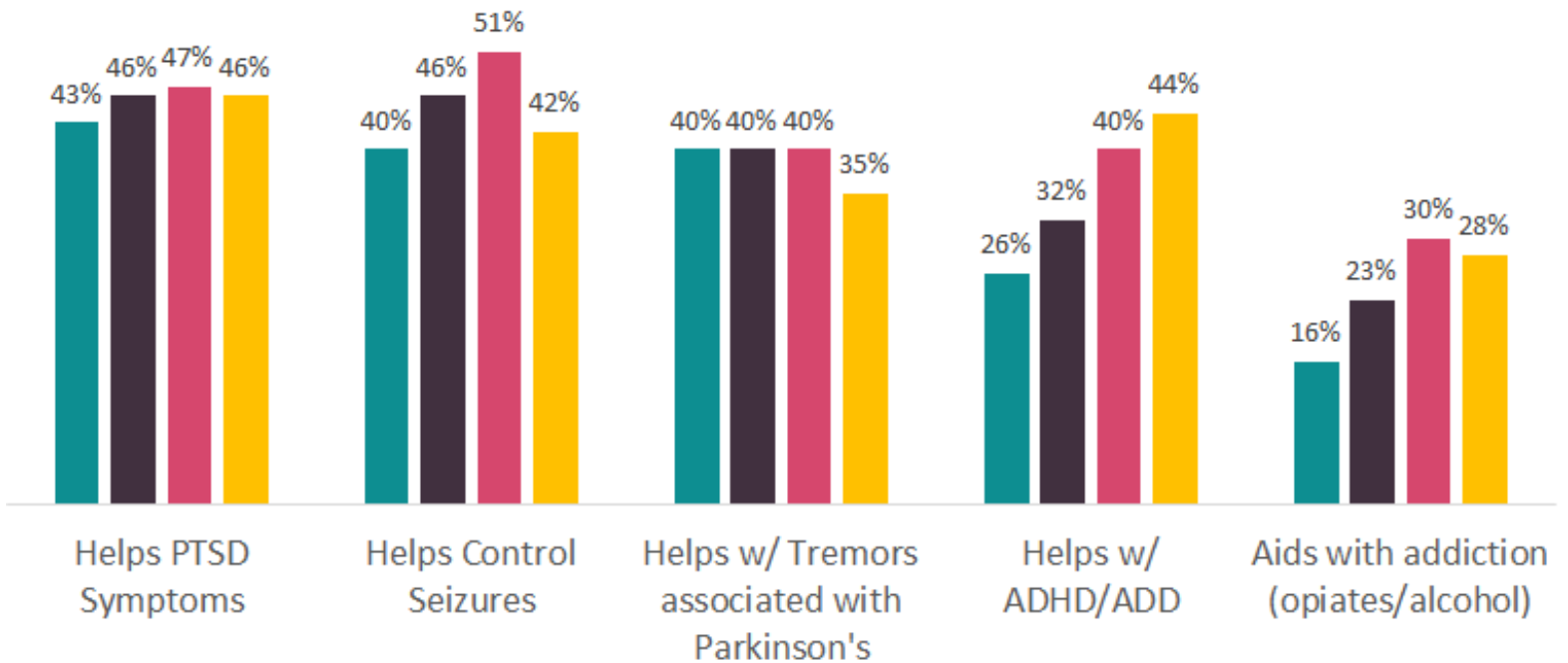
MORE THAN HALF OF ALL GENERATIONS BELIEVE MARIJUANA CAN HELP REDUCE PAIN AND ALLEVIATE ANXIETY.

OLDER GENERATIONS SEE SIGNIFICANTLY MORE BENEFIT IN MARIJUANA FOR PAIN RELIEF AND GLAUCOMA; LIKELY BECAUSE THEY ARE MORE PRONE TO EXPERIENCE THESE ISSUES.



Which of the following do you believe could be benefits of marijuana?

YOUNGER GENERATIONS ARE SIGNIFICANTLY MORE LIKELY TO BELIEVE MARIJUANA HELPS TREAT ADHD/ADD AND ADDICTION.



Which of the following do you believe could be benefits of marijuana?



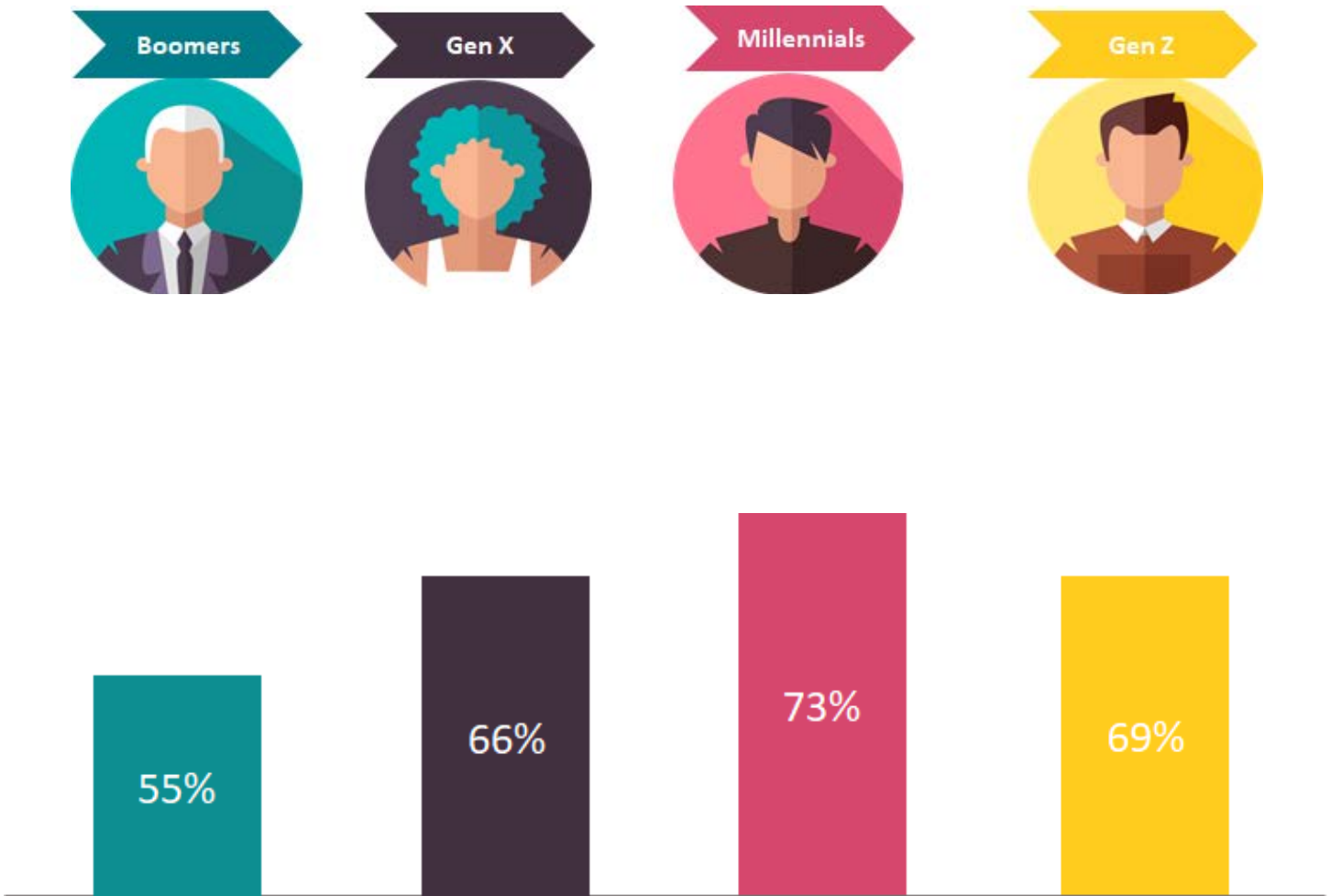
DISPENSARY PERCEPTIONS AND PURCHASING

WHILE VISITATION TO DISPENSARIES ISN'T STRONG ACROSS ANY GENERATION, BOOMERS ARE SIGNIFICANTLY LESS LIKELY TO VISIT A DISPENSARY.



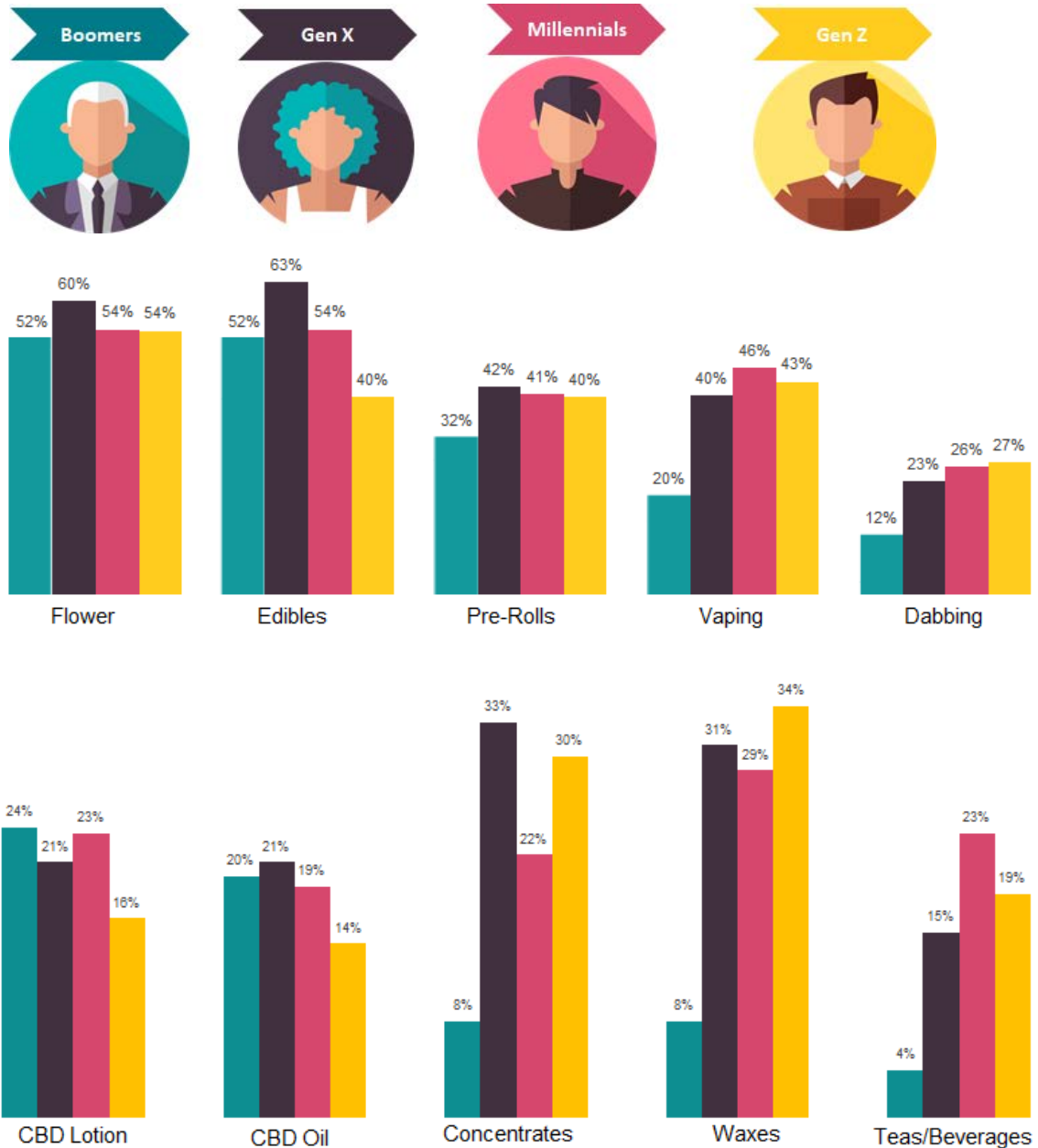
Have you ever been in a marijuana dispensary – either medical or recreational – in the US or Canada? Y/N - %Y

AMONG THE RESPONDENTS ACROSS ALL GENERATIONS WHO HAVE VISITED A DISPENSARY, OVER HALF SAID THEY MADE A PURCHASE, AND MILLENNIALS LED THE WAY WITH PURCHASES.



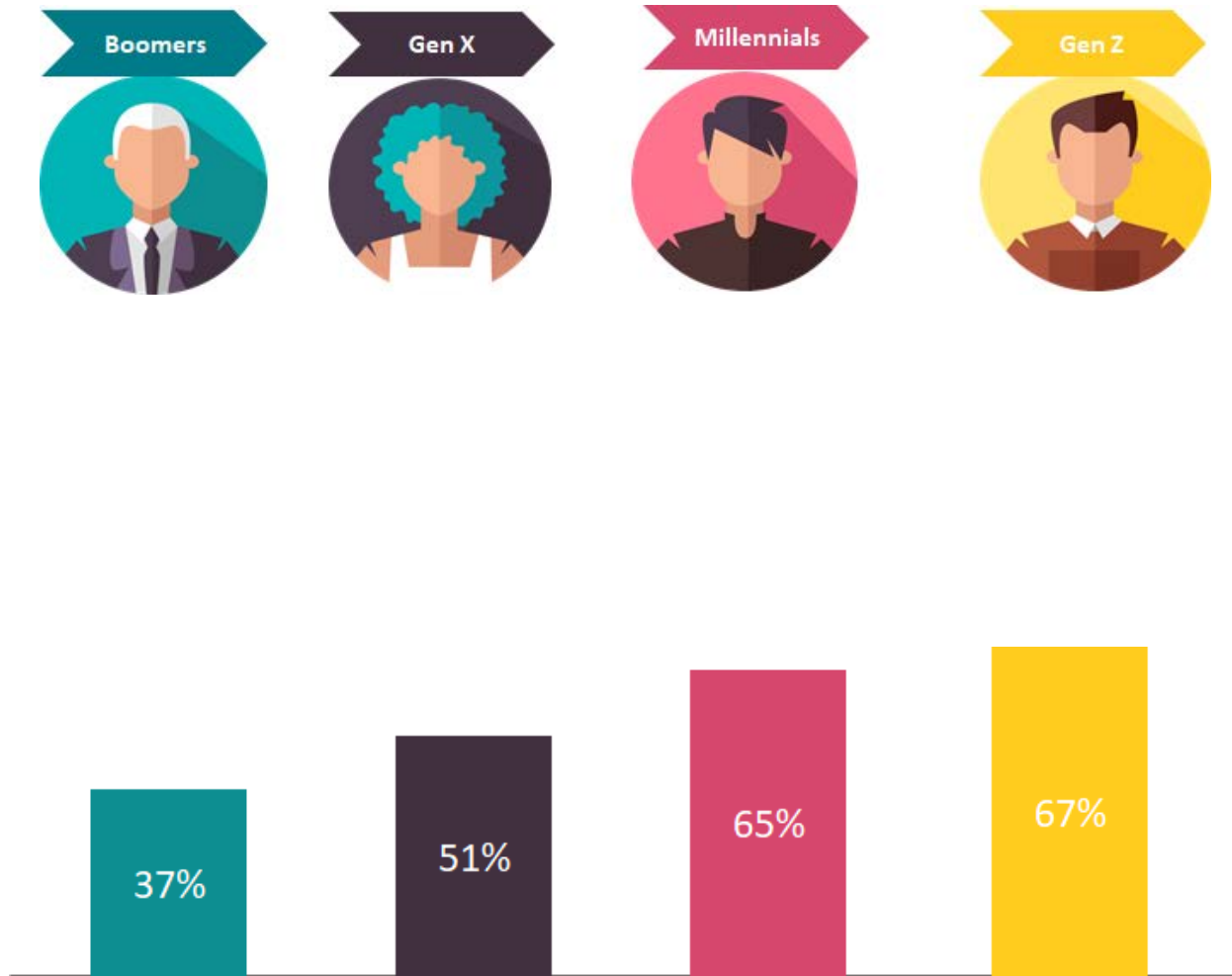
Of those who have been in a dispensary: Have you ever purchased anything at a marijuana dispensary? Y/N - %Y

WHEN PURCHASING MARIJUANA, BOOMERS STICK TO THE MORE TRADITIONAL FORMS LIKE FLOWER AND EDIBLES, WHILE THE YOUNGER GENERATIONS ARE MORE OPEN TO EXPERIMENTING WITH DIFFERENT FORMS.



Of those who have been in a dispensary: Have you ever purchased anything at a marijuana dispensary? Y/N - %Y

BOOMERS TYPICALLY DO NOT WANT A DISPENSARY IN THEIR NEIGHBORHOOD, WHILE THE OTHER GENERATIONS ARE MORE OPEN TO IT.



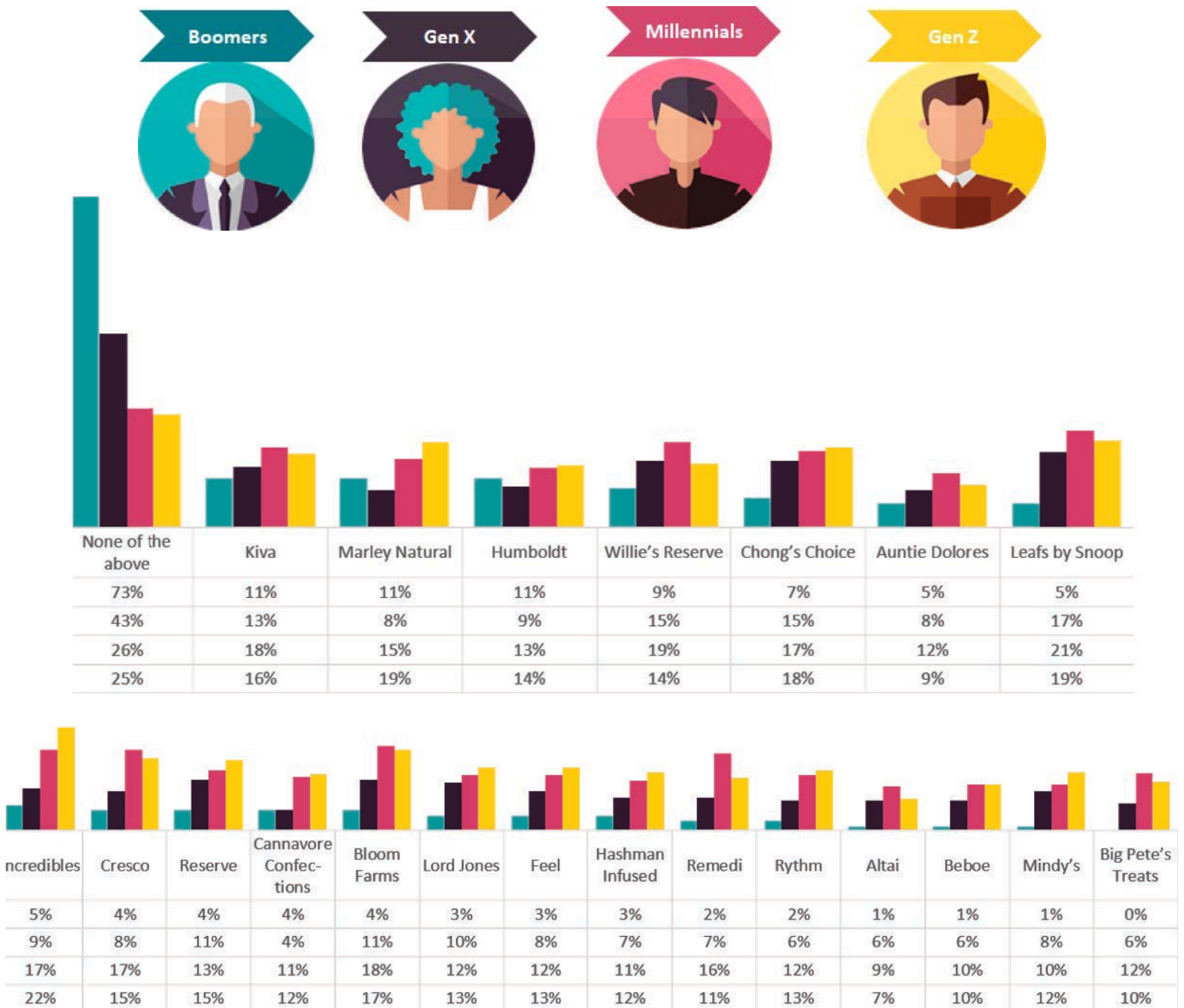
Assuming it became legal in the United States, would you want a marijuana dispensary (store) in your neighborhood? Y/N - %Y

A close-up photograph of a person's hand holding a bright yellow rectangular card. The card is tilted slightly and features the word "BRAND" in large, bold, black, sans-serif capital letters. The background is a blurred, light-colored surface, possibly a person's shirt, which is out of focus.

BRAND

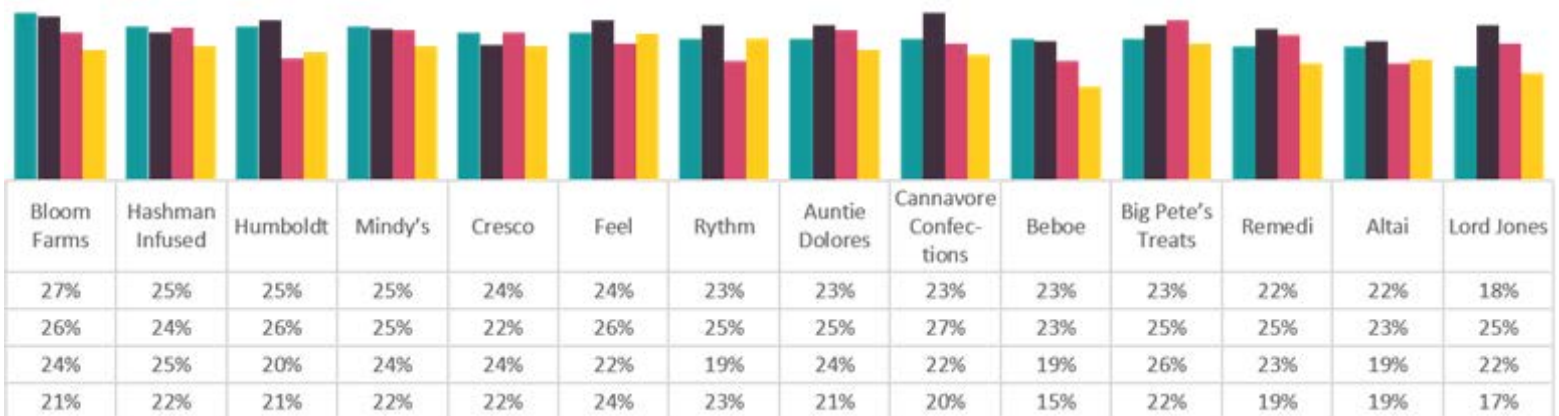
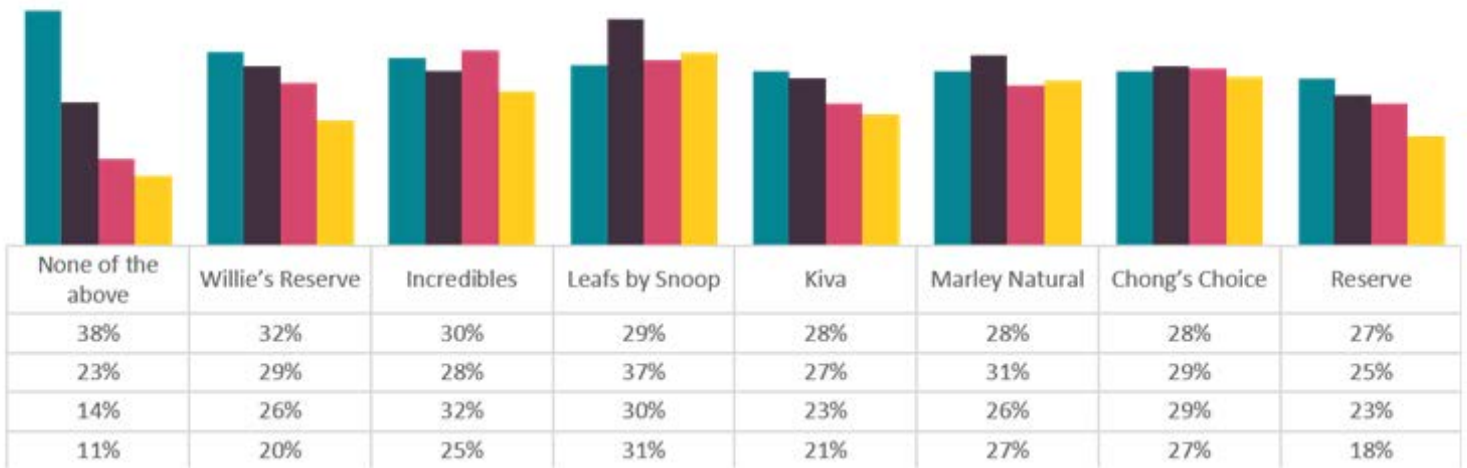
MARIJUANA BRAND AWARENESS

BRAND AWARENESS IS LOW ACROSS ALL GENERATIONS, AND BOOMERS ARE LEAST LIKELY TO BE AWARE OF A PARTICULAR MARIJUANA BRAND.

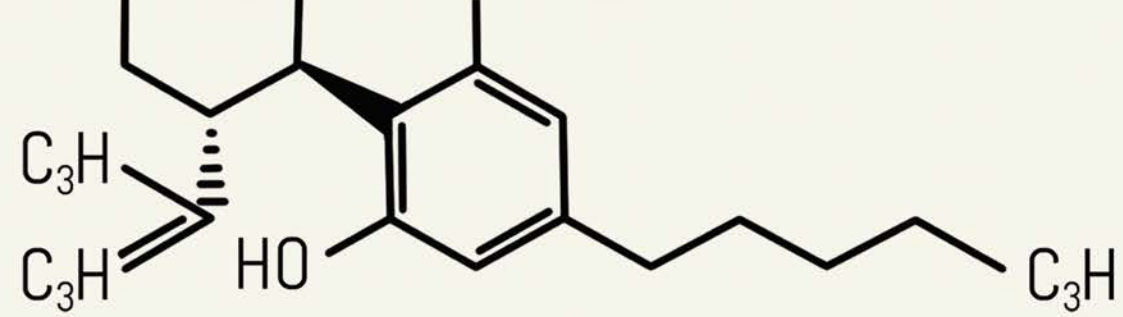


Which of the following brands have you ever heard of?

NO BRAND NAME IS CONSIDERED FOR PURCHASE.



Which of the following brands would you consider purchasing?

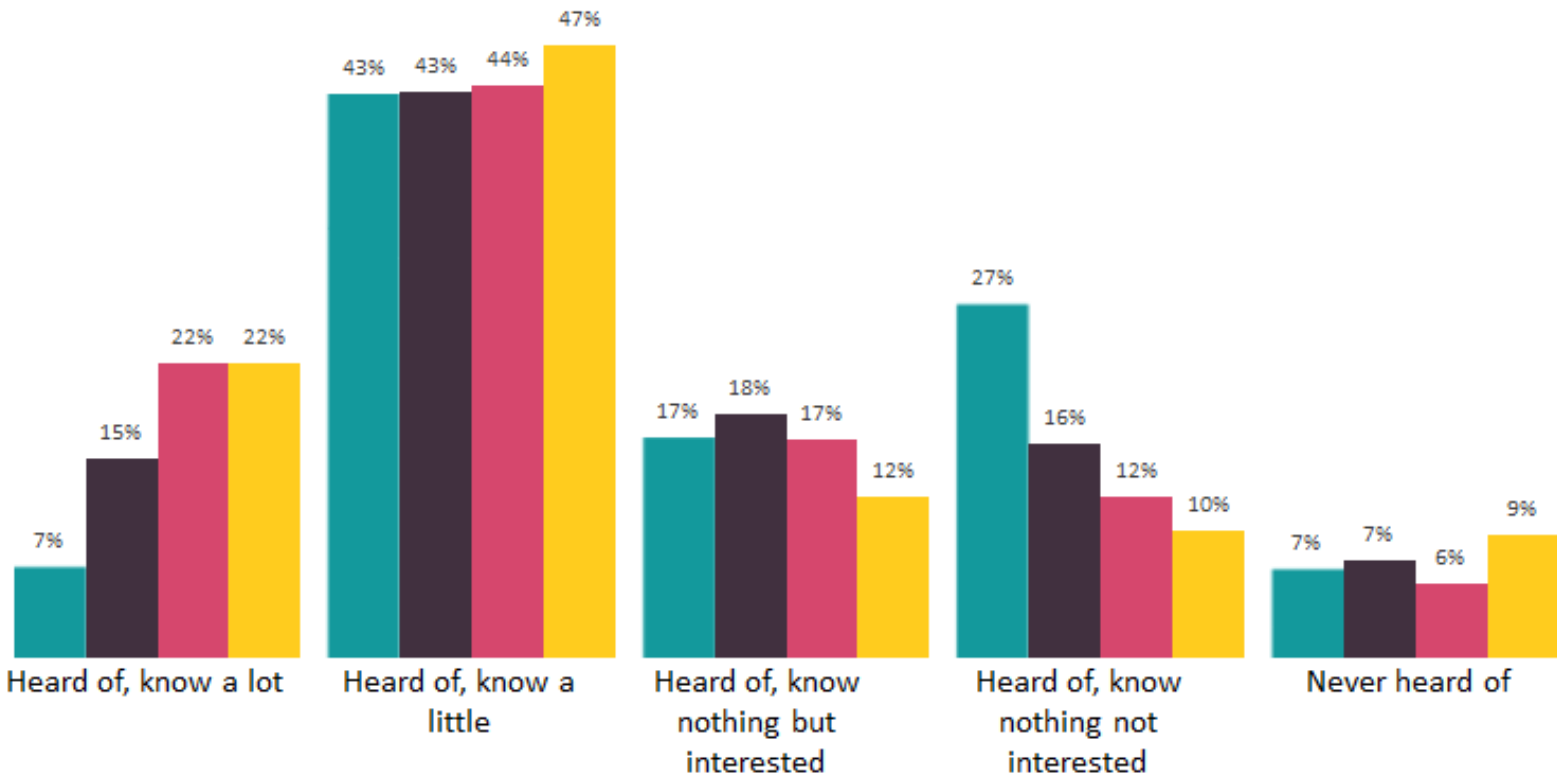


CBD



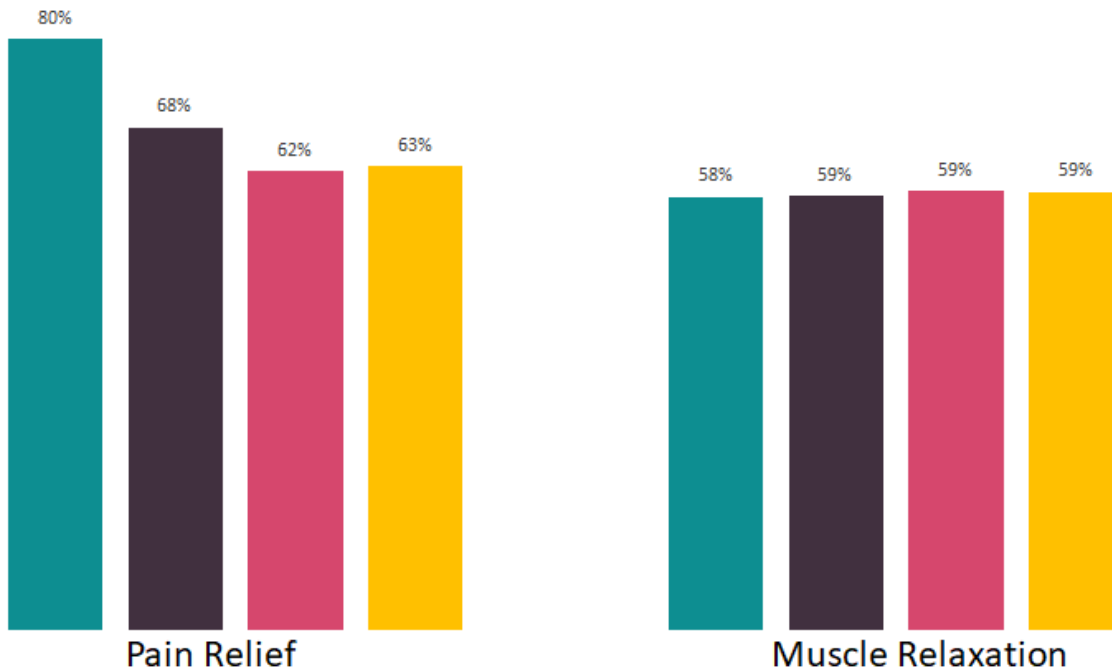
CBD AWARENESS AND PERCEPTIONS

EVERY GENERATION HAS HEARD OF CBD AND CBD PRODUCTS; HOWEVER KNOWLEDGE AND INTEREST IS LOW ACROSS GENERATIONS.



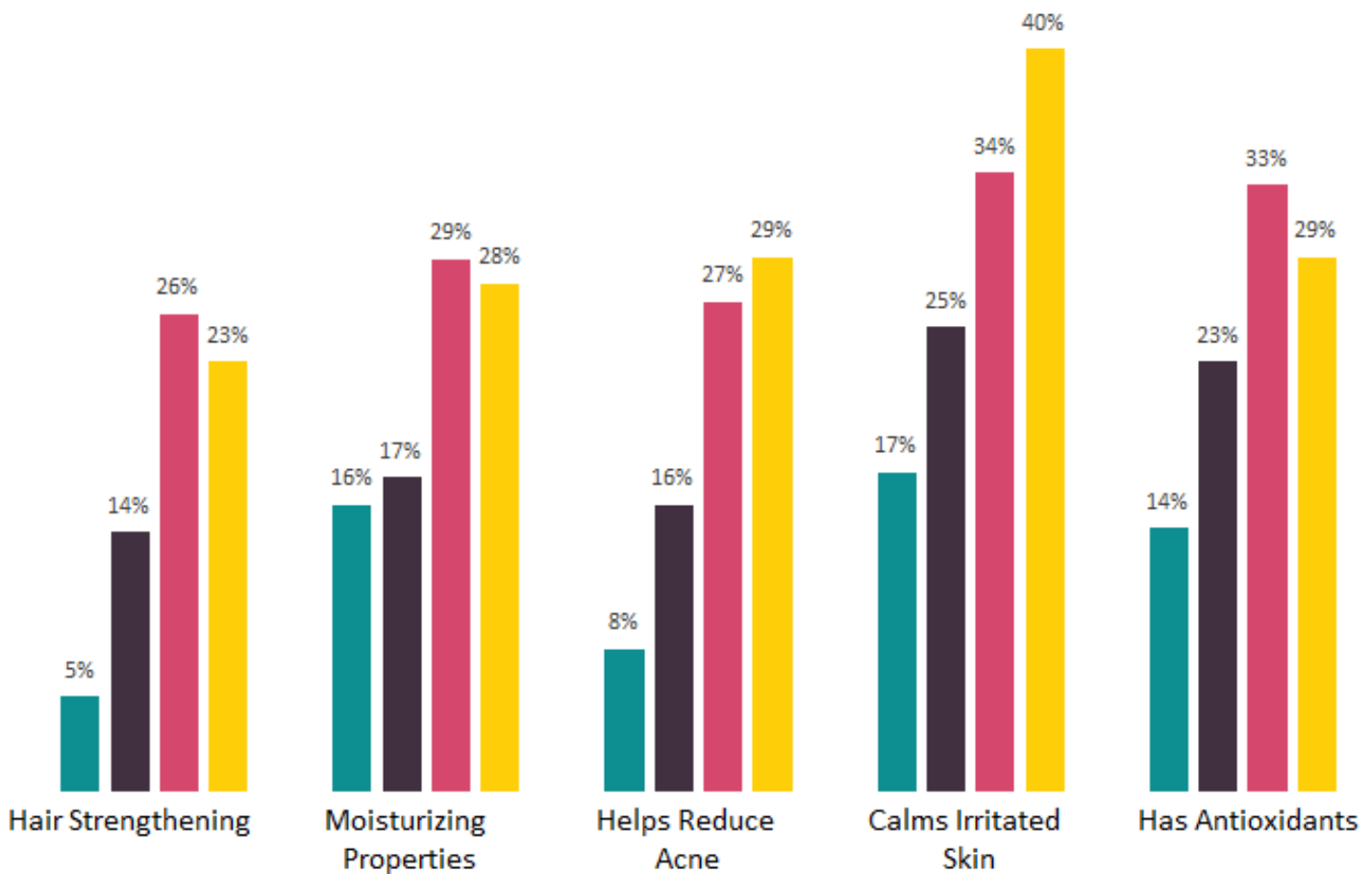
Which of the following best describes you regarding CBD products?

ALL GENERATIONS BELIEVE CBD CAN AID IN PAIN RELIEF AND MUSCLE RELAXATION WITH BOOMERS STRONGLY BELIEVING IN CBD'S PAIN RELIEF BENEFIT.



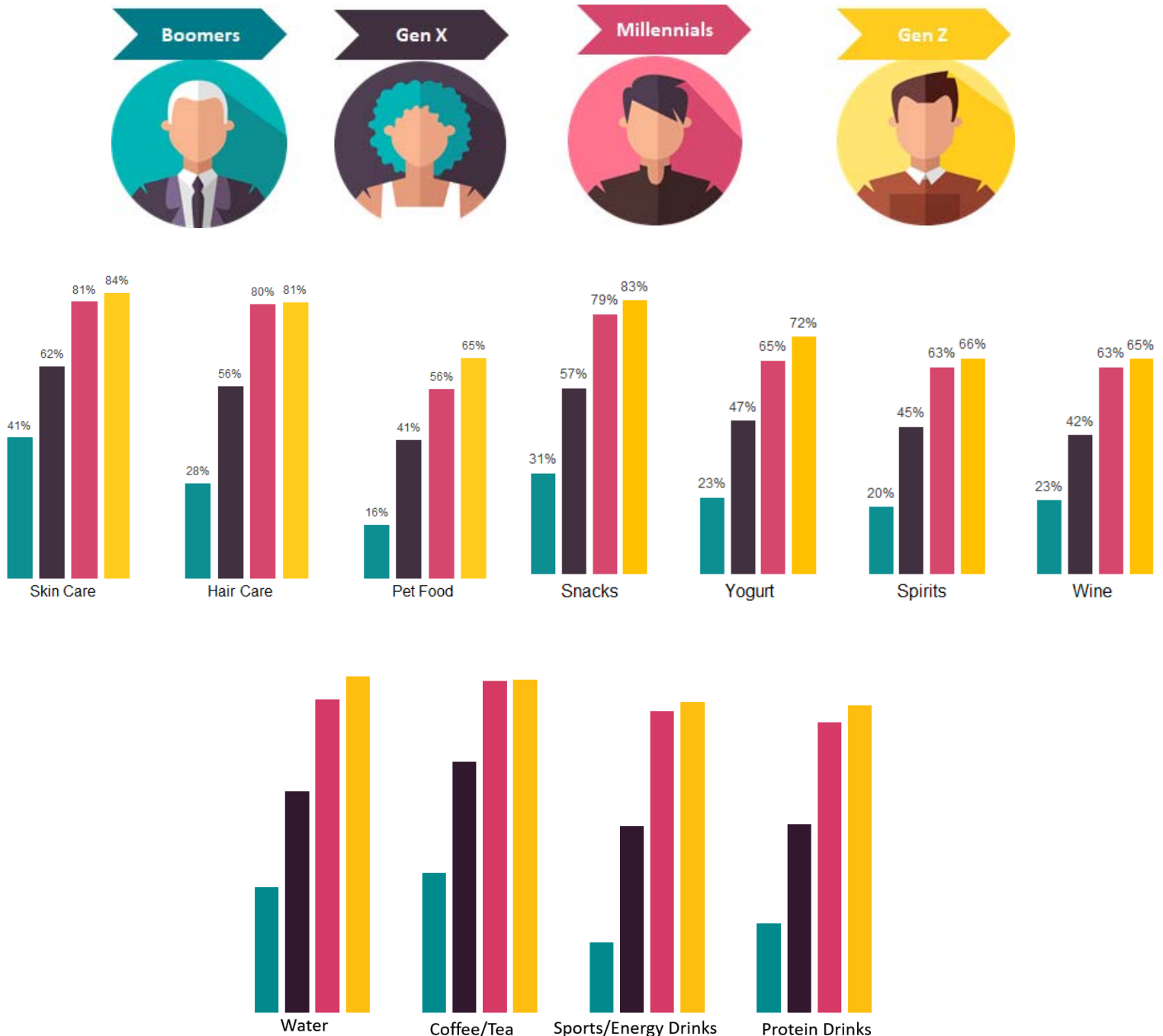
Which of the following do you believe could be benefits of CBD products that you can purchase outside of a dispensary?

YOUNGER GENERATIONS ARE SIGNIFICANTLY MORE LIKELY TO PERCEIVE ADDITIONAL BENEFITS FROM CBD PRODUCTS INCLUDING, HAIR STRENGTHENING, MOISTURIZING AND CALMING IRRITATED SKIN, ACNE REDUCTION AND ANTIOXIDANT BENEFITS.



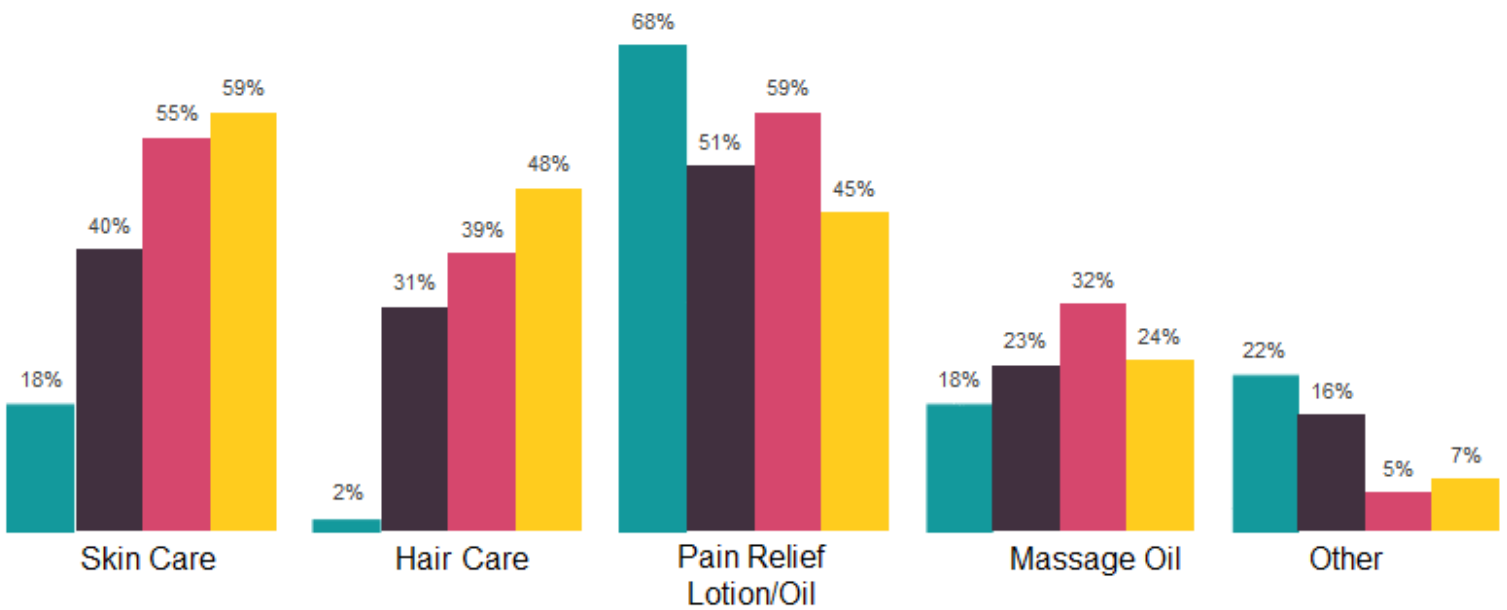
Which of the following do you believe could be benefits of CBD products that you can purchase outside of a dispensary?

GEN Z IS INTERESTED IN ALL CBD INFUSED PRODUCTS, AND YOUNGER GENERATIONS SHOWED THE MOST INTEREST IN SKIN CARE, SNACK FOOD, HAIR CARE AND NON-ALCOHOLIC BEVERAGES INFUSED WITH CBD.



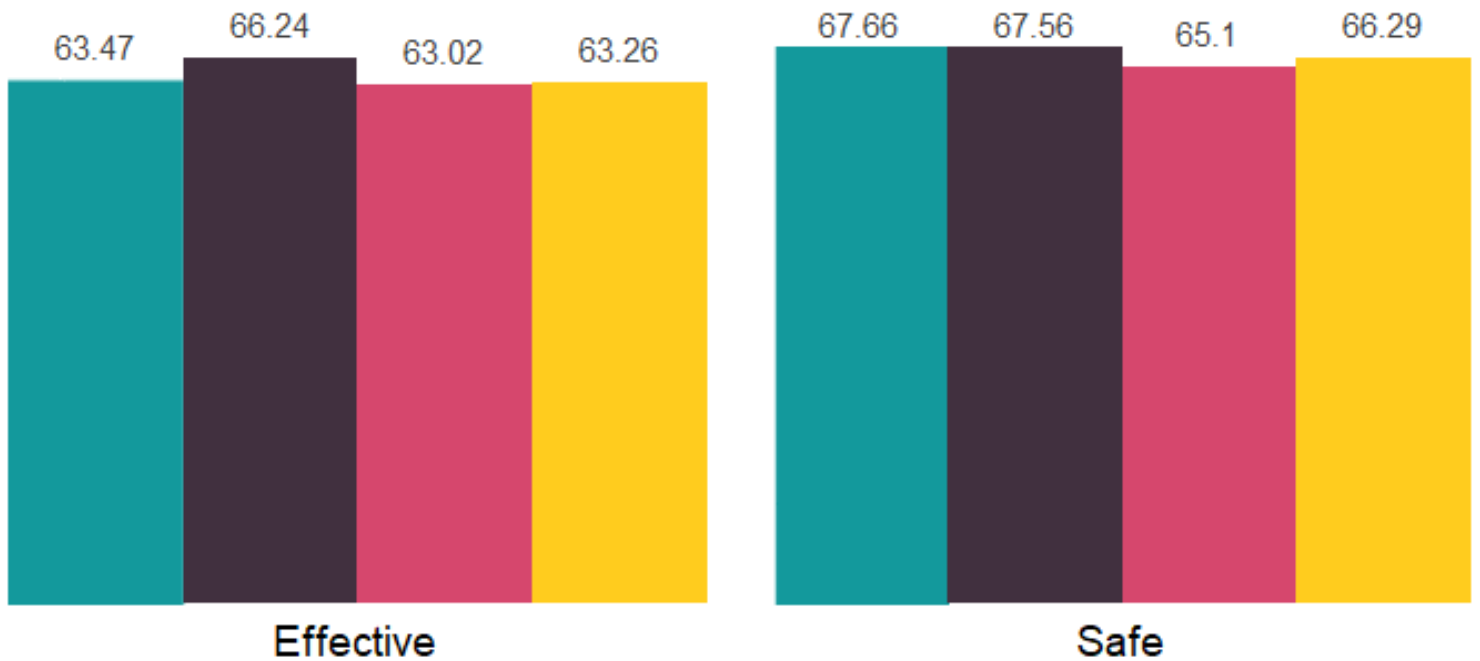
How interested would you be in purchasing the following products with CBD infusions?

IT'S NO SURPRISE THEN, THAT YOUNGER GENERATIONS ARE ALSO MORE LIKELY TO HAVE PURCHASED PRODUCTS INFUSED WITH CBD.



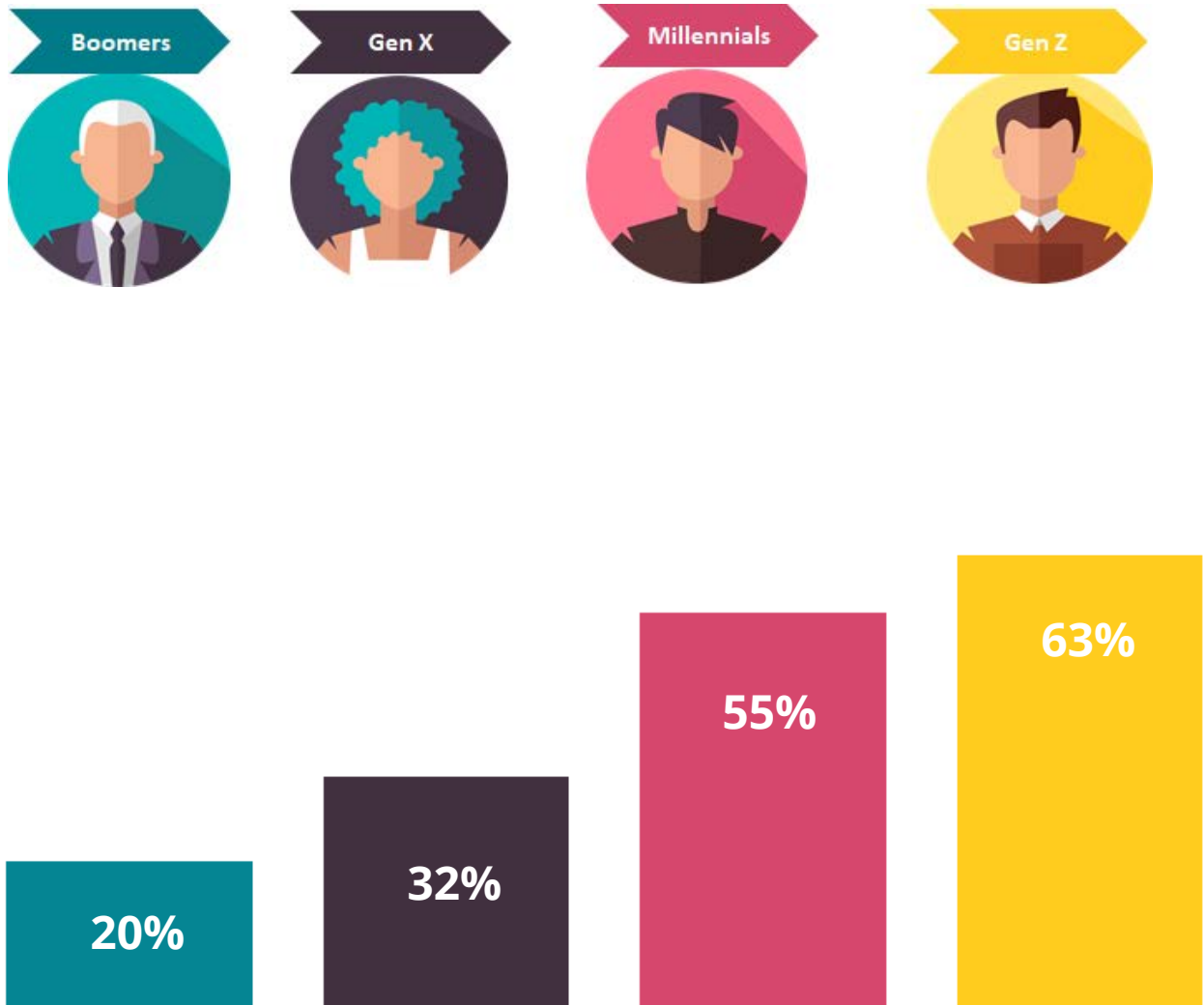
What type of products have you purchased with CBD or hemp oil?

CONSUMERS ACROSS GENERATIONS HAVE NO CONCERNS WITH SAFETY OR EFFECTIVENESS WHEN PURCHASING CBD PRODUCTS OUTSIDE OF A DISPENSARY.



- How effective do you think CBD/hemp oil products from a dispensary would be compared to those you would buy elsewhere? 0 = from outside a dispensary are more effective; 100 = from a dispensary is more effective
- How safe do you think CBD/hemp oil products from a dispensary would be compared to those you would buy elsewhere? 0 = from outside a dispensary are more safe; 100 = from a dispensary is more safe

NEARLY TWO-THIRDS OF GEN Z HAVE ALREADY PURCHASED PRODUCTS OUTSIDE OF A DISPENSARY WITH CBD OR HEMP OIL.



Have you ever purchased any products with CBD or hemp oil that are available outside of a dispensary such as at a drugstore, a health food store, a grocery store or a department store?

Confidently guiding clients forward and examining the big picture. IIM sees consumers for the living, breathing humans they are and encourage our clients to do the same. We are deliberate and direct, never wishy-washy and always provide clear direction and actionable insight to those in need. Above all else, we are experts, worthy partners and have a solid 30-year track record.

Our Experienced Consultants Make All The Difference Because They:

- **Are Proven Pro's:** Our team has years of client and supplier side experience across many industries and consumer segments. Whether you're in CPG, durables, beauty, technology, spirits, financial services, retail, travel and entertainment or are focused on learning more about men, women, kids, athletes, business owners or doctors we've done it and want to share our expertise with you.
- **Have Expert Intuition:** Due to our strengths in empathetic (generates rapport, understanding and trust) and discriminative (hearing underlying tones or emotions) listening, our team always knows exactly where to go and what questions to ask to elicit the learning you need.
- **Have Innate Curiosity:** Research and insights isn't just our job, it's our passion. We are just as curious as you to discover what makes your audience tick. This enthusiastic and genuine interest in your brand and audience drives us to ensure no stone is left unturned
- **Are Part of Your Team:** We aren't just your research firm, we're your partner. Your business is our business, your challenges are our challenges and all of our success is shared success. We see ourselves as an extension of your team and are eager to help in any way we can
- **Are Results Driven:** The IIM team is counted on to successfully deliver against client objectives. We focus on addressing key issues and are always pushing ourselves to deliver the most impactful results

Our service offerings include custom designed qualitative and quantitative research solutions to fit nearly every budget and timeline.



ABOUT INSIGHTS IN MARKETING



THANK YOU