

Cannabis Retail: Positioning and Marketing - US - 2023

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This report looks at the following areas:

- State of the cannabis market and how it's faring in the current economic climate
- The evolving role of the dispensary
- Cannabis consumption trends
- Drivers of dispensary choice and loyalty
- Product trial motivators

The cannabis retail sector is marked by a dynamic and innovative landscape. As legalization spreads, there has been a shift from the traditional "hippie" stereotype to a more mainstream, wellness-oriented consumer. Retail positioning is evolving to create a more upscale, welcoming environment – similar to trends in technology and beauty retailing – with greater emphasis on employee expertise providing an essential role in educating both novice and experienced consumers.

Although cannabis consumption is on the rise, the category is facing challenges. After the initial spike in demand at the onset of the COVID-19 pandemic, the industry is grappling with price compression, oversupply, less disposable income and increased competition.

To remain relevant and expand appeal, promotional strategies will increasingly focus on lifestyle integration, highlighting the use of cannabis for wellness, relaxation, creativity or social connection. Dispensaries will also focus on building loyalty, cultivating community and promoting education.

This market is young and full of potential, but also regulation-laden. Successful cannabis retailers not only understand the legal framework, but also the unique needs and desires of a growing and diverse cannabis consumer base.



"The cannabis industry is on a positive growth trajectory thanks to expanding legalization and increased consumption. Still, the industry faces hurdles including heavy regulation, price compression, oversupply and intense competition."

- Fiona O'Donnell, Senior Director – US Reports

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Table of Contents

OVERVIEW

- **What you need to know**
- **This Report looks at the following areas**
- **Definition**
- **Market context**

EXECUTIVE SUMMARY

- **Top takeaways**
- **Consumer trends**
- **Cannabis usage supports wellness routines**
Figure 1: Frequency of cannabis use, 2022-23
- **Invest in employees to retain customers**
Figure 2: Importance of friendly service at retail, 2023
- **Promote value beyond price**
Figure 3: Desired information from dispensaries, 2023
- **Secondary drivers expand reach**
Figure 4: Product trial motivators, 2023
- **Competitive strategies**
- **Market predictions**
Figure 5: Cannabis retailing outlook, 2023-28
- **Opportunities**

STATE OF THE CANNABIS MARKET

- **Legal differences shape markets**
- **Cannabis: State of Legality**

MARKET VALUE INDICATORS

- **Cannabis market continues to grow...**
- **...but profit margins are being squeezed**

MARKET DRIVERS

- **Hemp intoxicants are thorn in the side of the licensed industry**
- **Homegrower market can bolster the industry**
- **Cannabis reform could lead to more uses and benefits**

KEY PLAYERS

- **Dispensaries respond to market volatility**

COMPETITIVE STRATEGIES AND MARKET OPPORTUNITIES

- **Rethink retailer format and design**

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Figure 6: Dispensary examples focused on the retail experience

- **Prepare for the cannabis holiday calendar**
- **Invest in DEI**

Figure 7: Pleasure Peaks – Instagram post, Lovers Bath Salts, 2023

- **Destination: Cannabis**

Figure 8: Attitudes toward visiting dispensaries, 2023

THE CANNABIS CONSUMER – FAST FACTS

- **Cannabis consumption trends are changing**
- **Customer service and safety measures determine where people shop**
- **Dispensary discovery is organic, but online sources will gain traction**
- **Promote value beyond price**
- **The dispensary is a gateway to building trust, loyalty and community**

CANNABIS USAGE

- **Cannabis use poised to grow**

Figure 9: Consumption of alcohol vs consumption of cannabis – Trended use, 2020–23

- **More adults may turn to cannabis in wake of economic stress**

Figure 10: Marijuana/cannabis use, by financial situation, 2023

- **Increased daily usage points to its essential role**

Figure 11: Frequency of cannabis use, 2022–23

- **Drive trial through lesser-known formats**

Figure 12: Usage and interest in cannabis formats, 2023

Figure 13: Hempvana pain relief cream, 2023

FACTORS DRIVING DISPENSARY CHOICE

- **Invest in employees to grow loyalty**

Figure 14: Dispensary choice factors, 2023

- **Build trust through safety measures**

Figure 15: Qualities sought by consumers from dispensaries, 2023

- **Expand reach with store design**

Figure 16: TURF analysis – Dispensary choice factors, 2023

- **Adjust messaging to reach different age groups**

Figure 17: Qualities sought by consumers from dispensaries – Select items, by age, 2023

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Executive Summary

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Infographic Overview

Powerpoint Presentation

Interactive Databook

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DISPENSARY DISCOVERY

- **Word of mouth is important, but online sources will gain ground**
Figure 18: Dispensary discovery, 2023
- **Dispensaries need to meet adults where they are**
Figure 19: Dispensary discovery – Select responses, by age, 2023

DESIRED INFORMATION FROM DISPENSARIES

- **Look beyond price to promote value**
Figure 20: Sunnyside loyalty program, 2023
Figure 21: Desired information from dispensaries, 2023
- **Don't overlook Gen X**
Figure 22: Desired information from dispensaries – Select responses, by generation, 2023

PRODUCT TRIAL MOTIVATORS

- **Price is important, but secondary drivers expand reach**
Figure 23: Olly and 1906 relaxation products, 2023
Figure 24: Product trial motivators, 2023
- **Health benefits instrumental in converting older non-users**
Figure 25: Product trial motivators – Select items, by age, 2023
- **Encourage trial with packaging**
Figure 26: TURF analysis – Trial motivators, 2023

ATTITUDES AND OPINIONS TOWARD CANNABIS

- **Brand loyalty up for grabs**
Figure 27: Attitudes toward cannabis brands, 2023
- **Loyalty begins with the dispensary**
Figure 28: Lightshade CSR program, 2023
Figure 29: Opinions about dispensaries, 2023
- **Empower young adults through flexibility and identity**
Figure 30: Select opinions about dispensaries, by age, 2023

APPENDIX – DATA SOURCES AND ABBREVIATIONS

- **Data sources**
- **Market data**
- **Consumer survey data**
- **Abbreviations and terms**
- **Abbreviations**
- **Terms**

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
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APPENDIX – THE CONSUMER

Figure 31: TURF analysis – Retailer drivers, 2023

Figure 32: TURF analysis – Desired information from dispensaries, 2023

- **Methodology**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

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