

Innovation Brief:

Seasonal Flavors

JULY 2020

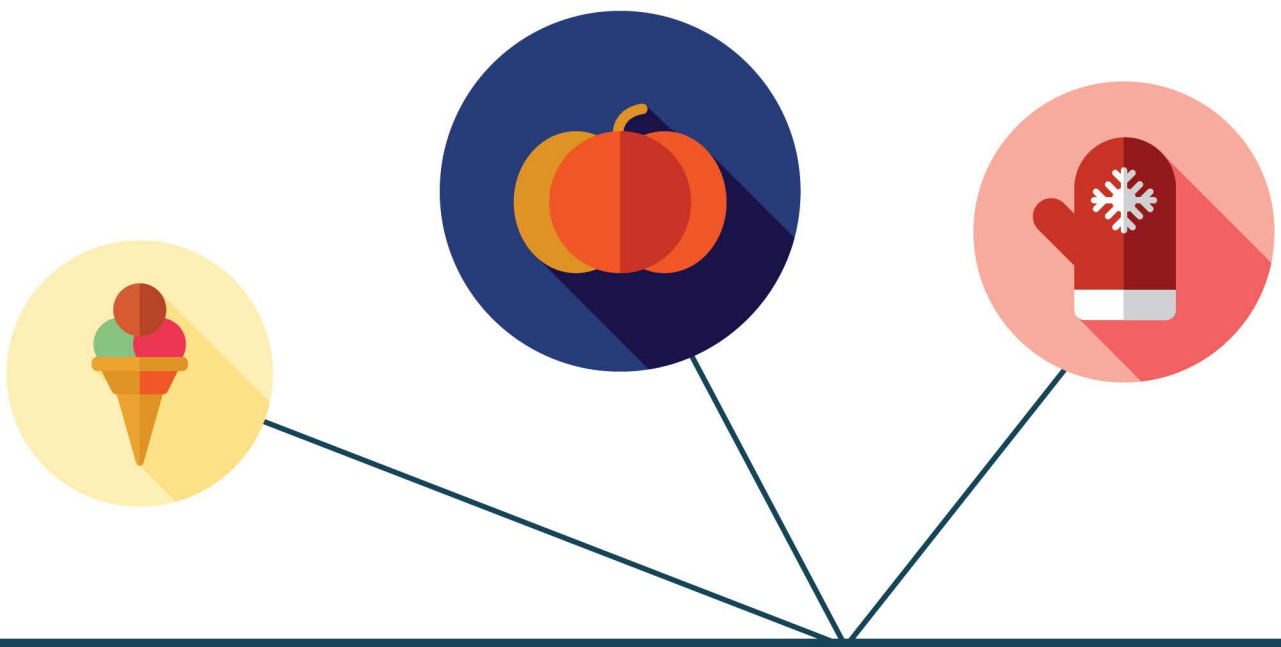


INTRODUCTION

As CPG-industry veterans know, consumer preferences are naturally shaped by holidays and seasons, predictably shifting throughout the year.

Many established CPG markets cater to consumer trends throughout the year. Beers promoted in the summer are often light and easy to drink while winter beer tends to be darker and feature a more complicated flavor profile. Summer beers frequently emphasize fruit flavors, autumn beer presents fall flavors such as pumpkin and maple, and winter beer typically has rich profiles featuring bourbon, chocolate, coffee, and eggnog.

Though seasonality is relatively new to the cannabis market, on-trend products allow companies to capitalize off temporary shifts in purchasing behavior and better develop their product portfolios. As cannabis markets mature, there will be more room for seasonal options, and consumers will come to expect their dispensary shelves to change with the seasons.



WINTER

Winter has already been a very popular season for cannabis releases and many companies have capitalized on its well-known associated imagery and flavors.

DRINKS

Directly capitalizing on these trends, the California-based, cannabis-infused non-alcoholic beer producer Two Roots released their Shadow Monk line in December featuring a Belgian Abbey-style specifically designed for the winter season.



CHOCOLATES

Oregon's Chalice Farms has also been sure to seasonally adapt their infused product lines, launching pumpkin spice cannabis truffles and dark chocolate peppermint edibles each winter for a limited time only.



FLOWER

Even flower products, which cannot rely on translating common seasonal flavors, have been brought in on the winter action. Two Caliva limited edition Winter 2019 strains, Blitzen OG and Lemon Gumdrop, are both made festive by their olfactory hints of pine.



SPRING & SUMMER

Brightfield's data via our Innovations Insights portal helps provide insights on which flavors are hot going into summer. We found that fruity, lemon and, orange flavors grew their share of shelf leading up to spring, with a distinct peak in March. During the same time frame, chocolate also saw a slight dip in overall distribution share.



Most of lemon's growth was due to lemon-related concentrates and flower products seeing increased retailer presence, including West Coast Cure's Lemon Punch Live Resin Sauce and Green House's Super Lemon Haze strain.

Meanwhile, edibles saw the greatest increases in watermelon and raspberry flavors. Numerous products saw their shelf presence increased during the Spring, including Wana's Watermelon Gummies and Flav's Watermelon Belts. On the raspberry front, both KEEF Blue Razz Classic Soda and Smokiez Blue Raspberry Fruit Chews also grew in recent months.



Even though the industry is relatively new, seasonality trends are also emerging with respect to specific holidays. For example, in addition to launching general seasonal flavors, the industry has taken a distinctly pro-LGBTQ+ stance. Companies frequently release Pride product lines in June and often donate to relevant non-profit organizations, with both PLUS and Kiva Confections taking this approach in 2020.



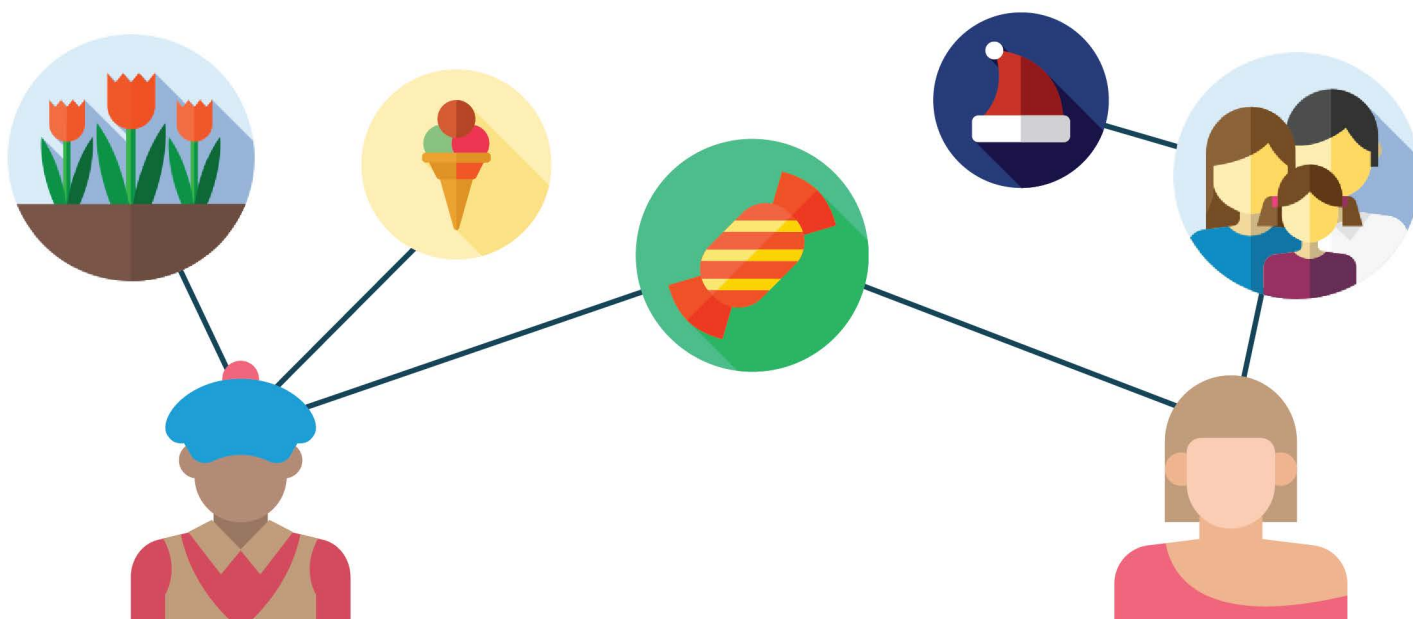
ANALYSIS

Since the cannabis industry is so new, cannabis companies will have to innovate their products line in order to appeal to consumers' seasonal desires.

Cannabis marketers should pay attention to seasonal product trends in other industries and consider how consumer trends could be adapted to the cannabis market. Edibles, for instance, have a close analogue in many traditional CPG industries and may be easily adapted to fit existing seasonal trends, such as Chalice's pumpkin spice edibles playing into the wider autumn pumpkin spice craze.

In the case of other products which typically do not contain flavor additives, such as flower and concentrates, more creativity is required. Think about how cannabis can be integrated into the time of year. In the same way a beer's grains vary with the seasons, so too could the seasonal strains focus on sativa/indica balance and THC:CBD ratio to create seasonal differentiation which extends beyond branding. Caliva's winter strains featuring hints of pine is a great instance of making the product itself match the season.

Brightfield's data can help to illuminate trends in purchasing behavior as they emerge by assessing what products are on the market and which are getting increased shelf space. Knowing how new launches perform is key to designing a product which is unique enough to get people lining up outside their local dispensary.



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