

VERTICAL VIEWPOINT:

Conquering Challenges as a Challenger Brand

Cannabis



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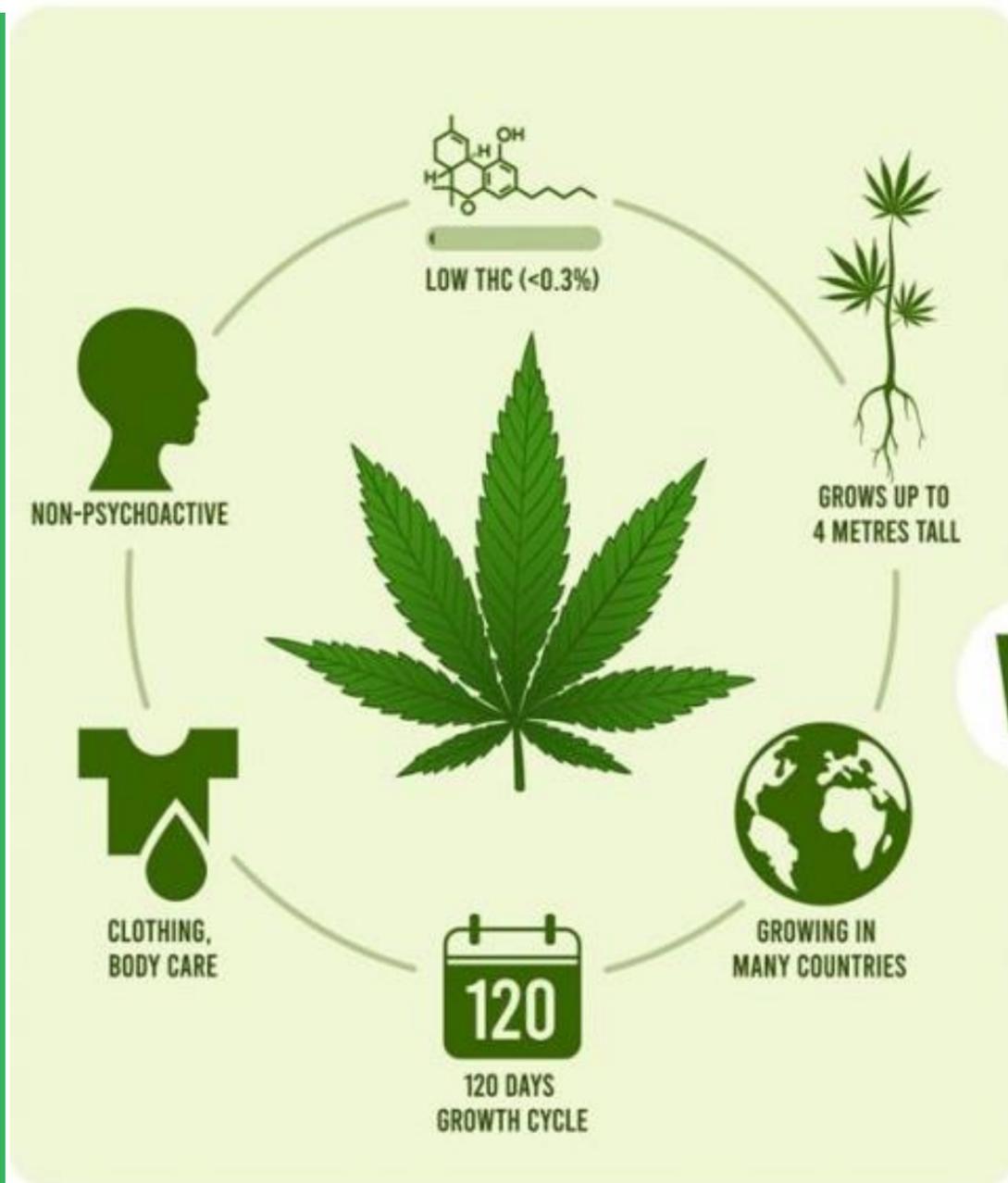
Today's Focus

- + What new and accelerated industry trends exist
- + How cannabis regulations impact media buying
- + Where challenger brands should invest in innovative advertising strategies

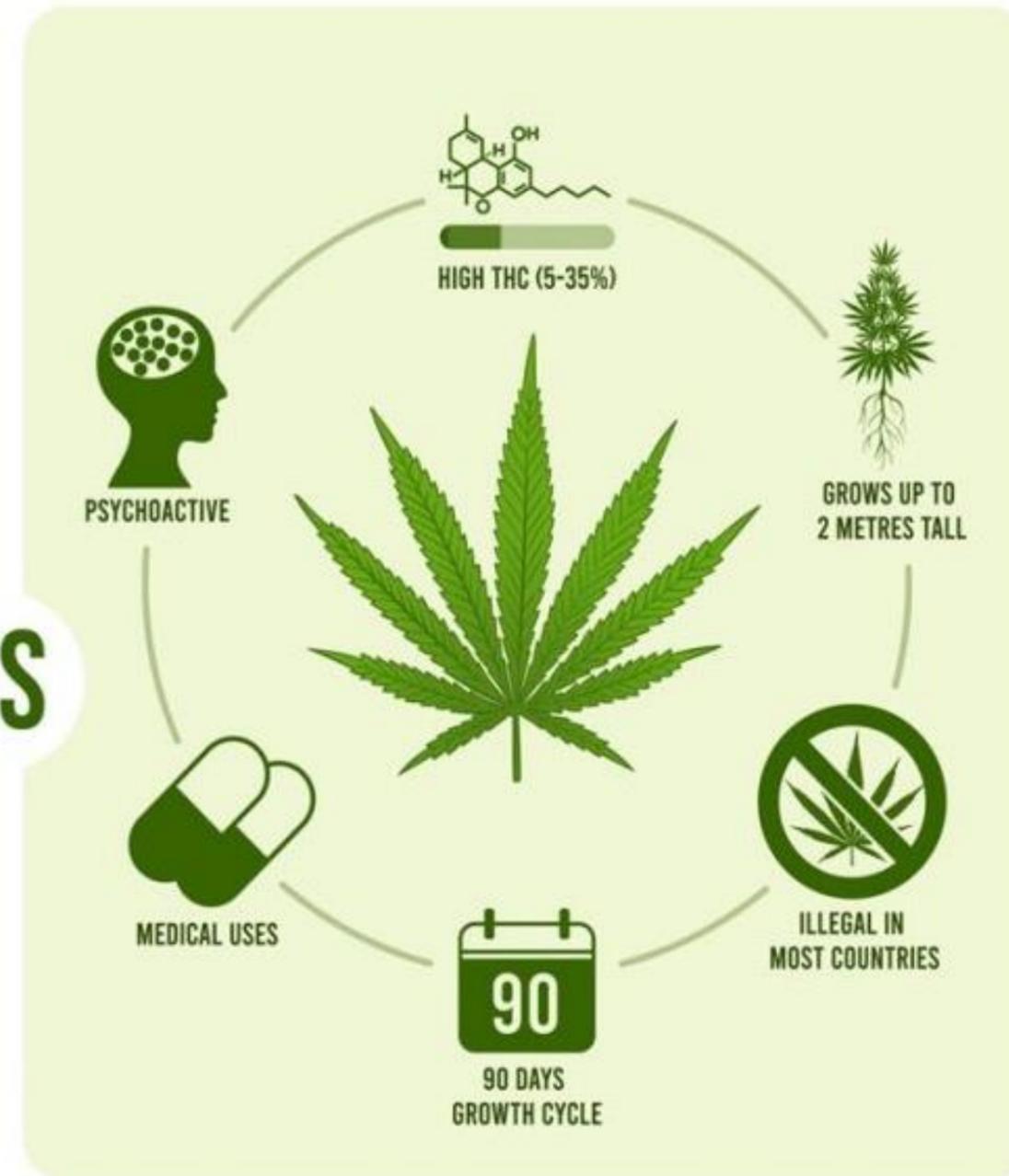
A close-up photograph of a cannabis plant, showing green serrated leaves and a developing flower bud covered in trichomes. The image is slightly blurred and has a soft, ethereal quality. The background is a light, hazy green. There are decorative diagonal line patterns in the top-left and bottom-right corners.

CANNABIS

State of the Market



VS



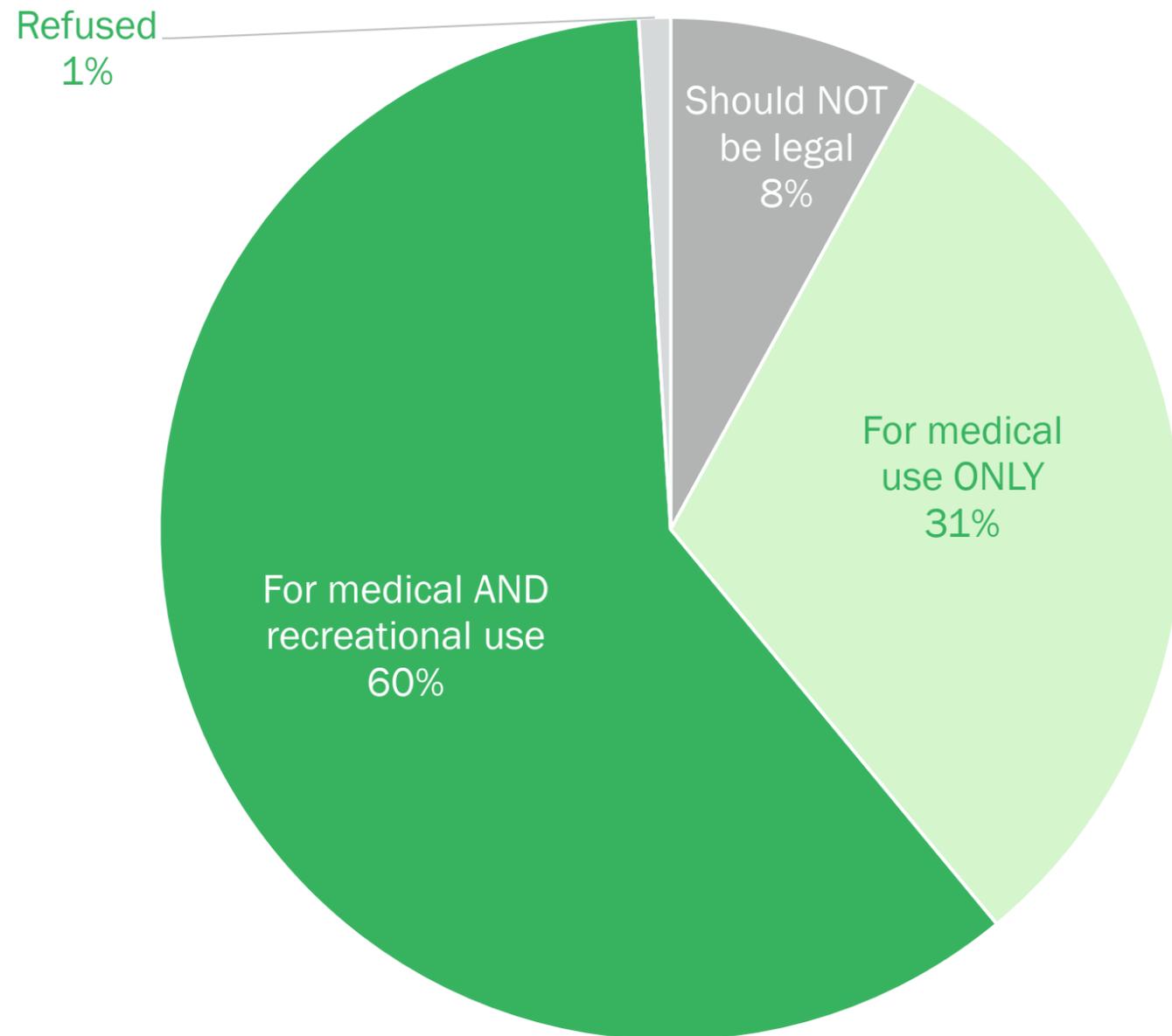
Hemp

- Age: No Requirement
- Federally Legal

Marijuana

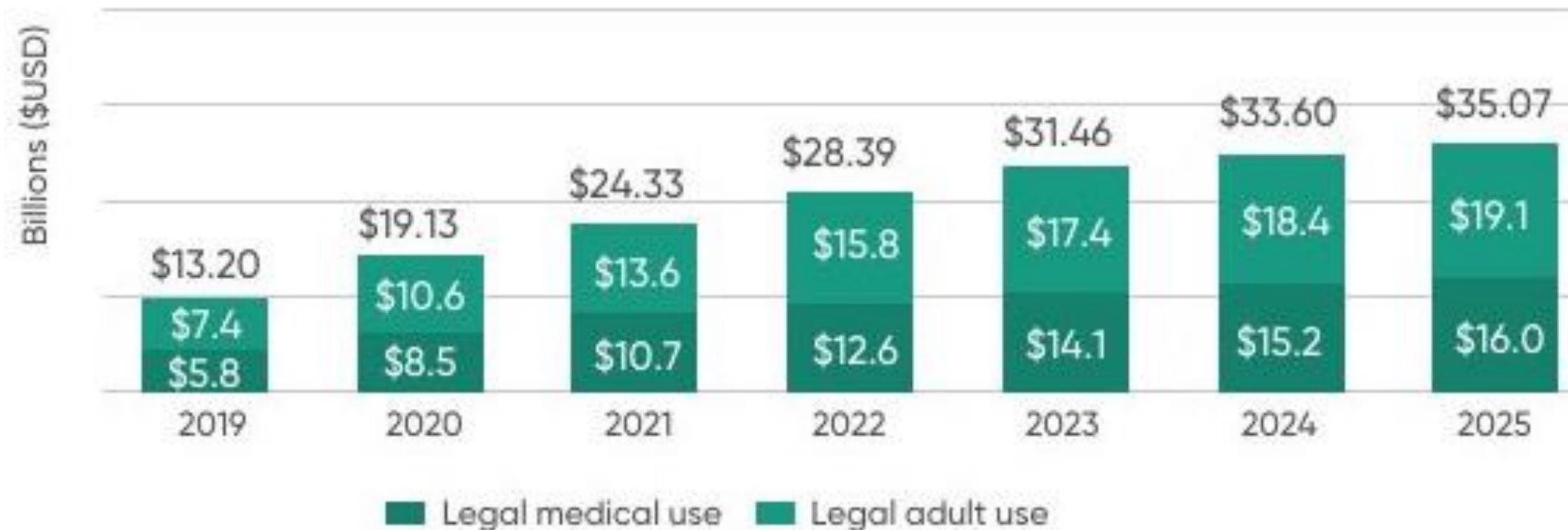
- Age: 21+
- Legalized States
- Medical + Recreational
- Products: THC oil, marijuana oil, cannabis oil (made from marijuana)

Today, 91% of adults support legal marijuana



Source: Pew

Cannabis Market: Projected to Reach \$35B in 2025, 2.5X the Market Size vs. 2019





42% of cannabis consumers started or increased their consumption during the pandemic

54% Reduce stress and anxiety

50% Relaxation

48% Help fall asleep

Source: eMarketer. Based on US Banking Mobile Edge Study respondents



Cannabis Consumers: Shifting From Alcohol

50%

Replaced or reduced their alcohol consumption with marijuana

45%

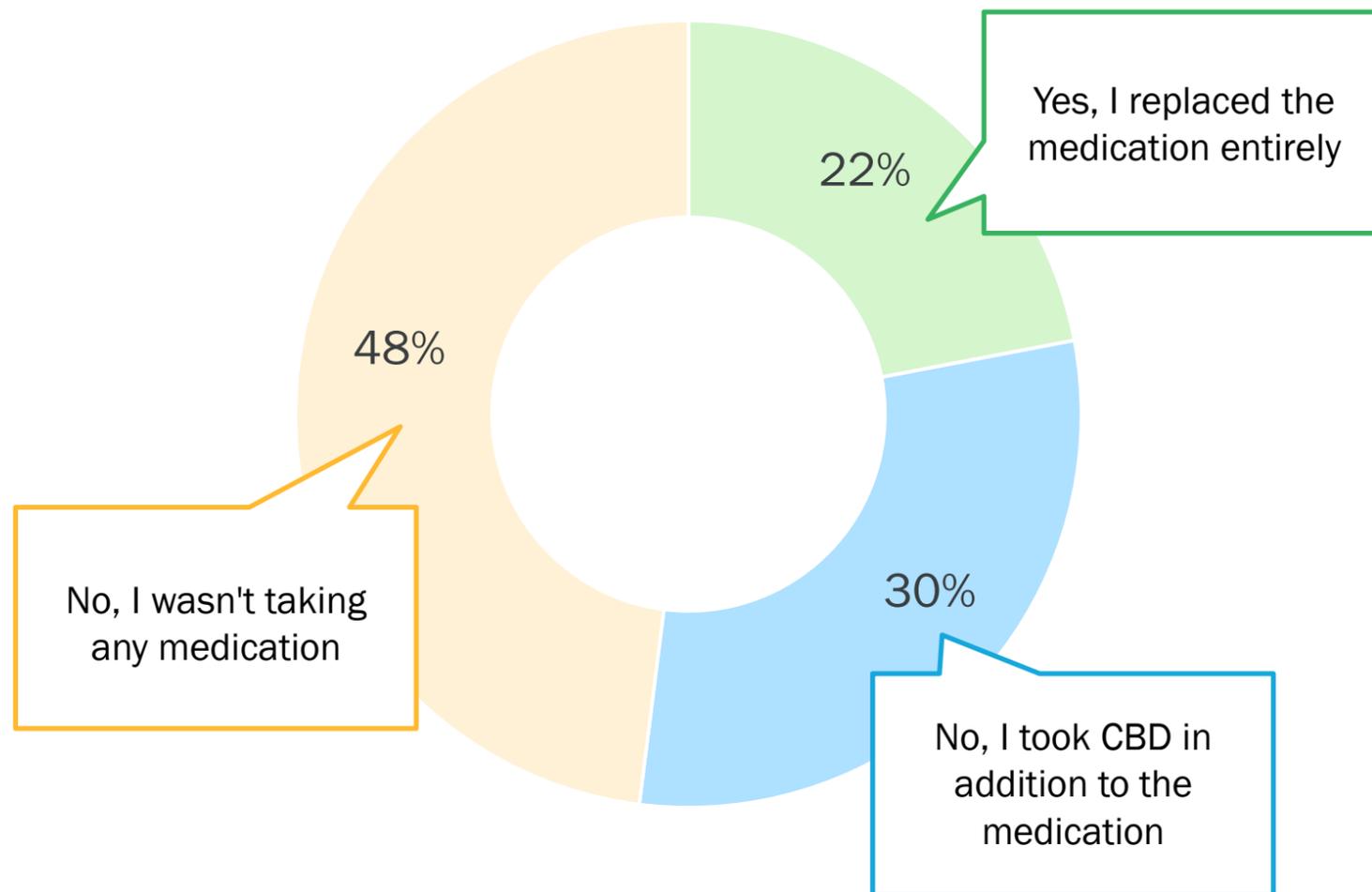
Replaced or reduced alcohol use with cannabis

33%

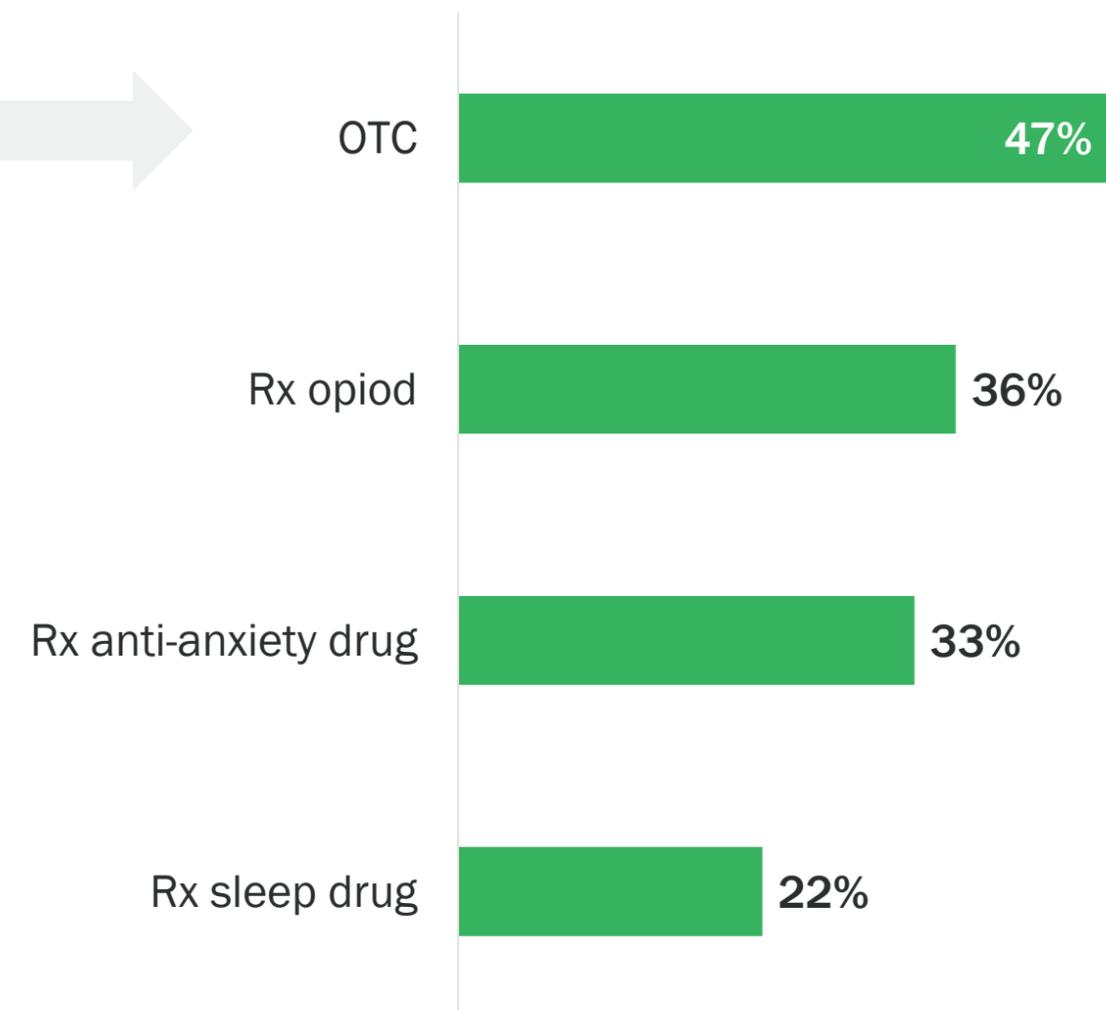
Of recreational marijuana consumers prefer cannabis over alcohol

22% of the US CBD-Using Population Replaced a Prescription or Over-the-Counter Drug

Did You Use CBD to Replace an Rx or OTC Drug?

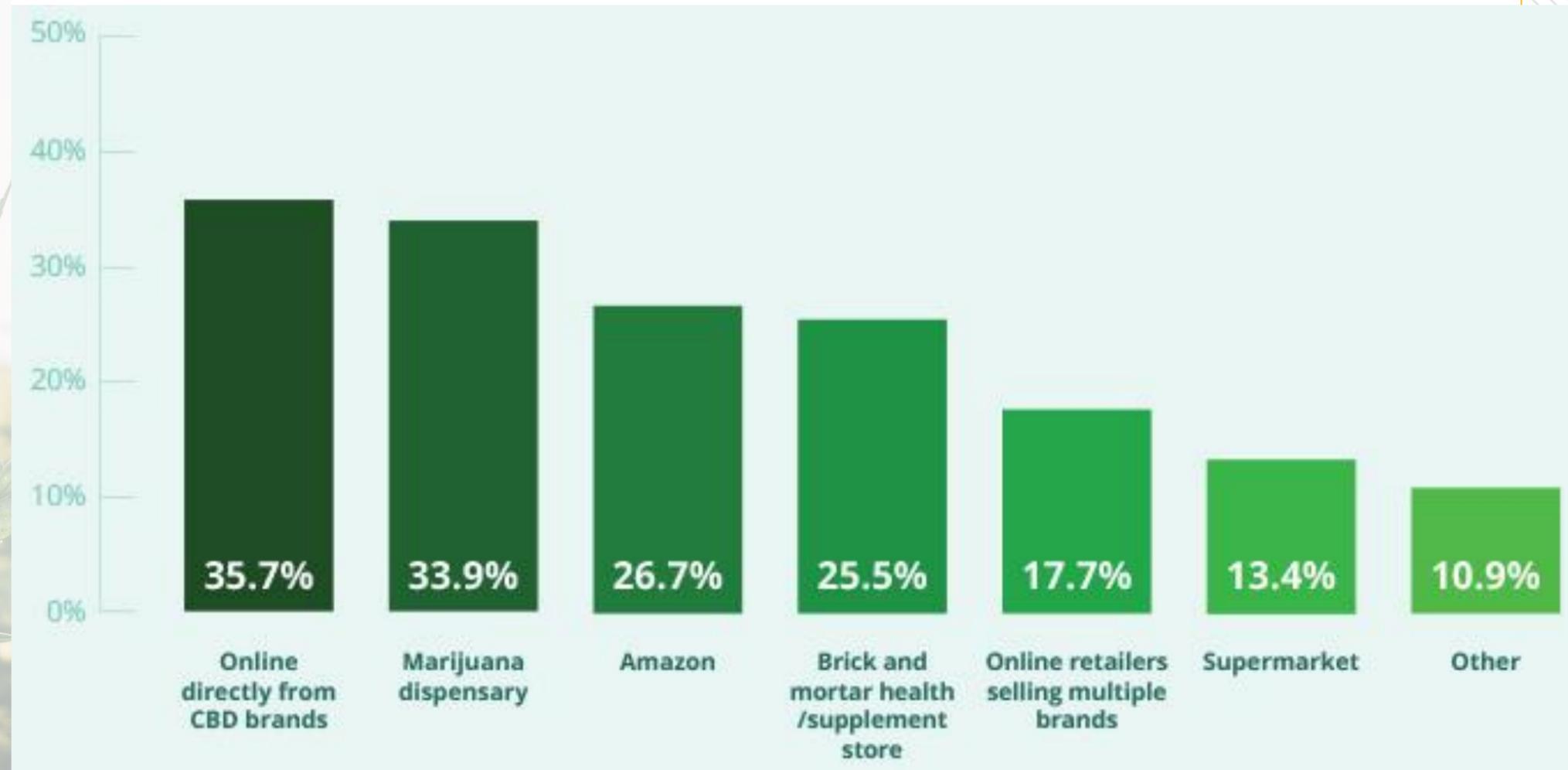


What Drug Did You Replace with CBD?



Where consumers are purchasing

36% of CBD buyers purchase online from specific brand websites



Source: CBD Insider Research Study

Consumer Behaviors and Preferences Shifting

1. Consumer perception of cannabis is evolving
2. Unprecedented market growth expected through 2025
3. State cannabis legalization constant
4. Cannabis usage surged during the pandemic
5. CBD consumers are mostly purchasing online directly from CBD brands



A hand holding a credit card over a payment terminal with a bowl of cannabis buds in the foreground.

CANNABIS

Go To Market Strategy

Tips for Driving Success

1

Know Your Limits

2

Educate the Consumer

3

Test & Learn

1 Know Your Limits

Channel Restrictions

- Paid Search
- Paid Social
- DSP
- Site Direct

Targeting

- Limit excessive targeting due to scale
- Geotarget at state level
- Open frequency cap
- Age Targeting: 21+
- Retargeting

Creative Compliance

Ensure product and creative assets meet legal requirements and the policies based on the channel you run.



Paid Social Platform Regulations

							
✓	✓	✓	✓	✓	✗	✗	✗
 Topical Hemp	 Topical Hemp	 Topical Hemp	 Topical Hemp	THC Free			

Paid Search Guidelines

Hemp is Accepted

STORES

OFFERS NEW FACE BODY MAKEUP HAIR FRAGRANCE GIFTS RANGE JOIN OUR COMMUNITY TIPS & ADVICE ABOUT US

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Home / Hands / Hand Moisturizers / Hemp Hand Protector



Hemp Hand Protector
FOR ULTRA-DRY HANDS • 24HR HARD-WORKING HYDRATION

4.8/5
★★★★★
1400 Reviews [Read more of this review](#)

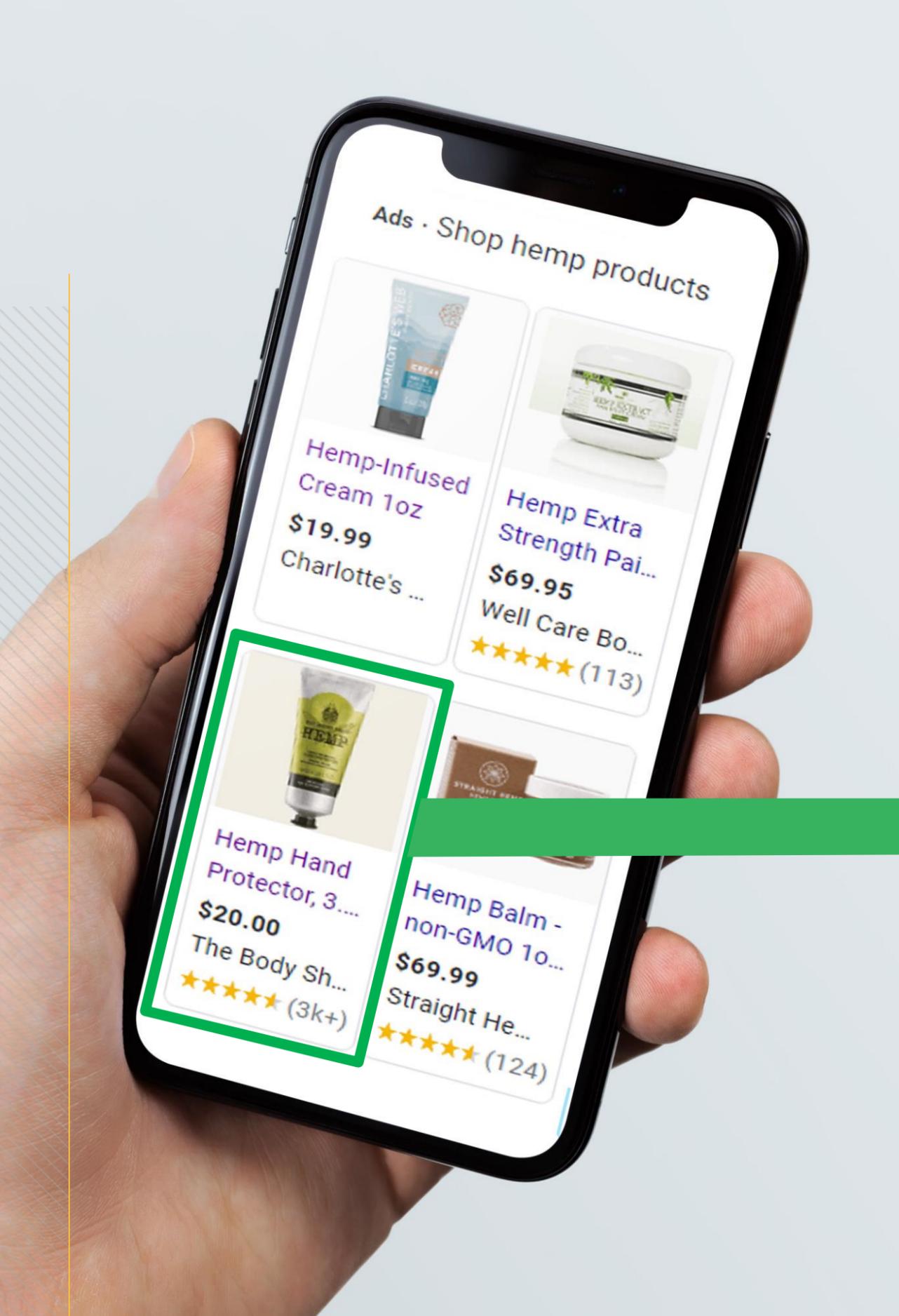
"Keeps your hands moisturized after lots of hand washing!!!"

What does it do for you ?

Our Hemp Hand Protector vigorously hydrates ultra-dry hands, making it the champion of hard-grafters everywhere. This rich, nice-smelling hand cream gives robust protection and relief for very dry skin, especially when it's exposed to the elements.

This is a product that really needs no introduction, but we love talking about it. It's our bestselling hand cream (seriously. Number one). No matter what level of hassle your hands get, it works hard to soften up even the toughest palms and pinkies, with a few not-so-secret ingredients helping along the way.

It hydrates for up to 24 hours, so it fits hard-working hands like a glove. It works on very dry and sensitive skin.



Demand-side Platform Regulations

Cannabis & Marijuana
Segments Allowed

Exclude Google
inventory: AdX

Geotarget

Age Targets

Creative

Mainstream Sites for Mainstream Buyers

HEARST

YourTango

Parade

marie claire

yoga journal

BuzzFeed

COSMOPOLITAN

Glam

REVELIST

Esquire

SHAPE

Rolling Stone

imgur

Women'sHealth

Newsweek

DIRECT EXPOSE

NICKI SWIFT

Sports Illustrated

CULTURE HOOK

175 million US uniques with 100's of media outlets



100's of premium partnerships that will allow compliant Cannabis & CBD advertising



Medium partnerships already in place competition lockout for 20+ months



Display, Mobile, Video Inventory 100% compliant

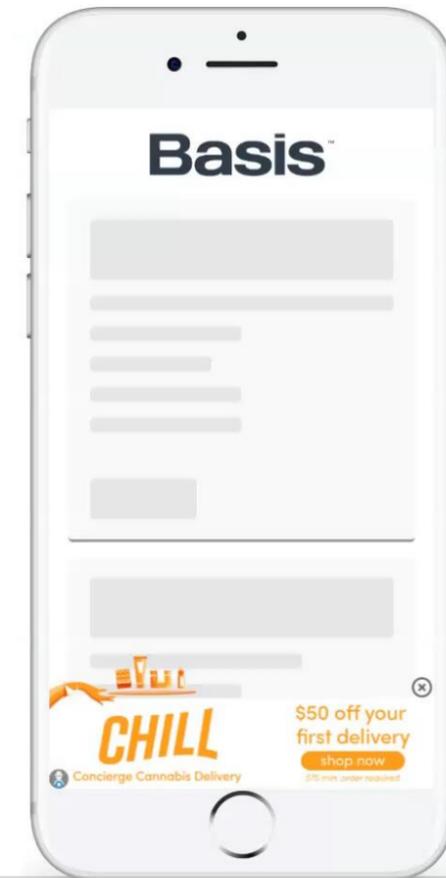


Site Tagged Partnerships/relationships

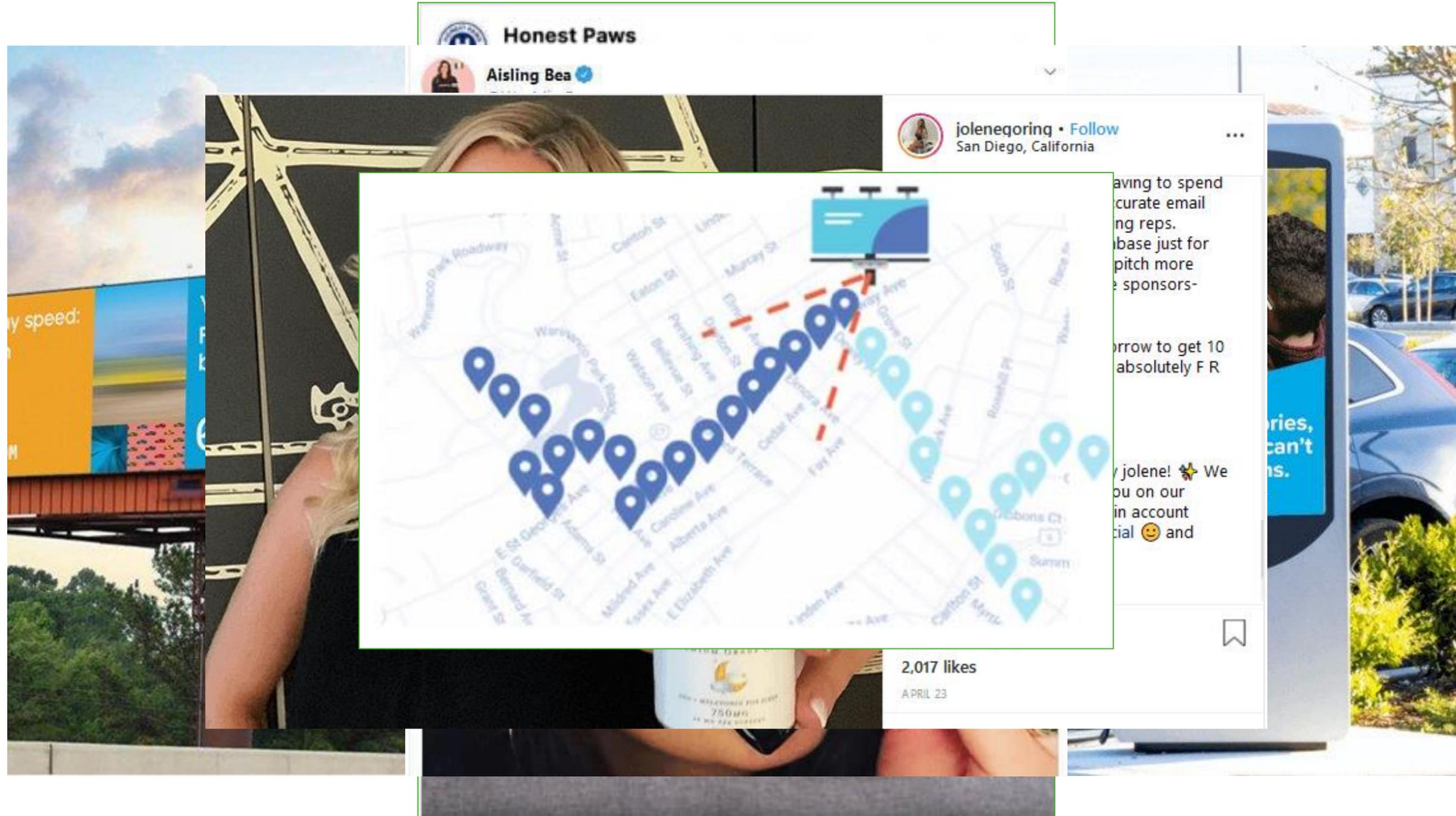


Unparalleled audience reach

2 Educate the Consumer Creatively...and legally!



Bolster Creativity



Give your consumers shopping options



3 Test & Learn

- 🌸 Establish benchmark goals and KPIs
- 🌸 Make sure you have tracking in place
- 🌸 Get creative with your ads!
- 🌸 Test different channels



CANNABIS CHALLENGERS

Proven Success



CHALLENGER SUCCESS

Driving New Accounts

GOALS

Lean into the flexibility of digital and test various creative messaging ad formats

CHALLENGES

As a new entrant to digital advertising, the client needed to test and learn ways to communicate (channels, formats, message, and more).

APPROACH

Programmatic | Site Direct | Mobile | Tablet | Data | Creative



RESULTS

2,200

Sales attributed to advertising

\$64

Cost-per-Store Locator
(Goal: \$75)

80%

Video completion rate
(Goal: 70%)

\$170

Cost-per-Acquisition
(Goal: \$175)



TAKEAWAYS

Cannabis Challengers



Stay On Top Of Regulations
and adapt to consumer behavior



Educate
through website and creative



Test & Learn
scalable partnerships

The background features a light gray grid pattern that is more prominent on the right side. On the left side, there is a rectangular area with diagonal hatching, and a thin orange horizontal line is positioned below it.

Questions?

THANK YOU