

The CBD Opportunity

More than a quarter of c-store shoppers buy CBD products, but not necessarily at c-stores

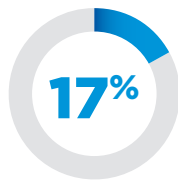
Like many product categories, the CBD category took some hits as a result of the COVID-19 pandemic, but several industry insiders believe it's only a matter of time before CBD regains its rapid momentum. According to the findings of the *2021 Convenience Store News Realities of the Aisle Study*, which surveyed 1,500-plus consumers who shop a c-store at least once a month, 28 percent of respondents said they purchased CBD products in the past month, but only 13 percent purchased them at a c-store — a gap that signals opportunity for convenience channel retailers. Other interesting CBD-related findings from the study include:



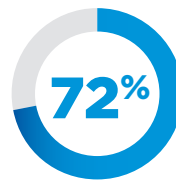
% of Shoppers Purchasing CBD Products in Past Month



Purchased CBD products at a convenience store



Purchased CBD products at a different store type



Did not purchase CBD products

Overall, CBD product purchasing is currently highest among millennials, followed by Gen Z.



Year over year, the percentage of shoppers who purchase CBD products at convenience stores dropped 12 points — from 25% in 2020 to 13% in 2021.

Types of CBD Products Purchased in Past Month

C-store shoppers who purchase CBD reach for gummies more than any other product type.

Gummies	36%
Chocolate	29%
Vape oil	23%
Concentrated oil	23%
Baked goods	22%
Topicals (e.g., creams, lotions, etc.)	22%
Beverage	21%
Candy — non-gummies	21%
Vape cartridge	20%
Beauty care	18%
Tincture	17%
Pill	16%
Other	1%

Reasons Did Not Purchase CBD Products in Past Month

Among c-store shoppers who do not purchase CBD, their top reasons why are a lack of appeal, limited familiarity, and discomfort with the idea of using CBD.

No CBD products appeal to me	30%
I'm not familiar with CBD	23%
I'm not comfortable using CBD	20%
Price too high	16%
Concerned about side effects	13%
I'm not sure what type of product to buy	12%
Concerned CBD products don't work	11%
I want to consult a physician/expert first	10%
Have questions about legality	9%
Other	6%
I'm not sure where to buy	6%
Have enough CBD products at home	5%



A small segment of non-purchasers — 26% — indicate some likelihood that they will purchase CBD products in the next six months.