



# The Canadian Cannabis Consumer

Insights for brands & retailers



**ENVIRONICS**  
ANALYTICS



Adam Bernatt

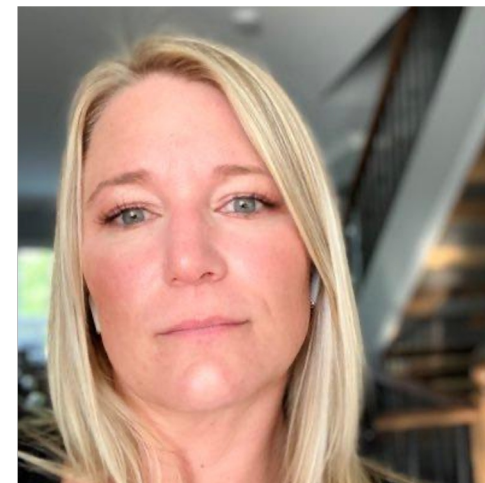
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**ENVIRONICS**  
ANALYTICS



# Let's talk insights.



Colleen Martin

Chief Revenue Officer

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## **Make Better Decisions, Faster.**

Caddle® is the largest daily and monthly active panel in the Canadian market.

Capture relevant insights for any challenge or opportunity. Engage seamlessly with shoppers at every stage of the consumer journey by leveraging the Caddle® suite of tools.

Caddle® rewards panel members for actions ranging from video, survey, receipt capture, reviews, and more.

**ENVIRONICS**  
ANALYTICS

## **Data. Analytics. Insights. Results.**

Environics Analytics (EA) is the premier marketing and analytical services company in Canada..

EA supports licensed cannabis producers, regulators and retailers by providing best-in-class data, analytics expertise and purpose-built software to address key industry challenges like choosing the right store location based on a trade area, to understanding how and why cannabis is consumed, by whom, and much more.

# How We Help Cannabis Brands & Retailers

- Consumer behavioural & attitudinal insights, with rich consumer profiling based on Cannabis-specific variables
- Purchase insights validated by Receipt data across the country
- Consumption patterns by region/city/postal code
- Cannabis store trade area analytics, driving site selection and retail optimization
- Mobile movement data to understand store visitors
- Consumer screening down to individual product SKUs
- Post purchase consumption insights

**Drive Market Share and Consumer Loyalty**



# Cannabis in Canada



# Cannabis Acceptance in Canada

We've come a long way since 2018

**56%**

of Canadians  
believe cannabis is  
socially acceptable

**+13%**

which is up  
compared to the  
first year cannabis  
became legal  
(2018)

**+28%**

of Canadians  
more positively  
perceive it  
compares to  
tobacco products

**Cannabis in Canada is viewed by the majority as socially acceptable**

# Canadian Cannabis Consumption

# 27.4%\*

of Canadians currently state they consume cannabis, up from 24.7%\* in March of 2020

Among those who are NOT consuming cannabis, 8.4%\*\* are likely to try it in the next 12 months

# Canadian Consumption Frequency

**Daily consumers: Four in ten** use cannabis at least most days, if not daily or multiple times a day

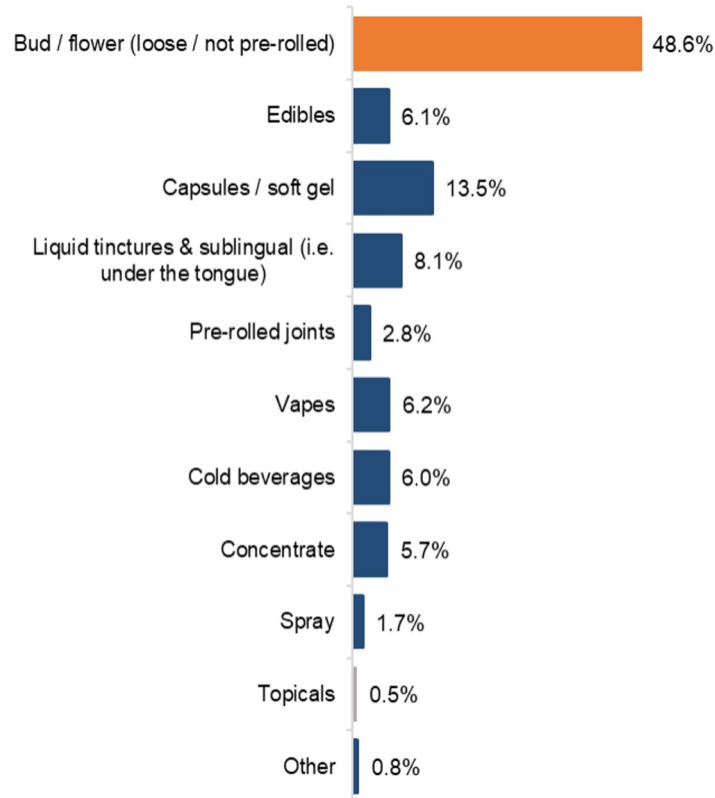
**Weekly consumers :** Another **two in ten** use it weekly or a few times a week

**Occasional consumers:** While the remaining **four in ten** use it less frequently

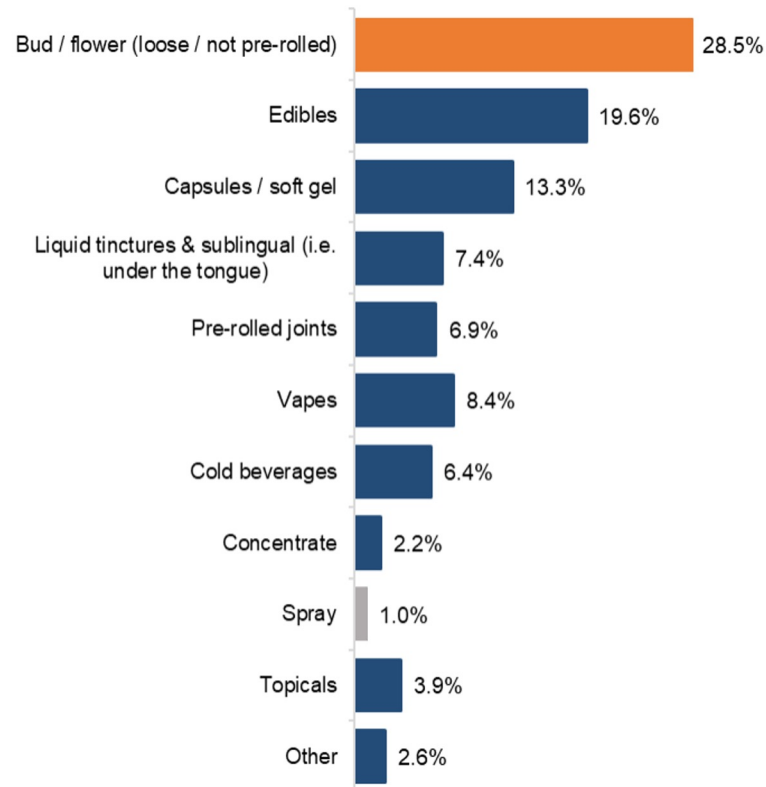
# Primary Consumption Format

Adoption of edibles has grown 11% since 2019. However, when it comes to usage format, nearly three quarters of Canadian users buy cannabis in flower or bud.

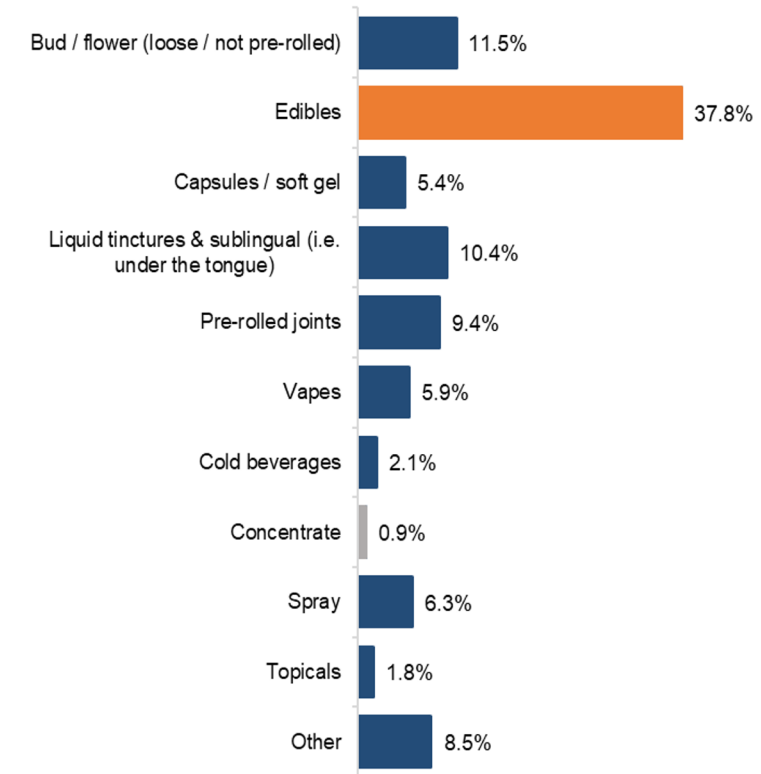
## Daily consumers



## Weekly consumers



## Occasional consumers





# The Who of Cannabis



# PRIZM® is Environics Analytics' pioneering segmentation system that classifies Canada's neighbourhoods into 67 unique lifestyle types

- Built using methodology that integrates latest data from nearly a dozen geographic, demographic, media and psychographic sources
- Provides the foundation for building custom segments that are aligned to your goals and objectives
- Ability to link to over 30,000 behavioural variables (including 100's specific to Cannabis) to help you better analyze, understand, and find your customers and markets
- Assigns neighborhoods and/or your consumers to a **lifestyle segment at a postal code level based on demographics, psychographics, and other behaviors**

**Look up your postal code and see your lifestyle type:**  
<https://prizm.environicsanalytics.com/>

## PRIZM Captures:



Aging population



Increased cultural diversity



More urban lifestyles;  
Emerging urban



Fringe  
Generational  
lifestyles



Evolving household types

Uniqueness of  
each 6-digit postal  
code

M4W 3H1

# Demographic Insights for the Top 3 Target Groups

Indicating yes to purchasing cannabis in the past 6 months, these three groups cover 39% of Canadian Population 19+



## Young Families

### Characteristics

- Household Maintainer Age: 25 - 44
- Size of Household: 3+ Persons
- High cultural diversity



## Diverse Boomers







- Household Maintainer Age: 55+
- Size of Household: 4+ Persons
- High cultural diversity



## Urban Millennials

- Household Maintainer Age: 19 - 34
- Size of Household: 1 Person
- Low cultural diversity

# Cannabis Insights for the Top 3 Groups

		Consumption Frequency	Usage during Covid-19 Pandemic	Typical Spend (\$) per Purchase on Flower	Purchasing Important Factors	Format used most often
	<b>Young Families</b>	Monthly	 Increased	\$50-\$100	<ul style="list-style-type: none"><li>• Strains/Species</li><li>• Price</li><li>• Flavours</li></ul>	<ul style="list-style-type: none"><li>• Bud or Flower</li><li>• Vapes</li><li>• Spray</li></ul>
	<b>Diverse Boomers</b>	Weekly	 Increased	\$50-\$100	<ul style="list-style-type: none"><li>• Best Before Date</li><li>• Ingredients</li><li>• High CBD</li></ul>	<ul style="list-style-type: none"><li>• Capsules or Soft Gel</li><li>• Pre-rolled Joints</li><li>• Cold Beverages</li></ul>
	<b>Urban Millennials</b>	Daily	 Increased	\$100+	<ul style="list-style-type: none"><li>• Consistent Dosage</li><li>• Packaging</li><li>• Strain/Species</li></ul>	<ul style="list-style-type: none"><li>• Bud or Flower</li><li>• Edible</li><li>• Tinctures &amp; Sublingual</li></ul>

# **Cannabis Marketing & Store Drivers**

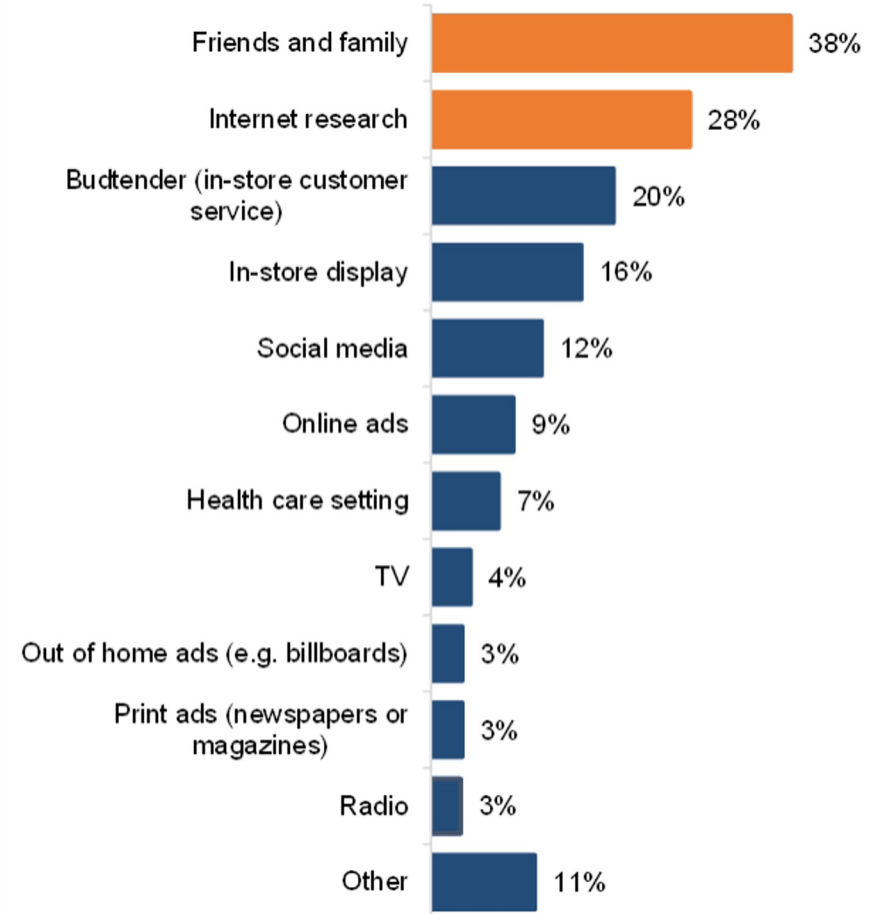




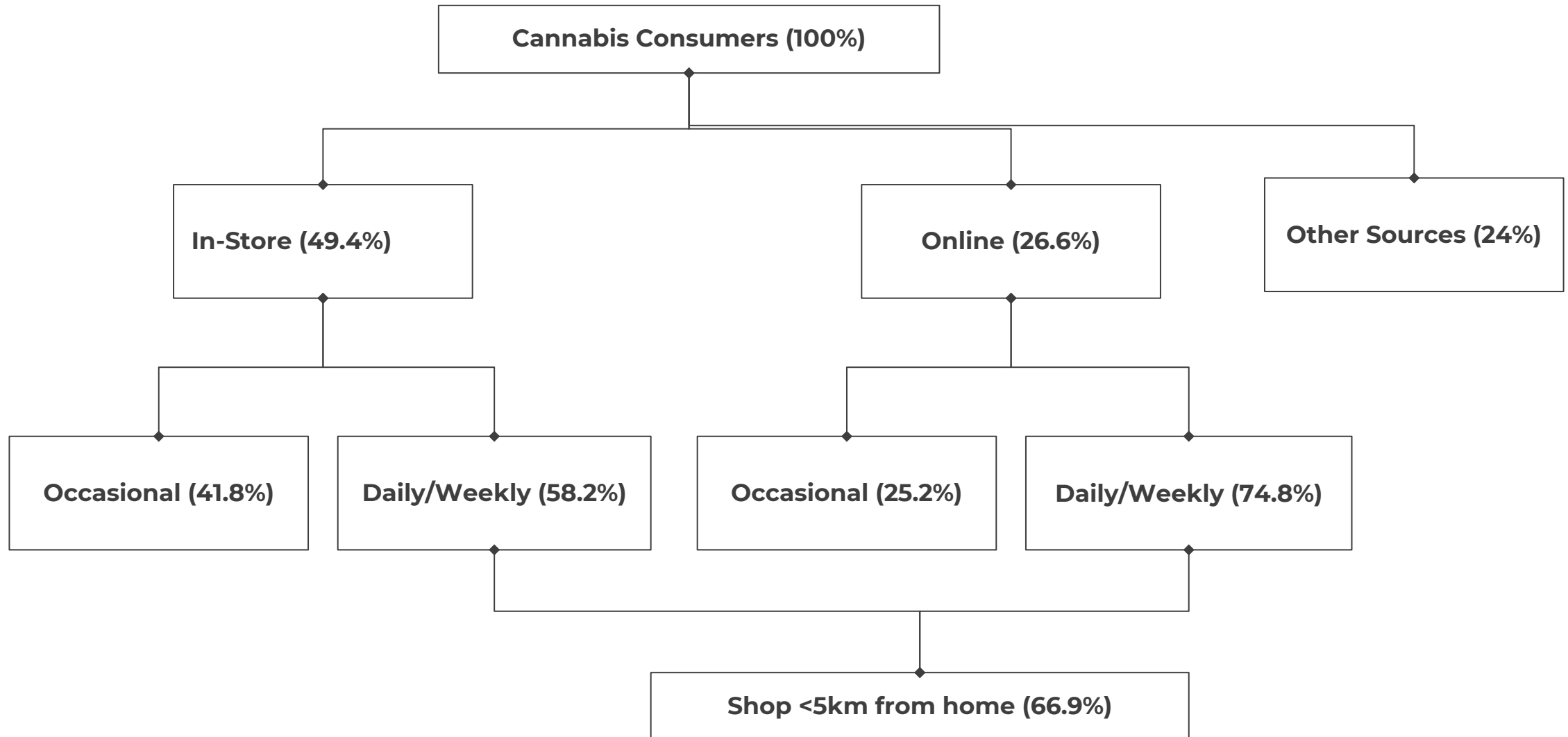
# Marketing Drivers

- Word of Mouth and Internet are the most important sources for cannabis information
- But the power of in-store (budtenders, displays) is not far behind

How do you usually learn about cannabis products?



# Where are they shopping?



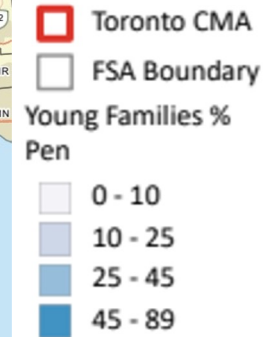
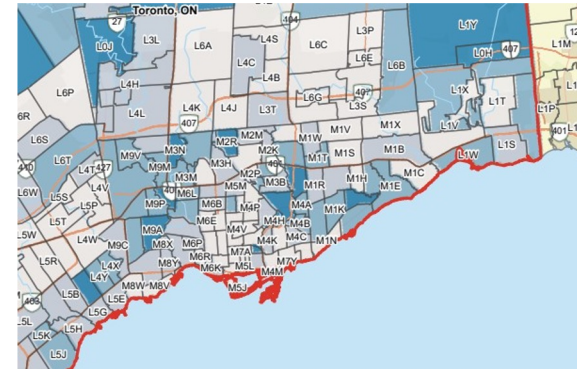
# The Top 3 Target Groups learn about and shop for Cannabis differently

		How they learn about Cannabis	Dominant retail channel	Top Cities	% Penetration	Index
 <b>Young Families</b>		<ul style="list-style-type: none"> <li>Family &amp; Friends</li> <li>Budtender</li> <li>In Store Display</li> </ul>	 Legal B&M Store	Toronto, ON (C)	17.95	131
				Montréal, QC (V)	20.19	147
				Calgary, AB (CY)	27.24	199
				Edmonton, AB (CY)	30.71	224
				Ottawa, ON (CV)	19.94	146
 <b>Diverse Boomers</b>		<ul style="list-style-type: none"> <li>Social Media</li> <li>Online</li> <li>TV</li> </ul>	 Legal Online Store	Toronto, ON (C)	22.75	180
				Ottawa, ON (CV)	17.51	139
				Mississauga, ON (CY)	23.17	183
				Winnipeg, MB (CY)	20.95	166
				Burnaby, BC (CY)	40.13	318
 <b>Urban Millennials</b>		<ul style="list-style-type: none"> <li>Budtender</li> <li>Social Media</li> <li>Other Sources</li> </ul>	 Mixed Retail	Toronto, ON (C)	20.63	157
				Vancouver, BC (CY)	34.24	260
				Halifax, NS (RGM)	23.67	180
				London, ON (CY)	16.51	125
				Windsor, ON (CY)	27.12	206

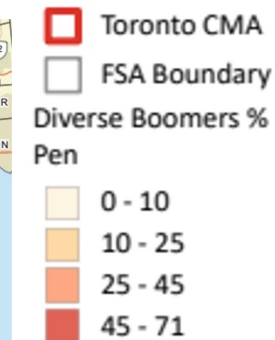
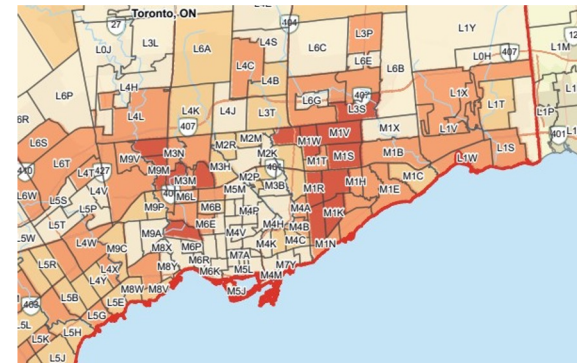
# Pinpointing Precisely Where the Top 3 Targets Are



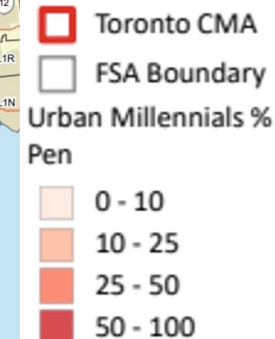
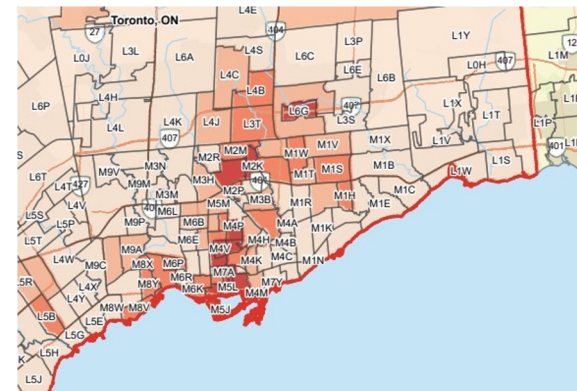
**Young Families**



**Diverse Boomers**



**Urban Millennials**



# Cannabis Decision Making In- Store and Online

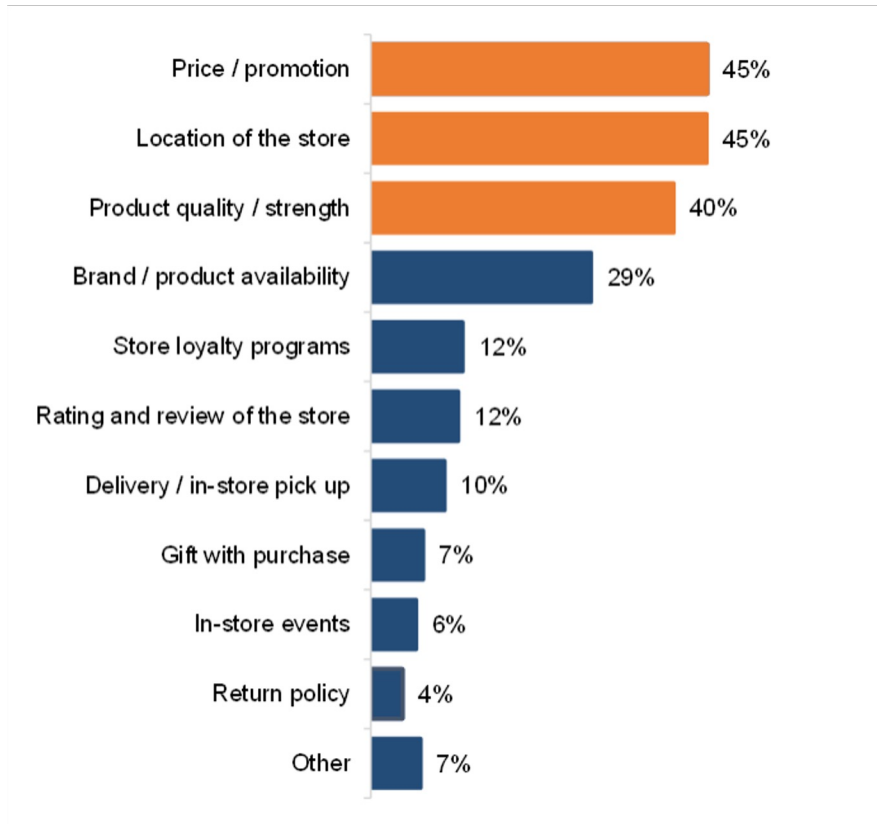




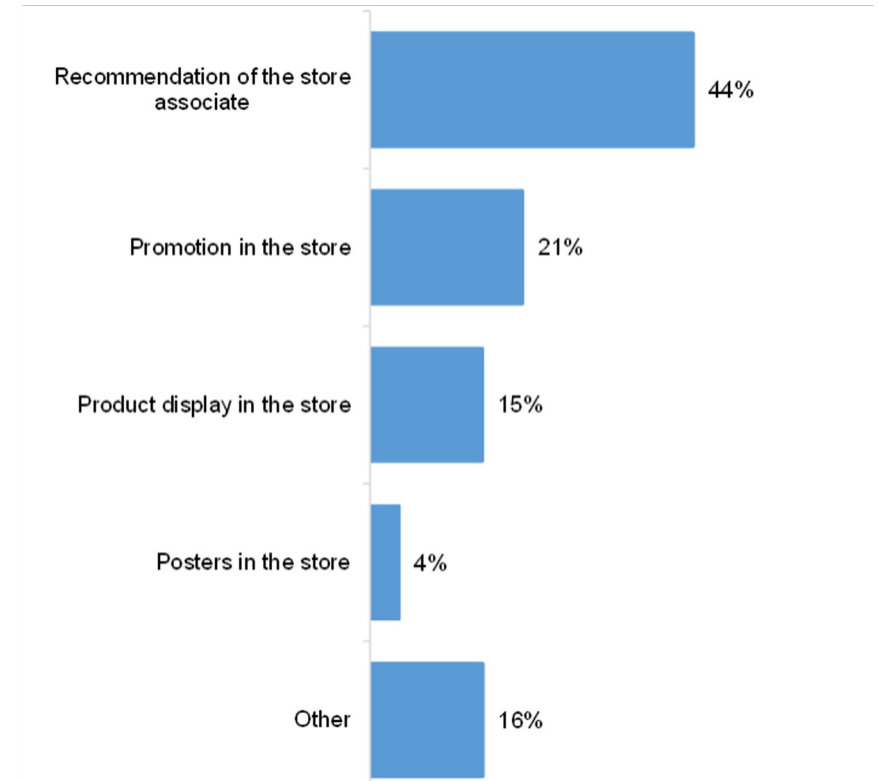
# In-Store Purchase Decision Making

6 in 10 will decide on which product and/brand to purchase while in-store. Price, location and product quality / strength most important in-store purchase decision factors

Which of the following are important factors affecting your choice on which brick-and-mortar store to purchase cannabis products from?



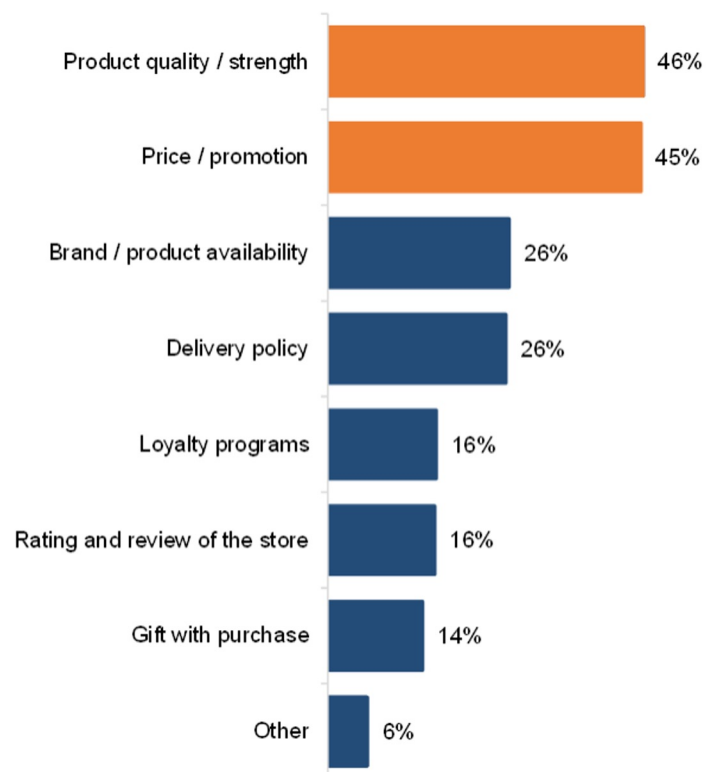
Which of the following factors affect your decision when you purchase cannabis products in a brick-and-mortar store?



# Online Purchase Decision Making

7 in 10 will decide on which product and/brand to purchase while browsing online. Product quality / strength, price most important online purchase decision factors

Which of the following are important factors affecting your choice on which online store to purchase cannabis products from?



Which of the following factors affect your decision when you purchase cannabis products online?



# Cannabis Purchase Outlook is Positive

**+24%**

of cannabis buyers  
anticipate purchasing  
**more** cannabis from stores  
in the next 12 months

**+23%**

of cannabis buyers  
anticipate purchasing  
**more** cannabis online in  
the next 12 months

**Expected Cannabis Consumption up in next 12 months:**

**Daily consumers: +39% consume more**

**Weekly : +12% consume more**

**Occasional: +2% consume more**

# Next Webinar

Ratings & Reviews with Walmart.ca on Tuesday, June 7, 2022 2PM - 3PM ET



Adam Bernatt

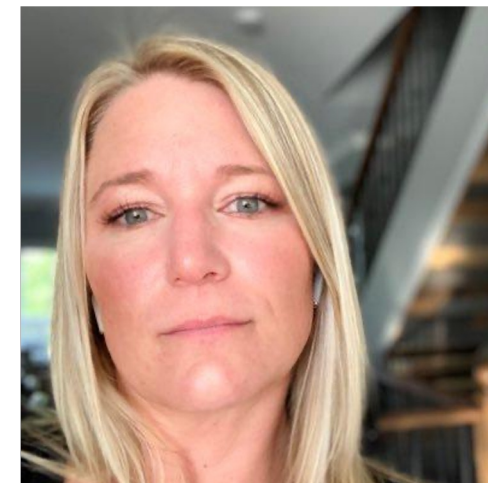
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