



Emerging Trends in a Changing Product Landscape

May 22, 2020



BRIGHTFIELD GROUP



Agenda

- **Welcome & Introductions**
- **Setting the Stage**
- **Innovation Creates Opportunity: Diversifying Product Standards**
- **Stress Relief in Times of Crisis**



Bethany Gomez

Managing Director
Brightfield Group



Andy Seeger

Cannabis Research Manager
Brightfield Group

A little bit about Brightfield.

Who we are:

We provide multi-source consumer insights and market intelligence for the CBD and Cannabis industries. We have been answering difficult business questions with data-driven answers for these industries since 2015.



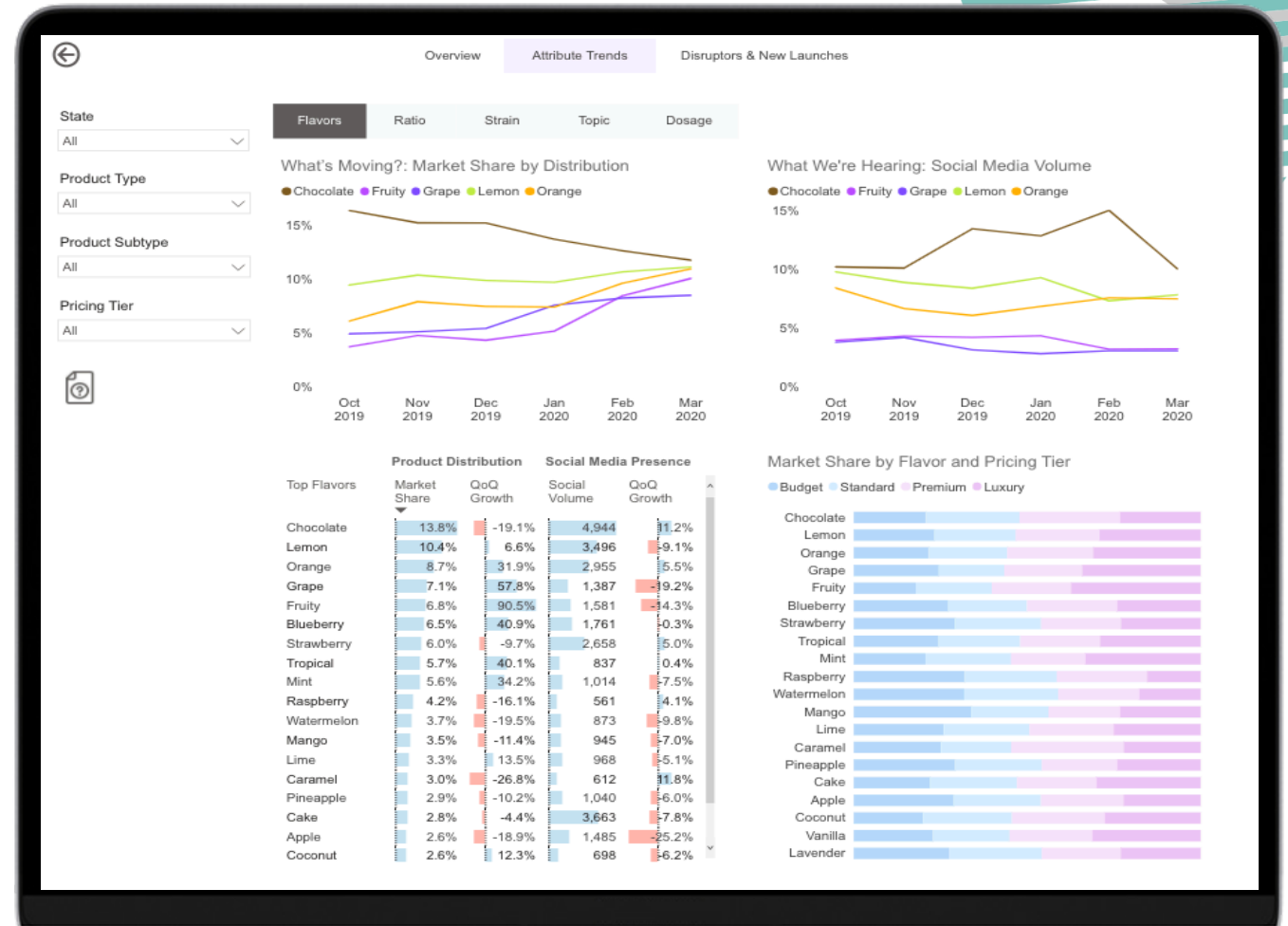
Our methodology:

We take a modern approach to a modern industry.

By integrating innovative technologies like machine learning, social listening, and natural language processing with robust human analysis across brand shares, market sizing, and more, we get a 360-degree view of the CBD and Cannabis industries.

Innovation Insights: Create products your customers will love.

- Product-level attribute trends
- New product launches and top disruptors
- Monthly trend analysis from our team of experts





Setting the Stage

The product landscape is changing.

The cannabis market is unforgiving.

- Industry is migrating from loose products into the consumer-packaged goods space. This creates a complex landscape of diversification and competition.

Consumer expectations are evolving.

- Brand preference, occasions of use, and desired need states are increasingly complex.

Turbulent times can lead to innovation.

Consumers are now shifting behavior because of a recession, not pandemic.

- This is a respiratory illness and consumers are not changing their preferred product types. Flower and inhalables are set in consumers' minds. We are also seeing an uptick in edibles.

Consumers want more bang for their buck.

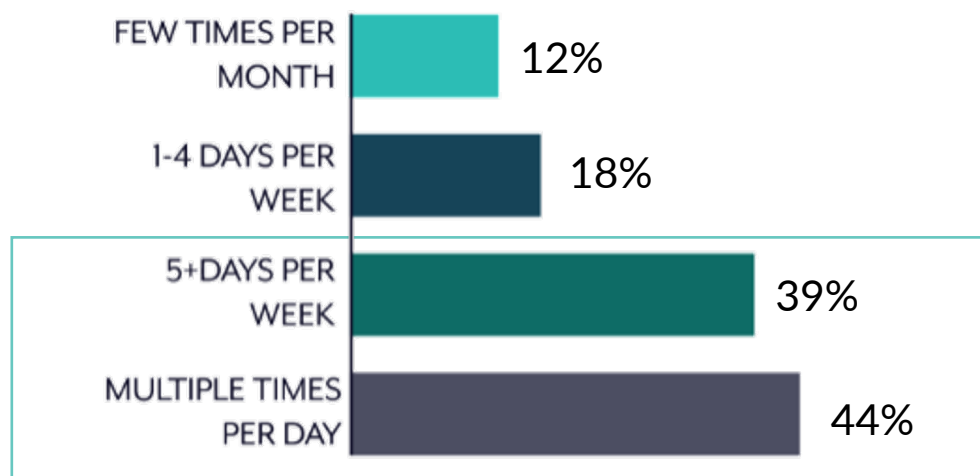
- 34% of cannabis consumers planned to use more frequently during COVID while 30% plan to reduce spending

Self-care continues to be on the forefront of many consumers' minds.

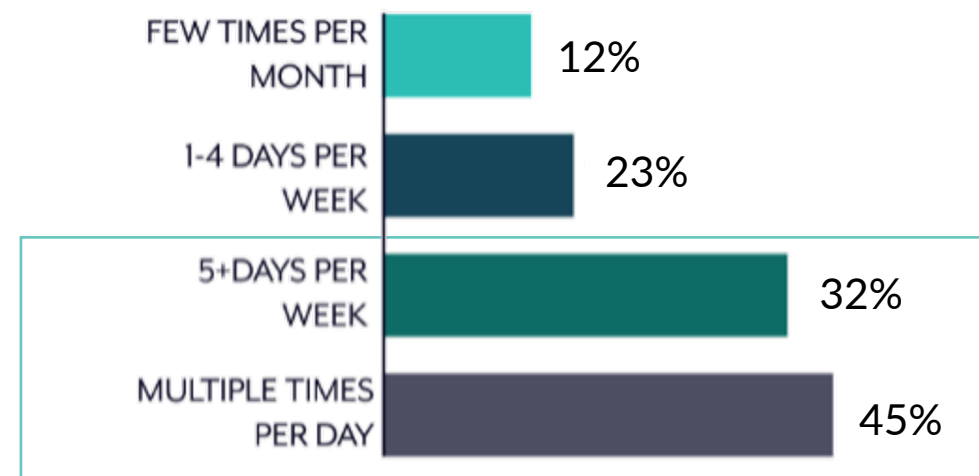
- Social media conversations around self-care with cannabis increase as consumers prioritize mental health and pursue specific need states.

Heavy users lead the way...

% PLANNING TO USE CANNABIS MORE FREQUENTLY
BY FREQUENCY OF USE



% PLANNING TO REDUCE SPENDING
BY FREQUENCY OF USE



...but Newbies should not be forgotten.

They prefer edibles.

63% have consumed Edibles in the last 6 months, nearly double the next product type.

They spend less per product.

58% spend less than \$30 per product, compared to all cannabis users at 45%.

They prefer low doses.

81% list 10mg or less as their preferred dosage.



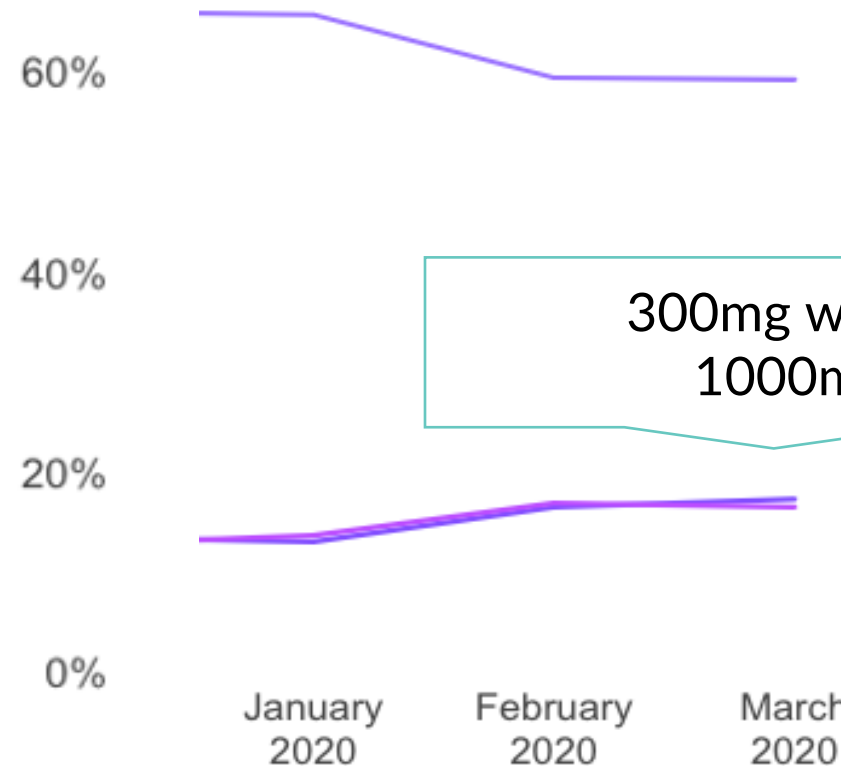
Innovation Creates
Opportunity

Dosage standards are diversifying.

Vapes + Cartridges

What's Moving?: Market Share by Distribution

● 1000mg ● 300mg ● 500mg



300mg wins share of shelf against
1000mg at end of Q1 2020!

This leads to more budget options for the consumer.

150mg at ~\$18



300mg at ~\$25

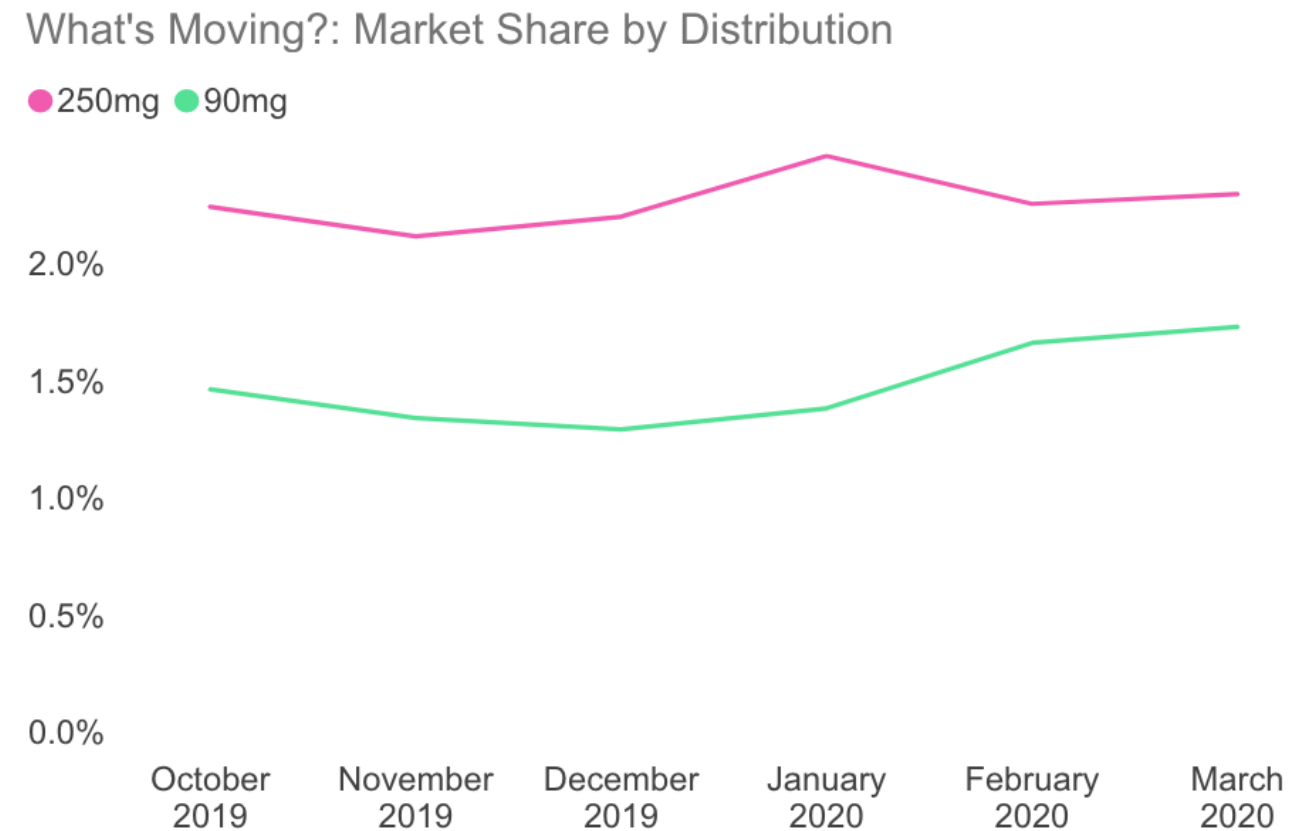
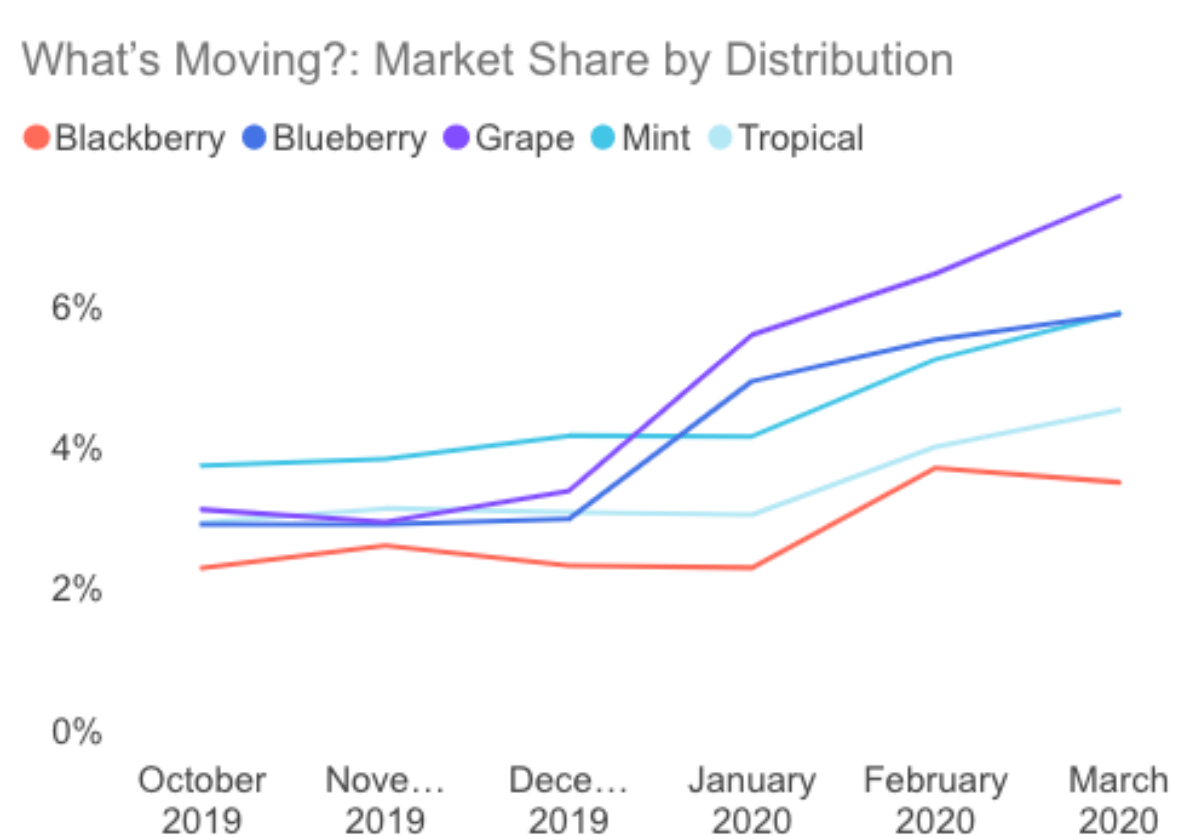


1000mg at ~\$70



Flavors and pack sizes are diversifying.

Edibles



Greater variety attracts expanding consumer base.

20 pcs, 40mg at ~\$20



50mg at ~\$15

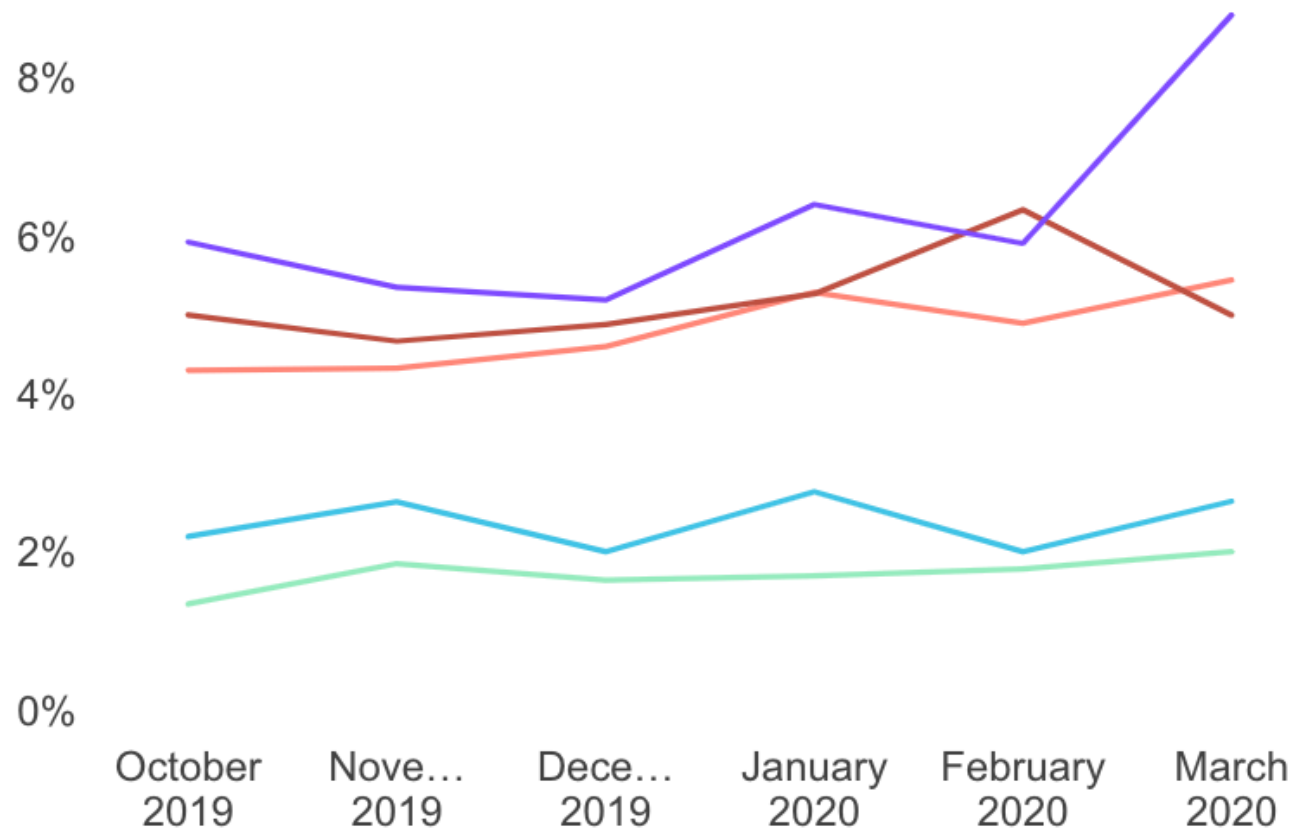


Consumers are shifting the cannabis conversation.

Flower

What We're Hearing: Social Media Volume

● Anxiety & Stress ● Chill ● Intimacy ● Self-care ● Sleep



Flower is seeing diversification across all attributes.

5 pack at .35g each



Aurora's value brand



New products fit new needs.

Targets individual consumption



Targeting need states





Stress Relief in Times of Crisis

Social Conversations Indicate Ongoing Stress

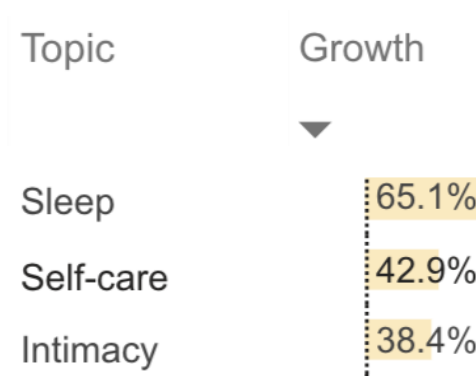
Consumers are looking to cannabis for:

- Physical and emotional need states
- Health + Wellness

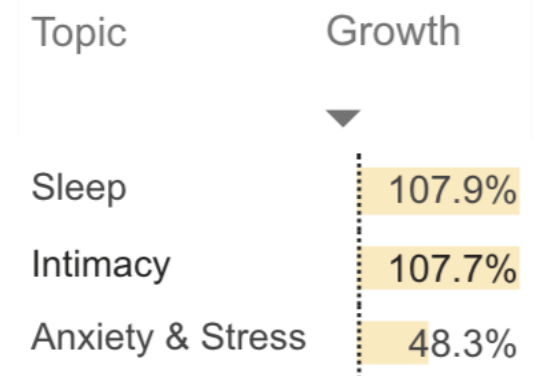
Need State Branding is Well-Positioned.

More conversations around cannabis brands are speaking directly to consumer mood modification specific occasions and need states.

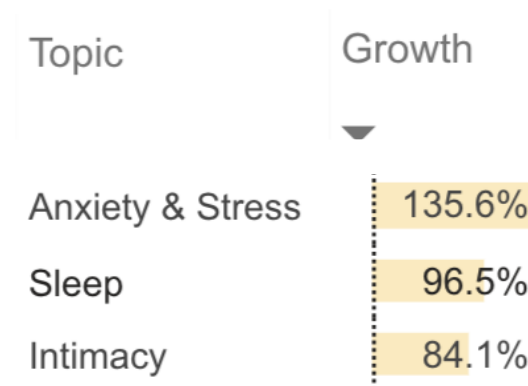
Edibles



Vapes + Cartridges



Flower



More Self-Care, More CBD

CBD-dominant ratios are making moves as consumers look for a well-rounded cannabinoid profile to meet specific needs.

Share of Shelf Across US Dispensaries

Vapes + Cartridges

Mar 2020		
●	1:2	14.3%
●	1:3	9.4%
●	1:10	9.3%
●	1:20	6.2%

Edibles

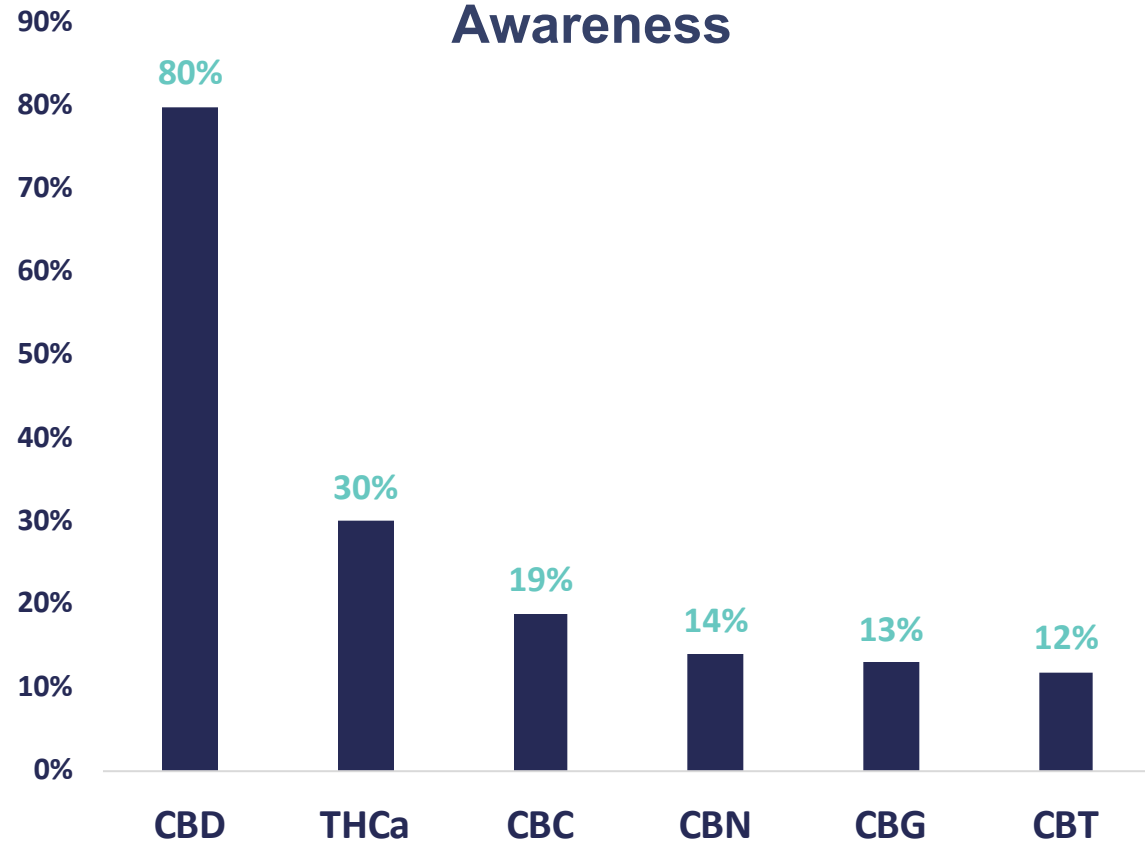
Mar 2020		
●	1:2	8.2%
●	1:3	5.2%
●	1:10	7.0%
●	1:20	4.6%

Topicals

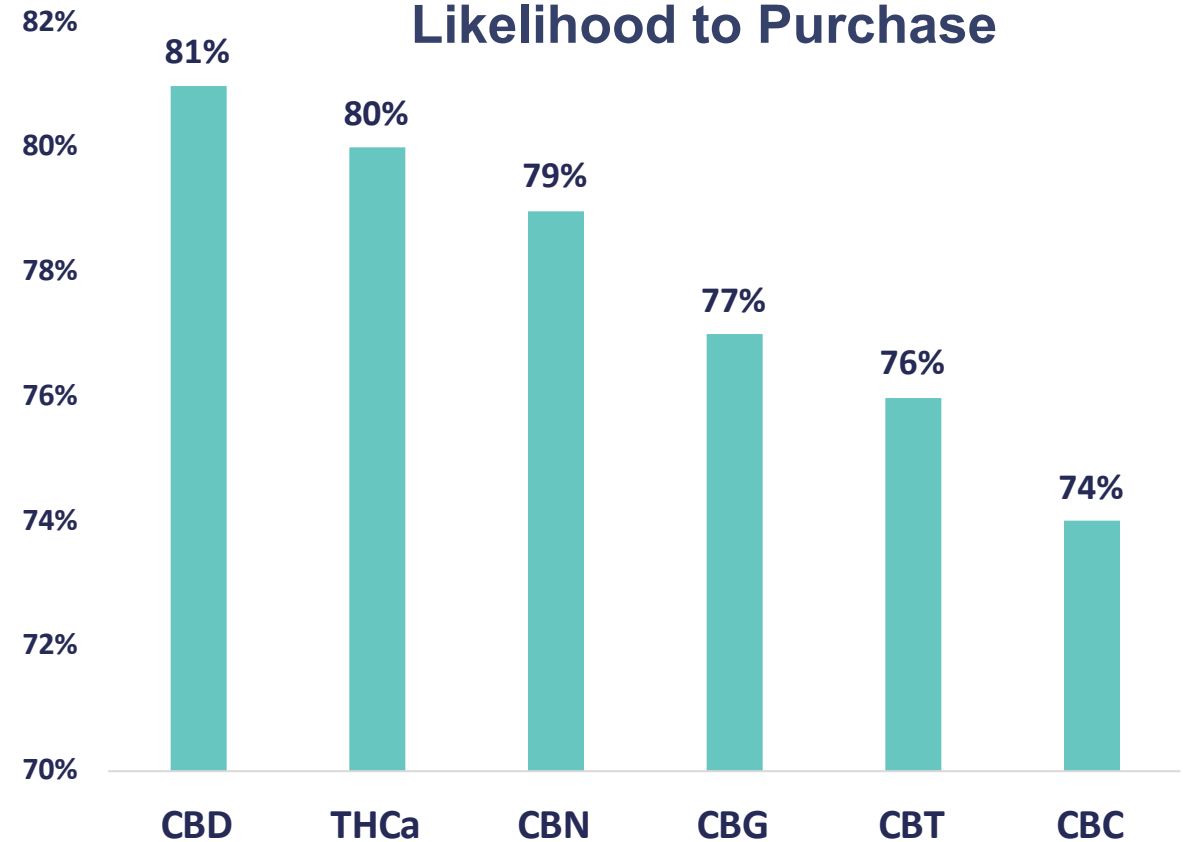
Mar 2020		
●	1:20	7.4%
●	1:3	5.2%
●	1:2	1.7%
●	1:10	0.9%

What about other cannabinoids?

Awareness



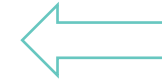
Likelihood to Purchase



Other cannabinoids hit shelves.



Fastest growing edible launched in Q1 2020





Key Takeaways

Meet an ever-growing consumer pool that is using cannabis for a wider range of physical and emotional need states.

Identify whether your brand and products align with heavy users, new entrants, or both.

Rationalize your SKUs.

Resources and Next Steps



Ensure you have a data-driven innovation pipeline.

Brands need to be confident in their new product launches with data that explores micro and macro trends.



Monitor the COVID-19 Insights Center

<https://www.brightfieldgroup.com/covid-19>



Connect with your Account Manager

For strategy and planning support due to COVID-19. Our Innovation Insights portal will be updating soon with more social and other cannabinoid data.

Thank you!

If you have any questions, please contact
marketing@brightfieldgroup.com



BRIGHTFIELD GROUP