



Favoritism Drivers in US Cannabis: What Makes a Favorite Dispensary?

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BRIGHTFIELD GROUP

Introduction

Dispensaries have cemented themselves as the premier retail establishment to purchase cannabis in the US. Where other consumer categories are sold across channels, – like grocery stores, mass merchandisers, and online – legal cannabis is limited to dispensaries. While there are states that allow delivery, it is often from a brick-and-mortar dispensary or a delivery-only dispensary. No matter how you look at it, cannabis is sold in its own distinct channel.

So, what makes a consumer decide which dispensary to frequent? Brightfield Group's new Brand Health study of the US cannabis retail environment seeks to answer that question. This study looks at 11 legal cannabis markets in the US – Arizona, California, Colorado, Florida, Illinois, Massachusetts, Michigan, New Jersey, New York, Oregon, and Pennsylvania. Each retail environment is unique, and consumer segments will be drawn in by different retail attributes. Let's explore what's driving favoritism for U.S. cannabis dispensaries.

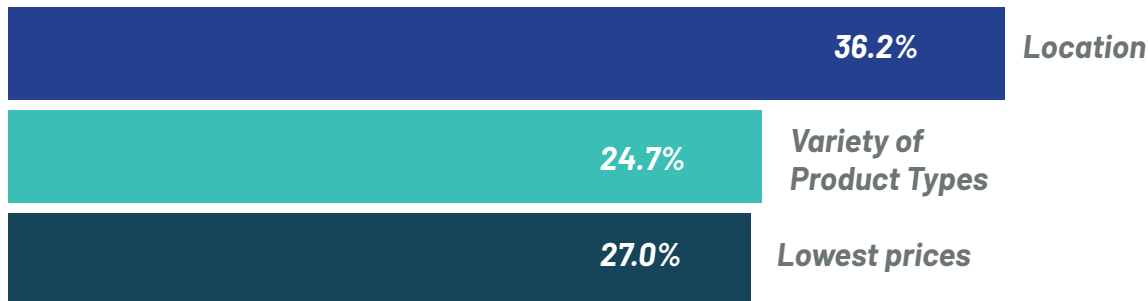


By State

Location, price, and quality are the top drivers for favoritism among retail establishments across the 11 markets surveyed in the US Retail Brand Health study. All three of these attributes regard the accessibility of cannabis – is there a dispensary near you? Do they have the products you want? Can you afford it? As cannabis retail environments emerge, consumers have to rely on these simple attributes before they can become concerned with less essential attributes like atmosphere and brand variety.

Why is This Dispensary Your Favorite?

Percent of consumers listing attribute as reason for favoritism



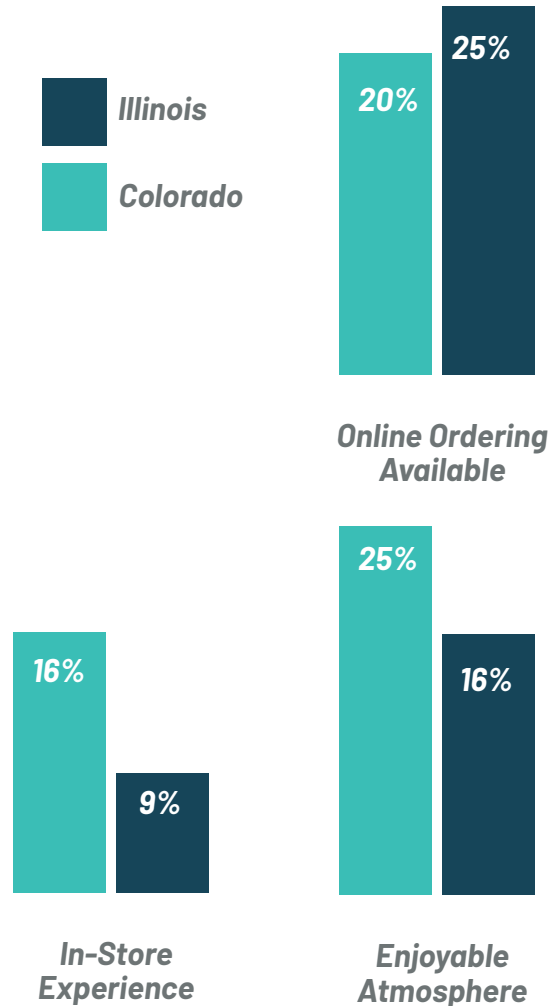
Beyond the Basics – Colorado vs. Illinois

Two states that illuminate the evolution of dispensary favoritism are Illinois and Colorado. Colorado is a mature market without licensing caps that has existed since 2014, while Illinois is a limited-license market largely consisting of multi-state operators that has struggled to add any operators in the nearly 3 years since adult-use sales began. Two very different scenarios that yield different attributes considered when determining dispensary favoritism.

Colorado consumers are the most likely of the 11 states surveyed to say, “enjoyable atmosphere” and “in-store experience” determine their favorite dispensary, with 25% and 16% saying so respectively. In Illinois, these attributes are important to significantly less consumers – IL consumers are 56% less likely to say “enjoyable atmosphere” is a determining factor of favoritism. For Illinois consumers, “online ordering available” is more likely to be a reason for favoritism than in-store experience and atmosphere – 25% of Illinoisans list this as a reason, while 20% of Coloradans report so.

With so few dispensaries in Illinois, there atmosphere of a store is largely determined by keeping the flow of customers moving, making consumers want to simply go in and out. Additionally in Illinois, shoppers cannot see actual products available until a budtender goes into the backroom to bring them out. In Colorado, dispensaries are much more browsable, with products on display and some dispensaries even having grow rooms within view! Additional competition from new dispensary licenses in Illinois may prompt improved in-store experiences, but the legal limitations on displaying products – especially flower – will likely keep online ordering a larger factor of favoritism than atmosphere in the state. Dispensaries operating in states with limiting laws on how products can be displayed should get creative to craft environments that are still enjoyable for browsing.

Illinois vs. Colorado
*Percent of consumers listing
attribute as reason for favoritism*



Florida & Colorado – Location, Location!

Florida and Colorado see more consumers reporting a dispensary is their favorite because of the location. 52% of Floridians and 41% of Coloradans say that location is what makes a dispensary their favorite (compared to 36% of all cannabis users in the survey). Colorado is one of the most mature markets in the U.S. resulting in reasonable prices and a good variety of products in each store. With so many well-stocked, affordable dispensaries to choose from, the location to one's home or work may be the only discerning factor to why a dispensary is one's favorite.

In Florida, location is important likely for a different reason. Florida consumers care about cannabis delivery more than consumers in any other state in this study – 23% say “delivery available” is a factor in determining dispensary favoritism. The location of a dispensary will dictate the delivery area. Additionally, dispensaries in Florida continue to pop up every month, growing to 460 medical dispensaries since the first store opened in summer 2016. Consumers who had to experience long drives to access dispensaries before one opened in their area won't take location for granted.



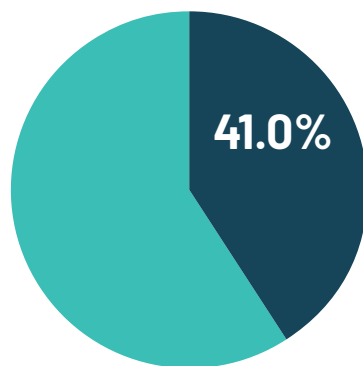
Heavy Cannabis Users

For users who report enjoying cannabis “multiple times per day,” the cost of cannabis can take up a significant share of their budget. Dispensaries need a steady pool of heavy users rather than an ever-changing array of infrequent users to keep products moving off shelves. So, what makes a favorite dispensary for heavy cannabis users?

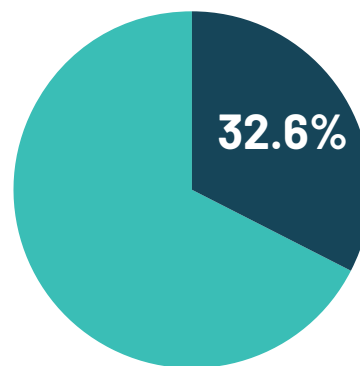
Across all 11 markets in the US Retail Brand Health study, location, lowest prices, and variety of products are the factors most likely to drive dispensary favoritism among heavy consumers – the same factors as all consumers in the study. However, prices emerge as more important than variety of products for heavy users. Frequent users of cannabis tend to know how they like to consume more than infrequent users, making affordability of their preferred product types more important than a wide variety available (though variety is still important to many of them!)

Heavy Consumers: Why is this Your Favorite Dispensary?

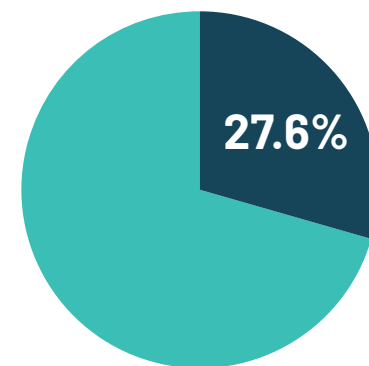
Percent of “multiple times per day” users listing attribute as reason for favoritism



The Location



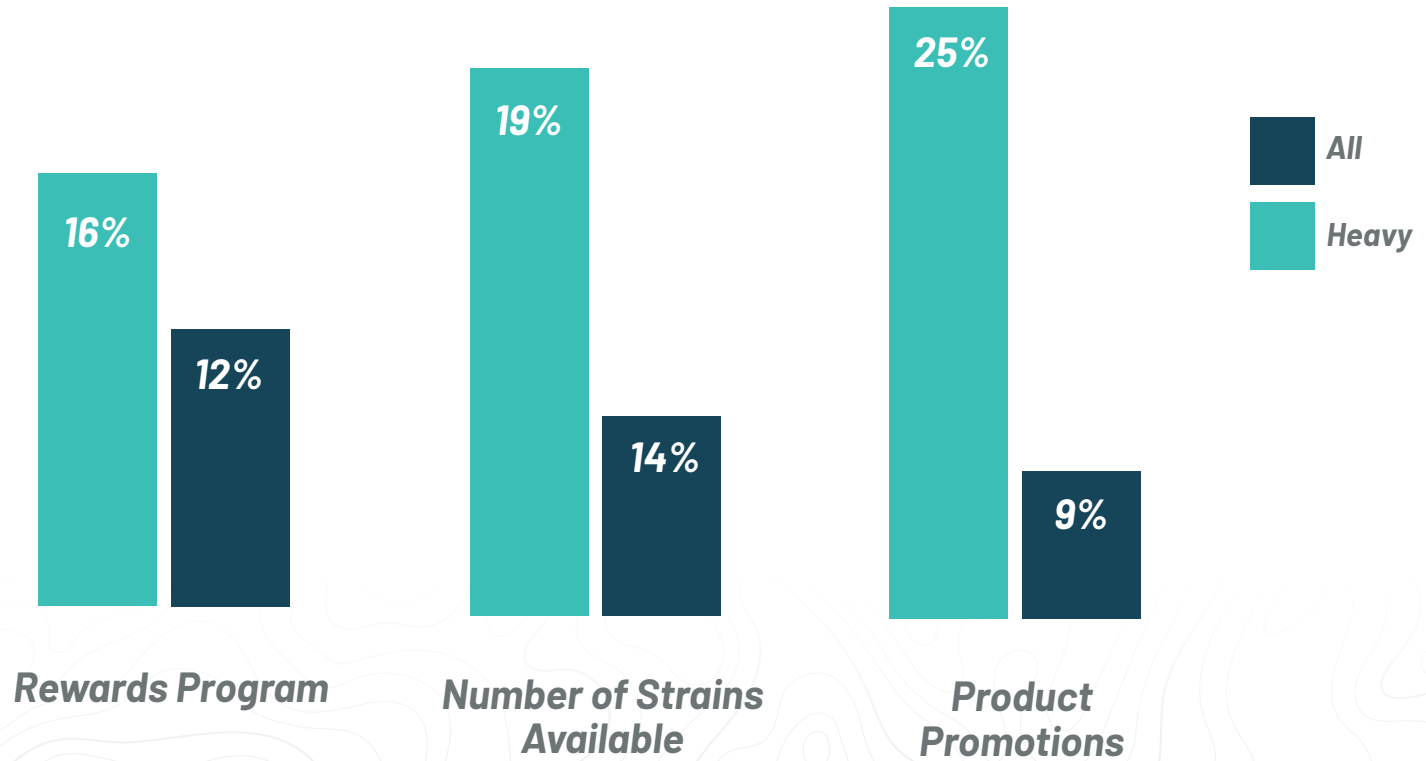
Lowest Prices



Variety of Product Types

Favorite Dispensary: Heavy Users vs. All

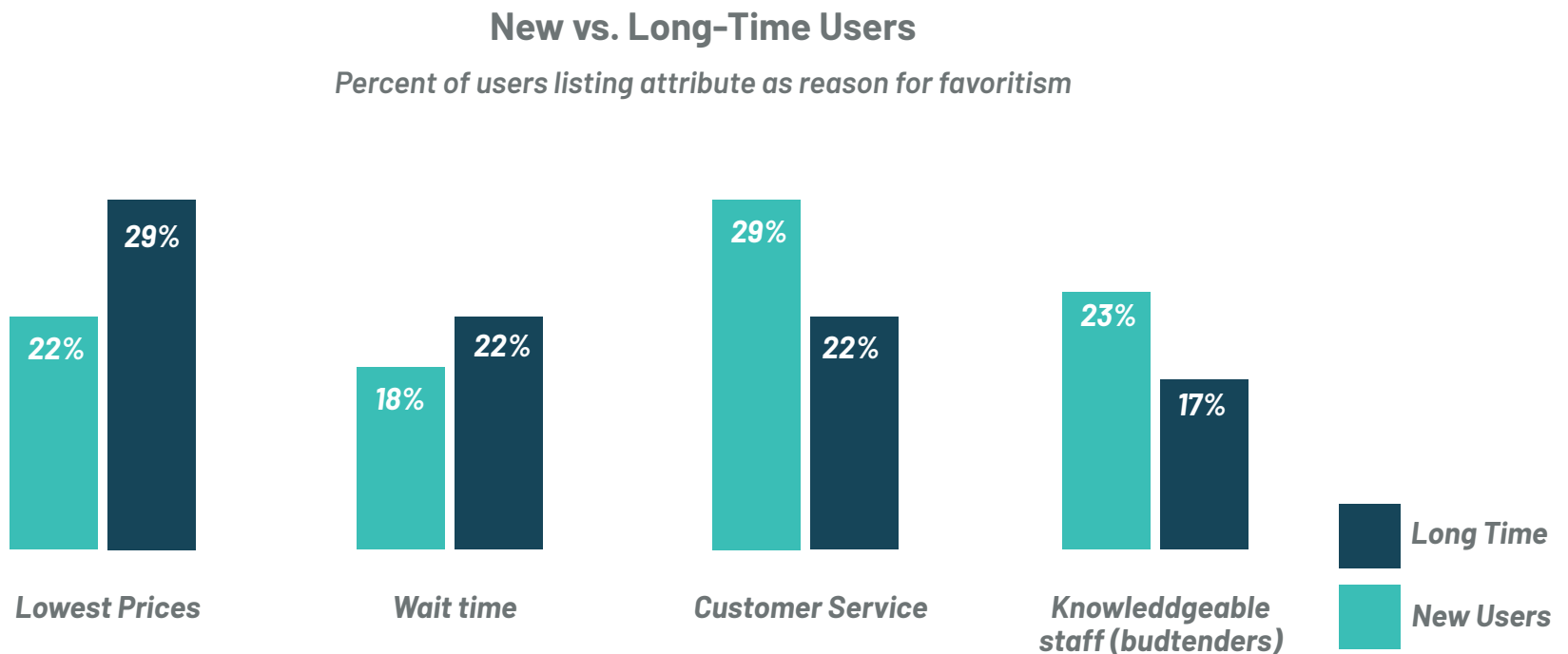
Percent of consumers listing attribute as reason for favoritism



New vs. Long-Time Users

The cannabis dispensary can be an overwhelming and intimidating place for those new to cannabis. The data shows that newer users appreciate the customer service and budtender help they get from their favorite retail location. Investing in customer service and knowledgeable, friendly budtenders will make a difference with attracting and keeping these users. Retailers have an opportunity to usher this group into the cannabis world and make customers for life, building their loyalty as they build knowledge and explore more into the category.

However, long-time cannabis users just want you out of their way while being ready to answer a question when they need it. Training budtenders to be both heavily involved with new users and ready to take a backseat when more knowledgeable consumers come in the door can be tricky. Retailers can teach budtenders to spot signals from both types of clients in order to help keep them both pleased.



Conclusion

The ultimate goal for a dispensary is to become a consumers' favorite place to shop for cannabis. Tapping into favoritism data to inform in-store design, product pricing, and product assortment will yield dispensaries that consumers can't help but fall in love with.

Brightfield Group's new US Retail Brand Health study explores not only why a dispensary is one's favorite, but which dispensary is their favorite.

In emerging markets like Cannabis, effective performance monitoring requires an understanding from the consumer lens, beyond POS sales data alone. Tracking the health and ranking of your brand – at both the retail and product levels – helps uncover not just what is happening but why.



Schedule a Demo

Give us just a few minutes, and we'll show you how to map growth opportunities in today's crowded cannabis market with Brightfield's Brand Health Tracker.

- Learn how brand health data can help you:
- Better understand your consumer
- Perfect your brand positioning and messaging
- Benchmark your consumer awareness and loyalty versus your competitors
- Optimize your marketing spend

[Schedule a Demo](#)