**Cannabis Legalization a Factor in Beer Sales**

**Chicago, IL**. March 1, 2017. Cannabiz Consumer Group (C2G) announces research that shows legalized recreational marijuana has “canna-balized” 7.1% of revenues from the existing retail beer industry in legal markets. If cannabis were legalized nationally, the beer industry would lose more than $2 billion in retail sales, predicts C2G. Twenty-seven percent (27%) of beer drinkers state that they already have substituted cannabis for beer, or would substitute their retail beer purchases with cannabis in the future if legal. Other segments of the alcohol industry including wine, spirits and on-premise sales are also being impacted as are other CPG categories, brands, and retailers.

**Current Market Size.** There were 24.6 million legal US cannabis consumers in 2016. Legalization has since extended to additional states, either through medicinal or recreational legislation or both. C2G projects that legal cannabis penetration will settle at a level comparable to that of beer and wine and that a fully mature market would create a new $50 billion industry.

The forecasts were generated using C2G’s CannaUse™ study on the cannabis mindset and behaviors of more than 50K individual participants, the company’s warehouse of over 55MM cannabis purchase transactions, and CPG consumer panel and point-of-sale data sourced from IRI through an exclusive data and analytic share arrangement.

**Novelty impact?** In emerging markets a novelty impact often occurs as new users try a product simply for the experience but do not sustain its use, skewing early market predictions. Results suggest this will not occur with legalized cannabis as consumers are more invested in the products that they are buying, understanding the potency, strains, and formats available and its uses for pain management, holistic health, and relaxation. C2G predicts the novelty impact will not be felt in this industry.

**How to offset losses?** “Consumers use cannabis to satisfy various social, medical and experiential needs” states Rich Maturo, Chief Innovation Officer. “By better understanding why different segments of consumers’ use cannabis, companies can minimize the loss resulting from legalization. Despite best efforts however, leakage will occur. Those having the foresight to view cannabis as an opportunity as opposed to only a threat will fare much better than those who strictly take a defensive position.”

**About About Cannabiz Consumer Group™**

Cannabiz Consumer Group investigates marijuana legalization and its impact on consumer spending throughout the economy. Bringing together a diverse information set and a team with expertise in the tracking of emerging markets, data modeling, and analytics, Cannabiz Consumer Group provides insights and solutions for specific industries that must adapt to cannabis legalization. This includes over-the-counter medications, beer, wine, spirits, tobacco, other foods and beverages, retail, pharmaceuticals, healthcare and travel/tourism. Each will be impacted by consumer spending on cannabis as existing legal use markets continue evolve and new markets launch.

For more information contact rich@cannabizconsumergroup.com or visit cannabizconsumergroup.com

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