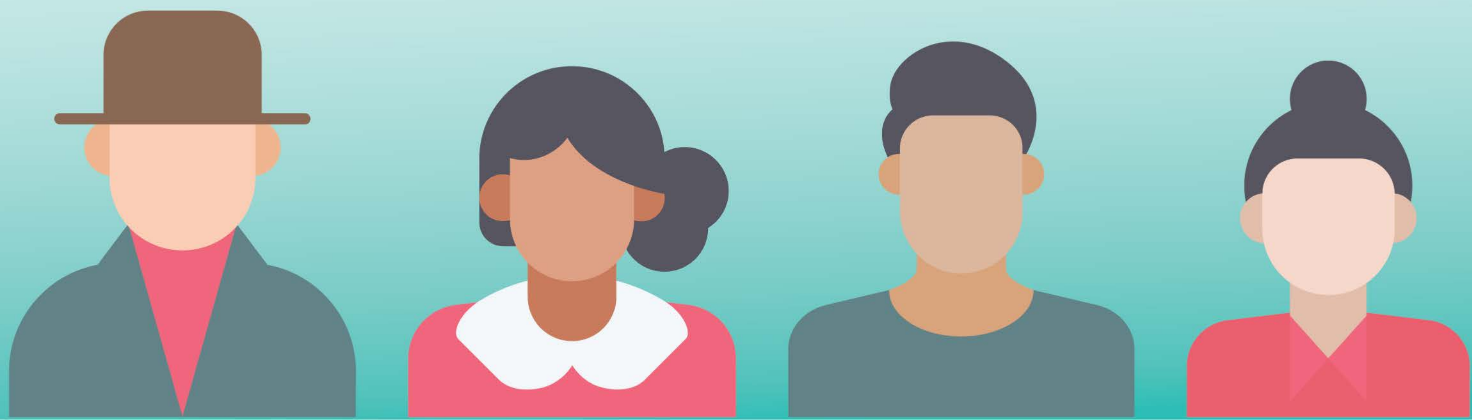
BRIGHTFIELD GROUP

Which Brands are Connecting with Canadian Cannabis Consumers?

July 2020 Report



INTRODUCTION

The Canadian market is experiencing a turning point. Industry players have primarily focused on raising capital, but this has not inherently translated into strong customer relationships.

Cannabis 2.0 has brought a wide range of branding and marketing restrictions; cannabis companies are federally restricted in the ways they can design and promote products. Despite this, some brands and savvy marketers have made significant progress in addressing market gaps and consumer needs.

As the market becomes more consumer-centric, brands must focus on developing a deep understanding of the competitive landscape and consumer behavior to stay relevant and ensure they don't risk being seen as a commodity.

Licensed Producers (LPs) are starting to create and promote brands aimed at specific consumer segments with unique needs. **Let's dig in.**

Methodology

N = 3,000 Canadian Cannabis users, collected Spring 2020. This data is collected on a quarterly basis using an independent panel provider and is balanced on age, gender, and geography according to public Canadian population data. Our team of researchers use this data to diagnose gaps in brand health for LPs and identify forward-looking trends.

Differentiation Draws in Specific Consumer Personas

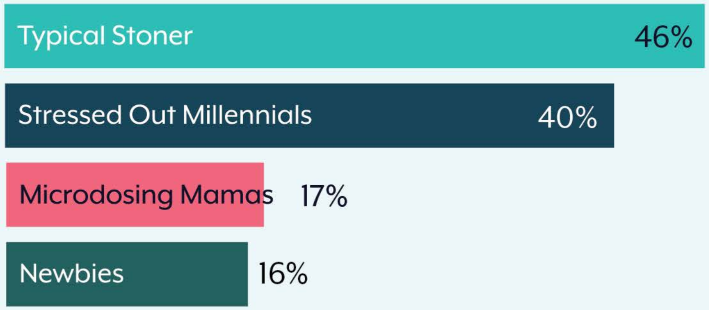
About our Personas

We have conducted a segmentation of the market, identifying groups of consumers thinking about and using cannabis in different ways, and want different things out of their cannabis experience. As part of our brand health data, we match relevant survey respondents to defined consumer personas.

Our quarterly syndicated surveys on cannabis consumers have been collecting for over 2 years resulting in a rich knowledge base of over 30,000 US and Canadian users.

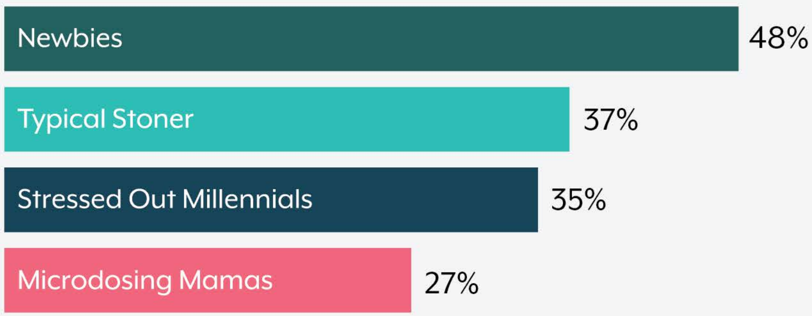
PERSONA PENETRATION BY BRAND

Good Supply (Aphria)



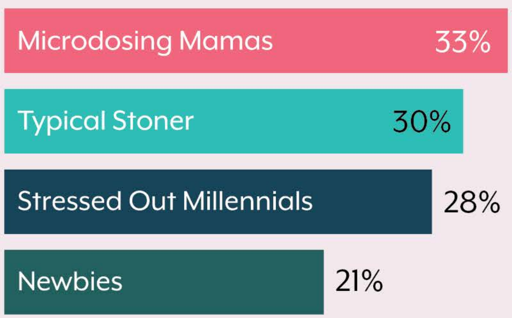
Budget-friendly prices paired with a commitment to quality are strong hooks for the Typical Stoner. Fun, colorful brand imagery (along with low prices) helps the brand appeal to Millennials.

Canaca (Tilray)



Easy to use formats like pre-rolls and disposable vapes are accessible for those new to cannabis. A simple image with an emphasis on Canadian heritage is a comfortable entry point for newcomers.

AltaVie (Aurora)

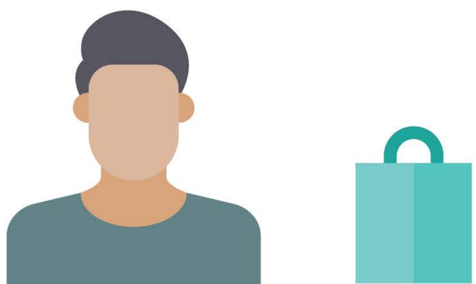


Premium flower with high CBD strains and an uplifting message to “awaken” and “live in the now” performs well with a more niche female audience looking for an elevated experience.

Budget Brands on the Rise

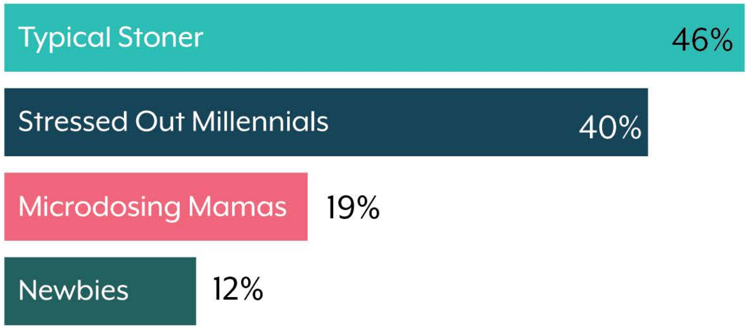
Value-priced flower and budget brands from major LPs are beginning to gain traction as a competitor to the illicit market and approachable product for the budget-conscious consumer. These products tend to attract millennial men - a slightly more ethnically diverse group of purchasers than average. Not surprisingly, they also over-index among our 'Typical Stoner' consumer persona.

Typical Stoners are heavy cannabis users with 88% using at least 5 days per week. Primarily vape and flower users, over 51% of Canadian Typical Stoners report purchasing from a friend or informal dealer. LPs will look to these budget brands as a way to convert heavy users with comparable pricing and quality.

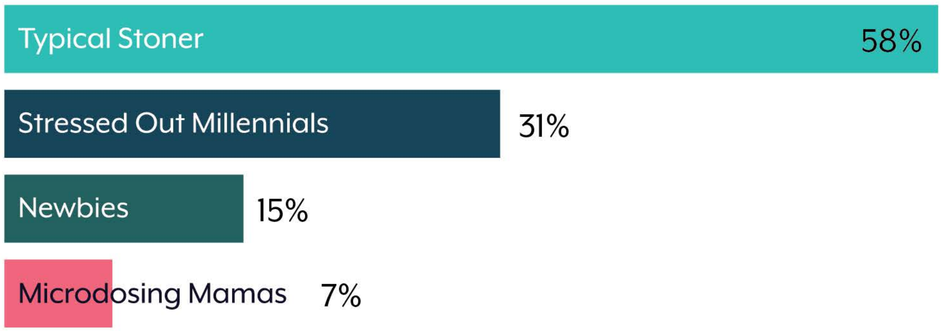


PERSONA PENETRATION

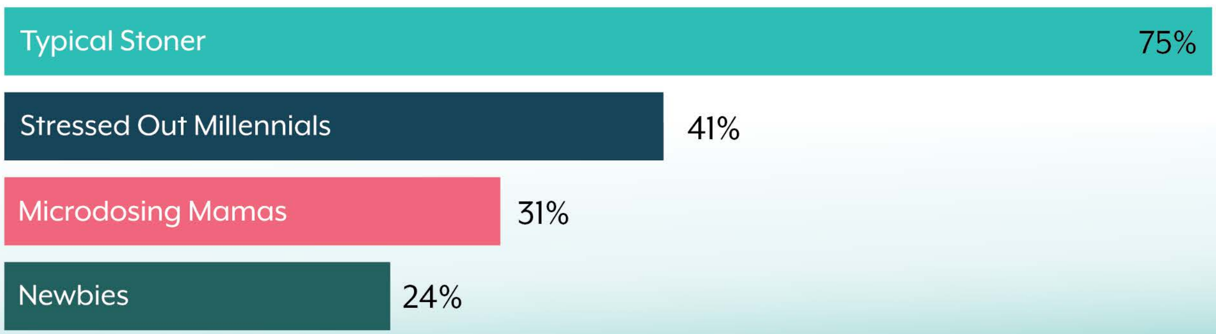
Twd. (Canopy)



Original Stash (HEXO)



The Batch (Tilray)



Brands that successfully expand their awareness and market share in this segment will reach a broader consumer base beyond Typical Stoners, as we are beginning to see from Tilray's The Batch and Canopy's Twd. These brands also have a strong share of Stressed Out Millennials. This is a call-to-action for differentiated messaging designed intentionally to resonate with specific consumer segments beyond the "lowest-hanging fruit" – and thus, resonating with a larger market.

To learn more about our Canada Brand Health portal, request a demo here.

Diagnose brand roadblocks and delight your customers with interactive data on:

Funnel metrics across Awareness, Consideration, Purchasing, and Loyalty
Persona penetration across top brands
Brand social listening
Key satisfaction metrics, brand descriptors, and Net Promoter Score

We’re Brightfield Group, and we provide consumer insights and market intelligence for the CBD and Cannabis industries. Fusing intelligent machines with real human analysis, we help you navigate the dynamic CBD and Cannabis markets as data-driven storytellers. With us, you don’t just get the numbers; you get a trusted partner, providing a robust picture of the landscape and an actionable plan for the road ahead. See what we can do for you at **www.brightfieldgroup.com**.

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