



Numerator

NEW FRONTIERS

The ABCs of CBD

CBD

noun

\ ,sē- ,bē-'dē \

Definition of *CBD*

: a nonintoxicating cannabinoid found in cannabis and hemp

CBD FAQs

Will it get me high? **No**

Where does it come from? **The cannabis plant (usually hemp)**




CBD is reaching new highs

CBD, a derivative of Hemp, is growing in popularity

13,657 views | Mar 6, 2019, 07:15am

With CBD, Cannabis Wellness Market Goes Big

 **Nick Kovacevich** Contributor
Markets
I write about business and the legal cannabis industry.



HOME > CULTURE > CULTURE NEWS SEPTEMBER 11, 2019 7:00PM ET

Exclusive: New Report Predicts CBD Market Will Hit \$22 Billion by 2022

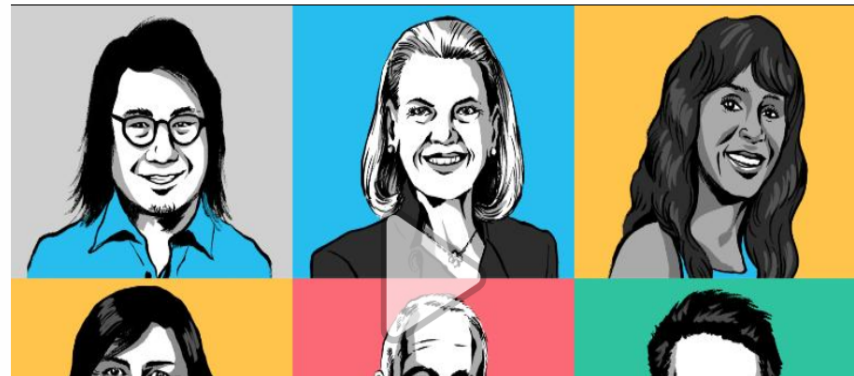
Looking forward to relaxed hemp regulations, a new analysis estimates that the CBD market could — and outpace marijuana

By ELISABETH GARBER-PAUL



Suddenly, CBD is everywhere. Here's what's next

By [Parija Kavalanz](#), CNN Business
Updated 2:53 PM ET, Tue March 26, 2019



And is entering new categories...

Carl's Jr. will become the first major fast-food chain to debut a cannabis-infused burger

Kate Taylor 12h



Carl's Jr.'s CBD-infused "Rocky Mountain High: CheeseBurger Delight." Carl's Jr.



allure



SKIN

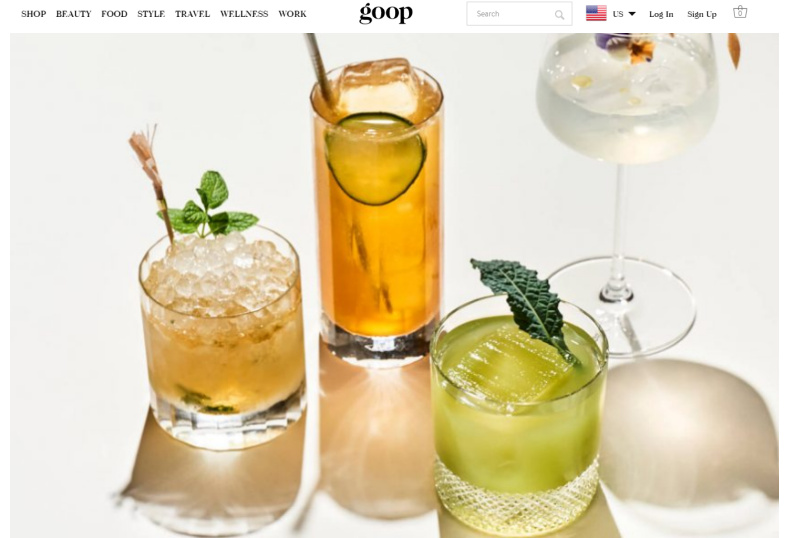
The 14 Best CBD Skin-Care Products to Try Right Now

14 SLIDES

Countless lotions, creams, and salves infused with CBD have launched this year. Here's a list of our faves, plus the lowdown on why this super-popular ingredient may be your new favorite skin-soother for winter

BY KARINA HOSHIKAWA

January 15, 2019



A Guide to CBD-Spiked Cocktails

Joint effort with CBD: National retailers have started carrying CBD products

NEWS

BUSINESS NEWS

Walgreens to sell CBD products in some stores

The drugstore chain is taking the lead from rival CVS, which announced last week it would start selling cannabidiol-based topicals.



MarketWatch

CBD is being sold at the largest drugstore chain in the U.S.

Published: Mar 21, 2019 11:02 a.m. ET



With legality still in question, CVS is selling products with the cannabis derivative in eight states, pot retailer reveals



CBD shoppers are valuable: brands should pay attention as spend may start to switch to CBD infused products



CBD Users spend

+\$254

More on Grocery each year compared to Non-Users



CBD Users spend

+\$27

More on Health & Beauty each year compared to Non-Users

CBD and Boomers are becoming best buds

1 in 5 shoppers would buy CBD – that's as many as buy Coconut Water!

Prevalence of CBD Consumption



Interest in Buying Among Non-Users



Our panelists can always opt out, and while many more did than usual, we still had 3,000 people who wanted to chat to us about CBD!

Young, urban, male single-households are more likely to have consumed CBD-infused products

Shopper Demographics

Self-reported CBD Current/Past Users vs Non CBD Users US



AGE

21-34

HHs: 28%, Index: 133



INCOME

Less than \$40K

HHs: 41%, Index: 125



ETHNICITY

Hispanic/Latino

HHs: 17%, Index: 200



GENDER

Male

HHs: 40%, Index: 126



MARITAL STATUS

Never Married

HHs: 30%, Index: 142



HOUSEHOLD SIZE

1 person

HHs: 30%, Index: 119



HAS CHILDREN

No Kids

HHs: 70%, Index: 100



EDUCATION

Some College

HHs: 27%, Index: 119



URBANICITY

Urban

HHs: 44%, Index: 128

But **incoming** CBD purchasers are more likely to be older, suburban, female parents

Shopper Demographics

Self-reported CBD Will Buy vs CBD Will NOT Buy



AGE

55 - 64

HHs: 24%, Index: 110



INCOME

Less than \$40K

HHs: 39%, Index: 142



ETHNICITY

Black/African American

HHs: 18%, Index: 163



GENDER

Female

HHs: 70%, Index: 107



MARITAL STATUS

Never Married

HHs: 24%, Index: 131



HOUSEHOLD SIZE

2 person

HHs: 40%, Index: 105



HAS CHILDREN

Yes Kids

HHs: 31%, Index: 106



EDUCATION

Some College

HHs: 26%, Index: 135



URBANICITY

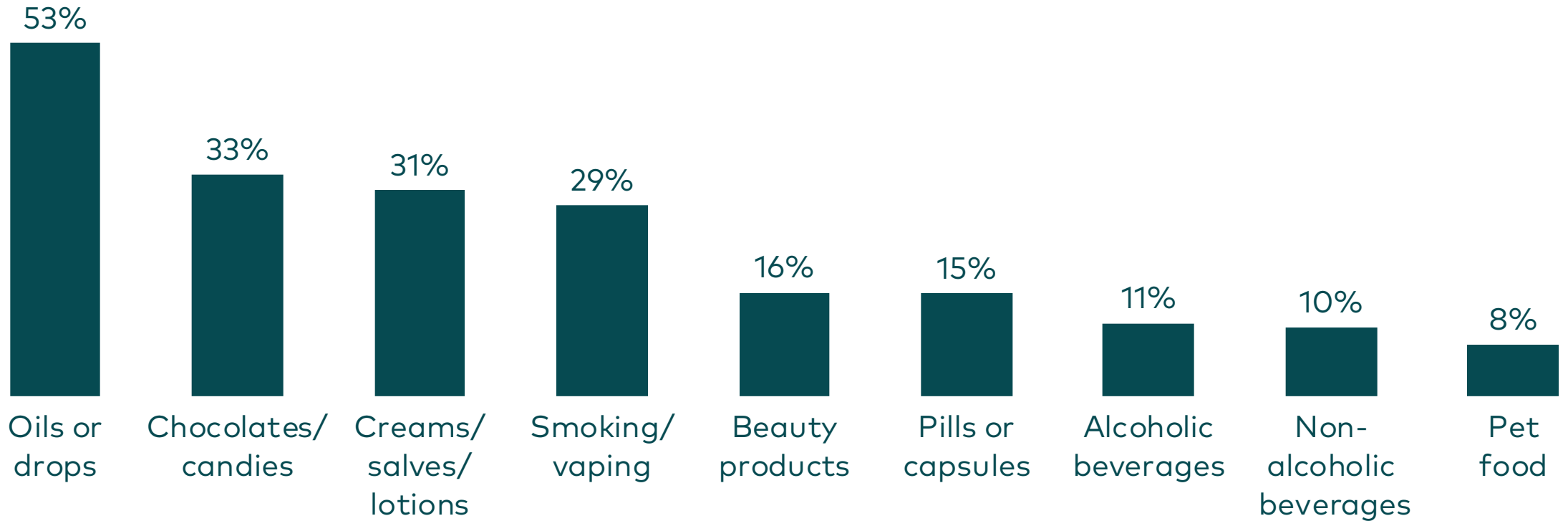
Suburban

HHs: 42%, Index: 108

Wellness ... getting into the weeds

CBD: it's not just oils anymore. CBD products are starting to compete in many categories

CBD Product Forms Purchased



Perceived benefits are a driver of entry to the category



48%

Recommended
by a friend



40%

Had product benefits
we were looking for

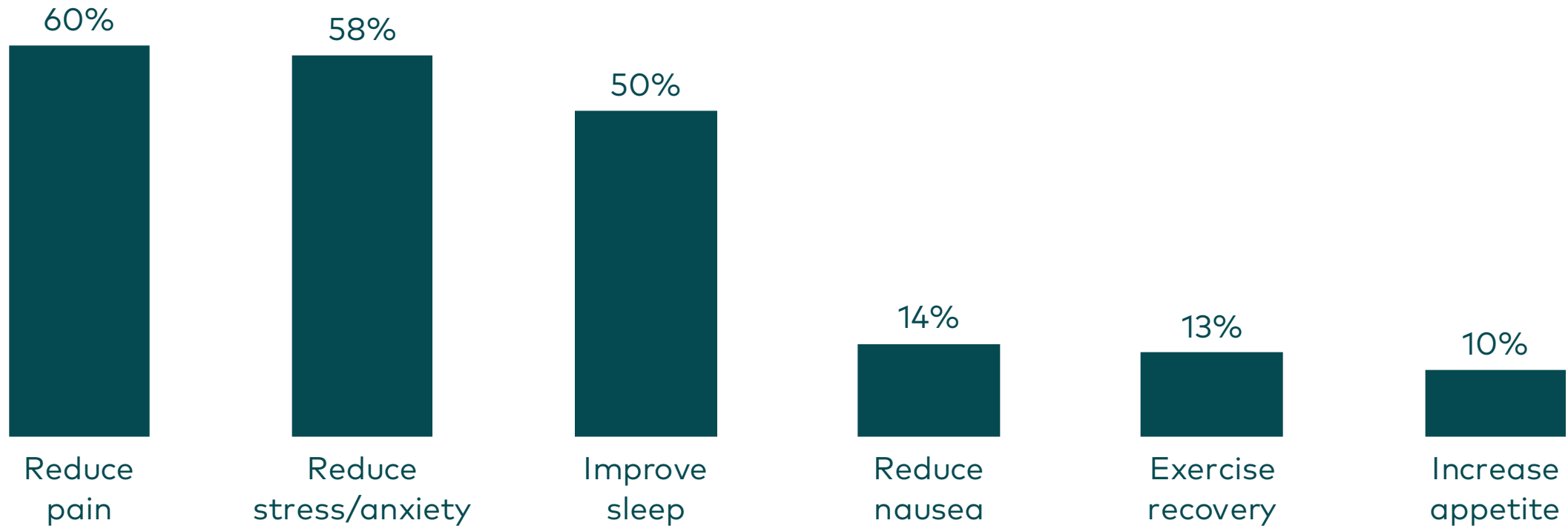


26%

Looked like a
new/interesting
product

Categories that improve quality of life are at risk from CBD... or they could innovate with it

Benefits Purchased For



The health sector is rapidly seeing changes among these shoppers



OTC Medications

23%

CBD Users decreased consumption in the past 6 months



Vitamins & Supplements

19%

CBD Users increased consumption in the past 6 months

And brands in categories CBD users are particularly engaged with could also consider CBD innovation to drive growth

CBD Users vs Non Users



Beverages

+\$65



Alcohol

+\$86



Smokeless Nicotine

+\$25



Vitamins & Supplements

+\$15



Makeup

+\$5



Produce

+\$49

A benefits-led approach should get the green light

CBD innovation can attract new shoppers to existing brands

71%

Extremely or Very Satisfied

82%

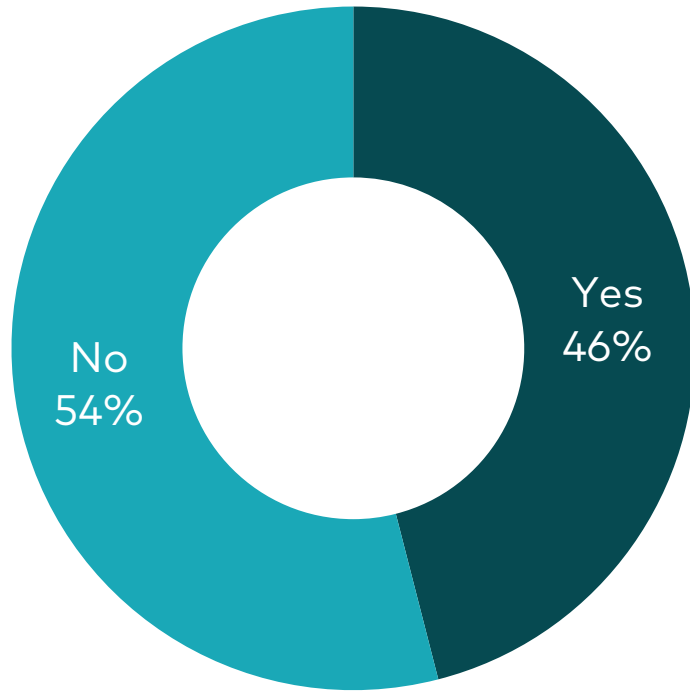
Definitely or Probably Will Repurchase

30%

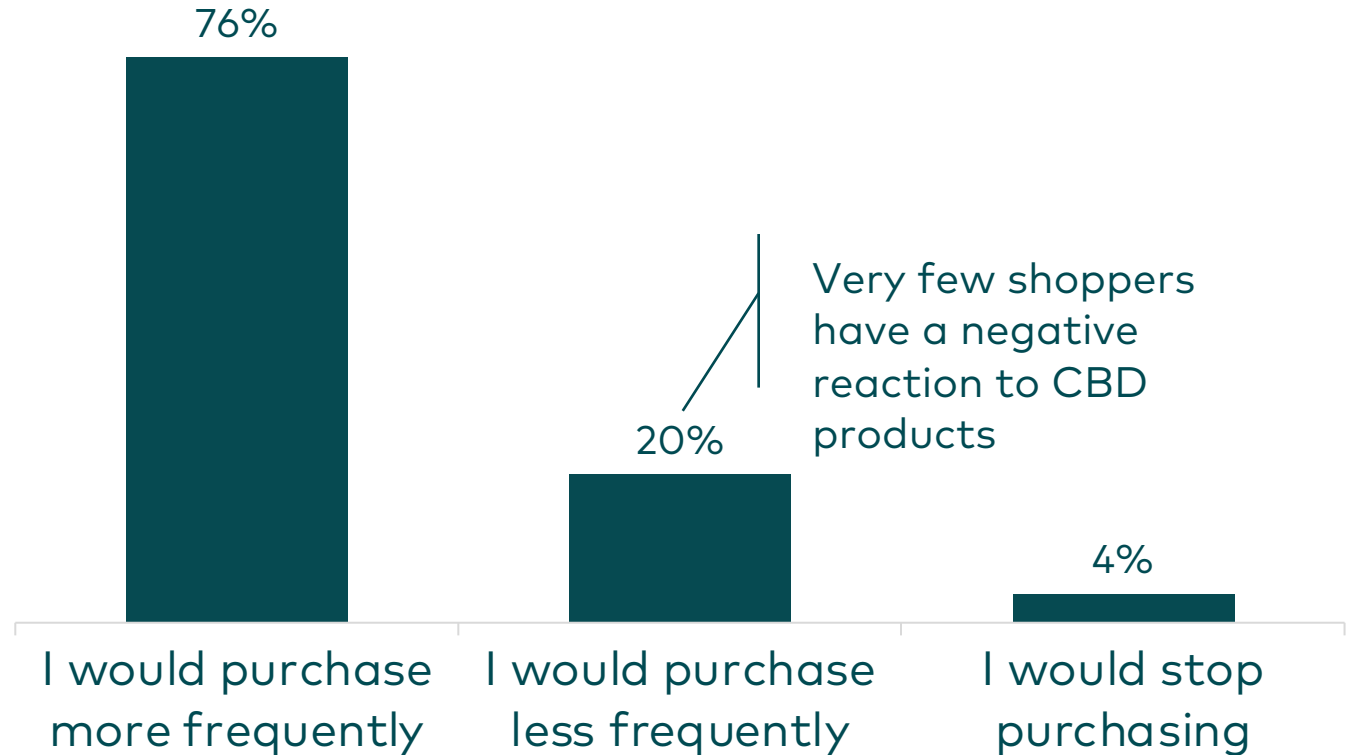
Increased CBD consumption in past 6 months

There is high upside (and little risk) to carrying CBD; consumers would welcome the change, or be unaffected

If Brand/Retailer Carried CBD Would Behavior Change?



How Behavior Would Change



CBD usage is evolving.

It represents a chance for brands and retailers to attract new shoppers with a benefits-led approach.

What should brands do?

- Research opportunities to incorporate CBD into product formulation, particularly in the health/beauty and grocery sectors
- Include benefits associated with CBD products in messaging in categories where CBD is growing
- Determine if your category will be negatively or positively impacted by growing CBD consumption

What should retailers do?

- Evaluate relevancy of CBD to channel and shopper base, CBD will be more relevant for some retailers and brands compared to others
- Form partnership with emerging CBD manufacturers to trial carrying CBD-infused products
- Merchandise with an eye towards substitute and companion categories to CBD products



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