



# ESSENTIAL CANNABIS INSIGHTS

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BDSA CANNABIS ESSENTIALS:

## DEMYSTIFYING THE “RE-UP”: TOP CONSUMER INSIGHTS ON REPLENISHMENT

As the cannabis industry has grown and become more sophisticated, so has the cannabis consumer base. BDSA Consumer Insights data show that 50% of those in adult-use states report past six-month cannabis consumption, while 42% of those in medical-legal states report consuming cannabis in the past six months. Tools like BDSA's Retail Sales Tracking and Basket Analytics can tell us a lot about leading products, top brands, and in-store shopping trends, but what about consumer replenishment behavior?

BDSA Consumer Insights data show that consumers who purchase more frequently and spend more per visit are more likely to purchase or replenish their cannabis supply in an organized manner, checking dispensary menus, and purchasing on a set cadence.

### Before the Buy... Planning for the Cannabis Purchase

Looking at the actions that dispensary shoppers take before they buy, those who purchase cannabis on a more frequent basis are more likely to prepare for purchasing by doing additional research online. 42% of dispensary shoppers who buy on a weekly basis or more report going online to see the menu at a specific dispensary, compared to 35% of the cohort who shop on a less than monthly basis.

Those that purchases cannabis most frequently were also more likely to look for deals and promotions (30% of weekly shoppers compared to 17% of less than monthly shoppers), and use menu aggregator sites (28% of weekly shoppers compared to 12% of less than monthly shoppers).

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Consumer data also show that planning for purchases differs based on how much consumers spend on each shopping occasion. Shoppers in the top 25% percentile of per-visit-spending do more online research before replenishing: 42% report checking dispensary menus and 28% report searching online menu aggregators. That contrasts with the lowest per-trip-spenders, of whom 34% check dispensary menus and 18% search online menu aggregators.

## Drivers of Cannabis Replenishment

Consumer Insights data show that convenience is a top driver of shopping location choice, with 36% stating that a retailer being close to their home or work is a top driver of shopping location choice. But when we look at replenishment behavior, convenience is rarely a top factor driving consumers to re-up. Only 5% of consumers report replenishing based on convenience. Consumers are also unlikely to purchase their cannabis on a regular cadence, with only 12% claiming to replenish based on a set pattern. The largest segment of consumers is driven to replenish when they are running low or when they are out of cannabis overall (54%), while the second largest segment is triggered to replenish based on their supply of specific type of product (31%).

## Profiling the Cannabis Planner vs the Impulse Shopper

Cannabis shoppers are split between planning purchases, buying on impulse, and a mix of the two. Those who buy cannabis less frequently are more likely to plan their purchases, while more frequent cannabis buyers are significantly less likely to have a rigid plan for what to purchase.

### The Planner

Dispensary shoppers who plan their purchases and do not deviate from their list make up ~30% of shoppers across legal markets, making “Planners” a slightly smaller chunk of the consumer pool than flexible planners and impulse shoppers. 29% of men and 32% of women fall into this segment of shopper. Older consumers were most likely to describe themselves as Planners, with 44% of Boomers and 43% of Silent generation shoppers describing their purchasing behavior this way. When looking at spending behavior, those who spend less at each dispensary visit are more likely to be planners than impulse shoppers, with BDSA data showing that 37% of those in the bottom 25% of spenders classified themselves as Planners.

### Flexible Planner

When deciding what to purchase, the second biggest segment was the “Flexible Planner”, those who plan their purchases but usually add additional items at the point of sale. These consumers made up ~35% of dispensary shoppers in BDSA’s most recent Consumer dataset. Women were most likely to describe themselves as Flexible Planners when it comes to shopping behavior, with 35% of women who shop at dispensaries falling into this segment. Gen X shoppers were also strongly represented in this group, with 38% of Gen X dispensary shoppers claiming to be Flexible Shoppers. Breaking down shopping strategy by spending per trip, those who spent the most at retail were also most likely to be Flexible Planners, with 42% of the top spending bracket (those in the top 25% of per visit spending) falling into the Flexible Planner category.

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### The Impulse Shopper

The biggest segment when it came to shopping behavior was the “Impulse Shopper”, who decide what to buy based on what they are feeling in the store. Impulse Shoppers made up ~35% of dispensary shoppers in BDSA’s latest Consumer Insights data. Looking into demographic breakdowns, men were most likely to fall into the Impulse Shopper segment, with BDSA data showing that 37% of men fall into this group. Millennials and Gen Z dispensary shoppers were also most likely to shop on impulse, with 40% of millennials and 39% of Zoomers describing themselves as Impulse Shoppers. Digging into shopping behavior by per visit spending, those who spend the least at retail were most likely to be impulse shoppers, with Consumer Insights data showing that over 38% of those in the lowest spending bracket described themselves as Impulse Shoppers.

Like any retail sector, success in the cannabis retail space requires careful consideration of store location, product assortment, and customer shopping dynamics. A deep understanding of cannabis consumer replenishment dynamics can be a crucial piece to building an effective strategy to win at retail.

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