

Cannabis is considered the fastest growing industry in the United States and Canada, but well behind in its digital spend. How shifting perceptions and COVID's impact leave a massive opportunity for digital and programmatic.

Changing Attitudes & "Typical" Weed Users: Buying Weekly, Looking at Prices

Cannabis users and perceptions of usage have evolved and expanded. According to data from Oasis Intelligence and Adweek, they're mostly 30-something college graduates working full-time jobs. Most use cannabis weekly and price is a major factor in choosing a brand.

83%

use cannabis weekly.
[Oasis Intelligence via Adweek]

60%

spend more than \$50 a month on cannabis products, and 38% spend more than \$100.
[Oasis Intelligence via Adweek]

48%

say they consume cannabis for wellness rather than recreational purposes, with 19% making no distinction between the two.
[Oasis Intelligence via Adweek]



Flower and edibles are the most popular forms of cannabis, while interest in infused beverages has doubled recently, with 17% of survey participants saying they use the products.
[Oasis Intelligence via Adweek]



Washington is the leading U.S. state based on cannabis sales for recreational use.
[Statista]

The Pandemic Effect

Ecommerce skyrocketed: With more stuck at home than at any time in recent history (coupled with stress and anxiety), it's no surprise that cannabis use jumped at the height of the coronavirus pandemic.

44%

report planned increase in cannabis use during COVID-19 outbreak in the United States in 2020.
[Statista]



Many dispensaries were classified as "essential" businesses during pandemic in many states alongside grocery stores, gas stations, and pharmacies.
[TechCrunch]



Decrease in events or in-person exploration and educational opportunities: Original content - over live events - can live longer on the internet and allow new and returning consumers to access it at any time.

Cost-conscious buying & trust: Expect far less impulse-buying and more research and cost-evaluation. Consumers will go with their "tried and true" brand or a trustworthy source.

40%

Retail sales of medical and recreational cannabis in the United States were projected to eclipse \$15 billion by the end of 2020, an increase of approximately 40% over 2019 sales figures.
[Marijuana Business Factbook]

50%

Price is a key driver for 50% of consumers, and 46% bought directly from a dispensary.
[Oasis Intelligence via Adweek]

Content to Educate & Build Trust

Like other industries that require an educational component to their sales strategy, cannabis will require valuable content creation and scalable distribution efforts to educate the public on the benefits of cannabis and its changing reputation.

Content Checklist:

- ✓ Educate
- ✓ Build Trust
- ✓ Create Evergreen Content



Why Digital Advertising and Programmatic For Cannabis

84%

In 2018, 84% of spend on cannabis retail advertising went to outdoor ads like billboards. The second largest share went to newspapers with 5% of total spend, while only 4% went to digital advertising. [Kantar].

\$370M

Cannabis advertisers spent \$370 million on digital display ads in 2019, an increase from \$238 million in 2018. [DashTwo]

70%

By 2021, 70% of all digital ads—and 88 percent of display ads—will be bought and sold using programmatic technology [MediaPost].



Scale with programmatic to reach beyond niche sites and dated demographics.

Huge numbers of high-traffic, mainstream sites will accept programmatic cannabis ad buys. Examples: USA Today, HuffPost, Newsweek, Politico, The Chive, and ESPN. [PrograMetrix]

Cannabis advertisers in legal states are required by law to ensure that their marketing campaigns target adults 21 and over. Programmatic platforms are more able to adjust accordingly.



Programmatic platforms can track conversions, measure ROI and meet tangible KPIs and goals.

Reach out to Bidtellect for more information or a head-to-head performance test.