The Cannabis Opportunity
Research Overview
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.

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

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.

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.

Note: Ability to act on survey findings subject to regulatory environment of individual state or country. For specific regulatory information please seek legal counsel.
Consumers have an awareness of cannabis

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

Overall: 79% Yes, 21% No
United States: 79% Yes, 21% No
Canada: 80% Yes, 20% No

Source: A.T. Kearney Cannabis Survey
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)

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Overall</th>
<th>United States</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smoking</td>
<td>92%</td>
<td>91%</td>
<td>92%</td>
</tr>
<tr>
<td>Vaping</td>
<td>34%</td>
<td>31%</td>
<td>37%</td>
</tr>
<tr>
<td>Tinctures or oils</td>
<td>28%</td>
<td>24%</td>
<td>32%</td>
</tr>
<tr>
<td>Foods</td>
<td>61%</td>
<td>58%</td>
<td>63%</td>
</tr>
<tr>
<td>Nonalcoholic beverages</td>
<td>11%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Alcoholic beverages</td>
<td>13%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>Skincare, cosmetics, fragrances</td>
<td>15%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Vitamins, supplements, other edibles</td>
<td>17%</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: A.T. Kearney Cannabis Survey
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?

Source: A.T. Kearney Cannabis Survey
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?

Source: A.T. Kearney Cannabis Survey
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)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Agree or Strongly Agree</th>
<th>Neutral or Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>18–22</td>
<td>78%</td>
<td>22%</td>
<td>210</td>
</tr>
<tr>
<td>23–32</td>
<td>83%</td>
<td>17%</td>
<td>385</td>
</tr>
<tr>
<td>33–42</td>
<td>86%</td>
<td>14%</td>
<td>311</td>
</tr>
<tr>
<td>43–52</td>
<td>79%</td>
<td>21%</td>
<td>244</td>
</tr>
<tr>
<td>53–62</td>
<td>77%</td>
<td>23%</td>
<td>350</td>
</tr>
<tr>
<td>63+</td>
<td>74%</td>
<td>26%</td>
<td>504</td>
</tr>
</tbody>
</table>

Source: A.T. Kearney Cannabis Survey
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?

Overall United States Canada

Smoking 39% 23% 21%
Vaping 21% 23% 21%
Tinctures or oils 21% 21% 21%
Foods (for example, candy and chocolate, snacks, packaged food) 41% 41% 39%
Edible soft-gels, capsules, powders 28% 29% 26%
Nonalcoholic beverages (for example, juice, water, coffee, tea) 21% 21% 21%
Alcoholic beverages (for example, beer, wine, spirits) 15% 14% 16%
Skincare and cosmetics (for example, creams and lotions, lip balm) 24% 24% 23%
Other 1% 1% 1%
Would not try 45% 44% 46%

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?

Source: A.T. Kearney Cannabis Survey
Reasons for not trying cannabis are very personal

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

Source: A.T. Kearney Cannabis Survey
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

- Improved perception:
  - Health and wellness company: 33%
  - Alcohol company: 18%
  - Beverage company (nonalcoholic): 22%
  - Cosmetics: 22%
  - Personal care (face lotions and creams): 28%

- Neutral or no change in perception:
  - Health and wellness company: 57%
  - Alcohol company: 64%
  - Beverage company (nonalcoholic): 62%
  - Cosmetics: 62%
  - Personal care (face lotions and creams): 59%

- Worse perception:
  - Health and wellness company: 10%
  - Alcohol company: 18%
  - Beverage company (nonalcoholic): 12%
  - Cosmetics: 16%
  - Personal care (face lotions and creams): 13%

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?

- I’d buy more or more frequently from that brand: Overall 49%, United States 51%, Canada 47%
- I’d feel more loyal to that brand: Overall 46%, United States 44%, Canada 47%
- That brand would better represent me/my values: Overall 36%, United States 37%, Canada 35%
- I’d perceive that brand as innovative or trendy: Overall 42%, United States 42%, Canada 42%
- Other: Overall 1%, United States 2%, Canada 0%

Source: A.T. Kearney Cannabis Survey
<table>
<thead>
<tr>
<th>Demographic questions</th>
<th>Survey questions and answers (1/2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you know what cannabis is?</td>
<td>Q1a: Have you or anyone you know ever used cannabis in any form? Y / N</td>
</tr>
<tr>
<td>Age</td>
<td>Q1b: Which forms have you or anyone you know tried? (select multiple) Smoking / Vaping / Tinctures / Food / Nonalcoholic beverage / Alcoholic beverage Cosmetics / Vitamins / Other</td>
</tr>
<tr>
<td>Gender</td>
<td>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</td>
</tr>
<tr>
<td>Marital status</td>
<td>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</td>
</tr>
<tr>
<td>Highest degree or level of education</td>
<td>Q4: Do you believe that products derived from cannabis can offer wellness or therapeutic benefits? Strongly agree / Agree / No opinion / Disagree / Strongly disagree</td>
</tr>
<tr>
<td>Annual household income</td>
<td>Q5a: Some therapeutic products infused with cannabis are legal and do not give a high. Would you try? Y / N</td>
</tr>
<tr>
<td>Current employment status</td>
<td>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</td>
</tr>
<tr>
<td>Which US state/Canadian province do you reside in?</td>
<td>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</td>
</tr>
<tr>
<td></td>
<td>Q6: If recreational cannabis were to become legal in your state or country, would you try it? (various consumption methods) Y / N</td>
</tr>
</tbody>
</table>

Source: A.T. Kearney Cannabis Survey
## Demographic questions

- Do you know what cannabis is?
- Age
- Gender
- Marital status
- Highest degree or level of education
- Annual household income
- Current employment status
- Which US state/Canadian province do you reside in?

## Survey questions and answers (2/2)

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q7a</strong>: If recreational cannabis were to become legal, what forms would you try?</td>
<td>Smoking / Vaping / Tinctures / Food / Edible soft-gels / Nonalcoholic beverage / Alcoholic beverage / Cosmetics / Other</td>
</tr>
<tr>
<td><strong>Q7b</strong>: Would you use recreational cannabis instead of consuming alcohol? If so, which ones?</td>
<td>Beer / Wine / Spirits / Other (ciders, coolers)</td>
</tr>
<tr>
<td><strong>Q7c</strong>: If not, why not?</td>
<td>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</td>
</tr>
<tr>
<td><strong>Q8</strong>: If a large company were to be associated with cannabis (for example, new product or partnership) would your perception change?</td>
<td>Company types: Food / Nonalcoholic beverage / Alcohol / Health and wellness / Personal care / Cosmetics</td>
</tr>
<tr>
<td><strong>Q9</strong>: How would you perceive your favorite brand if it launched a product containing cannabis? (select one)</td>
<td>Improved perception / No impact / Worse perception</td>
</tr>
<tr>
<td><strong>Q10a</strong>: If you selected improved perception, what would that mean? (select multiple)</td>
<td>Buy more frequently from brand / Feel more loyal / Brand would better represent my values / Perceive brand as innovative or trendy / Other</td>
</tr>
<tr>
<td><strong>Q10b</strong>: If you selected worse, what would that mean? (select multiple)</td>
<td>Buy less frequently / Feel less loyal / Brand would not represent my values / Perceive brand as irresponsible or reckless</td>
</tr>
</tbody>
</table>

Source: A.T. Kearney Cannabis Survey
Demographic overview of all survey respondents (1/2)

**Age**

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18–22</td>
<td>10%</td>
</tr>
<tr>
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<td>33–42</td>
<td>16%</td>
</tr>
<tr>
<td>43–52</td>
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<td>53–62</td>
<td>17%</td>
</tr>
<tr>
<td>63+</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Annual income ($'000)**

<table>
<thead>
<tr>
<th>Income Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>17%</td>
</tr>
<tr>
<td>25–50</td>
<td>21%</td>
</tr>
<tr>
<td>50–100</td>
<td>30%</td>
</tr>
<tr>
<td>100–150</td>
<td>16%</td>
</tr>
<tr>
<td>150–200</td>
<td>8%</td>
</tr>
<tr>
<td>200+</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Gender**

- Male: 57%
- Female: 43%

**Education**

- High school or GED: 47%
- University or college: 42%
- Postgraduate degree: 11%

Note: Numbers may not resolve due to rounding.
Source: A.T. Kearney Cannabis Survey
Demographic overview of all survey respondents (2/2)

**Marital status**
- Divorced: 13%
- Married: 41%
- Domestic partnership: 12%
- Single: 31%
- Widowed: 3%

**Country**
- Canada: 50%
- United States: 50%

**Employment status**
- Freelance or other: 6%
- Homemaker: 8%
- Retired: 23%
- Student: 4%
- Unemployed: 8%
- Work full-time: 36%
- Work part-time: 14%

Note: Numbers may not resolve due to rounding.
Source: A.T. Kearney Cannabis Survey