



**High Yield**  
Insights

# Consumers and Edibles 2018

## Attitudes, Usage and Behavior

*Executive Summary*

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## Edibles Report Methodology

The basis for this report is an online survey fielded by Survata. Survata is an independent market research firm based in San Francisco.

Using a propriety survey developed by High Yield Insights, 1,500 cannabis consumers in California, Nevada, Washington, Oregon, Colorado and Michigan were asked about their usage of cannabis, changes in usage since legalization and attitudes toward cannabis and recreational usage. Please note, in questions where recreational legalization was asked, Michigan respondents were NOT included.

The findings best represent the mindset of today's edibles user. By limiting respondents to only those who reported using cannabis in the past three months, the report focuses exclusively on current users.

- The sample size for this report is 272 respondents.
- Responses were tested for significance with a 90% confidence interval\*
- For reference, the relevant survey question appears at the footer of each slide.

## More from High Yield Insights

- Contact us to learn more about these available reports: [contact.us@highyieldinsights.com](mailto:contact.us@highyieldinsights.com)
- [Click here](#) for more information and pricing on the full Edibles report



*The Adult Use  
Cannabis Consumer*  
Available Now



*The Medical  
Cannabis User*  
Available Now



*Consumers & Edibles*  
Available Now



*Smoking & Vaping*  
Available Now

## Methodology and source data for 2018 reports

- Reports published in 2018 are based on the attitudes, usage behaviors and perspectives of cannabis users.
- The basis for each report is an online survey fielded by Survata, an independent consumer panel firm based in San Francisco
- Using a propriety survey developed by High Yield Insights:
  - 1,500 cannabis consumers
  - California, Nevada, Washington, Oregon, Colorado and Michigan
  - Usage of cannabis
  - Changes in usage since legalization
  - Attitudes toward cannabis and recreational usage.
  - Focus exclusively on current users ( within 3 months)



Survey respondents were asked to choose which statement best describes them:

- I use marijuana/cannabis for medical purposes
- I use marijuana/cannabis for recreational purposes

Both groups were asked the same questions to accurately assess each group's attitudes and behaviors and where appropriate compare and contrast results.

# Report Contents: Example Using the Edibles report

## *Edibles & the Consumer*



### **Contents:**

- Executive Summary
- Demographics
- Edible Preferences
- Edible Purchase Journey
- Attitudes Toward Edibles

### **Report delivers insights such as the following:**

- Share of the cannabis users who most prefer edibles
- Purchase drivers
- Edibles “Rejectors” and how to overcome objections
- Products most relevant to edible consumers
- Characteristics of edibles user
- Popularity of edibles by state
- Consumption by usage frequency
- Product type preferences by demographic groups
- Most popular flavors
- Desired THC potency by usage frequency
- Impact of the dispensary associate on purchase habits
- How dispensaries can drive better customer engagement
- Specific product attributes consumers consider
- How consumers perceive quality consistency
- Role of flavors as a driving force among edible users
- Impact of price and value on consumer usage of edibles

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# Executive Summary

## Executive Summary

### Overview of this section

- The following slides detail highlights of the Consumers and Edibles report.
- While detailed findings are available, this section provides readers with a thorough grounding of the research, key themes that emerged in the data and action-oriented insights.

### What you will learn from this section

- What share of the cannabis-using population prefers edibles as their singular cannabis form
- How a customer comes to choose an edible product and where manufacturers and dispensaries can improve that journey
- Why cannabis users do not regularly choose edibles and how these objections can be overcome
- What products are going to be most relevant to edible consumers

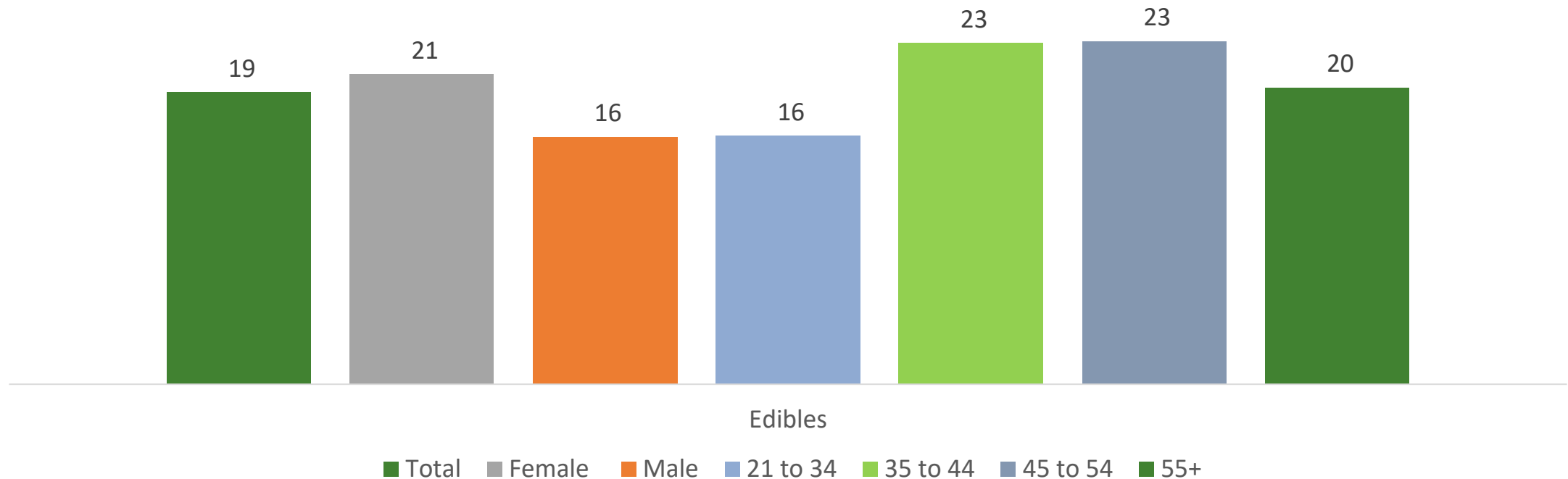


## 1 in 5 cannabis users prefer edibles over all other forms

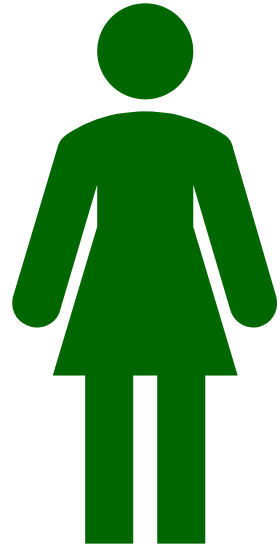
Consumers who are entering their “middle age” years of 35-54 are more likely to list edibles as their preferred form, as are those consumers who earn \$100K+ in household income (see next slide)

Convenience and getting away from smoking are driving this preference among these user groups

Edibles User Profile, by Age and Gender  
(% Respondents)



Those who prefer edibles are more likely to be high income, female occasional users



**Female**

**College** Educated

Household Income **\$100K+**

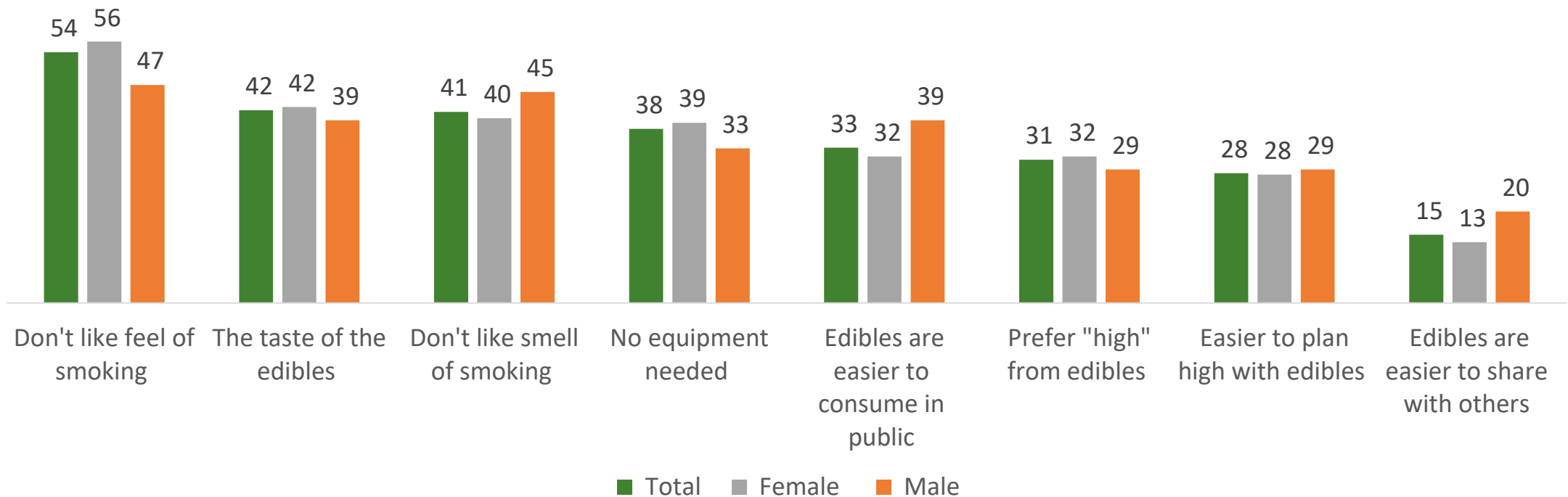
Use cannabis **less than** 4 times per month

## Many consumers choose edibles because they don't like smoking

While a significant portion of consumers choose edibles because they like the taste of the products, a majority (54%) report they prefer edibles because they don't like the "feel" of smoking, while 41% report not liking the smell of smoking and the odor it leaves behind on clothes, upholstery, etc.

Convenience factors are important – at least today – but secondary

Reasons for Using Edibles, by Gender  
(% Respondents)



There are clear distinctions between Heavy, Medium and Light cannabis users

## Heavy Users

Definition: Consume multiple times per week

### More likely to be:

High-school educated  
Income less than \$50k  
21-44 years old

## Medium Users

Definition: Consume 1-4 times per month

### More likely to be:

College educated  
Income \$50k-\$74.9k  
35-44 years old

## Light Users

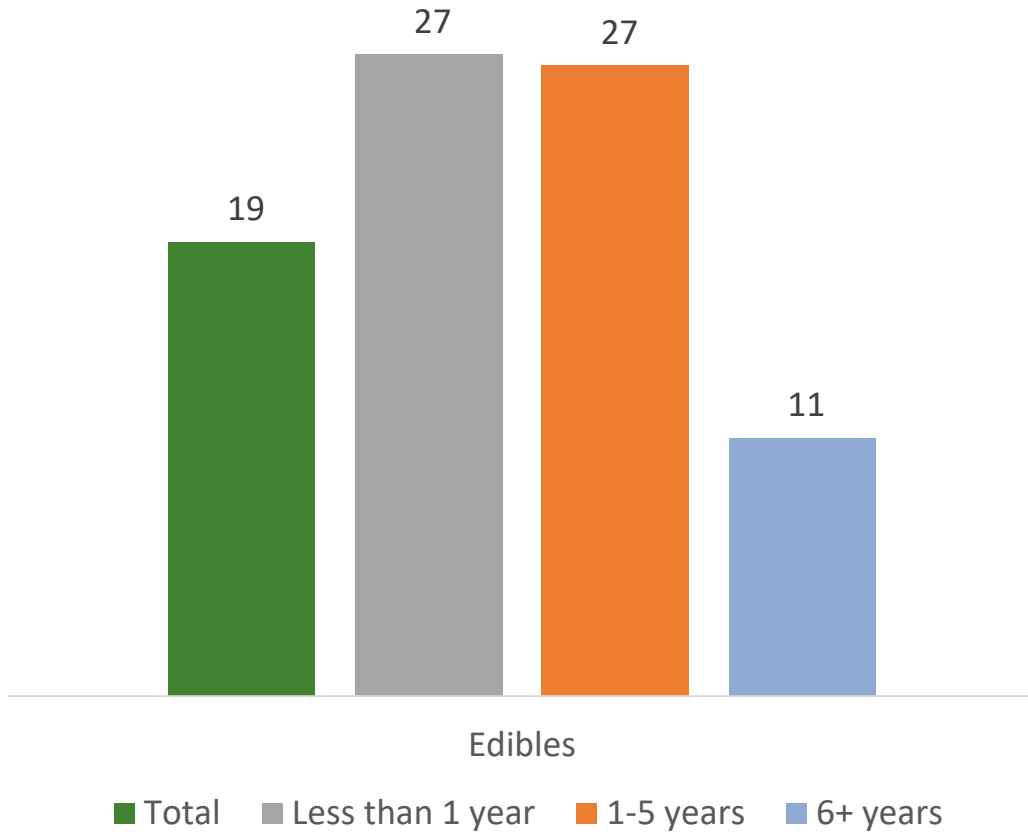
Definition: Consume less than once per month

### More likely to be:

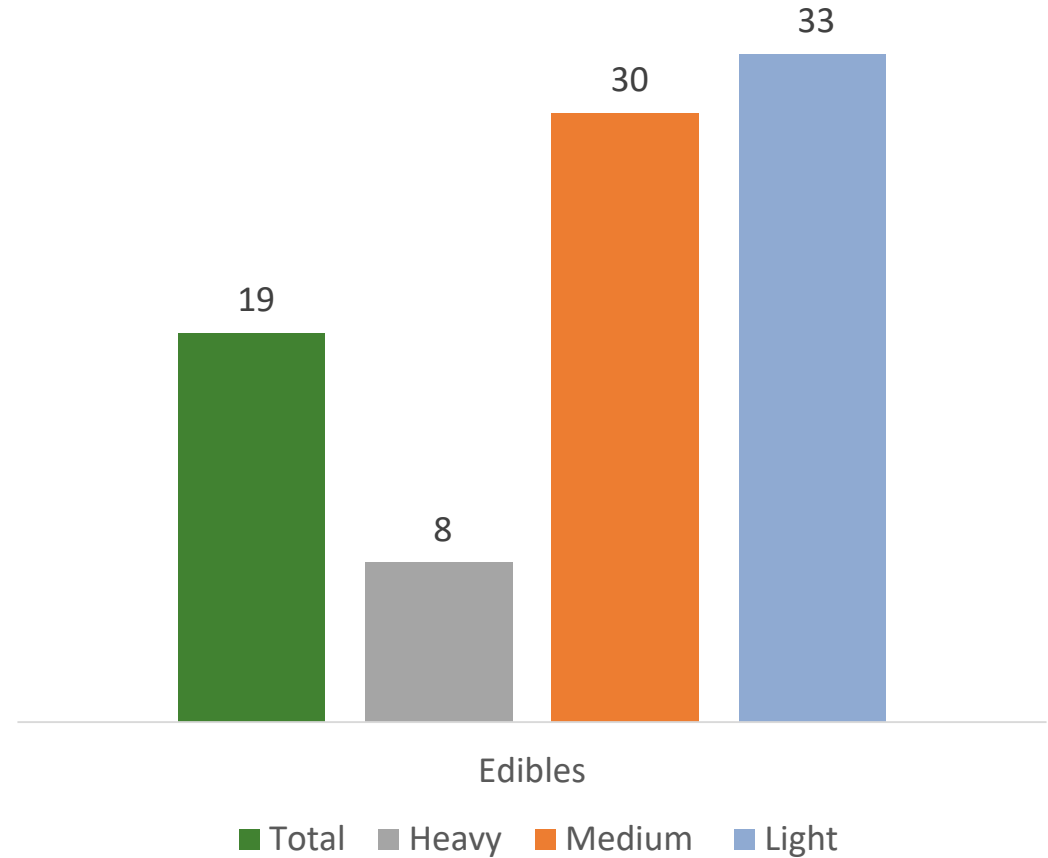
Women  
College educated  
65+ years old

# Newer cannabis customers and those who use less frequently are more likely to report edibles as their preferred form

### Edibles User Profile, by Usage History (% Respondents)



### Edibles User Profile, by User Segment (% Respondents)



Q: What is your preferred cannabis form?

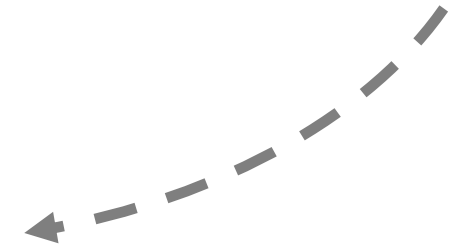
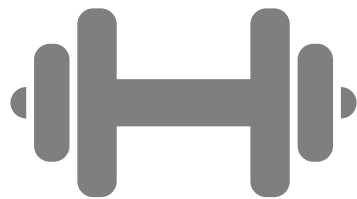
# The edible purchase journey starts with a conversation in the dispensary



**56%** of consumers start their edible purchase journey with **talking with a dispensary associate**

**52%** then choose the **edible type/form** they want

**67%** then choose a specific edible on **flavor preferences**

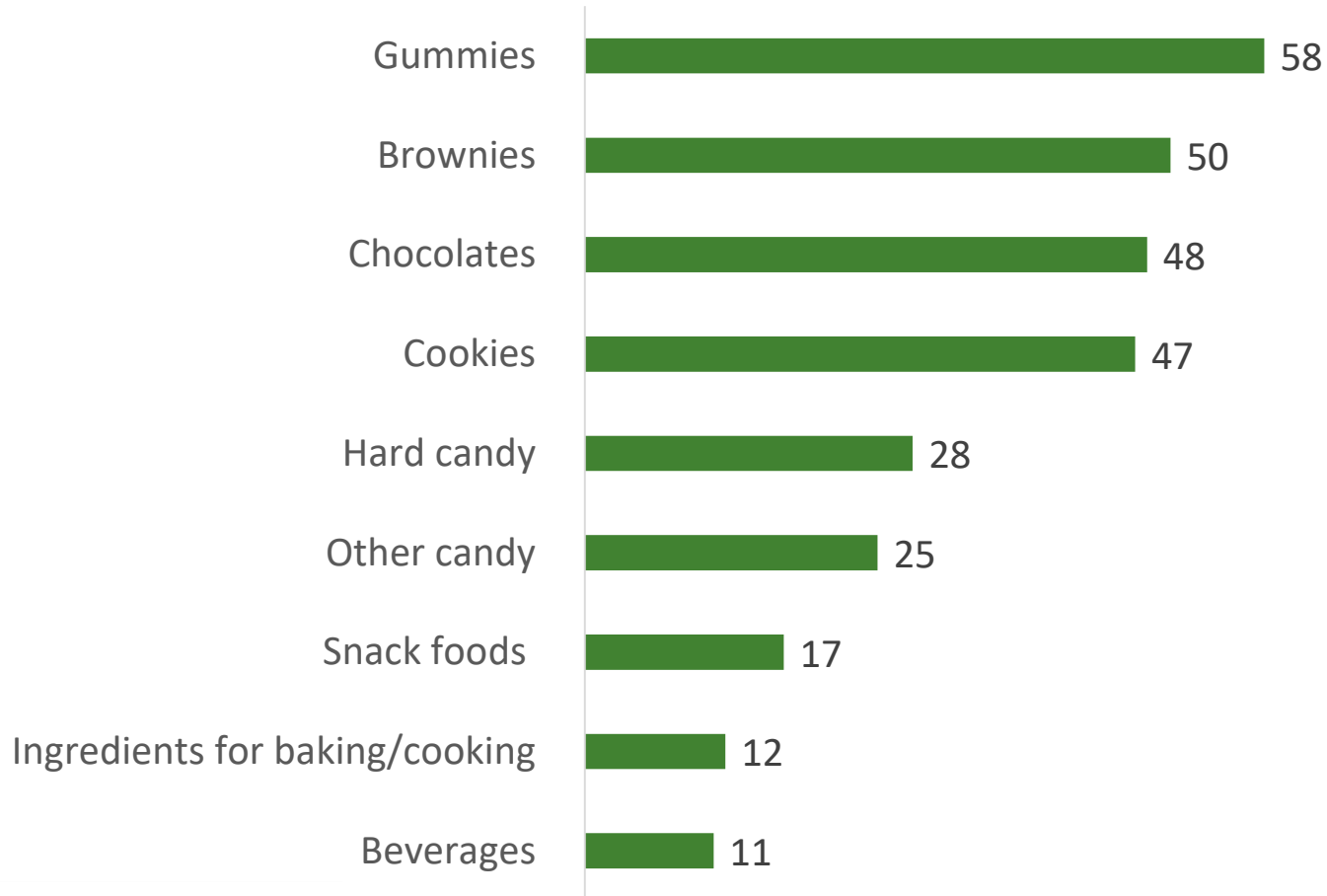


**56%** consider **product potency** in their decision

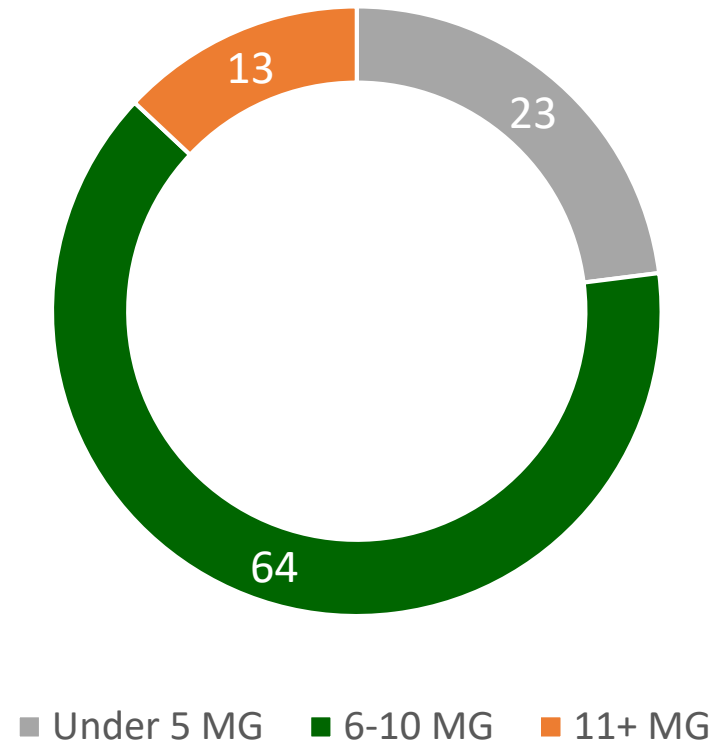
**65%** consider **price** when choosing one edible over another

# Edible preferences are for sweets that feature low-to-medium THC potency

Edible Forms Consumed  
(% Respondents)

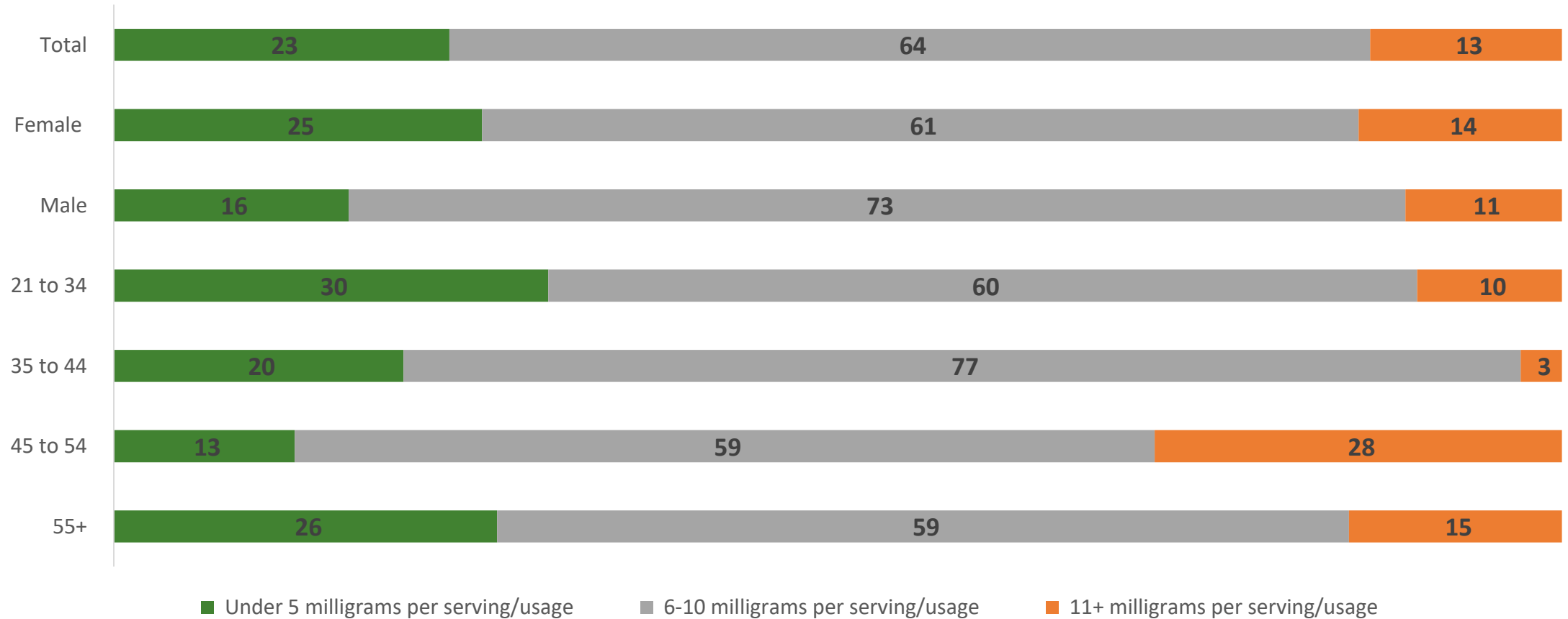


Ideal THC Potency Per "Serving"  
(% Respondents)



# For many 6-10 milligrams of THC per edible “serving” suffices

### THC Potency Preferences (% Respondents)



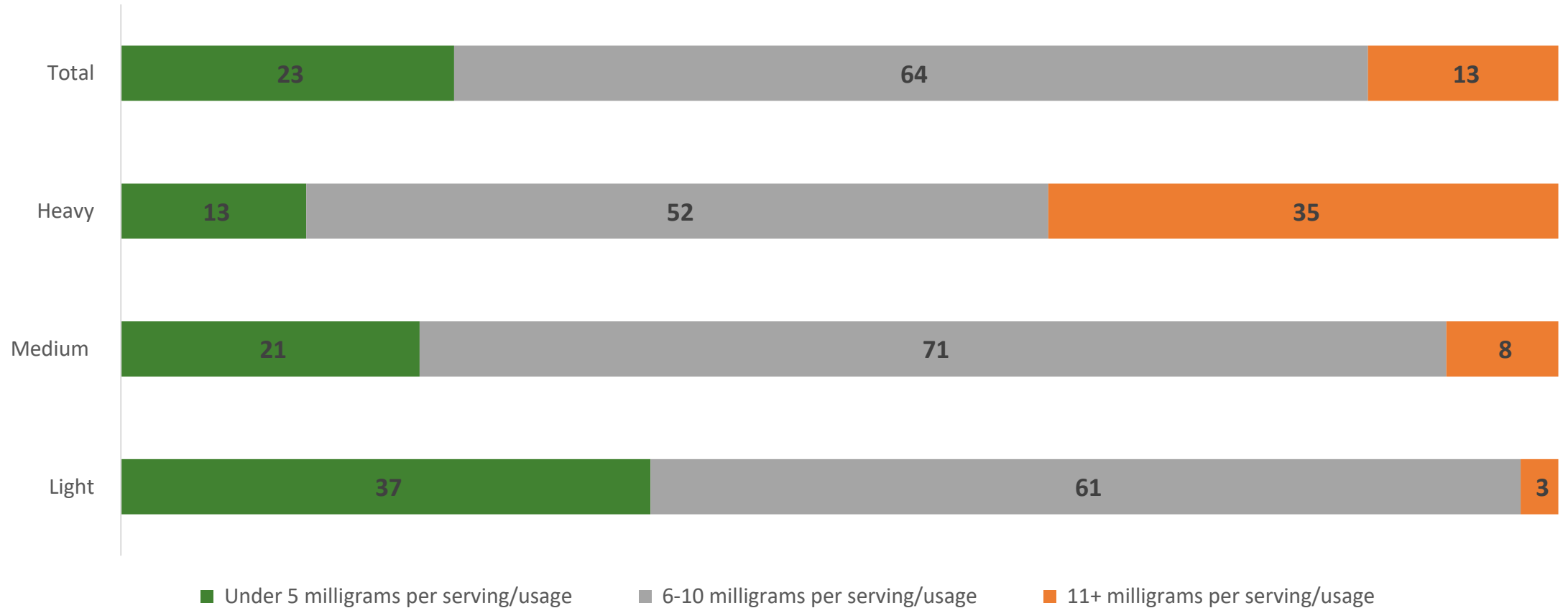
■ Under 5 milligrams per serving/usage   ■ 6-10 milligrams per serving/usage   ■ 11+ milligrams per serving/usage

Q: What is your preferred potency level? Please select the potency of THC that best aligns with your preference.



# Heavy users are 4 times as likely than Medium users to prefer 11+ mg of THC per serving

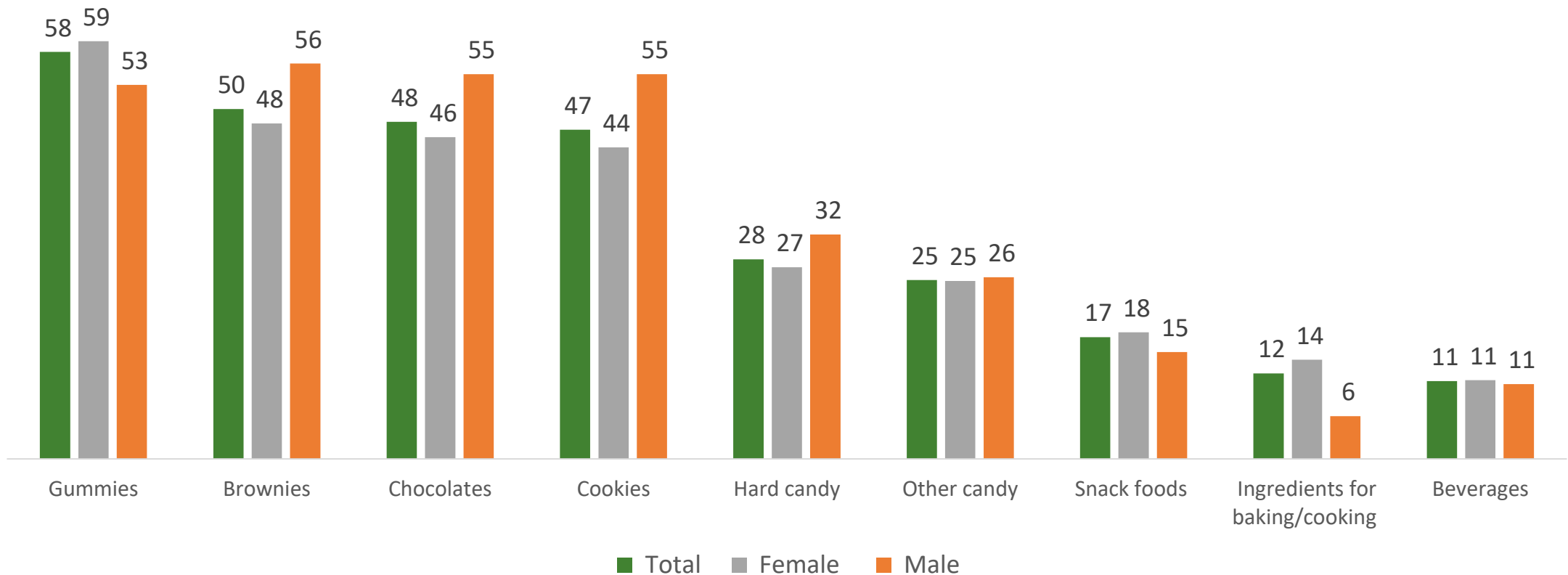
THC Potency Preferences, by User Segment  
(% Respondents)



Q: What is your preferred potency level? Please select the potency of THC that best aligns with your preference.

Gummies are the top choice for edibles for women, while men are more likely to choose chocolate-based edibles, like brownies, chocolate candy and cookies

Edible Forms Consumed, by Gender  
(% Respondents)



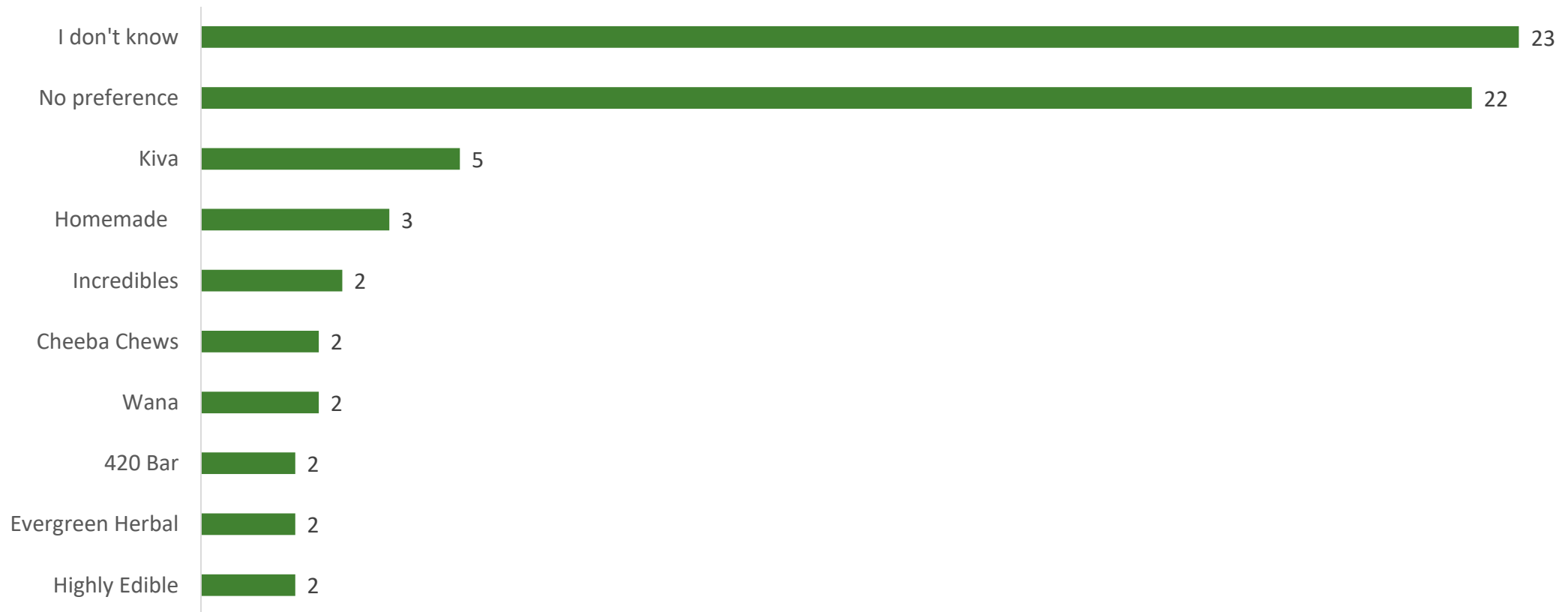
## Manufacturers have an open opportunity to drive brand preferences

Nearly a quarter (23%) of edible users could not name their preferred edible brand in an un-aided question, indicating that despite well-known brands, this market is open



# Nearly half of edible users don't know or have no brand preference

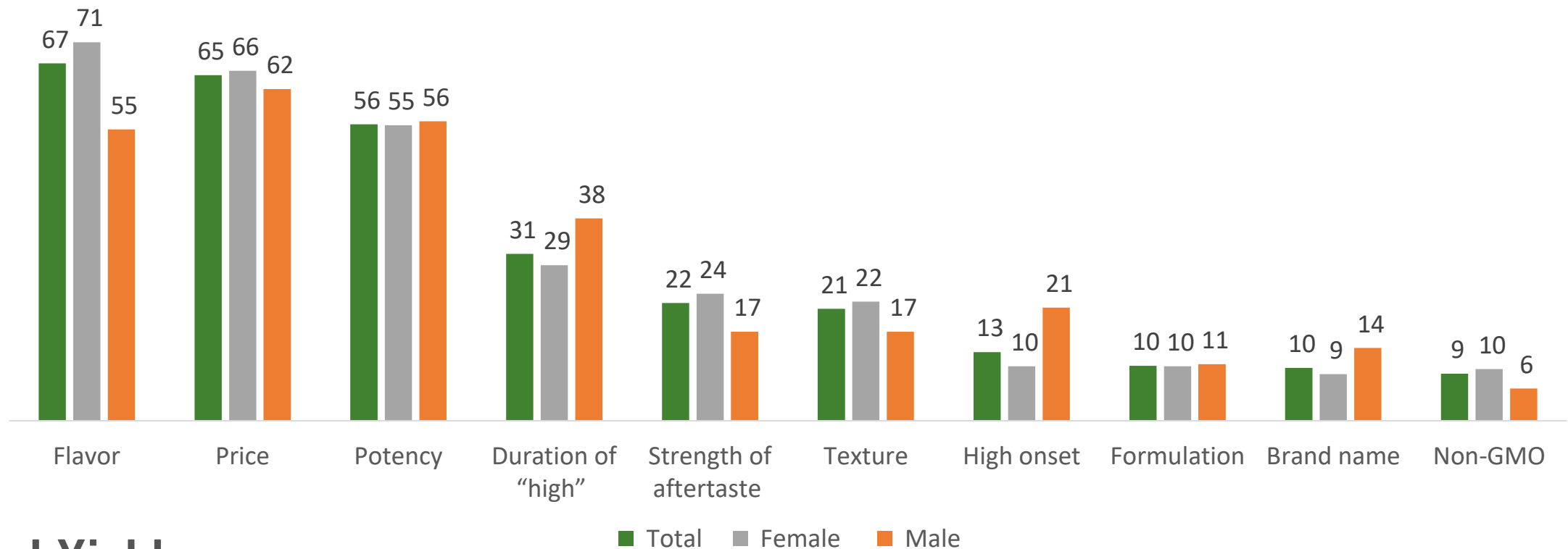
**Favorite Edibles' Brand  
(% Respondents)**



## Flavor, price and potency drive purchase

While women are slightly more likely to consider an edibles flavor when selecting a specific product, men are more likely to consider the duration of the “high” an edible imparts, supported by looking for specific product call outs (see *Attitudes Toward Edibles* section) as well as the high onset

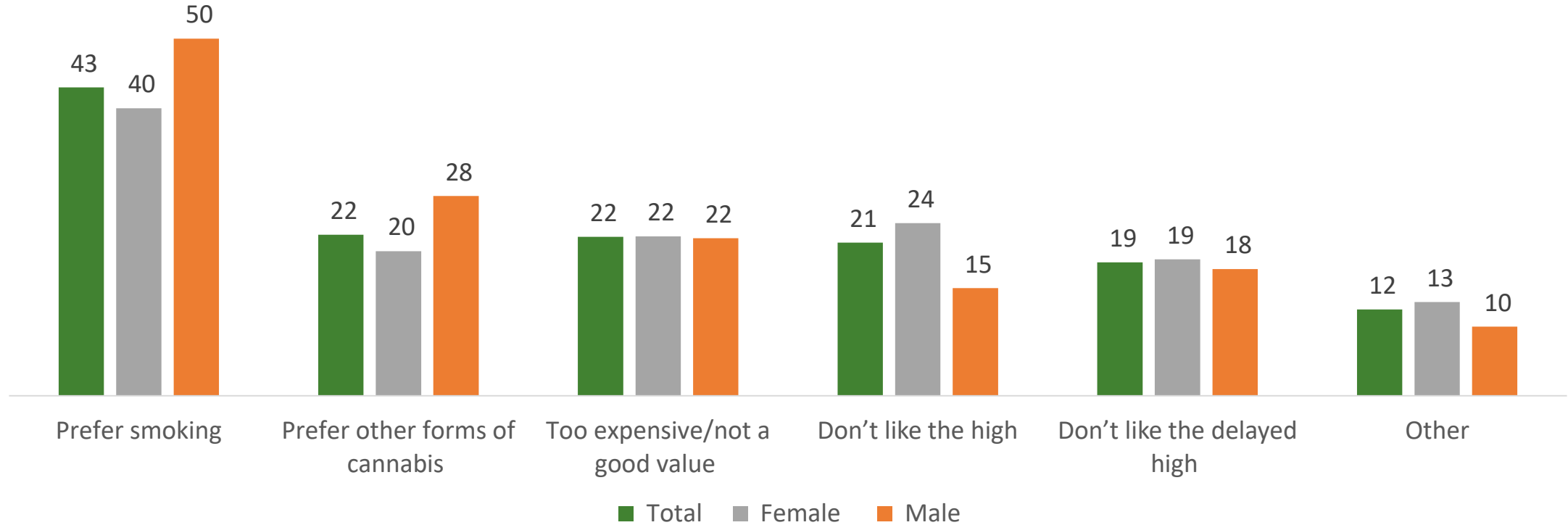
Edible Attributes Considered, by Gender  
(% Respondents)



Q: When purchasing an edible product, which of the following attributes do you consider about the product itself?

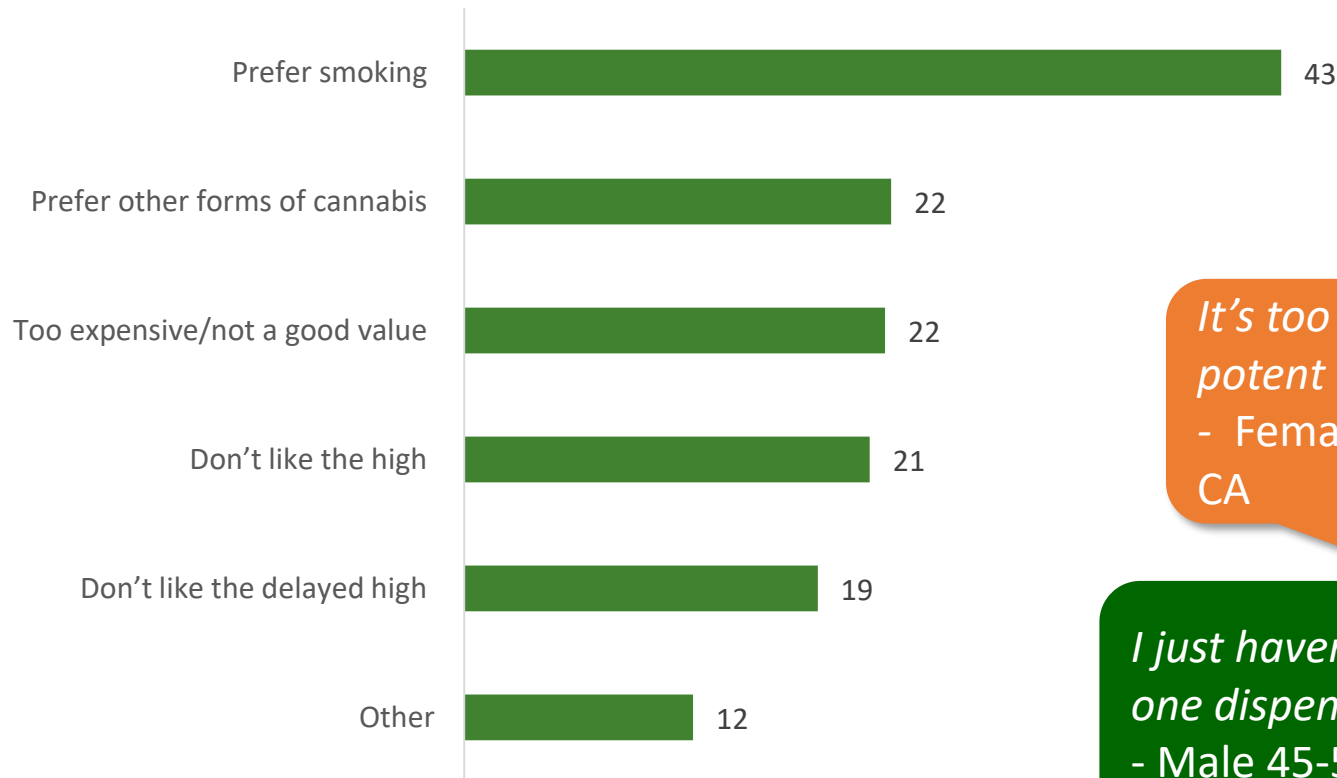
# A preference for smoking and other forms is keeping consumers away from edibles

Reasons for NOT Preferring Edibles, by Gender  
(% Respondents)



# Future state for edibles...: while many consumers don't choose edibles because of other form preferences, there is an opportunity to further educate and expand the market

Reasons for NOT Preferring Edibles  
(% Respondents)



**Among "Other" reasons for not choosing edibles are unfamiliarity, bad past experiences and limited dispensary selection pop up often**

*I have ingested too much in a drink before, and it was a horrible high*  
- Female 35-44, Portland, WA

*It's too hard to figure out how potent edibles are*  
- Female 45-54, Sacramento, CA

*Difficult to gauge how much I need*  
- Male, 25-34, Los Angeles, CA

*I just haven't tried them yet, but I want to. I have been to just one dispensary and their display of edibles didn't look good.*  
- Male 45-54, Bay Area, CA

# Issues to track...

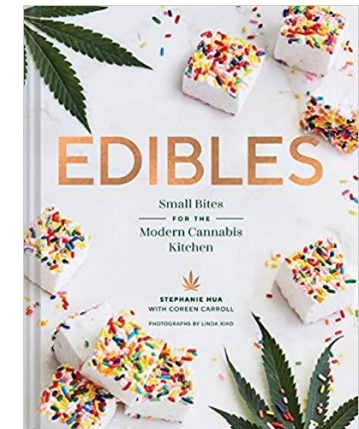
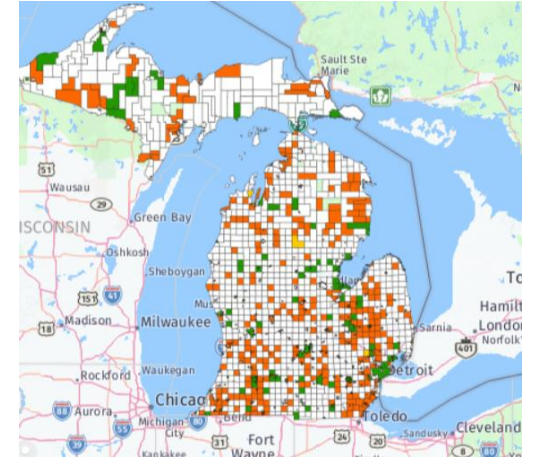
The future of the edibles category is bright, but the complexities of the market and regulatory environment, combined with shifting demographics, presents a mix of head- and tailwinds

- Misalignment between college and university policies and state regulation

**Detroit Free Press** “Michigan universities to students: Don't bring your weed on campus”

...and state-wide voting results vs. local sentiments (Communities “[opting out](#)” in MI)

- Washington State signals challenge to edibles closely resembling kids sweets & snacks
- Investment (and speculation) from CPG brands (Constellation, PepsiCo, others)
- Signs of interest from consumers for at-home, DIY ‘culinary’ edibles
- Beverages attracting investment and new product innovation
- Positioning and formulation changes to address need for usage throughout the day (see Dixie Elixirs’ [POV](#) on micro-dosing)
- Ongoing CBD boom, increased consumer understanding of terpenes
- Hemp-derived CBD in infused products





## About High Yield Insights

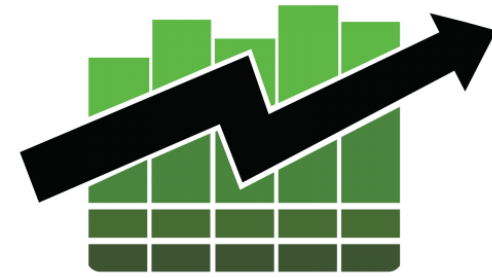
High Yield Insights fosters constructive, fact-based discussions in the cannabis market that produce well-grounded strategic decisions. With deep roots in multiple consumer-facing industries, High Yield Insights brings decades of expertise to this dynamic, quickly evolving market. From consumer behavior and product design to market viability, High Yield Insights provides our customers with actionable intelligence sourced from our expansive data sets and our unique fact-based point of view.

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# Appendix

## Press coverage for High Yield Insights



Green Market  
Report

Ganjapreneur®

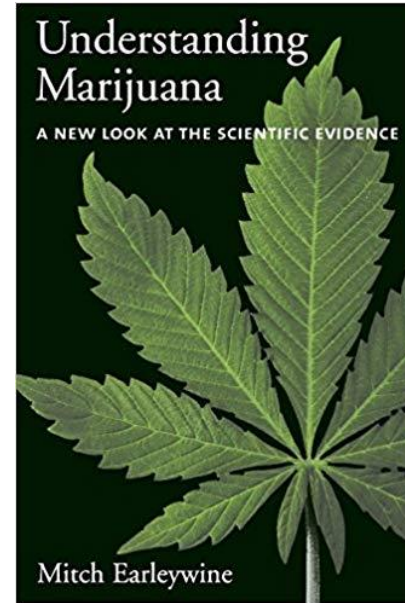
**Civilized.**  
Cannabis Culture Elevated

Marijuana  
Business **Daily**

**MRR** MARIJUANA  
RETAIL REPORT

Recognition from mainstream press and a methodology meeting academic standards

CHICAGO  
SUN-TIMES



WIP Paper:

*Changes in Medication  
Use Pre- and Post-  
Cannabis Legalization*

Passed Institutional  
Review Board Aug 3, '18

# High Yield Insights Leadership



**Mike Luce, Co-Founder**

Twenty years experience in insights and analytics



**Eric Giandelone, Co-Founder**

Fifteen years experience in insights and consultancy

