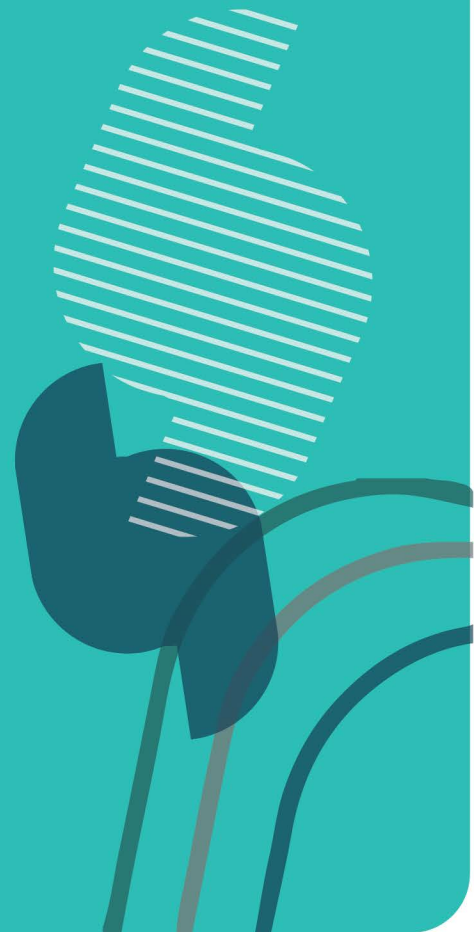


Innovation Brief:

Trends in Budget Products

MAY 2020



TREND OVERVIEW

Our “budget” price category features affordable items which seek to give consumers the best bang for their buck. As the cannabis market has shifted and matured, the sorts of products being in offered in this price tier have become increasingly varied, especially as more companies seek to appeal to consumers who spend less during their dispensary visits.



Budget Price Tier Defined

Using data from dispensaries around the country, we uncover a product's price tier by considering the market it's in and how it compares to other products in its category. Budget products offer consumers the opportunity to have a smaller outlay at one time or try a new product at a lower overall price point.

SMALLER PACK SIZE

One of the most significant trends in the budget category is **decreased product size** as compared to more expensive products. Many items in the budget tier offer lower overall amounts of THC, but at a proportionately lower price point. This allows many consumers to enter a dispensary with a 20-dollar bill and leave with a product or two when they may have previously been unable to afford anything except for a gram of flower or a pre-roll.

ECONOMIC SHIFTS

As the economy moves towards a recession, giving consumers multiple buying options for less money can drive sales by providing options for those who may be facing money constraints and would otherwise be priced out of the market. These products also potentially provide an easily affordable entry point for new consumers who are initially seeking lower dosages.

Fastest Growing Budget Flavors

1 Grape



2 Blueberry



3 Tropical



PRODUCTS LEADING THE WAY

VAPES & CARTRIDGES



While 0.5- and 1.0-gram cartridges have dominated the market thus far, companies are beginning to expand their vape lines to include smaller sizes at lower financial entry points. **Heavy Hitters**, a well-established California vape brand, offers many of their products in a sleek, All-In-One package with 0.3 grams of concentrate in each package. Their **Malibu OG** variant has recently gained significant distribution across California, with huge growth over the first quarter of 2020. Even with the all-in-one system, the decreased amount of vape oil means that this product can hit a less expensive price point than the vast majority 0.5-gram stand-alone cartridges. This type of item also eliminates the need for new consumers to purchase a battery to power a standard 510 cartridge, saving customers from having to make that initial investment.



EDIBLES



The same trend can be seen in edibles as well, where the typical dose is 100 mg of THC total in each product. The biggest disruptor of Q1 2020 in budget edibles, **Gron's High-Dose Mini Dark Chocolate**, aims smaller (and more affordable). This product has managed to hit a price-point of under \$10 by decreasing the total THC concentration to 50 mg in each small chocolate bar. For those who want to use edibles on only a couple occasions or have less money to spend, these lower-THC items are an enticing purchase.

TINCTURES



The other main trend in budget items is offering large doses of THC at a price lower than the industry standard. This is the case with **Mary's Medicinals "The Remedy" tincture**, which has 1000 mg of THC in each bottle and manages to hit a price of about \$50. This product exploded onto the market in the first quarter of 2020 because of its huge value prospect and familiar lemon-lime flavor.



PRODUCTS LEADING THE WAY



CONCENTRATES



In addition, non-vape inhalable concentrates have been gaining in popularity in California, likely because the category generally delivers a punch at a reasonable price. Among the items at the forefront of this trend are products by **Raw Garden**, including their Leeroy's Dosi Sauce and Slurm Cookies Sauce; both have seen massive distribution growth over the first quarter of 2020. With this product being available in 1-gram packages for as little as \$35 at certain retailers, this 65% THC item offers value that is comparable, if not better, than purchasing larger quantities of flower.



We're Brightfield Group, and we provide consumer insights and market intelligence for the CBD and Cannabis industries.

Fusing intelligent machines with real human analysis, we help you navigate the dynamic CBD and Cannabis markets as data-driven storytellers. With us, you don't just get the numbers; you get a trusted partner, providing a robust picture of the landscape and an actionable plan for the road ahead. See what we can do for you at

www.brightfieldgroup.com.