From Patient to Consumer: Evolution of the Customer Experience
Sabrina Fendrick, Andrew DeAngelo, Ellen Komp & Liz Stahura
The Panel

Maureen McNamara
Cannabis Trainers

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Berkley Patients Group

Andrew DeAngelo
Harborside Health Center

Ellen Komp
CA Norml

Liz Stahura
BDS Analytics
Product Variety
Traditional Product
Modern Product Advertising
Employment Rights

- Prop. 64 allows employers to discriminate against workers, even when their marijuana use is during nonworking hours.
- 11 states (AZ, AR, CT, DE, IL, ME, MN, NV, NY, PA, RI) protect employment rights for medical marijuana users (but not CA).
- Impairment testing is a better option, for human rights and public safety.
Question:

How Can We Build An Industry If Only The Unemployed Can Buy Our Products?

• 80% of Forbes 500 companies drug test

• Only Federal requirement for safety-sensitive positions or contracts
Driving Rights

• Driving under the influence remains a crime
• No per se standard for DUID in California
• “My Canary” app checks for impairment
Women's Concerns

• 4% of pregnant women say they use cannabis, up from 2.4% in 2002

• 23 states (including CA) require health care professionals to report suspected prenatal drug use

• Prop. 64 protects parents following medical marijuana laws
Take Action!

CaNORML.org

ADVOCACY. EDUCATION. COMMUNITY.
BDS Analytics layers POS data with consumer research to provide a 360 degree view of cannabis consumer

**POS Data**
What is hot & What is not
*what is being purchased, where, how much, etc.*

**Consumer Research**
Who: attitudes and actions
*who is purchasing & consuming (and who is not), where, why, with whom, instead of, etc.*

**Leader in Industry Intelligence**
*Industry trends, reports, financial and economic models*
93% AGREE THERE SHOULD BE SOME FORM OF LEGAL MARIJUANA USE
Total CA Completes n=1000

California tracks national averages in acceptance of medical MJ

- BASE: Total California Completes n=1000
- Single response. Includes don’t know/no opinion.
- 55. Marijuana is now legal in your state. Which of the following statements best describes your opinion about the regulatory status of marijuana or marijuana containing products?

% AGREE

CA Consumers n=600
99% C

Acceptors n=200
97% C

Rejecters n=200
70%
U.S. Total Legal Cannabis Retail Sales $6 billion in 2016
40% CAGR
The lay of the land

2017 Adult Use:
5 States + DC

2018 Adult Use:
8 States + DC

2018 Medical:
20 States
California nearly as big as OR, WA, and CO combined.

Q 2 2017 Retail Sales

- CA [VALUE] $666M
- WA [VALUE] $225M
- OR [VALUE] $117M
- CO [VALUE] $384M

*BDS Analytics GreenEdge POS Retail Data; Retail Dollars
Spectacular growth in CO, WA, and OR since implementation

July 2014

Sales by Month

Colorado - Adult Use  Colorado - Medical  Washington - Adult Use  Oregon - Medical  Oregon - Adult Use
Still – CA sales dwarf other markets
California Rolling 12 Month Ending July ’17

Total California Legal Market:

$2.7 Billion

$1.215 Billion

$1.485 Billion
CA already resembles an Adult Use Market

Category share by State Q2 2017

- **CA**: 100% = $680m
  - Flower: 55%
  - Pre-rolled: 4%
  - Edibles: 5%
  - Concentrates: 12%

- **CO**: 100% = $385m
  - Flower: 48%
  - Pre-rolled: 5%
  - Edibles: 15%
  - Concentrates: 27%

- **WA**: 100% = $226m
  - Flower: 55%
  - Pre-rolled: 1%
  - Edibles: 9%
  - Concentrates: 23%

- **OR**: 100% = $129m
  - Flower: 51%
  - Pre-rolled: 6%
  - Edibles: 7%
  - Concentrates: 14%

Colors:
- Others
- Pre-rolled
- Edibles
- Concentrates
- Flower
Candy and Vape categories drive sales in Adult Use Markets

**CO Edibles Sales by Sub-Category H1 2017**
- **Candy**
- **Chocolates**
- **Infused Foods**
- **Tinctures**
- **Pills**
- **Beverages**
- **Other**
- **Sample**

**Concentrates Sales by Sub-Category H1 2017**
- **Vape**
- **Shatter**
- **Wax**
- **Rosin**
- **Oils**
- **Live Resin**
- **Wax**
- **Crystalline**
- **Hash**
- **Kief**
- **Caviar**
- **Sample**
- **Other**
- **Infused Foods**

*Millions*
- Colorado - Medical
- Colorado - Adult Use
Candy May Become More Popular in CA

CA Q2 2017
100% = $81m

- Chocolate: 24%
- Infused Foods: 17%
- Tinctures: 15%
- Pills: 7%
- Beverages: 5%
- Others: 3%

CA Q2 2017
100% = $169m

- Wax: 9%
- Shatter: 6%
- Oils: 3%
- Other: 9%
- Unspec'd: 12%
- Others: 3%
California’s Vape Market Already 3Xs Bigger Than Adult Use Markets
Product Trends

- Pet Products
  - Low-Dose Edibles
- Gummy Candy
- Pills/Tablets
- High End Vape
In CA 23% already consume cannabis products and another 38% would consider consuming in the future:

- **Consumers**: Have consumed cannabis or cannabis products within the past six months (from any source)
- **Acceptors**: Would consider consuming cannabis or cannabis products in the future
- **Rejecters**: Would not consider consuming cannabis or cannabis products in the future
And CA Cannabis Consumers...

Skew younger & male
55% Male, avg age 39

Work full-time
69%

Live in Cities
63%

Are Creative
60%

Are Outdoorsy
64%

Are Very Social
49%

* BDS Analytics Consumer Research across CA
* Consumers skew towards these descriptors (many significant differences) compared to Acceptors and/or Rejecters
## California Consumer Profile

<table>
<thead>
<tr>
<th>CALIFORNIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials, 21 - 35 years</td>
</tr>
<tr>
<td>Middle to upper income, $75 – $150K</td>
</tr>
<tr>
<td>Employed full-time</td>
</tr>
<tr>
<td>Graduate level or more education</td>
</tr>
<tr>
<td>Married or living with partner</td>
</tr>
<tr>
<td>Parent</td>
</tr>
<tr>
<td>Reside in city</td>
</tr>
</tbody>
</table>
Cannabis Consumers are “Happy Campers”

**Cannabis Consumers are More Active and More Social**
Among Colorado consumers:
- **50%** exercise at least once a week.
- **36%** agree they are very social people, compared to **21%** of Acceptors & **28%** of Rejecters.
- **25%** go to a bar or club at least once a week.

**Cannabis Consumers are Happier People**
Nearly **5 in 10** Colorado consumers are more satisfied with life than they were a year ago, compared to **4 in 10** among Acceptors & Rejecters.

**Cannabis Consumers Make More Money**
The average annual income among California consumers is **$93,800**, compared to **$72,800** for Acceptors & **$75,900** for Rejecters.

**Cannabis Consumers Have More Advanced Degrees and are Fully Employed**
- **20%** of California consumers hold a Master’s Degree, compared to **13%** of Acceptors & **12%** of Rejecters.
- **64%** of Colorado consumers are employed full-time, compared to **51%** of Acceptors & **54%** of Rejecters.

*BDS Analytics Consumer Research CO and CA*
WHERE
Dispensary Shoppers 59%

WHY
Recreational & Social 58%
Health or Medical 56%

~30%
CONSUME FOR BOTH MEDICINAL & RECREATIONAL PURPOSES
Total CA P6M Consumers n=600

40%
USE MARIJUANA FOR RELAXATION REASONS
Total CA P6M Consumers n=600
- Relax/Be Mellow
- Manage Anxiety
- Manage Stress
- Feel Peaceful

*BDS Analytics Consumer Research CA

ADVOCACY. EDUCATION. COMMUNITY.
California Cannabis Consumers

Prefer Inhalables
73%

Prefer Edibles
24%

*BDS Analytics Consumer Research CA
What is your preferred method of consuming/using marijuana?
What your preferred method of consuming/using marijuana?

Preference:
- Prefer Inhalables: 64%
- Prefer Edibles: 32%

*BDS Analytics Consumer Research CA
What is your preferred method of consuming/using marijuana?
# Perceived Benefits of Consuming Cannabis

## CALIFORNIA vs. COLORADO

<table>
<thead>
<tr>
<th>Benefit</th>
<th>California</th>
<th>Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relax/ be mellow</td>
<td>Relax/ be mellow</td>
<td></td>
</tr>
<tr>
<td>Sleep better</td>
<td>Sleep better</td>
<td></td>
</tr>
<tr>
<td>Relieve pain</td>
<td>Relieve pain</td>
<td></td>
</tr>
<tr>
<td>Feel peaceful</td>
<td></td>
<td>Manage stress</td>
</tr>
<tr>
<td>Manage stress</td>
<td></td>
<td>Feel peaceful</td>
</tr>
<tr>
<td>Manage anxiety</td>
<td></td>
<td>Manage anxiety</td>
</tr>
<tr>
<td>Have fun</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Be happy</td>
<td></td>
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</tr>
</tbody>
</table>
Moving Beyond Price to Experience

Important Features of Dispensaries

Top 2 Box Agreement, 7-pt Scale. Among CO Dispensary Shoppers: n=492

- Trustworthy: 74%
- Professional Staff: 66%
- Convenient Location: 65%
- Budtenders make reliable recommendations: 61%
- Carries the brands, strains, and products I like: 55%
- Offers coupons, discounts or specials: 51%
- Lowest prices: 50%
- Loyalty or Rewards Program: 41%
- Grows their own marijuana: 26%
Your Questions??
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