

REPORT | FEB 2024

# PACKAGED POTENCY



HOW INNOVATIVE PACKAGING IS  
POWERING BRAND AND  
DELIVERING GROWTH IN THE  
CANNABIS MARKET

**PHYSIS + AGENCY**

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# EXEC SUMMARY

Based on original research by Physis + Agency and Censuswide, surveying 1009 respondents who consume cannabis flower in the 25 US states where recreational cannabis is legal

There is a significant opportunity for boutique cannabis producers to build on the quality of their flower with creative, collectible, short-run packaging that allows for unique products and collaborations to drive brand loyalty and price growth.

Consumers want to gift high-quality flower, and will pay more for packaging that is special. They also report the feeling they get from others' approval of their choices is worth the extra money. This is a design challenge that represents a big opportunity.



## SHOWING UP IN SOCIAL SPACES

Cannabis consumers who consume socially care about what other people think about their choice of cannabis products. They agree that cannabis consumers in their social circle are impressed by brand and packaging. Packaging is also more important to them in a social setting than when they are consuming alone.

Those who are willing to pay the highest prices for 1/8 of flower also report the highest care for packaging in a social setting. Most cannabis consumers also agree that the feeling they get from the social approval of their cannabis product choice is worth the extra money.

## BRAND LOYALTY

Brand loyal customers are willing to pay more for something special. How much more? On average, **respondents are willing to pay 26% more than they are paying now for 1/8 of flower.** Those already paying almost \$80 per 1/8 of flower on average are willing to pay \$15 more if there is a reason.

# INSIGHTS

## PACKAGING > HIGH

Brand and packaging matter in getting high, too. 86% of those who rely heavily on brand and packaging when choosing flower also report that they are getting the type of high they expect based on that brand and packaging.

## SOMETHING SPECIAL: THE RISE OF GIFTING & COLLECTING

Will you be getting a different type of flower next Valentine's Day? Those who have a favorite flower jar or piece of merch report that taste, creative design, and/or receiving it as a gift make it special. More than 70% of consumers are likely to pay more for a jar of cannabis if the jar is something that can be repurposed or collected. A full 25% of consumers do not currently collect packaging or merchandise; but they would pay more for a jar if it is collectible.

# REPORT: BY NUMBERS

**“This research tells us investing in higher-end and creative packaging not only builds brand loyalty with existing customers but expands our base and introduces new ways to grow our business and profit margins.”**

**Daniel Peterson**  
Art Director, House of Cultivar



**1,009 cannabis users**

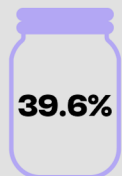
<b>21-30</b>	<b>254</b>
<b>31-40</b>	<b>378</b>
<b>41-50</b>	<b>191</b>
<b>50+</b>	<b>186</b>



## 25 states where consumption is legal

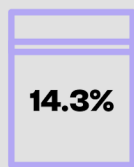
ALASKA	ARIZONA	CALIFORNIA
COLORADO	CONNECTICUT	DELAWARE
D.C.	ILLINOIS	MAINE
MARYLAND	MASSACHUSETTS	MICHIGAN
MINNESOTA	MISSOURI	MONTANA
NEVADA	NEW JERSEY	NEW MEXICO
NEW YORK	OHIO	OREGON
RHODE ISLAND	VERMONT	VIRGINIA
AND WASHINGTON		

**What's worth more?**  
cannabis in a....



**39.6%**

glass jar



**14.3%**

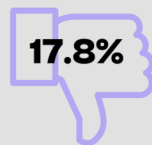
mylar bag

**How likely would you be to give cannabis products as a gift?**



**64.7%**

likely



**17.8%**

unlikely

**I spend more money on cannabis products that I know I will be sharing in a social setting.**

**55.3%**

agree

**22.5%**

disagree

**Packaging is more important to me if I'm going to share my cannabis in a social setting than if I am consuming alone.**



**49.7%**

agree



**28.3%**

disagree

**Cannabis consumers in my social circle are impressed by product attributes and branding.**



**59.7%**

agree



**13.6%**

disagree

**The feeling I get from having others approve of my choice of cannabis products is worth the extra money I spend on them.**



**49.7%**

agree



**28.3%**

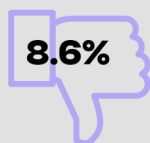
disagree

**Would you be more or less likely to give cannabis products as a gift if they were branded in premium packaging?**



**56.7%**

likely



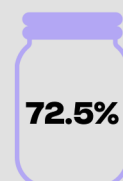
**8.6%**

unlikely



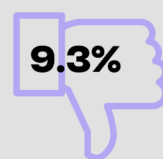
**What, if anything, makes a branded piece of cannabis merchandise special to you?**

**How likely would you be to pay more for a jar of cannabis if the jar was something you could repurpose or keep as a collectible?**



**72.5%**

likely



**9.3%**

unlikely

**46.6%**

It aligns with my tastes

**42.4%**

I like the creative design

**38.5%**

It was a gift

**33.5%**

It's a collectible

**30.9%**

I have repurposed the item

# CASE STUDY: HOUSE OF CULTIVAR

**THE BRAND** Colors by Cultivar is a brand from House of Cultivar (HoC) that draws inspiration from the visual beauty and variety within cannabis. Colors by Cultivar views their work as a collaborative form of living art. In the same way they view both creating and pheno-hunting seeds, they see the importance of exploring different packaging concepts by doing exclusive short-run designs to emphasize the variety and beauty of the flower. This is the first of a series of exclusive drops to highlight the exciting genetics they have in the hopper.

**For Valentine's Day, House of Cultivar sells a limited run of special edition jars at a higher price point**



**THE FLOWER** Lobster Roll is a brand-new cultivar that Colors by Cultivar pheno-hunted. It is a cross of Eye Candy and Apples & Bananas. Inspired by its relative, the Blue Lobster hunted by Maine Trees from the same seedstock, it has a strong gas dominant, candy, slight earth, and umami profile. It boasts a chunky and dense bud structure, a low leaf ratio, and it's absolutely caked out in trichomes, giving it a stunning bag appeal that stands out next to others. Colors chose to represent this limited strain drop with a more brand-focused packaging that highlights their brand system with its colorful palette, and pays homage to the artistic vision behind the jar.



## THE PACKAGING

The premium jar is taller than industry average with a more substantial lid that stands out in the crowded retail environment of Washington State.

The label is custom printed using a Roland DG UV printer/cutter and shaped with textured, raised UV ink and a holographic substrate. The Colors logo is built in a three-dimensional neon light tube shape with textured UV ink built up in layers to enhance the spatial effect. The logo is bent like a wave and, when wrapped around a jar, seems to ripple as the jar turns. The holographic substrate creates a rainbow reflection that changes constantly with movement, animating actual colors across the Colors logo.



## THE NUMBERS



# INSIGHTS INTO ACTION

## Turning Consumer Research into a Short-Run Campaign

INSIGHT



ACTION

**Combined, perceived quality of the flower, brand, and packaging lead as primary reasons to purchase a cannabis product.**

HoC developed a reputation for beautiful flower grown by an established top shelf brand. Now it is introducing its newest strain, Lobster Roll, with the best packaging yet - a premium jar with one-of-a-kind labeling.

**Cannabis consumers who consume socially care about what other people think about their choice of cannabis products. They agree that cannabis consumers in their social circle are impressed by brand and packaging.**

The holographic backing and unique label shape change constantly with the light in the room. The textured design has a raised effect that feels unique to the touch and catches the light to enhance the three-dimensional effect. When applied to a limited 250-unit run under the Colors by Cultivar line, this is the must-have cannabis product to impress for Valentine's Day.

**Those who are willing to pay the highest prices for an 1/8 also report the highest care for packaging in a social setting. Most cannabis consumers also agree that the feeling they get from the social approval of their cannabis product choices is worth the extra money.**

This product is a match for top shelf spenders, the audience most desiring elevated, short-run packaging that the consumer will feel good about sharing or gifting. It is gorgeous, rare and more expensive.

**On average consumers are willing to pay 26% more than they are paying now for a differentiated 1/8 of flower. Some customers are willing to pay much more.**

The premium pricing for this product is 18% to 28% above the standard price at retail.

**Those who have a favorite flower jar or piece of merch say that taste, creative design and/or receiving it as a gift are what make it special. Over 70% of consumers are likely to pay more for a jar of cannabis if the jar is something that can be repurposed or collected.**

The holographic label printed with a Roland DG UV printer/cutter, stands out from a distance and features a beautiful Colors by Cultivar design that catches the eye from every angle and changes with the light. The jars are made to be reused/repurposed with their extra height and an oversized lid. With only 250 units available, this is a rare collectible.

**A full 25% of consumers do not currently collect packaging or merchandise; but they would pay more for a jar if it is collectible.**

This product - with a rare cannabis strain, beautiful flower, unique jar and a label with custom shape, holographic backing and raised texture in the design - brings together all the aspects needed for a premium collectible.

# OPPORTUNITIES

## Female Focused Brands Are Underrepresented

When asked how much, if at all, do they rely on the look and feel of a brand and packaging when choosing a cannabis product, 56.7% of male respondents report that they rely heavily vs. only 46.4% of female respondents. There seems to be little reason that cannabis brands and packaging would intrinsically appeal more to male respondents. At the same time, a special report by MJBizDaily on Women & Minorities in the Cannabis Industry shows that less than 20% of cannabis businesses are owned by women and about 30% of executives in the industry are women. More female focus for brands and more female executives in the product and brand creation process would likely shift this imbalance.

**“It's not just about flower quality anymore. The combination of flower quality, brand, and packaging stands out as the driving force behind consumer choices, prompting producers to create a captivating showcase for their product.”**

**Aric Mayer**

**Physis + Agency Principal and Lead Researcher**

## Cannabis Consumers Have Complex Motivations

We asked respondents to what extent they seek a high to help them manage negative states such as pain or anxiety, and to what extent they seek a high that will create positive states such as bliss/euphoria, a feeling of oneness with the universe, enhanced imagination and/or heightened senses. A large majority, 68.7 percent, chose both.

This dual motivation at such a significant level was unexpected, but it also demonstrates the nuanced set of variables that consumers are alert to when considering getting high on cannabis. What emerges from the data in the rest of the study is that respondents who choose both positive-state-seeking and negative-state-avoiding motivations lead in almost every question. This includes caring about packaging, collecting cannabis jars and merchandise, spending on social status, gifting cannabis, and being motivated or influenced by their social circles.

## A Challenge to Drive Brand Loyalty and Price Growth

Consumers across the spectrum who currently pay at every price point for 1/8 of flower, from under \$30 to over \$100, all report they would be willing to spend, on average, 26% more for “something special.” Approximately half of consumers are willing to pay even more than that, given the right conditions. Making creative, collectible, giftable, shareable, memorable, lovable, gorgeous, short-run cannabis packaging for collaborations and drops drives brand loyalty and price growth. **This is a branding and design challenge. Spend a bit more to upgrade packaging. Create something unique and desirable to showcase your beautiful flower. Release a limited run of packaging for your best customers. Charge more for it, and deliver the extra value through your brand and design.**

# gift a different kind of flower



**HOUSE  
OF  
CULTIVAR**

PACKAGING PRODUCED BY GOLD  
LEAF PRINTING WITH A ROLAND  
DG UV PRINTER/CUTTER

Credits:

Photo by  
Physis + Agency

Design Concept by  
Fight or Flight

Brand and Lobster Roll flower  
by Colors by Cultivar

Label printing by  
Roland DGA and GoldLeaf  
Print & Packaging

# METHODOLOGY >



## **PHYSIS + AGENCY METHODOLOGY**

Quantitative research was conducted via a survey designed to capture a sample representative of the U.S. legal cannabis consumer population. Written to produce descriptive and correlational data on consumer behavior, the survey used 20 simple and direct questions that addressed one topic each. The results were cleaned and recoded to facilitate both descriptive and inferential analysis.

## **CENSUSWIDE METHODOLOGY**

Censuswide is an international market research consultancy who abide by ESOMAR principles and employ members of the Market Research Society. Commissioned by Roland DGA, between December 12-27, 2023, Censuswide surveyed 1009 cannabis flower consumers in the 25 US states where recreational cannabis is currently legal.





# CONTRIBUTORS

## PHYSIS + AGENCY

Physis and Agency specializes in cannabis industry research with a focus on creating the best consumer experiences possible in legal cannabis markets. Their research connects knowledge, people and products into a cohesive perspective on mindful cannabis use.



## HOUSE OF CULTIVAR

House of Cultivar, a tier three producer, is the largest cannabis producer in Seattle, WA, with a 40,000 square-foot facility. They have perfected large-scale indoor cannabis farming using a combination of careful strain selection, modern science and age-old wisdom. House of Cultivar is known for their high quality flower, pre-rolls and concentrates and have won numerous Dope Cup awards.



## ROLAND DGA

Roland DGA Corporation serves North and South America as the marketing, sales, distribution, and service arm for Roland DG Corporation. Founded in 1981 and listed on the Tokyo Stock Exchange, Roland DG of Hamamatsu, Japan is a worldwide leader in wide-format inkjet printers for the sign, apparel, packaging, personalization and vehicle graphics markets; engravers for awards, giftware and ADA signage; photo impact printers for direct part marking; and 3D printers and CNC milling machines for the dental CAD/CAM, rapid prototyping, part manufacturing and medical industries.



## GOLDLEAF PRINT & PACKAGING

GoldLeaf Print & Packaging is more than a print shop. As your branding partner, our digital printing experts use the latest techniques and years of experience to bring your products to life.

GoldLeaf's premium products have won dozens of awards, while also partnering with Print Relief to create a carbon-neutral process through reforestation and ensuring an environmentally friendly product.