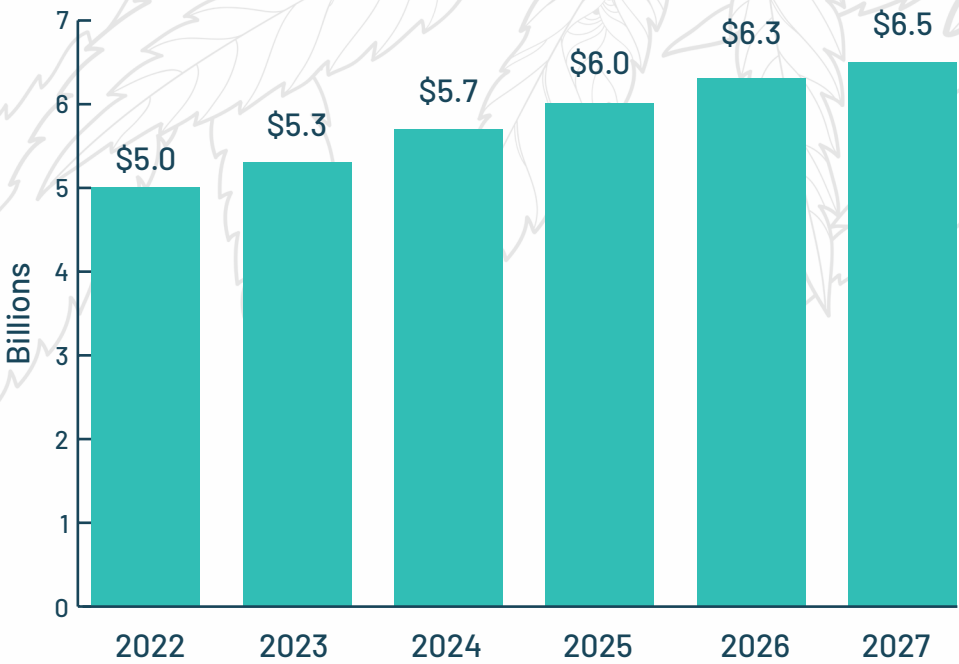


Data to Win in U.S. CBD in 2023

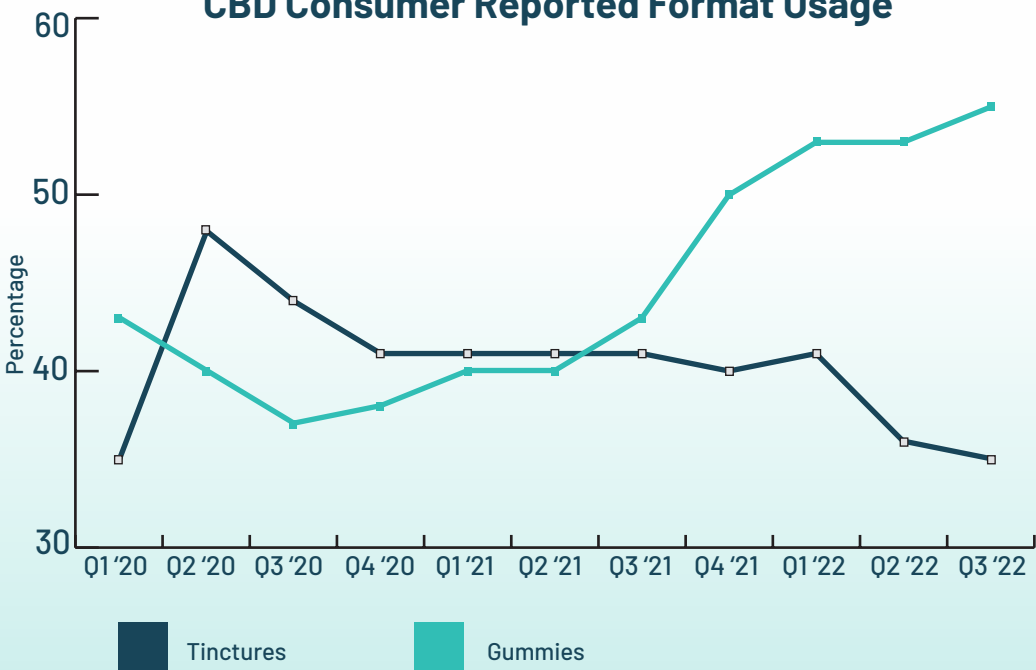
Changes in the U.S. CBD market continue to keep brands in the space on their toes. Consumer purchasing habits have changed while the lack of federal regulation has not.

When sizing the U.S. CBD market, Brightfield considered two scenarios - one with federal guidance and one without. With the growth of U.S. CBD expected to be stagnant without regulation, the brands leveraging data-backed strategies will be the ones to win customers and keep making sales into 2023 and beyond.

CBD Market Forecast Without Federal Guidance



CBD Consumer Reported Format Usage



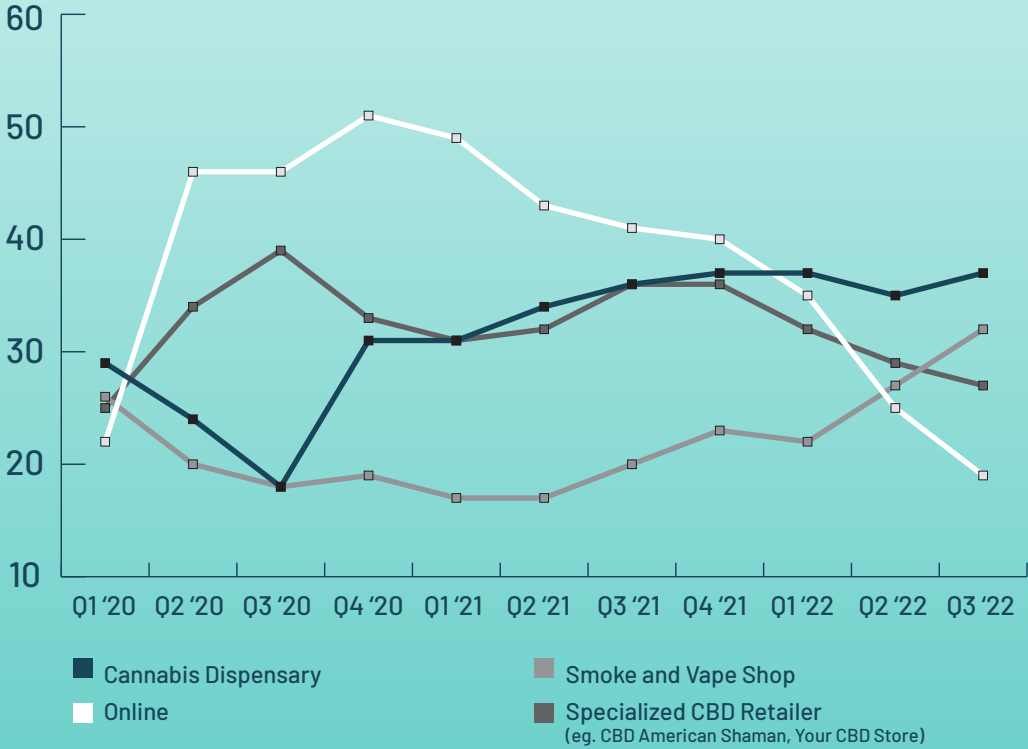
While early adopters of CBD enjoyed tinctures, the product type saw less use over 2022. At the end of 2021, it was unclear if gummies would surpass tinctures. But after a year of consistent growth in gummies use and falling tinctures use, we have a clear winner.

Competitive CBD brands have already taken note of this change. Today, we see innovative gummy options with unique flavors, relevant use cases, and added functional ingredients.

In 2020, online CBD purchasing skyrocketed as consumers stayed home during COVID-19 lockdowns. But when they got a chance to buy CBD elsewhere, they took it. E-commerce was the predominate source of CBD purchasing until the end of 2021 when it took a steep dive.

Cannabis dispensaries and smoke & vape shops are now the most common purchase locations for CBD in the U.S. The rise of smoke & vape has been partly due to delta-8's popularity within that channel. Dispensary CBD shoppers include consumers in newly legal markets who can access CBD at their licensed dispensary but also consumers who confused hemp-derived THC and CBD sellers for licensed dispensaries.

Consumer Reported Purchase Channels for CBD



Brightfield Group is the leading research firm for emerging categories including CBD, cannabis, and wellness. By integrating multi-source data with AI and research expertise into our cross-comparable data lake, we uncover robust insights as new markets develop. Since 2015, we have helped marketing, innovation, and insights leaders drive customer-centric strategies on their next big idea.