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# THE NEW STATE OF CANNABIS

A STUDY ON THE ATTITUDES + OPINIONS OF  
CANNABIS USERS IN CALIFORNIA

# INSIGHTS FROM THE NEW FRONTIER

THE RECENT VOTE TO APPROVE THE RECREATIONAL USE OF CANNABIS IN CALIFORNIA HAS GENERATED AN IMMENSE AMOUNT OF INTEREST AS BUSINESSES AND CONSUMERS GRAPPLE WITH THE SIZE AND SCOPE OF THE CHANGES. OUR RESEARCH SOUGHT TO BETTER UNDERSTAND THIS NASCENT INDUSTRY AND THE CONSUMERS WITHIN IT.



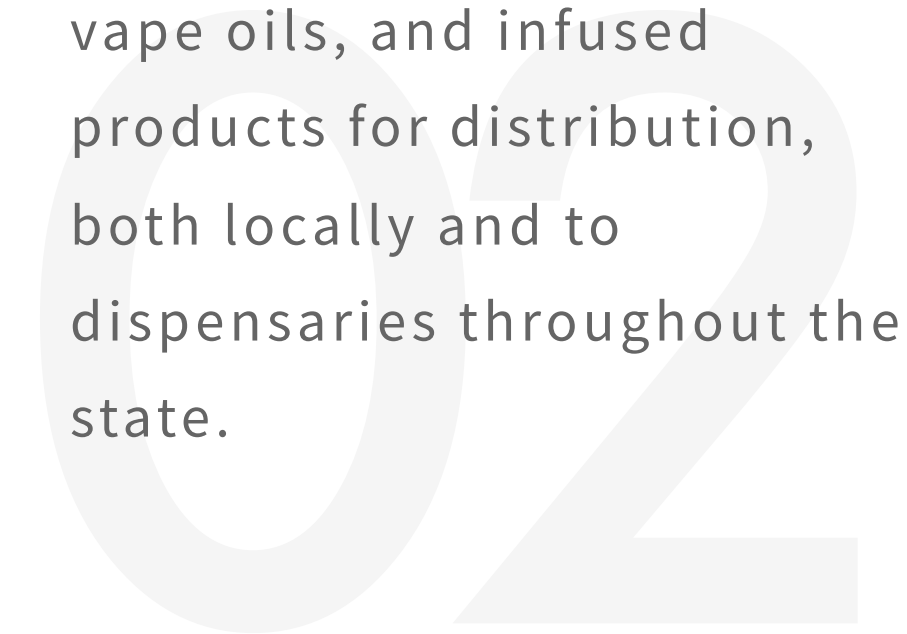
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## ABOUT OUTCO

OutCo is a full-vertical, forward-thinking, licensed purveyor of medical cannabis and the approachable authority in the industry.

As the largest licensed cultivator in Southern California, OutCo delivers consistent, quality cannabis, vape oils, and infused products for distribution, both locally and to dispensaries throughout the state.



# RESEARCH SUMMARY

RESEARCHING THE CANNABIS MARKETPLACE PROVIDED MANY AREAS OF INTEREST, HOWEVER, HERE ARE SOME OF OUR FAVORITES.



## MARKET GROWTH

We expect that the size of **the marijuana consumables will grow to \$11B by the end of 2017**. This growth will be spurred by the entrance of 7M new or returning marijuana users into the marketplace.



## CBD ON THE RISE

Among the areas of interest is identifying areas for future growth and expansion of consumer preferences. **Many users and non-users expressed interest in the health benefits of CBD oils.**



## MODERATE MILLENNIALS?

Our research revealed the substances being used most frequently alongside cannabis by millennials. **Perhaps surprisingly, many are replacing alcohol outright in favor of cannabis.**

# METHODOLOGY

## RESEARCH METHODOLOGY

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*HOW DID WE BUILD THESE INSIGHTS?*



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## OUR 2 PHASED APPROACH

Our study leveraged qualitative and quantitative explorations to ensure both breadth and depth of insight for a diverse and representative population.



### PHASE 1 - QUALITATIVE EXPLORATION

1. IN-PERSON INTERVIEWS AND MINI-GROUPS = 40
2. SEVEN CITIES ACROSS CALIFORNIA
3. CALIFORNIA RESIDENTS OVER THE AGE OF 21
4. CANNABIS USERS AND NON-USERS
5. VARYING USAGE LEVELS, REGENCY-OF-USE, AND ACCEPTANCE

### PHASE 2 - QUANTITATIVE EXAMINATION

1. ONLINE SURVEY = 1,981
2. THE ENTIRE STATE OF CALIFORNIA
3. CALIFORNIA RESIDENTS OVER THE AGE OF 21
4. CANNABIS USERS AND NON-USERS

# MARKET GROWTH

## MARKET GROWTH

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*WHO'S BUYING AND HOW WILL THAT  
CHANGE?*





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**GROWTH FROM NEW AND REENTRANTS TO THE MARKET WILL DRIVE MARKET IN CALIFORNIA TO \$11B IN ONE YEAR OF FULL LEGALIZATION.**



# WHO'S USING CANNABIS AND HOW OFTEN?

OF THE CALIFORNIA POPULATION THE BREAKDOWN OF  
USERS IS THE FOLLOWING:





# WHO'S USING CANNABIS AND HOW OFTEN?

NEARLY 70% OF THE POPULATION STUDIED HAVE USED CANNABIS IN THE PAST. HOWEVER, EXPOSURE TO NUMEROUS CONSUMPTION METHODS AND GENERAL USAGE KNOWLEDGE ACROSS NEARLY ALL USERS IS LOW.



# THE NEW LANDSCAPE

WHEN FULLY LEGAL, 7M NEW USERS INTEND TO ENTER THE MARKET.

**NON-USERS**  
Have never used cannabis

**EVER**  
Has used at some point in the past

**LAPSED**  
Used in past 24 months

**RECENT**  
Used in the past 12 months

**CURRENT**  
Used in the past 30 days



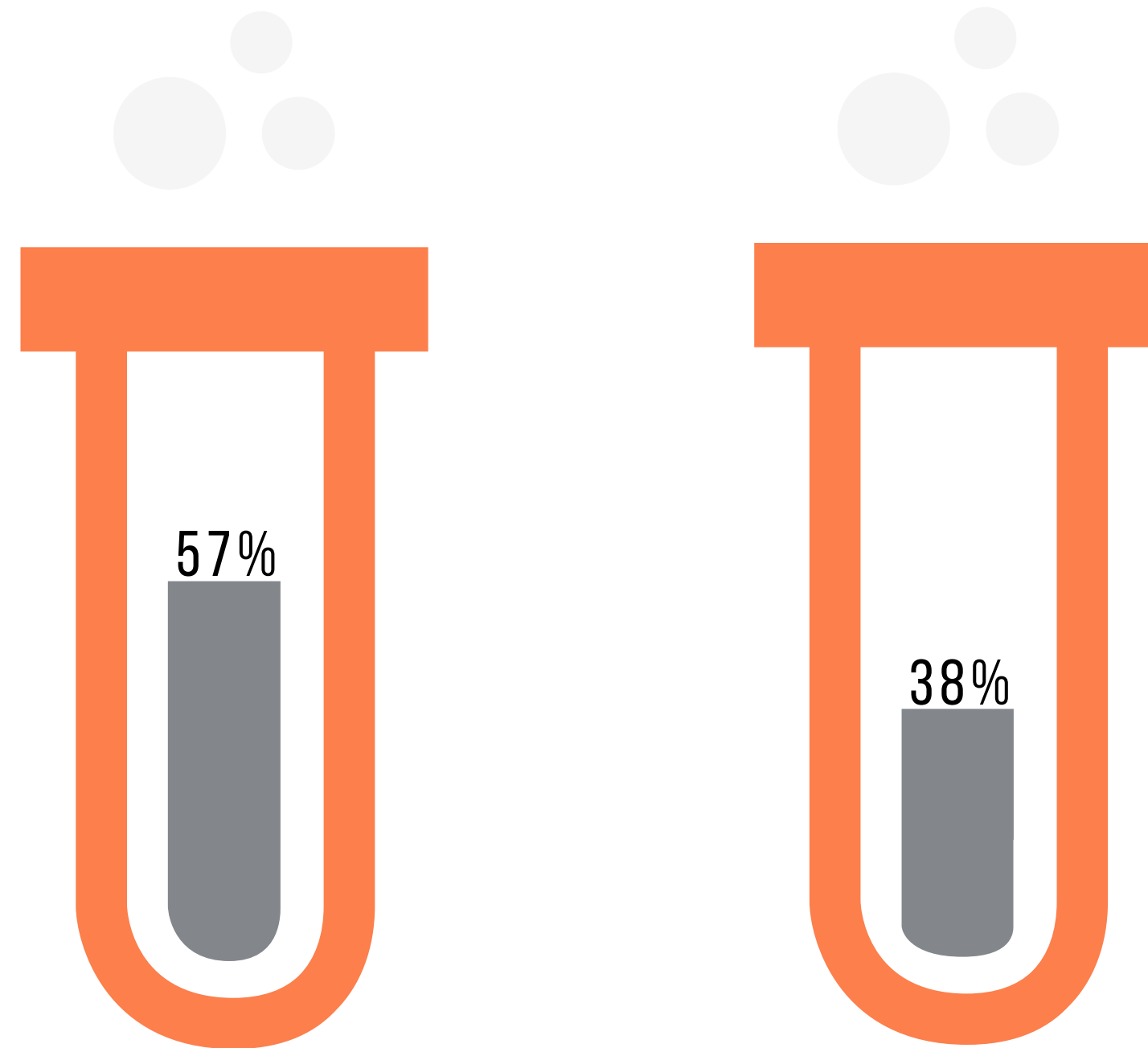
36%

OF TOTAL POPULATION INTENDS TO START OR RESUME USING CANNABIS ONCE RECREATIONALLY AVAILABLE

(Excluding current users)

# CONSUMPTION METHODS

WHEN ASKED WHY THEY STOPPED USING CANNABIS, OVER HALF OF THE RESPONDENTS CITED EDIBLE USE AS THE CAUSE. HOWEVER, CBD OIL IS OF HIGH INTEREST ACROSS USERS AND NON-USERS.



■ **57%**

Stopped using marijuana due to consuming edibles. During qualitative exploration respondents often attributed their dislike for edibles to a lack of control in dosage and poor consistency of the products available.

■ **38%**

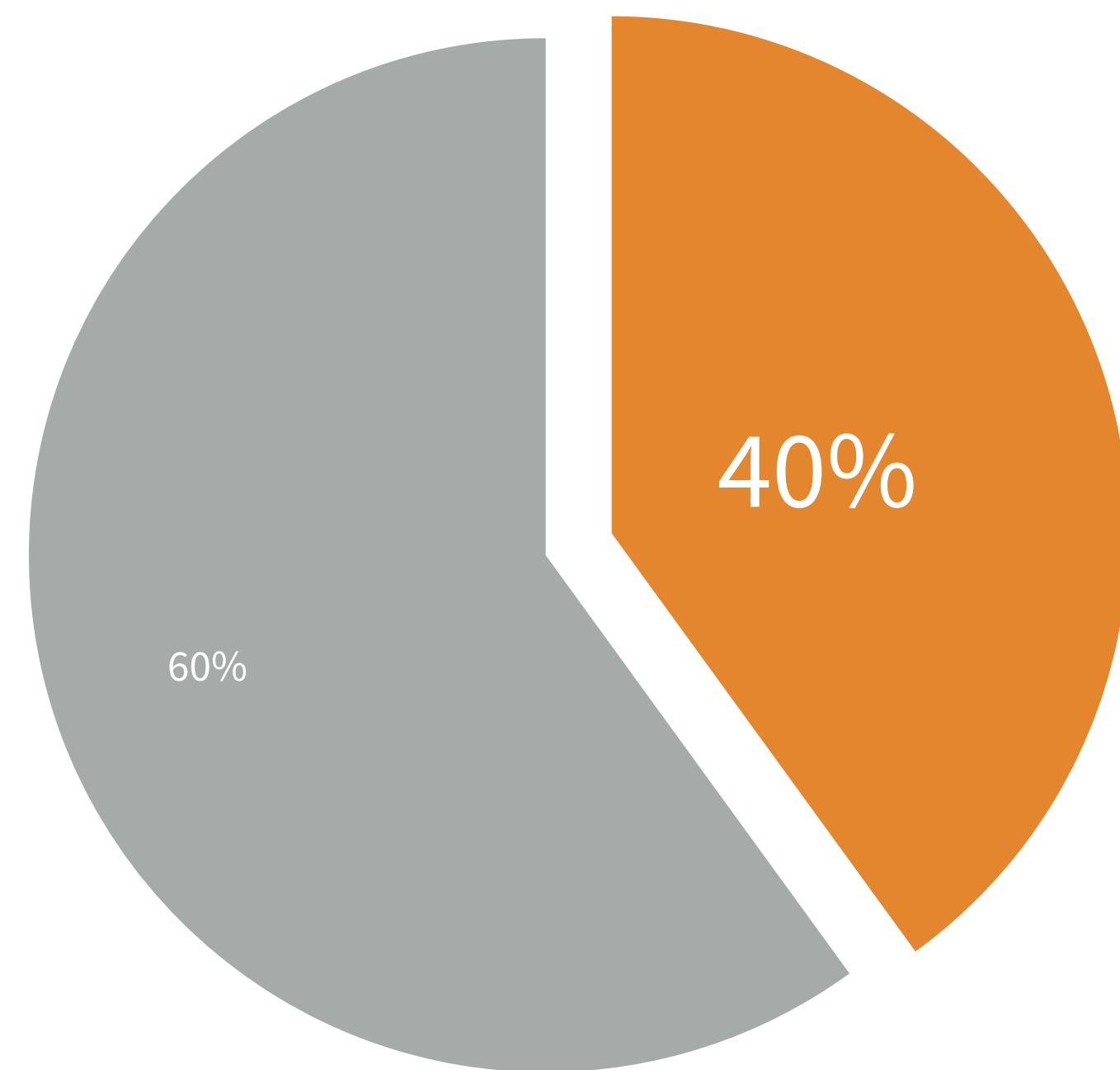
Of users and non-users indicated they are interested in learning more about the health benefits of CBD oil. Throughout our research, access to trustworthy information was routinely mentioned as a major barrier. With over a third of the population interested in this area, CBD oil seems poised for category growth.



**COMPLEMENTS  
+ REPLACEMENTS**

# MORE THAN A FEELING...

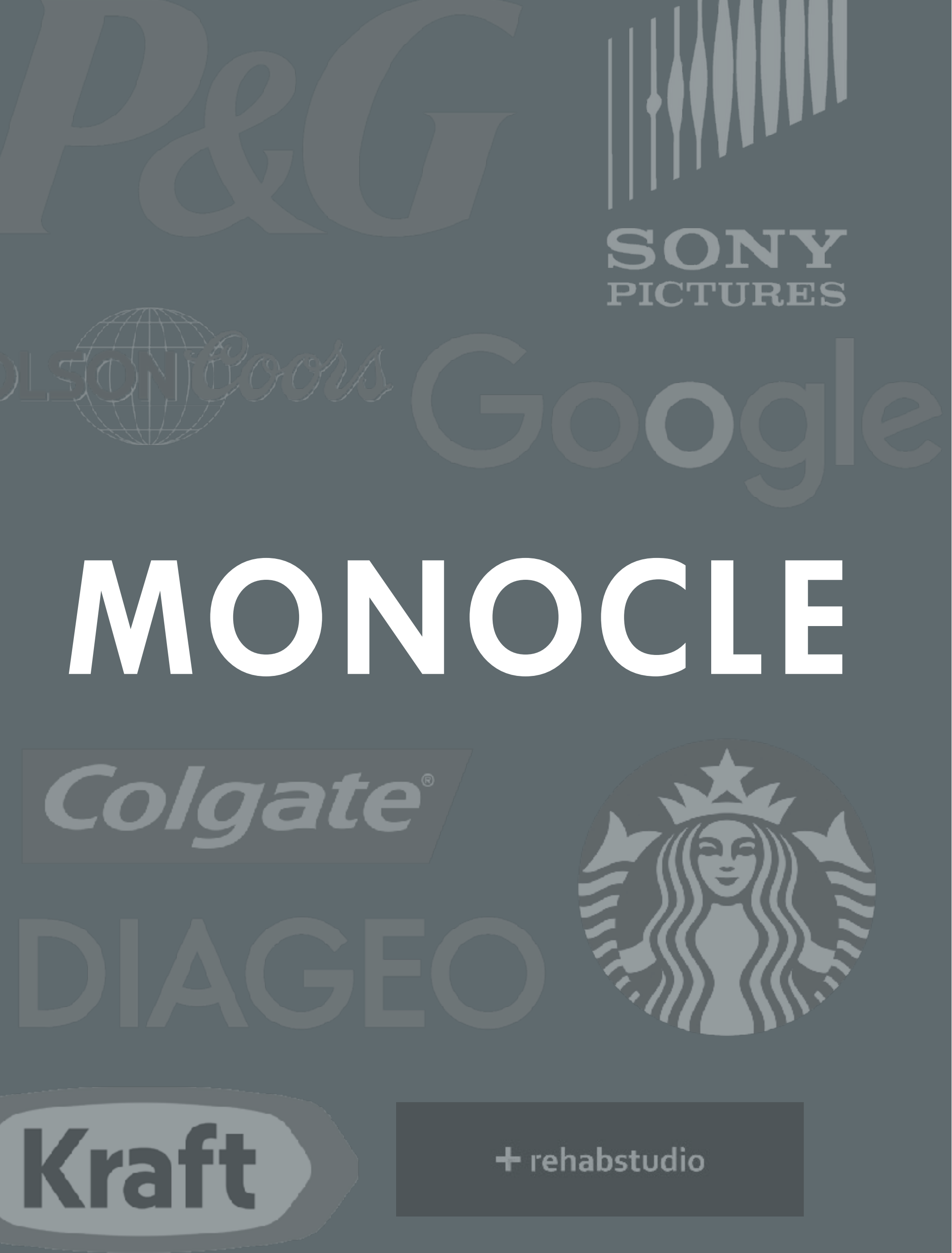
OUR RESEARCH FOUND THAT USERS ARE CONSUMING CANNABIS TO HELP SATISFY A WIDE SPECTRUM OF NEEDS AND AT TIMES IN TANDEM WITH OTHER SUBSTANCES, FROM SIMPLY “GETTING A BUZZ” AND HELPING THEM SLEEP TO ASSISTING THEM IN OBTAINING A NEW PERSPECTIVE ON LIFE AND EVEN BEING MORE PRODUCTIVE.



## IS MORE BETTER?

When asked, 40% of millennials indicated that they use other substances alongside cannabis. These ranged from Adderal and Ritalin to codeine and caffeine. Perhaps one of the more interesting findings about millennials is how many of them are using cannabis as a replacement for alcohol.

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# MONOCLE RESEARCH

HAVING WORKED WITH OVER 30 BRANDS BOTH DOMESTICALLY AND ABROAD, OUR DIVERSE TEAM OF RESEARCHERS, BRAND MARKETERS, STRATEGY CONSULTANTS, AND AGENCY PLANNERS EACH BRING THEIR OWN UNIQUE EXPERIENCE AND EXPERTISE TO SOLVE BUSINESS AND BRAND CHALLENGES. WE ARE UNITED BY THE BELIEF THAT THE MOST INNOVATIVE AND PROFITABLE BUSINESSES FORM MEANINGFUL EMOTIONAL CONNECTIONS WITH THEIR CONSUMERS AND IT IS OUR MISSION TO HELP CREATE THEM.