



Conversion Calamity: Getting Past Awareness in US CBD

In Q4 2020, US CBD consumer awareness and consideration went up, while purchasing and loyalty stayed the same. In Q3, only 4 brands had at least 20% consumer awareness; in Q4, that increased to 14 brands. Now, nearly all the top CBD brands in the US have over 10% awareness.

Top 5 CBD Brands by Awareness



Top 5 CBD Brands from Q3 to Q4 Increase in Awareness



Though the increase in awareness was impressive, changes in purchasing were not. **While 100% of the top brands saw increased awareness, only 45% saw increased purchasing.** CBD brands should pay close attention to their purchase funnel as consumers become more aware but are not yet loyal to any particular brand.

Awareness grabs cannot be the only strategy for success; the industry needs creative strategies to drive purchasing.



The Crown Jewel of Awareness: Martha Stewart CBD

We found already **15% of CBD users are aware** of Canopy Growth's Martha Stewart CBD. Launched in September 2020, this provides strong testament for the ability of brands to leverage celebrity endorsements to gain awareness. However, the brand still has work to do in converting awareness to purchasing and loyalty—but the initial metrics are strong.

Celebrity endorsements are good for awareness grabs but don't necessarily convert down the funnel. Additionally, Martha is the shining example. Dozens of brands with celebrity endorsements—from Dog the Bounty Hunter to Brett Favre—don't have the same level of success as Martha. She's the crown jewel with her equity and trust among consumers who are already great targets for CBD.



Purchasing CBD at a Discount

During the pandemic, CBD brands offered hefty discounts to allure new consumers into buying their products online. Coupled with the falling price of hemp in the US, CBD products were more affordable than ever with these discounts applied.

However, these discounts had consequences. **53% of CBD consumers now report buying the CBD with the best discount.** While discounting products may attract new customers, the loyalty of those shoppers will be fickle as other brands lure them in with "50% off your first purchase" ads. Brands need to really understand those who are newly aware and first-time purchasers to drive repurchase and loyalty.

Decision Factors Over Time, Q1-Q4 2020

% of CBD Consumers

Buy CBD with best discount Buy the cheapest CBD

