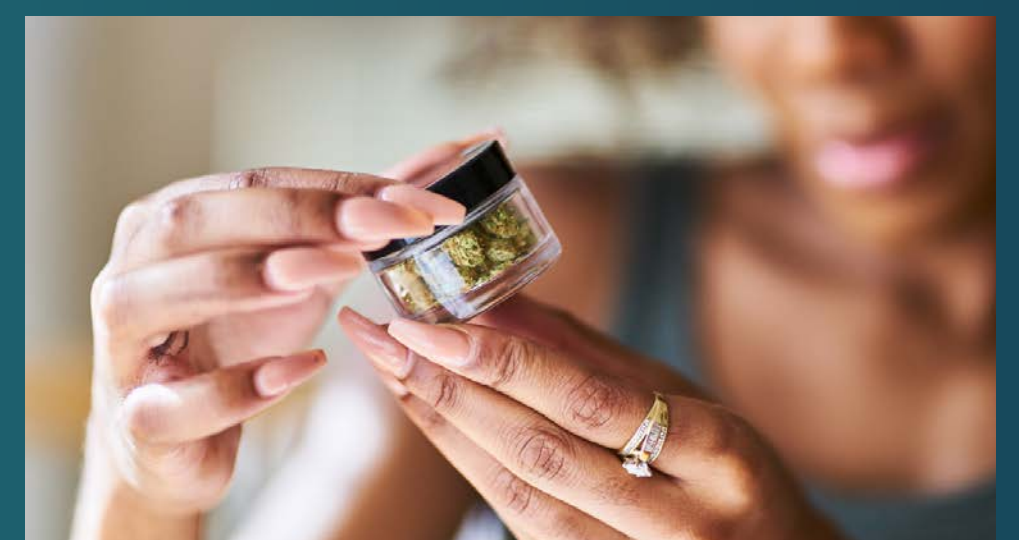




6 TRENDS SHAPING THE DISPENSARY LANDSCAPE

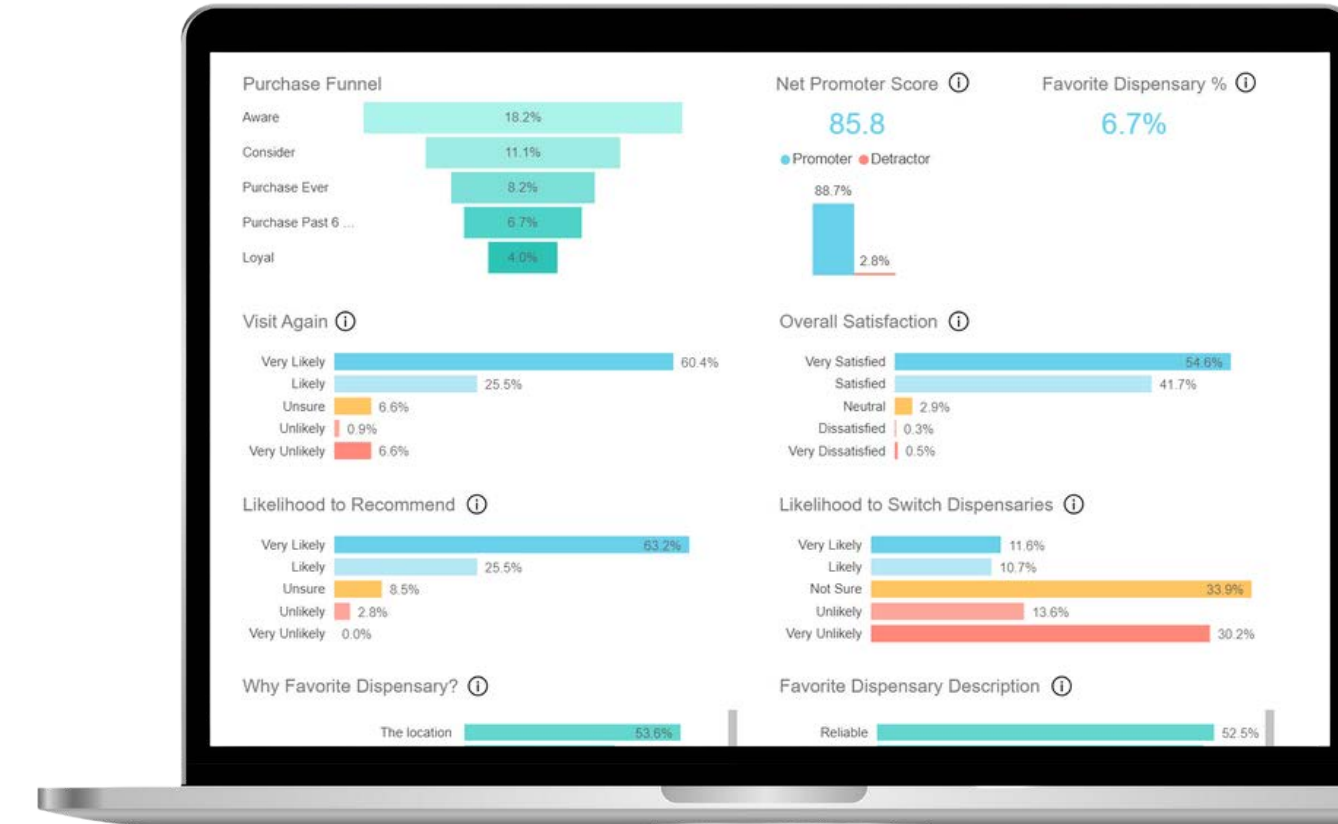
2023 U.S. Cannabis Retail Brand Health Findings



About Brightfield Group

Brightfield Group is the leading social listening-enabled research firm serving the global cannabis, CBD, and emerging wellness industries. Traditional research expertise + AI-integrated social listening deeper level of consumer insights.

Brightfield Group's brand health tracking and consumer insights empower leaders to make data-backed decisions that move the needle on their business.



Problem

Solution BRIGHTFIELD GROUP

Outcome

I need more customers

State specific funnel metrics reported by real customers and competitor's shoppers

Double your customer base!

I don't know who to market to for the most growth

Consumer insights by awareness, purchasing, and loyalty for optimized promotions

Promotional campaigns that are 10x more efficient!

Get in Touch!





This is our **FREE** report

This report includes just a fraction of the data and insights in Brightfield Group's **U.S. Retail Brand Health Study**.

We conduct this study to help our clients:

- **Benchmark** current brand performance against competitors
- Quantify **brand awareness, reported purchasing, and loyalty**
- **Allocate resources** more effectively
- Ultimately **improve dispensary performance**

See how your dispensary (and your competition) is performing among consumers within your state

Get in Touch!



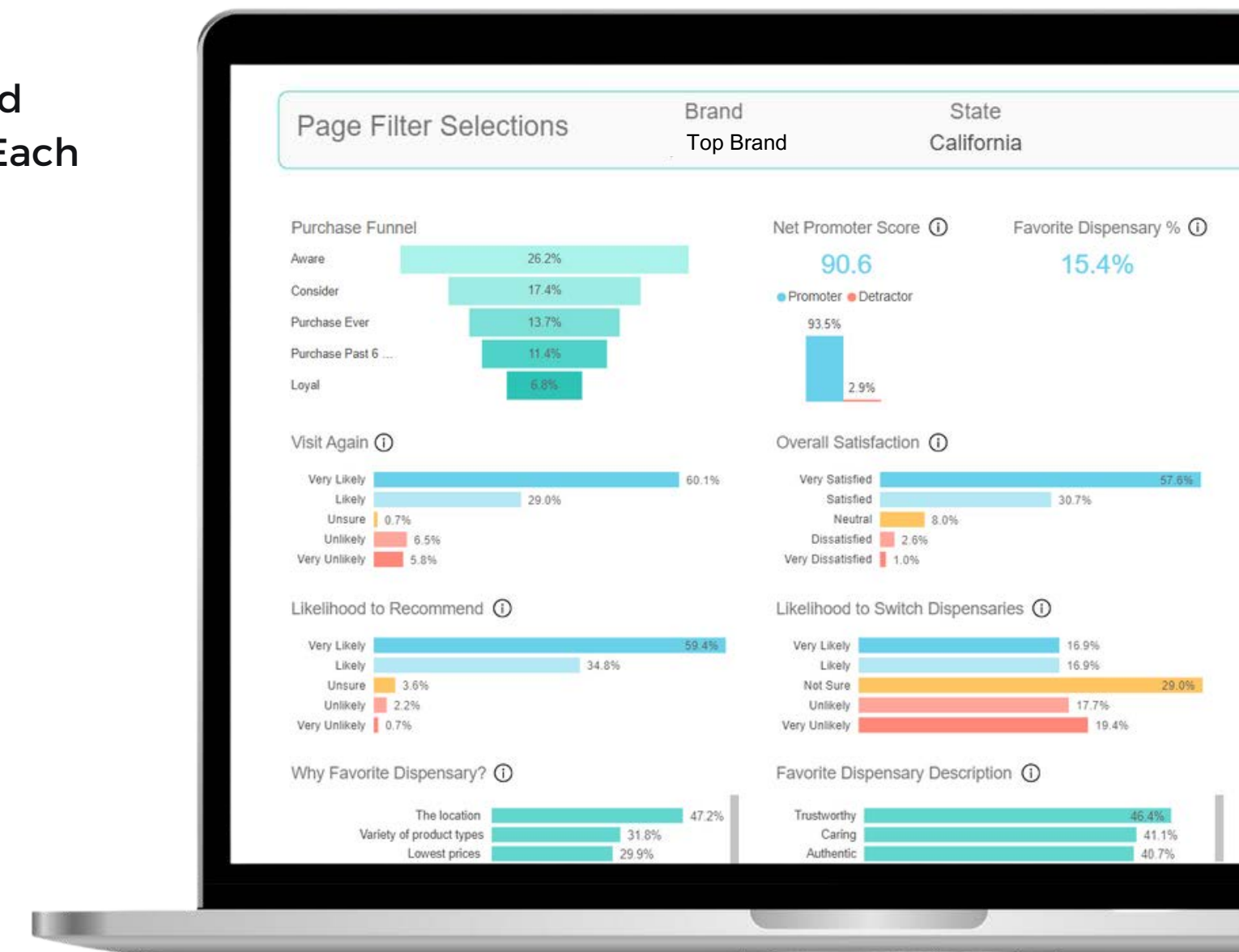
The Retail Landscape

The dispensary landscape is one of the most dynamic retail channels to operate. From legislative changes to local ordinances, plus all the normal hurdles that come with being in cannabis - dispensaries must stay agile and adapt to survive.

Brightfield Group's **Retail Brand Health** data has been helping dispensaries thrive, and with our new wave of data for 2023 comes new insights to guide business decisions. Each market presents its own challenges, but with Retail Brand Health, brands can see the market dynamics that specifically impact itself and its competitors.

In this report, we'll take a high-level view of the trends and insights shaping the dispensaries in 2023:

- Consumers Preference for Location and Pricing
- The Influence of MSOs
- Legacy Market Challenges
- New Consumers Continuing to Enter Mature Markets
- Consumer Usage of Specific Product Categories
- Product Variety and Innovation





TREND #1

Consumer Preference for Location & Price

Trend: In every state, the location of dispensaries is consistently the top factor influencing consumer favoritism. Additionally, even in states with competitive pricing like Colorado, consumers still prioritize finding the best deals. Compared to 2022, “lowest prices” surpassed “variety of product types” as the #2 favoritism driver across markets.

Dispensary Takeaway

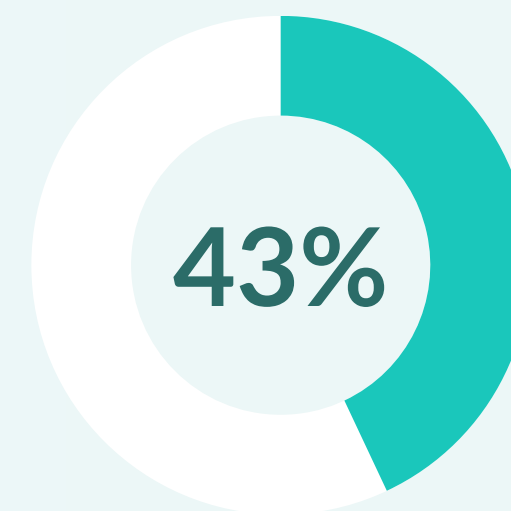
If these attributes are what most shoppers care about, dispensaries must make clear how they deliver on them. For location, if a potential shopper only a few blocks from you looks up “weed near me,” your shop better come up! Location means SEO for nearby searches should be of supreme concern to dispensaries, especially as sites like Weedmaps, Leafly, and iHeartJane consistently lose accuracy and traction.

Dispensaries love to rely on deep discounting to draw in new customers based on price. But with margins unbearably thin in many markets, this is not a long-term strategy. Discounting that promotes repeat shopping increases the chance of fostering a real relationship rather than being a one-time stop for a good first-time deal.

Why is this Dispensary Your Favorite?



The Location



Lowest Prices

TREND #2

The Influence of MSOs Grows

Trend: Multi-state operators (or MSOs) like Curaleaf, Cresco, Verano, and Trulieve have started to become household names in the cannabis industry. Their presence in multiple states allows them to leverage economies of scale, brand recognition, and operational efficiencies.

Dispensary Takeaway

As MSOs continue to expand and compete with each other, differentiation will become paramount. While some MSOs enjoy little competition today, relying on being a “big company” is not a loyalty strategy! It doesn’t bring shoppers into the door, and it doesn’t bring them back. While also strategic to exit markets one cannot compete in, a robust customer acquisition and retention strategy informed by data into what relevant consumers care about would give MSOs the edge they need to succeed.

Top 3 Retailers by Awareness

ILLINOIS



FLORIDA



PENNSYLVANIA



TREND #3

Legacy Market Challenges



Of All US Cannabis Consumers
Purchase Cannabis from a
Friend/Dealer

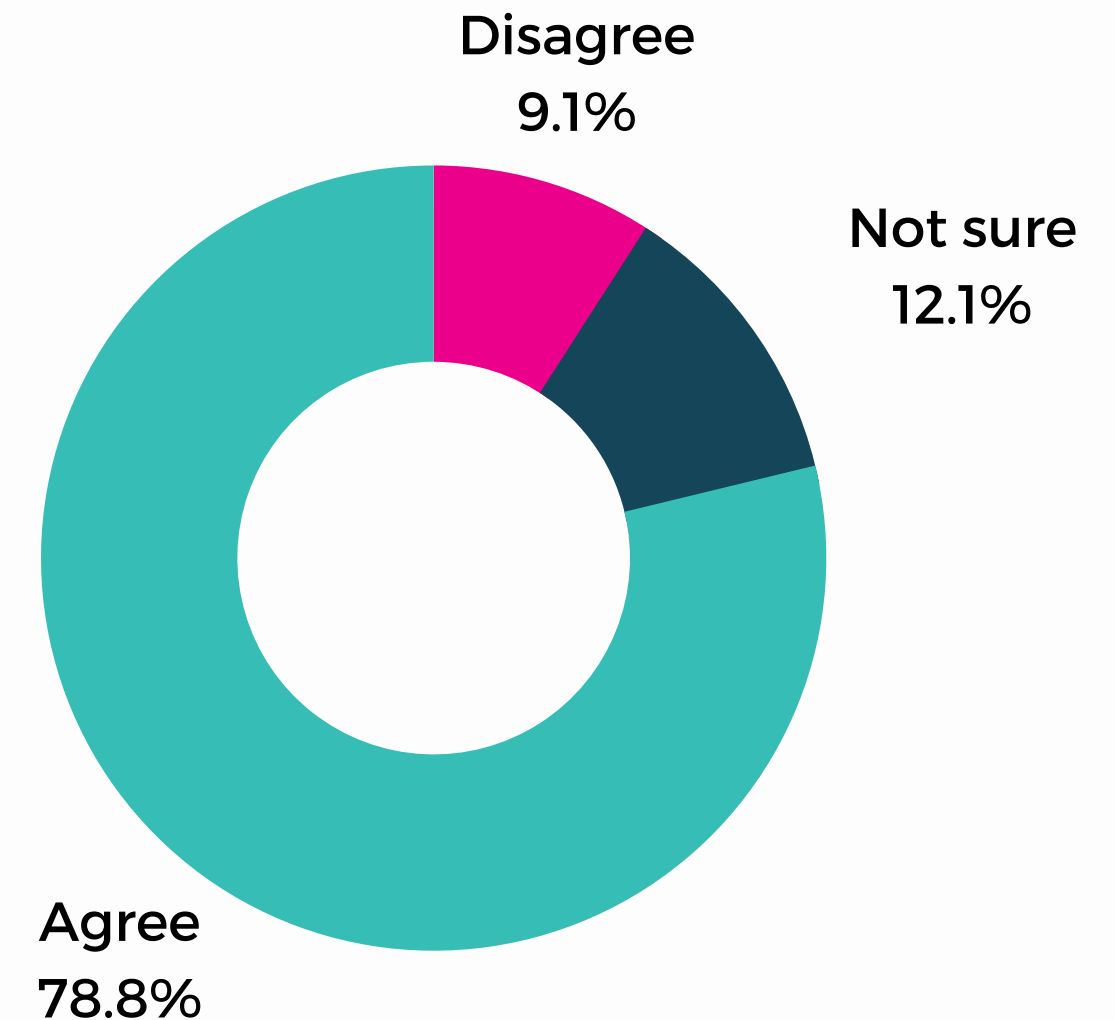
Trend: Competition from the legacy market is a constant in cannabis. This competition affects both pricing and consumer perceptions. The illicit set a precedent for how much cannabis costs and how they buy it. Dealers still are perceived as having great deals on “fire” cannabis. The legal market has to work hard to earn these consumer dollars.

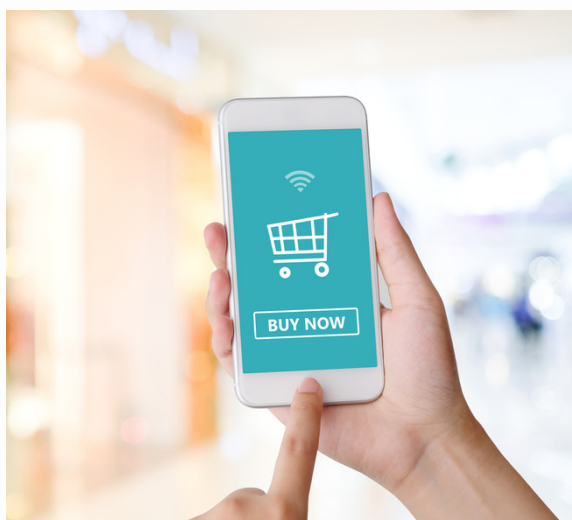
Dispensary Takeaway

Consumers have been buying cannabis from “the plug” for years - what are dispensaries doing to persuade them to change that habit? Dispensaries should not lose sight of differentiating themselves from legacy market products, emphasizing quality assurance, safety, and other benefits of regulated products to attract and retain consumers.

“I prefer to purchase cannabis from legal channels”

% of Dispensary Purchasers Across Markets





TREND #4

New Consumers in Existing Markets

Trend: Even in mature markets like Oregon, there's a consistent influx of new consumers, highlighting the ever-evolving nature of the cannabis market.

Dispensary Takeaway

As normalization spreads and consumers dabble in cannabis, give newbies a reason to feel comfortable shopping at your store. Especially with new recreational consumers, a lot of education is needed. Introductory products, bundles encouraging exploration, and campaigns to help further normalize cannabis are a few ways dispensaries can be friendly to newbies.



Even at over eight years old, Oregon is still drawing in new consumers. **9%** of respondents identified as new recreational consumers, which is 35% above the national average. This high level of growth is promising for the long-term prospects of the state's industry.



Four years into regulated adult-use sales, Michigan's cannabis market continues to attract new consumers. The state has established itself as one of the most accessible in the country. **7%** of respondents identified as new recreational users, only slightly above average, while the state has over a third more respondents who are returning adult-use consumers – **9%** of the total base.

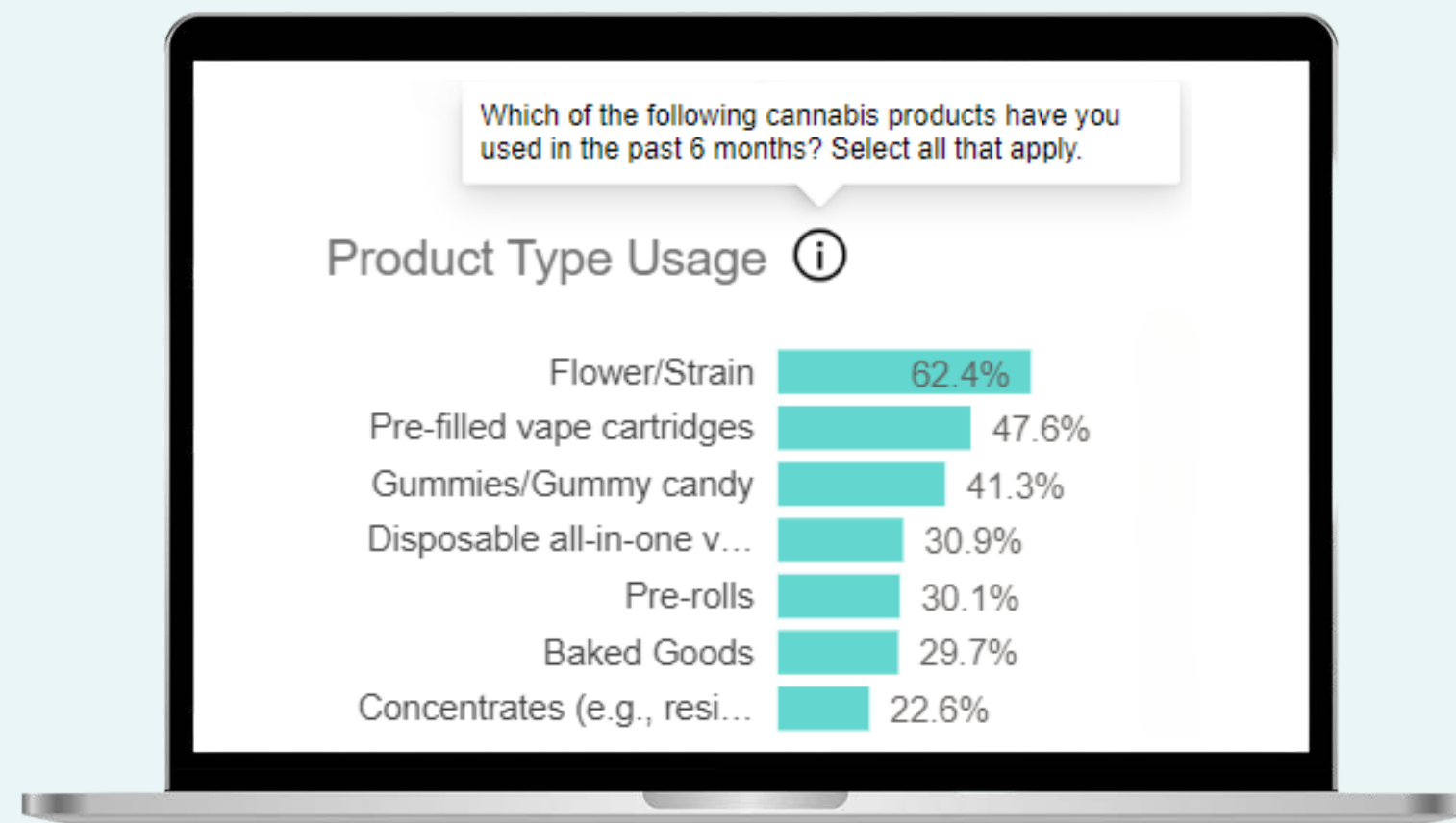


The state has had a slow rollout, with hundreds of dispensaries from the first and second rounds of licensing yet to come to fruition. As such, Illinois has more new/returning recreational users than the national average, making up **15%** of the population compared to the national average of 13%. Dispensaries trickling into new geographies help keep up the pool of new consumers.

TREND #5

Consumer Usage of Specific Product Categories

Trend: Different states exhibit varied product preferences. For instance, Arizonans show a higher inclination towards concentrates and vapes, while Californians lean more towards concentrates, vapes, gummies, and pre-rolls.



Dispensary Takeaway

Dispensaries know what products their own shoppers love, but what about the consumers they're missing? What products are buying at competing dispensaries or going to their informal dealers for?

Poking your head out from your own POS is the only way to do this. Knowing from the consumers in your state what specific products they're reaching for (and where!) allows for better inventory decisions and marketing campaigns that really grow a business.



TREND #6

Product Variety & Innovation

Trend: States with a longer history of cannabis, like Michigan and California, have led in cannabis innovation. Product innovators in emerging states look to these markets to see what is missing from theirs. Consumers in both mature and new states expect to be able to access a variety of products at the dispensary.

Dispensary Takeaway

Consumers in states with variety see it as the standard, while those in limited markets clamor for more. So, no matter where your dispensary is in America, is the variety on shelf a priority? Is it even a thought? With a third of consumers picking their favorite dispensary based on product variety, it is a clear way to differentiate and win favor.

Retailers Known for Variety

Dispensary	Over-Index of Variety Seekers*	State
	57%	CO
	112%	MI
	142%	MA
	92%	NV

*Variety Seekers - Dispensary shoppers that pick their favorite dispensary based on the variety of products

Recap: Dispensary Takeaways

#1 - THE BASICS

With location and prices swaying where consumers shop, ensure your dispensary is easily found and strategically discount to appeal to price-conscious consumers.

#2 - ALL SIZES NEED STRATEGY

No matter how big a dispensary's parent company is, give customers a reason visit again and again with culturally relevant customer acquisition and retention strategies.

#3 - REMEMBER COMPETITION

The legacy market is still a challenge - with nearly 1 in 10 dispensary shoppers still preferring illicit channels. Remember stay vigilant in differentiating from these players.

#4 - NEW USERS STILL RELEVANT

Mature markets are still seeing new users, so have strategies for how you're bring them into your store - even if your market is 4+ years in!

#5 - CATEGORY MATTERS

Especially for brands moving across borders, know the local preferences. Go beyond your own POS to see what consumers you're underserving & how you can attract them.

#6 - INCREASE VARIETY

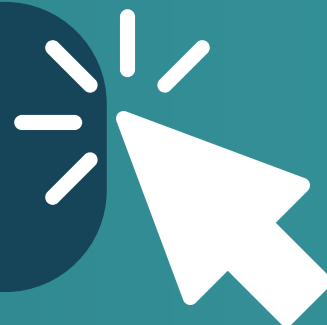
For mature and emerging markets, variety can be a key differentiator.



Stay ahead of the trends in U.S. cannabis!

Want to see the data in the portal for yourself?
Get a FREE trial of U.S. Retail Brand Health!

[Get the Trial!](#)

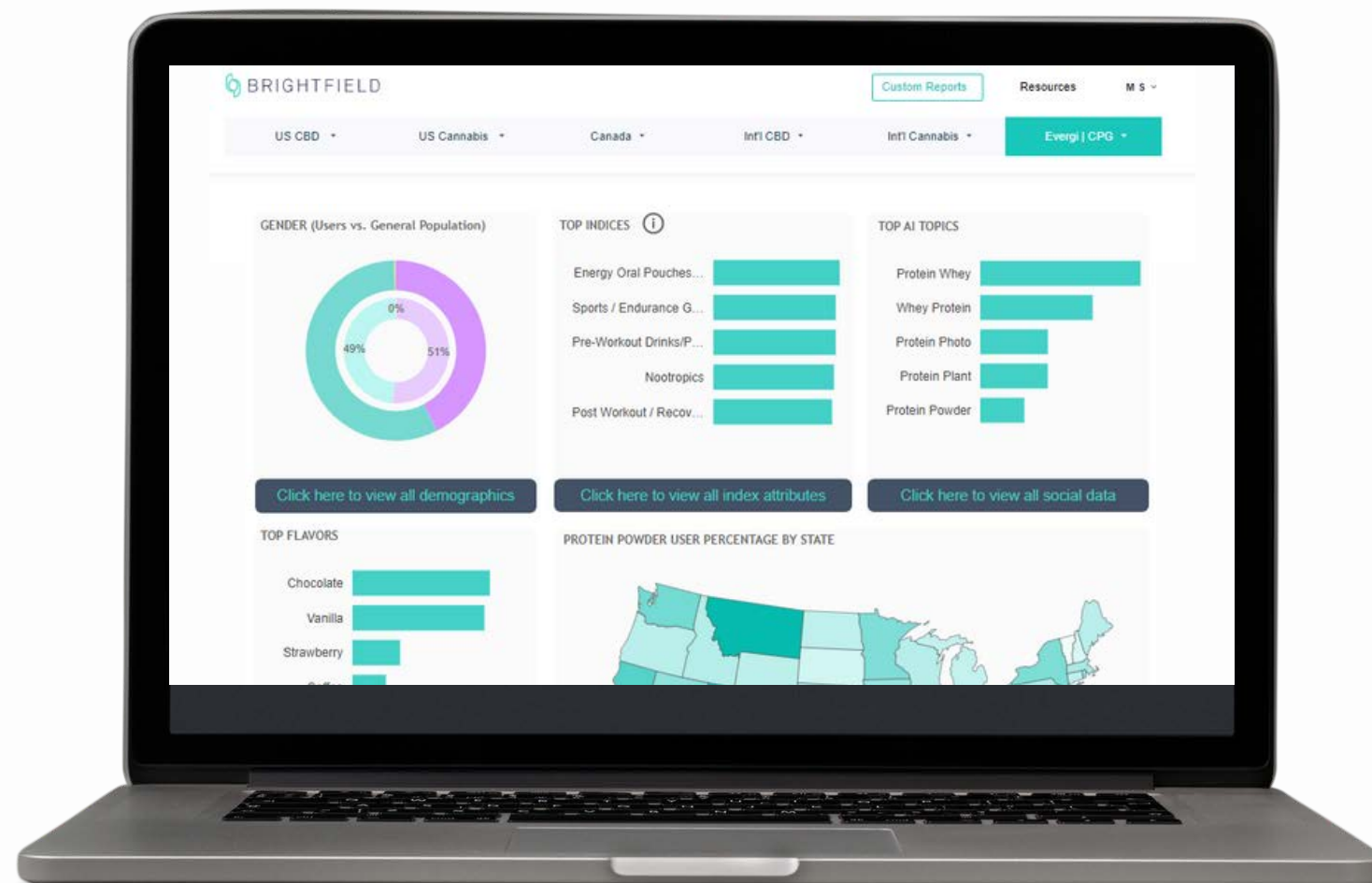




Consumer Insights that Connect

Get unmatched visibility into who your consumers are to drive sales, loyalty and brand awareness.

Brightfield is the best source for actionable consumer insights. We help companies develop successful products that meet customers' ever-evolving needs. Innovators use our data to stay on top of emerging categories using social listening and survey data in a user-friendly platform.



About Us

Brightfield Group's AI-driven consumer insights and social listening help marketing and innovation teams see the person behind the trend. Informed by predictive AI integrated with survey and social media data, our data has the answers innovators need to make decisions confidently.

[Learn more about our data at www.brightfieldgroup.com](https://www.brightfieldgroup.com)