

The Recreational Cannabis Consumer - US - 2023

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This report looks at the following areas:

- State of the cannabis market
- How inflation is impacting the cannabis market and the opportunities and challenges it presents
- Trended data regarding cannabis use, formats and use-cases from 2019-22
- Interest in and experiences with cannabis
- The role of dispensaries and brands in the recreational/legal adult use market

Cannabis remains relatively stable in terms of usage rates, reasons for use and even format. In fact, usage has only fluctuated 4 percentage points from 2019-22, despite hugely impactful external factors of pandemic lockdowns and elevated stress to the high inflation environment.

Even if faced with financial challenges, half of cannabis consumers would not change their spending on cannabis, and another 13% might even spend more. Thus, cannabis brands may actually have more opportunities than challenges during inflation, at least compared to products in cannabis's competitive set, such as alcohol. Challenges, then, come from within the market, ie, competition with other brands. Highlighting value, including both price and quality components, is an obvious win that may yield loyalties that outlast inflation.

Even still, because cannabis is siloed state-by-state, each mini market will experience very different impacts of inflation. While prices like food and fuel are rising nationwide, this is not the case for cannabis across the board. Currently, some states are seeing cannabis prices rise while other are seeing them fall, due to a combination of supply chain headaches and how well (or poorly) growing seasons have gone.



“The cannabis market has always been distinctive and complex. Usage remained steady in 2022 despite high inflation that is expected to continue in 2023. Users are unwilling to forgo cannabis, presenting an opportunity for brands to highlight value. Competition will be fierce, leaving less room for error than ever before.”

– **Michele Scott, Associate Director**

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