



HILL+KNOWLTON

STRATEGIES

H+K Learning Series, April 26, 2016:
Cannabis in Canada, Insight into the Current Conversation

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HILL+KNOWLTON STRATEGIES



A photograph of a large indoor cannabis cultivation facility. The room is filled with rows of cannabis plants growing in white containers. The plants are lush green and appear to be in various stages of growth. The ceiling is dark, and the floor is a light-colored concrete. The overall atmosphere is industrial and controlled.

PRODUCING AND SELLING MARIJUANA IN CANADA

A new study by H+K Strategies
April 2016

METHODOLOGY

1. H+K Strategies conducted a national omnibus survey using our panel, H+K Perspectives, between March 19-31, 2016. In total, we surveyed 973 Canadians across the country.
2. Final survey data were weighted based on the 2011 census according to age, gender and region in order to guarantee a representative sample of the Canadian population. For comparative purposes, a random sample of 973 respondents would yield a margin of error of +/- 3.1%, 19 times out of 20.
3. The methodology we use to recruit K+K Perspectives was designed by leading panel experts and is maintained by the Research + Analytics Group.





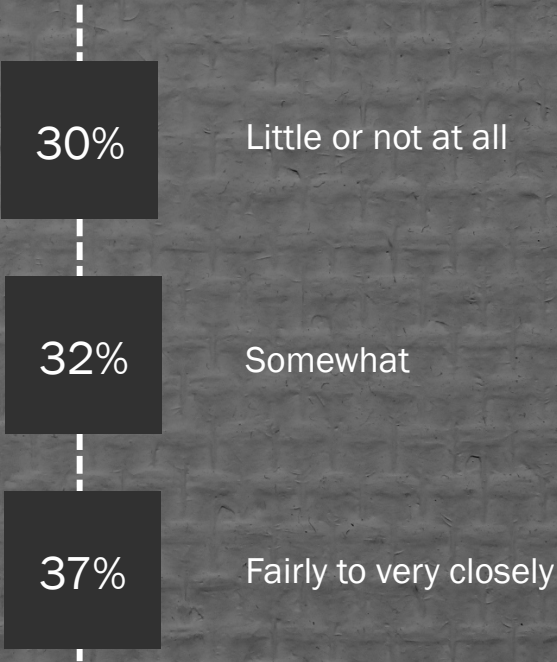
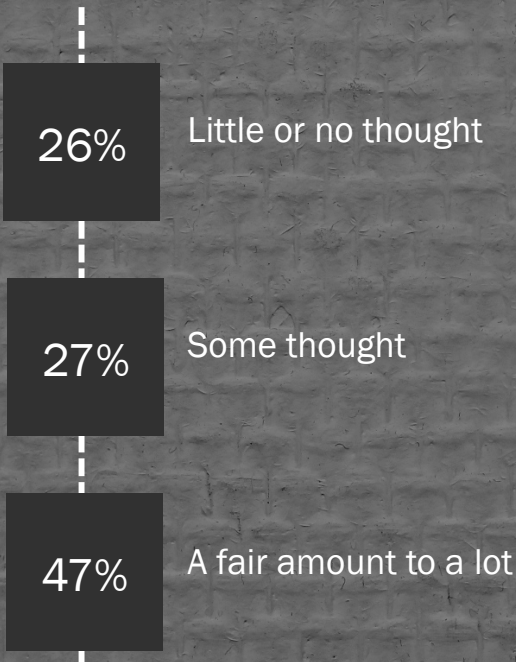
DETAILED FINDINGS



RELEVANCE

BEFORE TODAY, HOW MUCH THOUGHT HAD YOU GIVEN TO THE MEDICAL AND RECREATIONAL USES OF MARIJUANA?

HOW CLOSELY ARE YOU FOLLOWING THE MARIJUANA ISSUE?



MAR 19

MAR 31

n=973



APPROVAL





As you may know, the federal government plans to legalize, regulate and tax the sale of recreational marijuana.

Do you approve or disapprove?

60%
APPROVE

67%

Nov 2015, EKOS

59%

Nov 2015, FORUM

67%

Feb 2016, NANOS

68%

Apr 2016, ANGUS REID

MAR 19

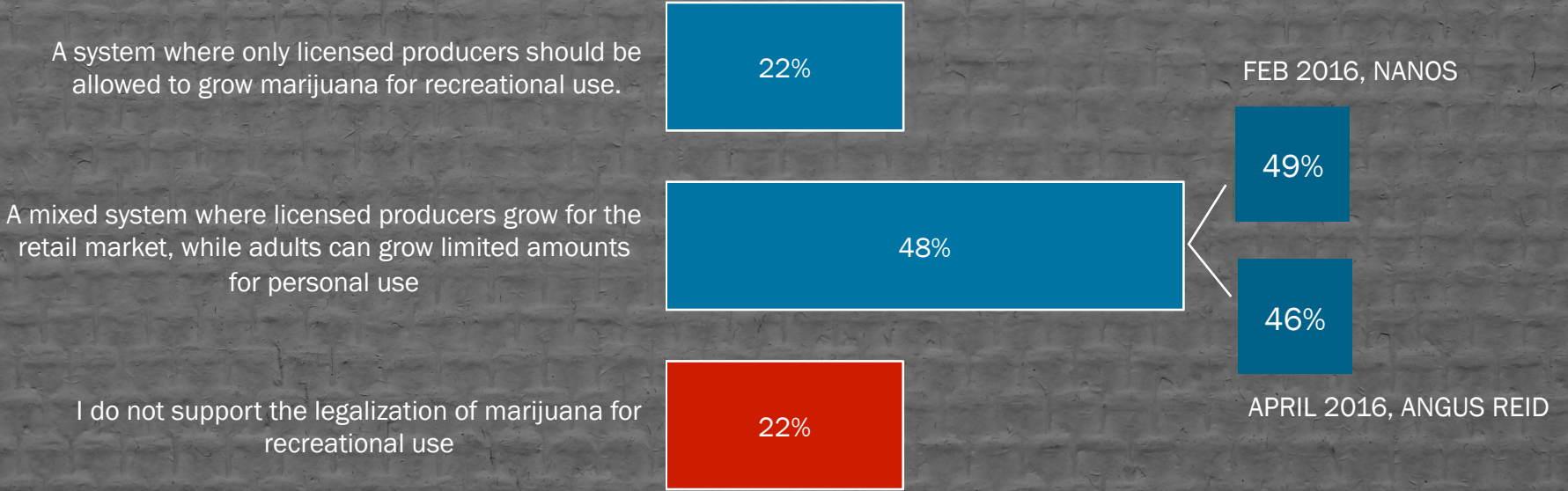
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BUT HOW SHOULD IT WORK?

BELOW ARE TWO OPTIONS FOR HOW RECREATIONAL MARIJUANA COULD BE PRODUCED HERE IN CANADA. WHICH DO YOU PREFER?



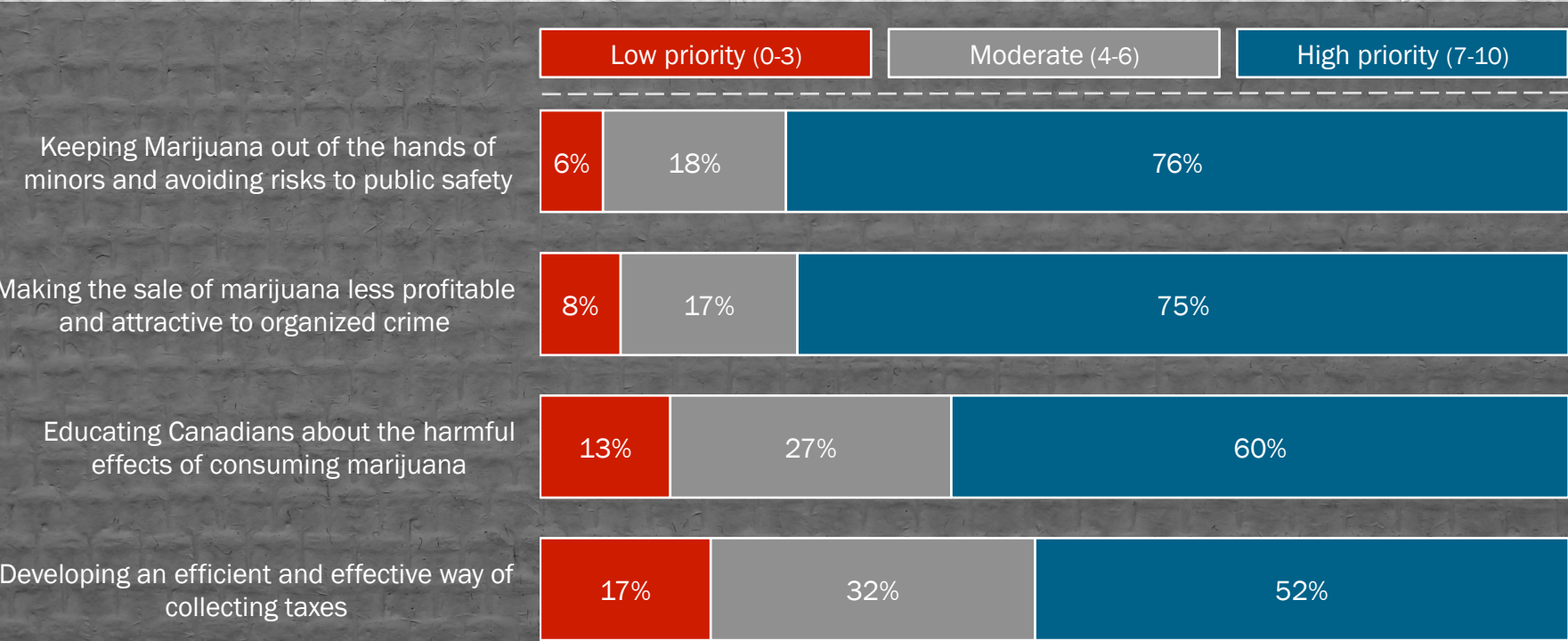
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HOW MUCH PRIORITY WOULD YOU LIKE TO SEE GOVERNMENTS PLACE ON EACH OF THE FOLLOWING OBJECTIVES, WHEN IT COMES TO REGULATING THE DISTRIBUTION AND SALE OF RECREATIONAL MARIJUANA?



A background image of a busy city street at night. Pedestrians are walking on the sidewalk, and storefronts with illuminated signs are visible. The image is split into two panels by a vertical line. The left panel has a dark, semi-transparent overlay with rounded corners containing text. The right panel also has a dark, semi-transparent overlay with rounded corners containing text. A white plus sign is visible in the top right corner of the right panel.

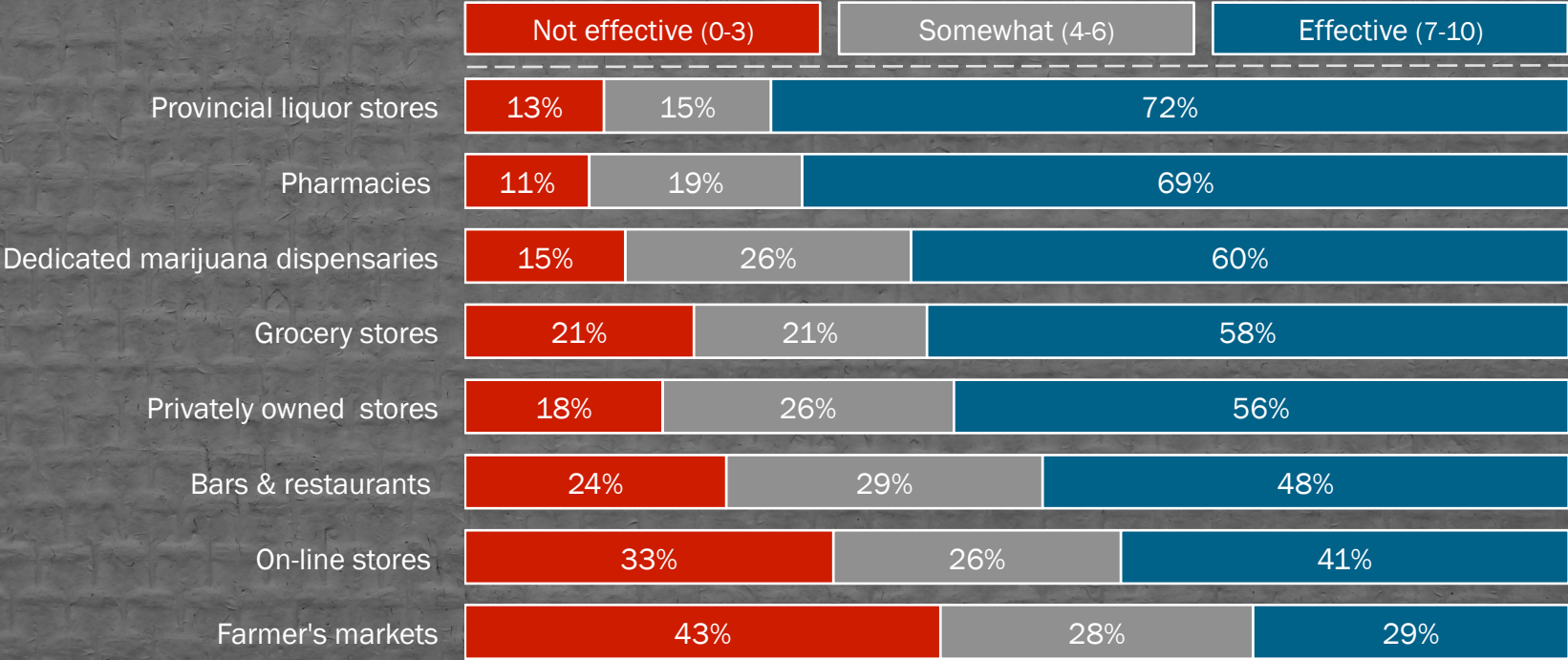
RETAIL OPTIONS TESTED:

- Provincial liquor stores
- Pharmacies
- Dedicated marijuana dispensaries
- Grocery stores
- Privately owned stores
- Bars + restaurants
- On-line stores
- Farmer's markets

CORE VALUES TESTED:

- Collecting tax revenue
- Guarding against organized crime
- Avoiding public risk (minors)
- Convenience

EFFECTIVENESS OF POTENTIAL RETAILERS: COLLECTING TAX REVENUE FOR GOVERNMENT

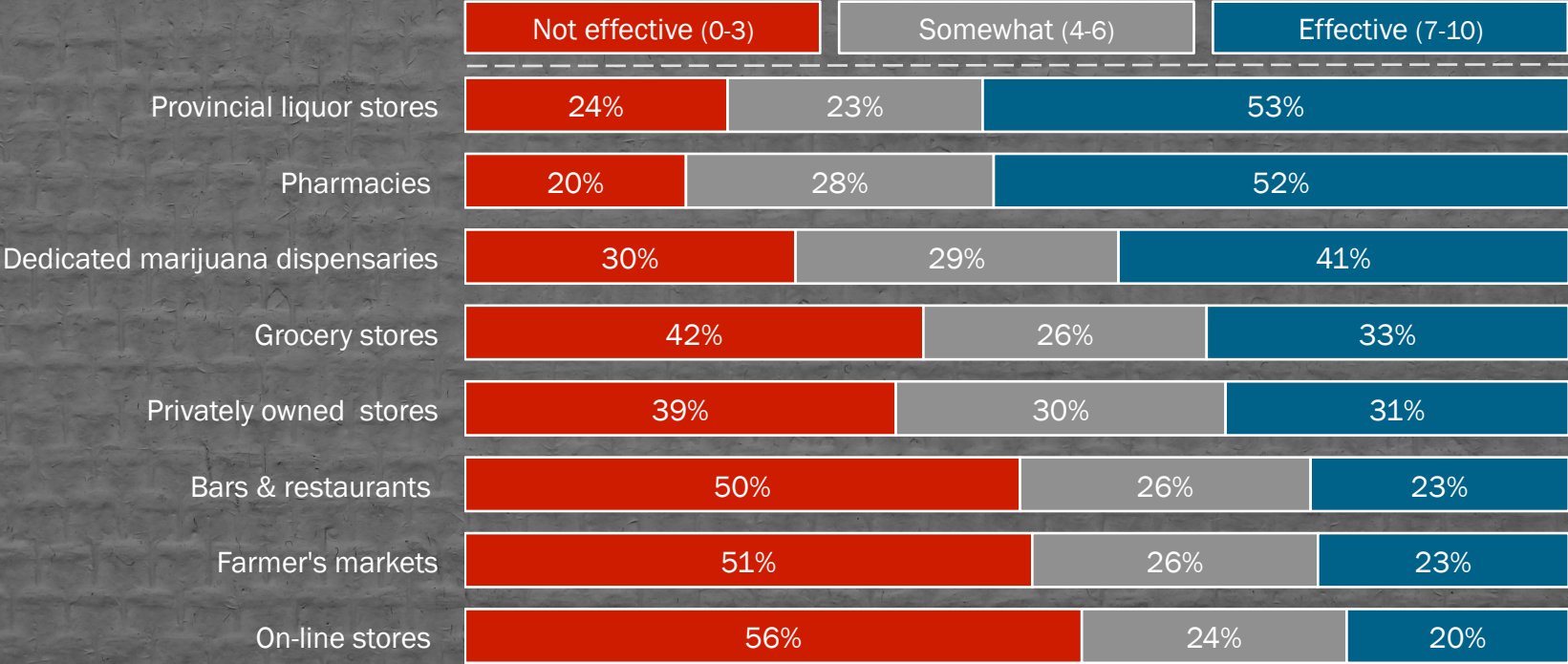


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MAR 31

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EFFECTIVENESS OF POTENTIAL RETAILERS: **GUARDING AGAINST ORGANIZED CRIME**

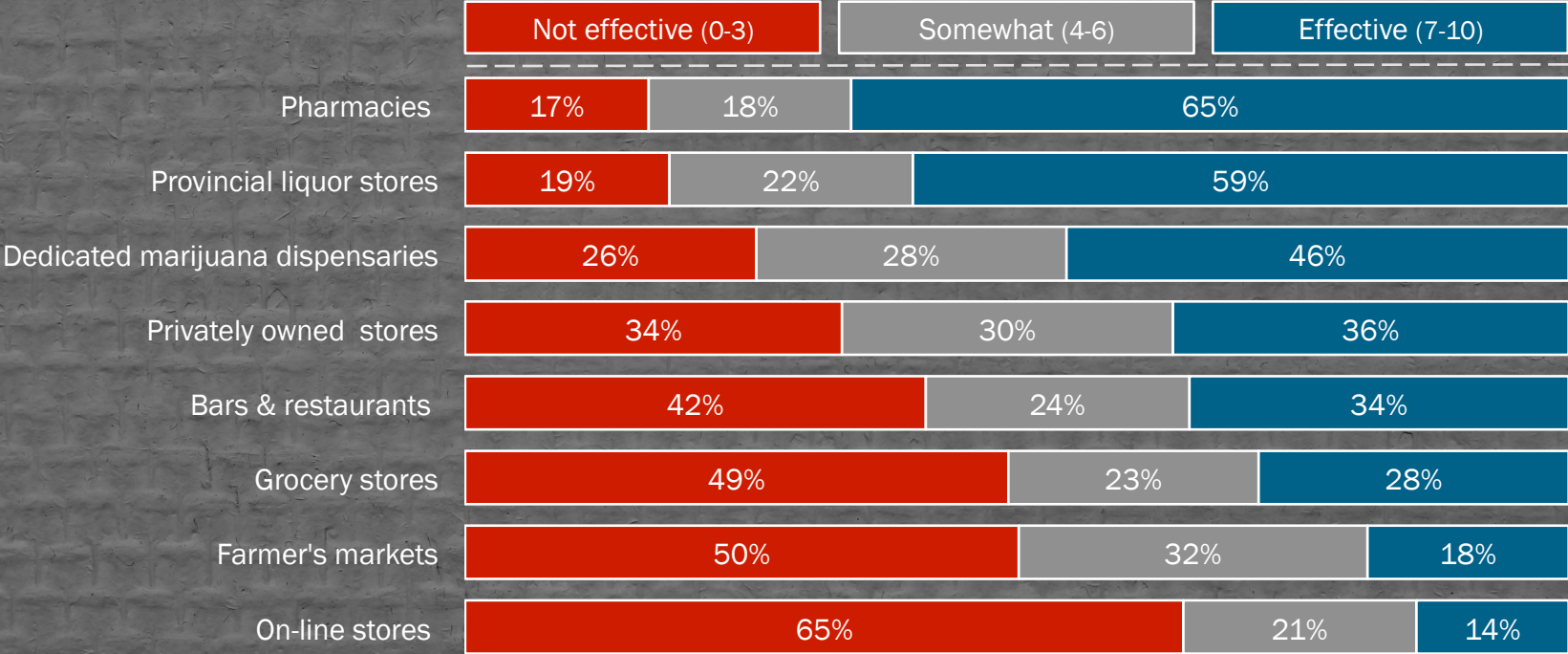


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EFFECTIVENESS OF POTENTIAL RETAILERS: **KEEPING MARIJUANA OUT OF THE HANDS OF MINORS AND AVOIDING RISKS TO PUBLIC SAFETY** +

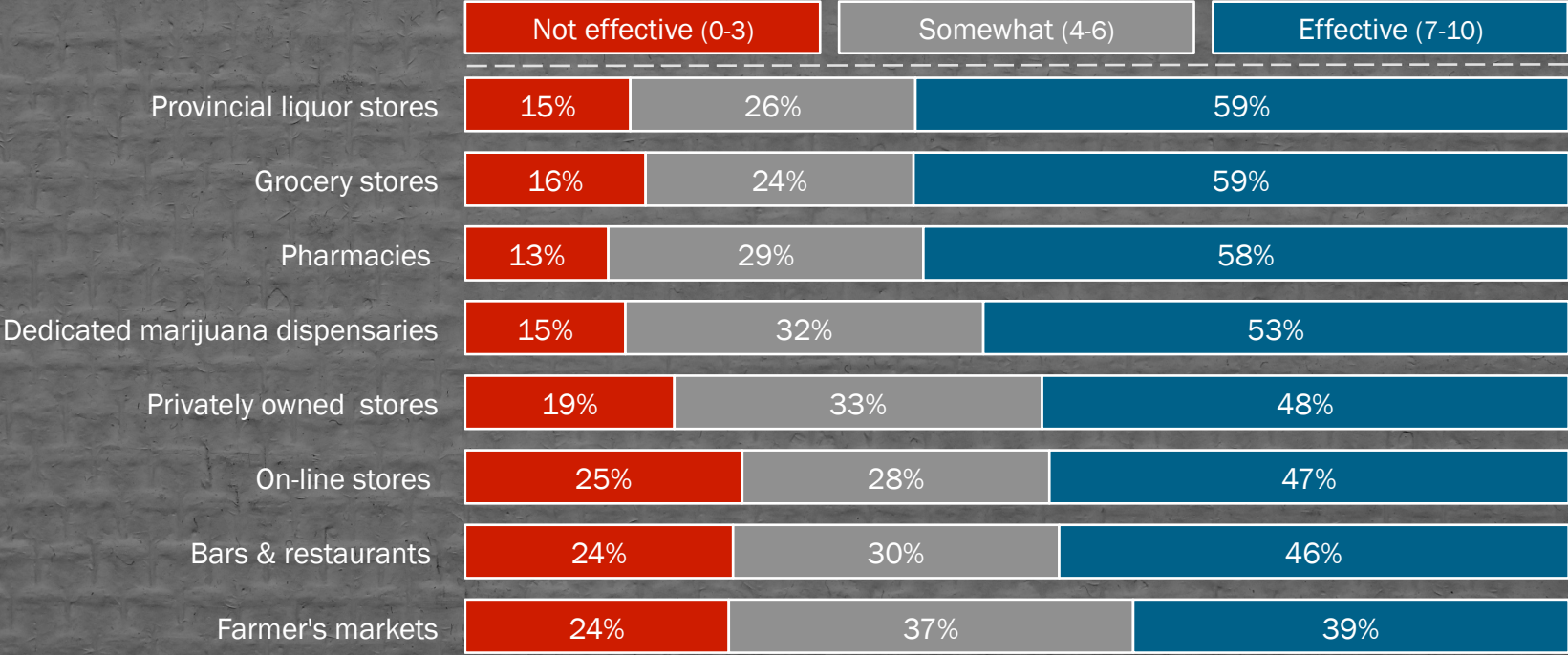


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EFFECTIVENESS OF POTENTIAL RETAILERS: PROVIDING CONVENIENCE FOR CONSUMERS



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EFFECTIVENESS INDEX:

Scores calculated by multiplying each respective retail option by the top priority rating for each objective.

The scores were then determined by added up each retail option and dividing it by the largest score to achieve the final index.

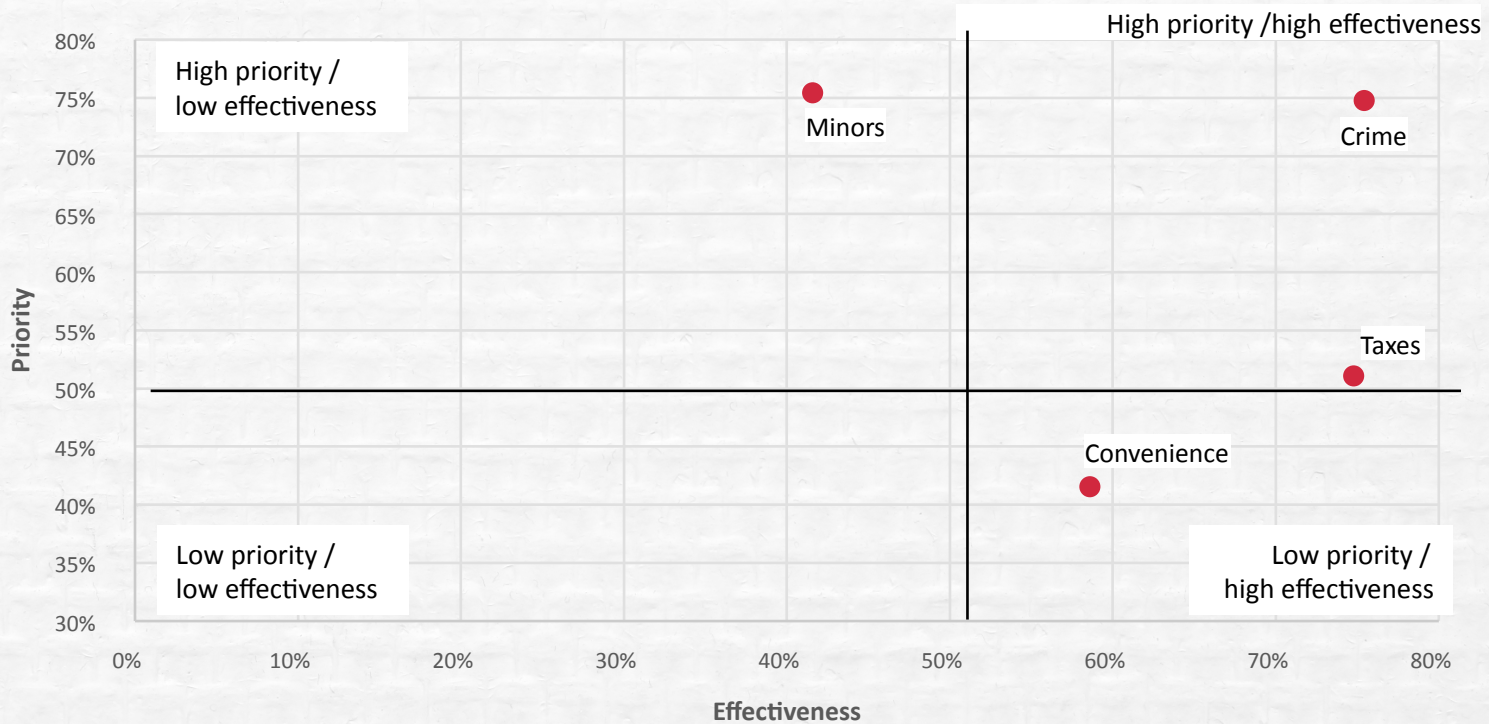
TOTAL MARKET POTENTIAL:

This composite indicator was formed out of 'have used' or 'currently use' marijuana for recreational or medical reasons, or 'would use' recreationally if legal or medically if ill.

Versus all others.

Distribution nets out to about 6 in 10 Canadians falling into the Total Market Potential category.

EFFECTIVENESS INDEX : PHARMACIES

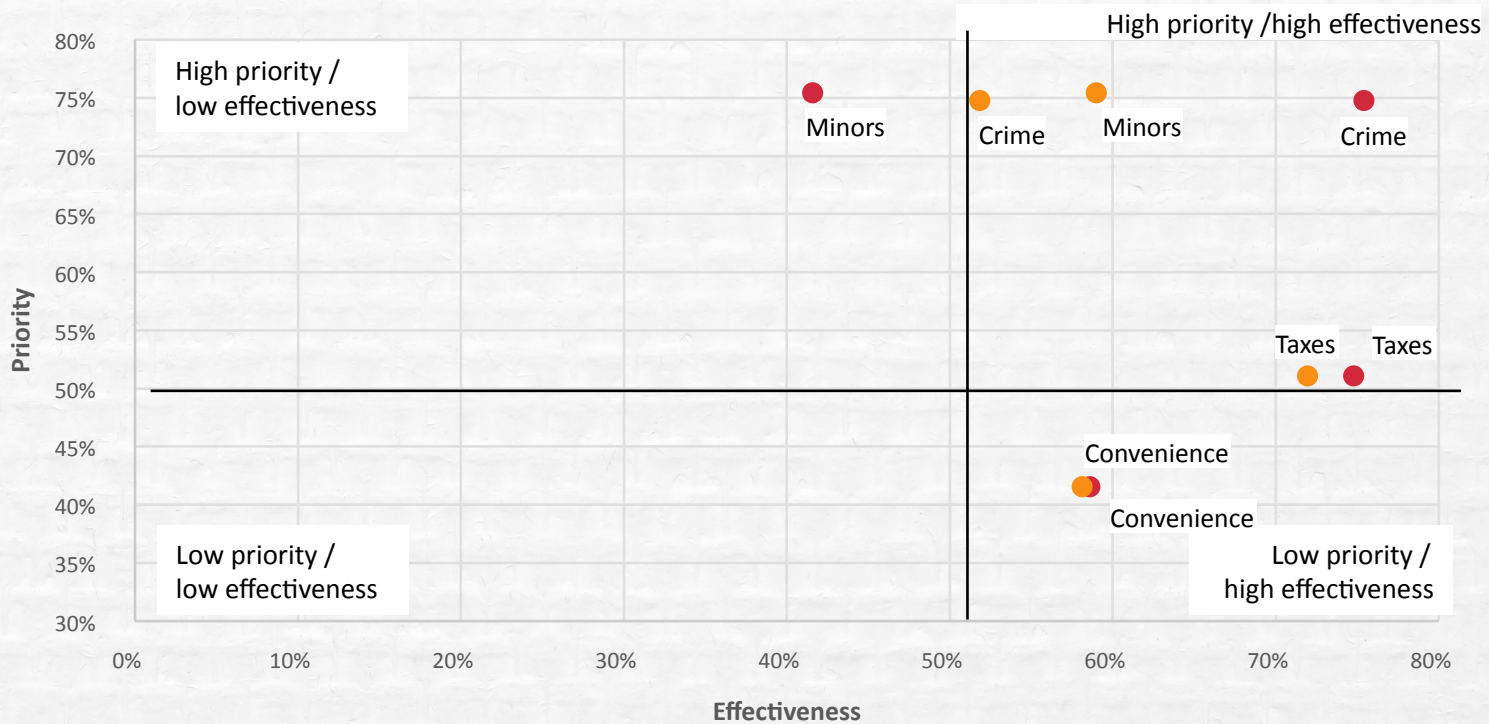


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EFFECTIVENESS INDEX : PHARMACIES & LIQUOR STORES

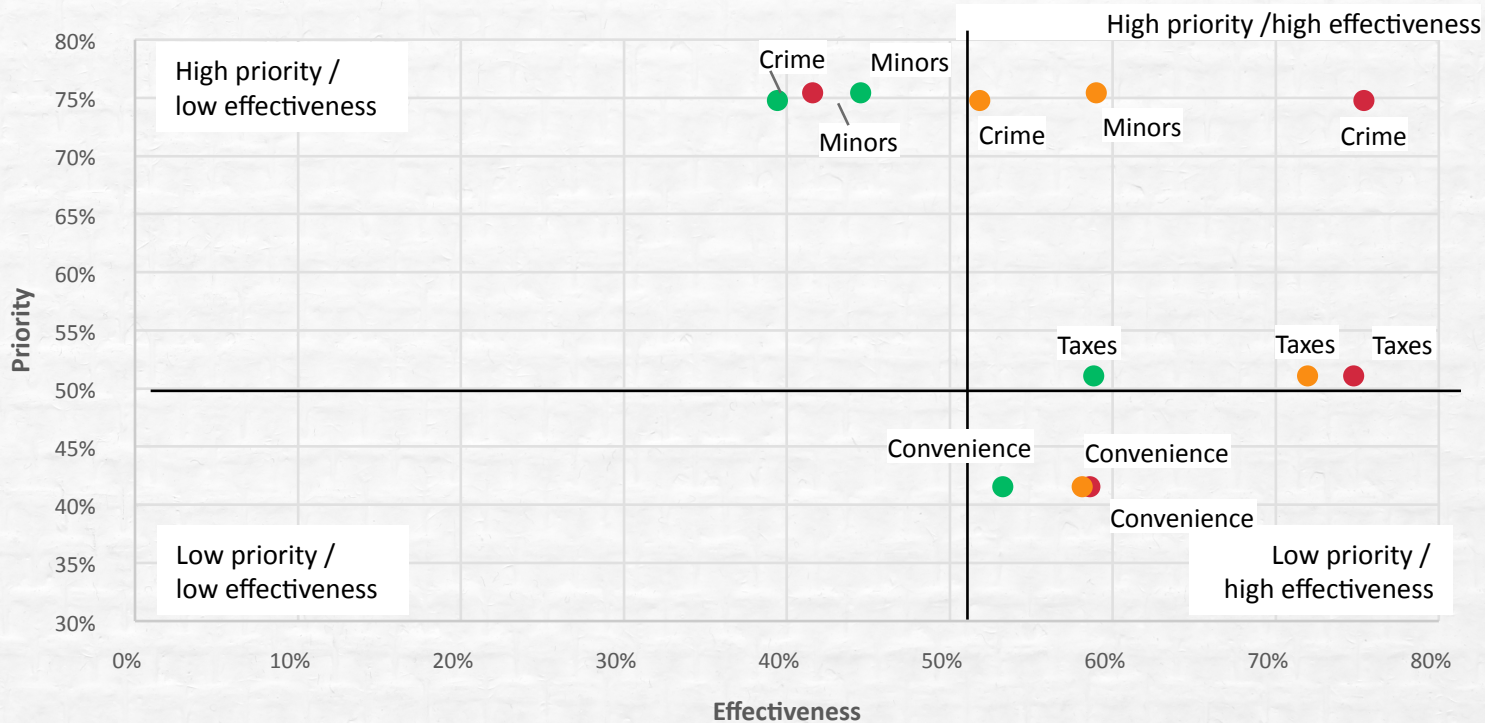


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EFFECTIVENESS INDEX : PHARMACIES, LIQUOR STORES & DISPENSARIES



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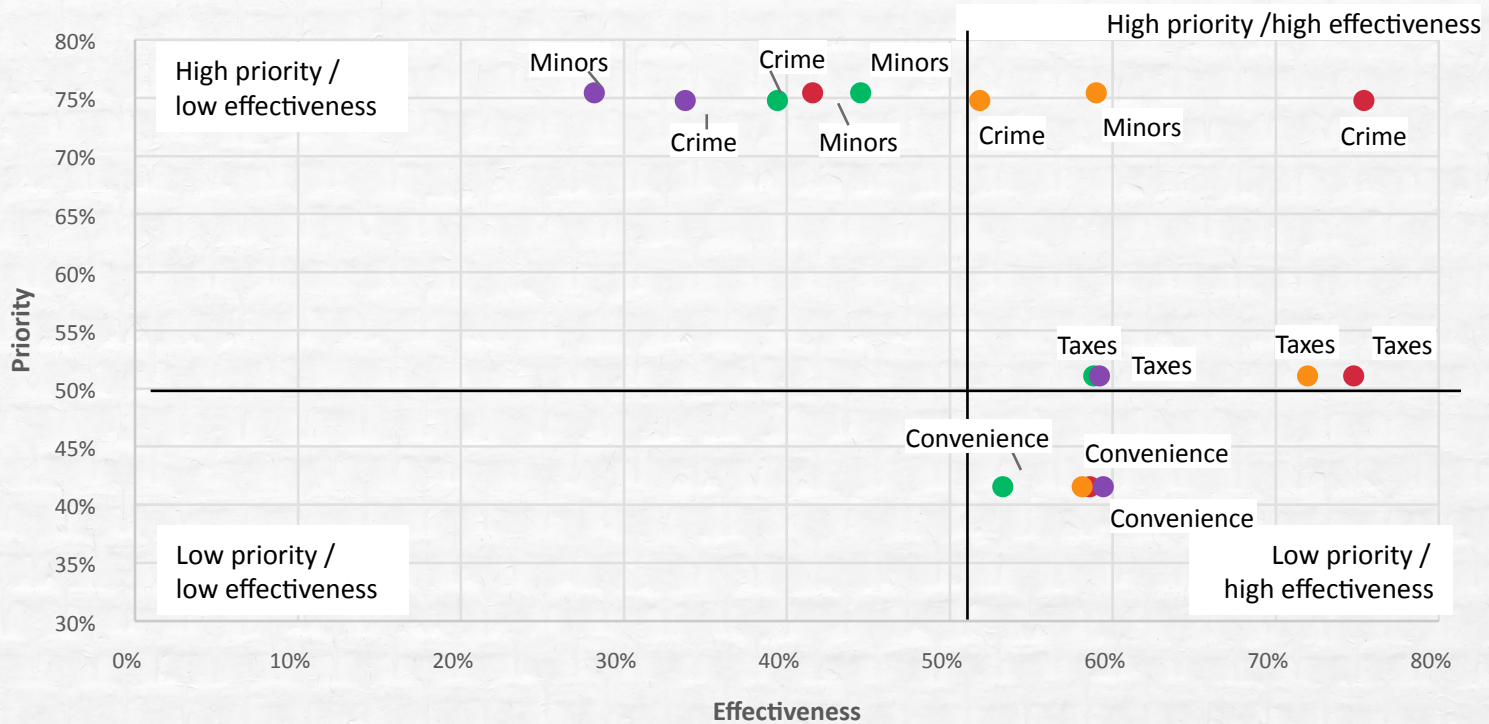
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EFFECTIVENESS INDEX : PHARMACIES, LIQUOR STORES, DISPENSARIES, & GROCERY STORES



- Pharmacies
- Liquor stores
- Dispensaries
- Grocery Stores

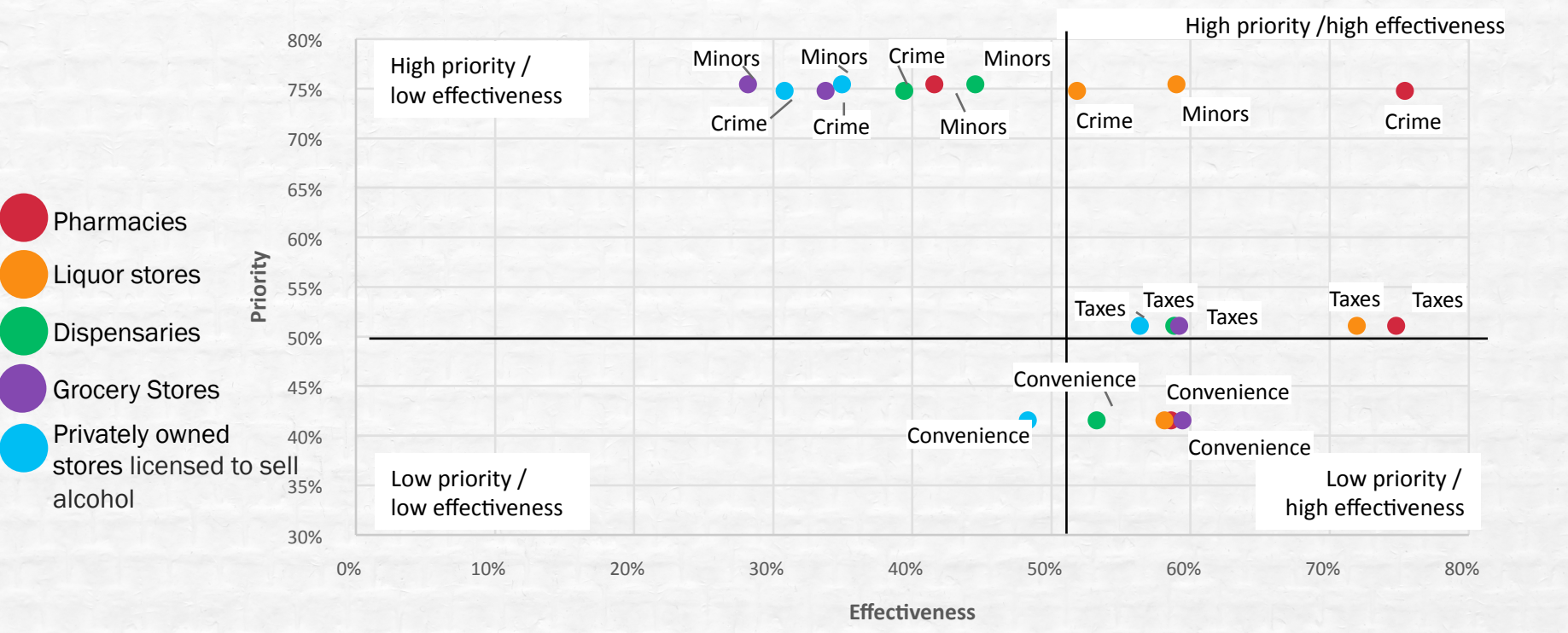


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EFFECTIVENESS INDEX : PHARMACIES, LIQUOR STORES, DISPENSARIES, GROCERY STORES, & PRIVATELY OWNED STORES LICENSED TO SELL ALCOHOL



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WHICH SHOULD BE ALLOWED TO SELL MARIJUANA:



	Total	Potential Market	Others
Pharmacies	82%	88%	71%
Dedicated marijuana dispensaries	72%	84%	51%
Provincial liquor stores	59%	73%	32%
Privately owned stores that are licensed to sell alcohol	43%	57%	17%
On-line retailers	27%	38%	6%
Farmer's markets	26%	35%	9%
Bars & restaurants	26%	34%	11%
Grocery stores	18%	24%	6%

MAR 19

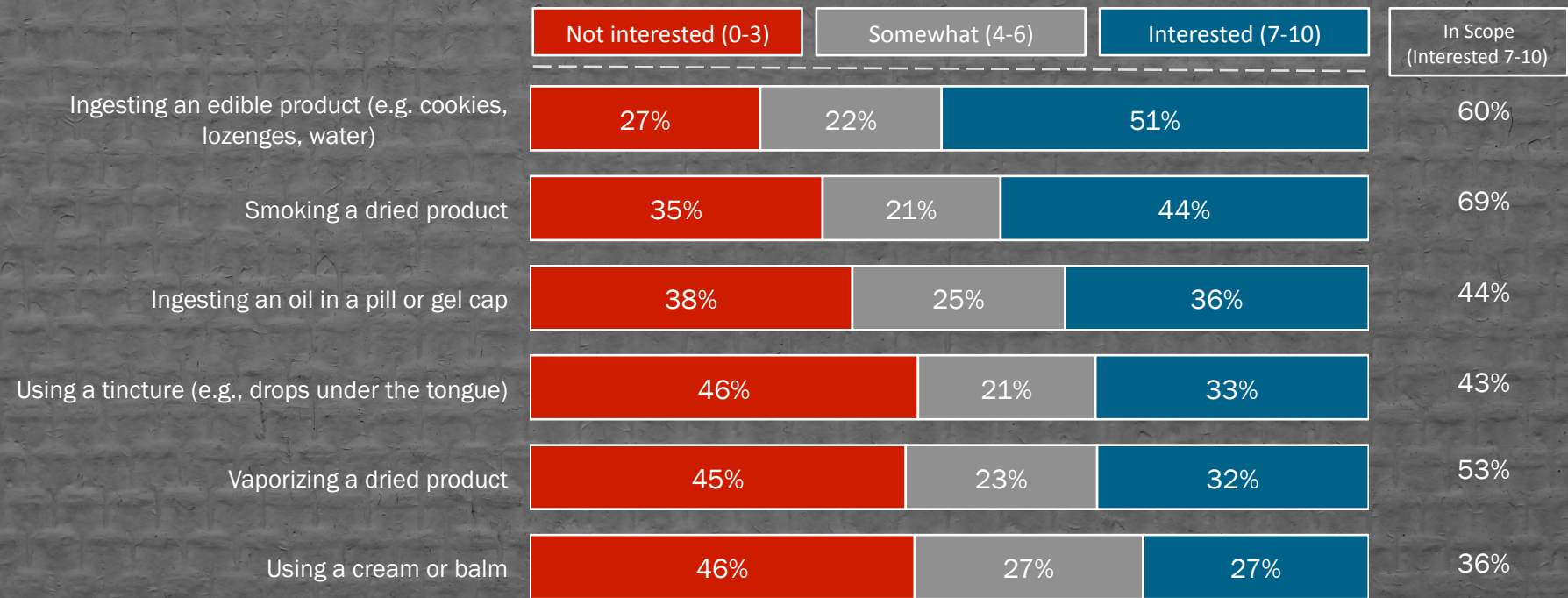
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GIVEN A CHOICE BETWEEN DIFFERENT WAYS OF PURCHASING MARIJUANA, WHICH ONE OF THE FOLLOWING WOULD YOU PREFER?

	Potential Market	In-Scope
At a pharmacy	29%	14%
At a government controlled outlet (e.g., provincial liquor store)	25%	22%
At a dispensary	24%	31%
Ordering online from a licensed producer and receiving the product by mail	7%	14%
Something else (Specify)	7%	10%
I have no interest in purchasing marijuana	5%	4%
Don't know/Prefer not to say	4%	4%

HOW INTERESTED ARE YOU PERSONALLY IN CONSUMING MARIJUANA IN THE FOLLOWING WAYS?



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THANK YOU