SPOKES DIGITAL

2024 MARKETING STRATEGIES
THAT WON'T WORK IN
2025 FOR THE CANNABIS INDUSTRY

Abstract

The cannabis industry experienced notable growth in 2024, driven by expanding recreational markets and digital advertising channels. However, shifts in consumer behavior, evolving regulations, and technological advances are rendering many traditional marketing strategies ineffective in 2025. This whitepaper provides a critical analysis of 2024 cannabis marketing tactics that are losing effectiveness, exposing hidden challenges such as rising advertising costs, tightening platform restrictions, and the impact of AI-driven search interfaces. It further outlines a strategic playbook embracing data-driven targeting, first-party data, AI personalization, and omnichannel integration tailored for cannabis brands. Supported by real-world case studies, this report offers actionable insights to help cannabis marketers pivot successfully, maintain growth, and navigate the increasingly complex digital and regulatory landscape in 2025.
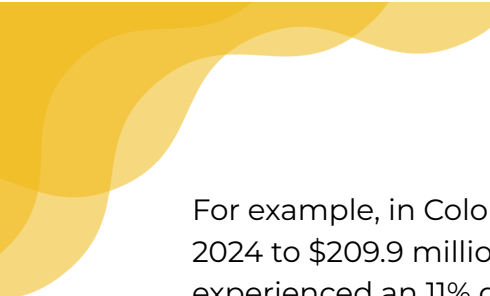
Introduction

The cannabis industry has experienced rapid growth and transformation over recent years, adapting to a unique set of challenges posed by evolving consumer behavior, stringent regulations, and digital advertising barriers. The year 2024 marked an impressive expansion, fueled in part by new recreational markets. However, as the industry moves into 2025, familiar marketing strategies from the previous year are losing their effectiveness. This whitepaper explores why many common 2024 cannabis marketing tactics will not work moving forward, and provides a strategic playbook for cannabis brands seeking sustainable growth in 2025 and beyond.

❖ 2024 Landscape Recap

Industry Growth (2024)

In 2024, the cannabis industry generated $112.4 billion in revenue, reflecting a 14% increase over the previous year. This growth was buoyed by the opening of new recreational markets in Ohio and Minnesota, which masked underlying challenges in more mature markets. While expansion looked promising on the surface, states with established cannabis presence began to see a contraction in sales, signaling a plateau in demand and the diminishing returns on traditional marketing tactics.

For example, in Colorado, sales dropped from $229.8 million in January–February 2024 to $209.9 million in the same period in 2025, a 9% decline. California experienced an 11% decrease in cannabis sales from Q1 2024 to Q1 2025, declining from $1.20 billion to $1.088 billion. Washington and Arizona also reported declines, with Washington's sales dipping 5.2% and Arizona's dropping 10% year over year. These figures reflect a broader slowdown where cannabis is commonplace, emphasizing that basic marketing efforts are no longer sufficient to maintain growth and market share.

Programmatic Spend Share

An overwhelming 96% of cannabis digital programmatic ad budgets in 2024 were allocated through Demand Side Platforms (DSPs). This automated approach enabled brands to navigate advertising regulations more easily and efficiently purchase ad inventory nationwide. While effective initially, this reliance has revealed a hidden vulnerability for 2025. As third-party cookies are phased out and age verification regulations tighten, brands will find it increasingly difficult to target and deliver relevant ads. Spending the same ad budgets in 2025 will not yield the same reach, compelling marketers to rethink programmatic strategies.

Engagement Benchmarks

Email marketing continued to demonstrate strong engagement in 2024, with open rates reaching 24% on weekdays and increasing to 33% on weekends. Geo-fenced DSP campaigns also posted impressive returns, with some achieving up to 8× return on ad spend (ROAS). These metrics suggested that email and location-based ads were reliable channels for cannabis brands. However, deeper analysis revealed pitfalls: many email lists were outdated or contained unverified contacts, resulting in low-quality traffic. Similarly, geo-fencing often targeted overly broad or irrelevant areas, diluting campaign effectiveness and inflating costs. With regulatory tightening and rising consumer fatigue projected in 2025, these tactics require refinement to maintain efficacy.

Regulatory Snapshot

Platform regulations in 2024 were tough, especially on Meta and Google, which imposed strict restrictions on CBD and cannabis advertising. Despite this, brands that adhered carefully to the guidelines maintained some advertising presence across these ecosystems. However, a looming expansion of Google's "dangerous products" list in September 2025 threatens to further restrict even CBD advertising. This update means brands face a heightened risk of erroneous account bans, with

appeal processes often dragging over several weeks, during which sales may be heavily impacted.

Search First Buying

In 2024, 60% of cannabis shoppers began their purchase journey via Google Search, predominantly on mobile devices. Optimized search engine marketing (SEM) and basic SEO tactics largely dominated with modest effort. However, signals that 2025 will demand more sophistication are clear: AI-driven search overviews are shrinking organic listing space; third-party cookie removal challenges attribution; complex local SEO and server-side data implementations are becoming necessary to sustain visibility and traffic.

❖ Macro Forces Reshaping 2025

Generative AI & Zero-Click SERPs

Generative AI has fundamentally altered the search engine results page (SERP) landscape. Google's Gemini AI and integrated ChatGPT agents now provide direct answers, pushing organic links below the fold and causing early studies to report a 25% drop in organic click-through rates for cannabis-related queries. Traditional SEO alone no longer suffices; brands must master Answer Engine Optimization (AEO) a content structuring method designed to enable AI systems to pull and present brand content as the definitive answer.

Search Engine Result Page Structure

1. Gemini AI Results

2. Paid Ads

3. Organic Listings (shifted downward compared to past years)

With Gemini answering over 95% of queries, securing visibility demands content optimized for AI-driven answer formats, rather than standard keyword-focused SEO.

Search Everywhere Optimization

Consumers today discover cannabis-related information and products on multiple platforms beyond Google. TikTok, YouTube, and AI-powered question-answering platforms like ChatGPT and Perplexity have become primary discovery tools,

especially for younger demographics like Gen Z. Cannabis brands must therefore expand their content optimization beyond traditional search engines to maintain visibility across this diversified landscape.

Phygital Experiences

The blending of physical and digital ("phygital") marketing experiences is accelerating. Brands are leveraging QR codes, augmented and virtual reality (AR/VR), and real-time retail interactions to create seamless, interactive purchase journeys that blur online and offline touchpoints. This enhances engagement, builds brand loyalty, and presents novel marketing formats adapted to consumer expectations.

Always-On Omnichannel Expectations

Due to ongoing budtender staffing shortages, cannabis shoppers face longer in-store wait times. New research shows 72% of shoppers expect instant answers during their shopping experience. AI-powered chatbots and voicebots are shifting from "nice-to-have" features to baseline expectations for customer service, necessitating investment in conversational commerce technologies.

Cost-Per-Click (CPC) Inflation

Advertising costs in cannabis-related keywords on Meta and Google have increased dramatically, with 30–50% year-over-year jumps in CPCs. This inflation forces marketers to maximize efficiency and ROI, leveraging first-party data and precision targeting rather than relying on broad or generic campaigns.

❖ Platform-by-Platform Strategies Going Obsolete

SEO and Content

Keyword-stuffed, generic cannabis guides that dominated 2024's SEO landscape no longer perform well in 2025. Google now favors in-depth, sharply focused content with clear calls-to-action (CTAs). Pages loaded with repetitive or thin content experience higher bounce rates and poor rankings. Similarly, low-value directory link-building strategies are penalized or ignored by search engines. The recommended shift is toward original research, detailed local store pages, and FAQ-focused content that aligns with specific consumer queries.

Local SEO

In 2025, local SEO pages cluttered with repetitive keywords and thin content are seen as spam. Google penalizes such pages, which results in reduced visibility. Listing breadth on low-quality directories also no longer delivers value and is often interpreted as spammy behavior. Instead, cannabis brands should focus on enriching Google Business Profiles with actual store information, user reviews, menus, and embedded maps, creating valuable local user experiences and unique offers per location.

Google/Bing/DuckDuckGo SEM

Broad-match-only campaign structures are no longer cost-effective. AI systems increasingly answer broad queries directly, reducing click volume and increasing CPC. Campaigns now require precise segmentation, utilizing exact and phrase-match keywords grouped by user intent. Single-ad-single-landing-page funnels no longer capture varied search intents effectively. Testing with multiple ads and landing pages optimized for distinct user needs like "edibles" or "delivery" improves results.

Meta (Facebook/Instagram)

Static single-image ads have suffered from rising CPMs (up 30% YoY) and declining engagement. Audiences expect more dynamic, interactive content. Spray-and-pray interest targeting tactics cause audience overlap and diminishing returns. Brands should transition to short-form videos (6–15 seconds) featuring dynamic overlays and first-party data retargeting, while using lookalike audiences and Advantage+ placements to cap spending efficiently.

TikTok Ads

TikTok penalizes repurposed Instagram content that lacks native style elements such as vertical format, natural sound, and authentic voice-overs. Clicking-focused campaigns that emphasize CPC fail to build valuable remarketing pools. Optimal TikTok campaigns prioritize full video views with engaging, native-style creatives.

X (Twitter)

Text-heavy promotional tweets receive low engagement and are often skipped. Posts with media short videos or images under 6 seconds coupled with clear CTAs ("Swipe Up") fare better. Overuse of generic hashtags appears spammy; strategic use of two relevant hashtags and one brand tag improves targeting.

Snapchat

Lifestyle content lacking clear CTAs causes users to swipe past ads. Engagement and conversion rates are improved by short, bold video ads that include direct CTAs like "Tap to order" or "Find a store near you." Broad targeting without leveraging first-party data leads to poor performance. Effective Snapchat strategies deploy segmented audiences and custom creative.

Programmatic Display & Retargeting

Cookie-dependent retargeting faces obsolescence due to major browser cookie blocking. Advertisers must adopt AI solutions that target ads based on page content and mood while retargeting through secure first-party customer lists. Generic lookalike audiences raise costs, underscoring the need for sharply segmented custom audiences.

Reddit Ads

Posting the same ad across multiple subreddits triggers downvotes and wastes budget. Focused targeting on 2–3 relevant communities with ad copy tailored to each culture is more effective. Sponsored Q&A posts or AMAs can spark engagement and foster conversation.

Adroll

Static banner ads cause user "banner blindness." Dynamic ad formats that vary in size, style, and message delivered in sequence such as reminders followed by discounts increase engagement. Frequency caps prevent ad fatigue and user annoyance.

Influencer Marketing

Mass outreach with trial-kit giveaways generates low trust and regulatory risks. One-off sponsored posts fail to build lasting engagement. Cannabis brands succeed by partnering with local micro-influencers who genuinely appreciate the brand. Long-term relationships with commissions, exclusive perks, and storytelling video series foster loyalty and compliance.

Marketplace Listings (Leafly/Weedmaps)

Niche directory ads face saturation and restrictions, limiting their effectiveness. Static storefront pages with outdated product information get ignored. Leading practice is

to complement marketplace listings with search ads on Google/Bing and local awareness Meta campaigns. Using product feed automation tools ensures live inventory and up-to-date offers.

❖ What will win in 2025

Local-Intent Landing Pages (with Real-Time Inventory)

What it means: One SEO-friendly page per city/store showing live menu, hours, directions, and compliance disclaimers.

Why it works: "Dispensary near me" searches top 2.2 M a month; matching geo intent.

Goal to aim for: Bounce rate under 25 % and Conversion Rate ≥ 5 % on local traffic.

Brand Defense 2.0

What it means:
Use exact-match brand keywords with ad customizers (like your city or top products), sitelinks for key pages, and geo-tiered bids. Block competitor terms so your ad stays front and center.

Why it works:
This cuts wasted clicks, keeps costs down, and shows customers proof points (reviews, stats) right in the ad.

Goal to aim for:
 Get 95%+ share of branded searches, keep CPC uplift under 10%, and hit a 6%+ click-through rate.

Search + PMax Campaign

What it means:
Run Search and Performance Max (or similar) campaigns using pre-approved assets, while blocking irrelevant traffic ("bleed") and focusing spend on high-margin products or categories.

Why it works:
AI campaigns work best when fed clean, compliant inputs. Guardrails like exclusions and product prioritization boost ROAS and reduce wasted budget.

Build Your Own Customer Data Hub

What it means: Bring together data from your online store, in-store POS, loyalty program, quizzes, and preferences into one system (CDP).

Why it works: Third-party tracking is dying. Brands using a CDP saw 18% better targeting in Google's privacy-friendly ad tools.

Goal to aim for: At least 75% of purchases linked to known customer profiles in 6 months.

How it Works: Tools like databuddy will help you to collect your own CDP.

Use AI to Personalize the Shopping Journey

What it means: Let AI recommend products, create bundles, and send messages at the perfect time via email, text, or push.

Why it works: AI offers convert 22% better and increase average order size by 30%.

Goal to aim for: Increase revenue per message by 15% while cutting discount use by 10%.

How it works: Tools like Dynamic Field, Nosto, Bloomreach etc helps you create personalization

Advertise Where the Cookies Can't Go (CTV & Contextual Ads)

What it means: Run age-safe ads on streaming platforms or on websites using content-based targeting.

Why it works: Even without cookies, content signals still work — video ads here have high completion and click rates.

Goal to aim for: Pay no more than $1.25 per store locator/menu visit.

How it works: Tools like Peer39, Vue planner, Liveramp etc are used to advertise where cookies can't go.

Conversational Commerce (BudCX Voice & Chat)

What it means: Use AI to answer customer questions instantly on your site, via text,

or by phone.

Why it works: Instant support boosts repeat purchases and improves customer satisfaction.

Goal to aim for: Response time under 10 seconds and customer satisfaction score above 4.5/5.

How it works: Tools like ASK BUD-e can help to answer customer queries and recommend products as per history, past purchases and relevant customer preferences. It helps to reduce cart abandonment and increase average order value.

Affiliates, Creators & Loyalty That Follows the Rules

What it means: Pay influencers and affiliates by results, and reward loyal customers — all while following legal guidelines.

Why it works: Peer recommendations lower your customer acquisition cost by up to 60%.

Goal to aim for: At least 15% of new customers should come from affiliates by late 2025.

Paid Menu Listings & Budtender Shoutouts

What it means: Pay to promote products on online dispensary menus and reward staff for referring or promoting products.

Why it works: Many cannabis buyers start their search inside menu platforms, and budtenders influence final choices.

Goal to aim for: 5x return on sponsored menu listings and 12%+ conversion from referrals.

Crypto Ad Networks & Token Loyalty

What it means: Shift 10-15 % of ad spend to cannabis-friendly, blockchain-based networks (e.g., **Blockchain-Ads, Bitmedia, cointraffic, AdEx DSP** etc) and layer in on-chain loyalty points/NFT rewards for repeat buyers.

Why it works: These crypto ad networks deliver **billions of compliant impressions every month** and give access to **500+ cannabis-safe sites**—bypassing Google/Meta

bans while gathering provable first-party data.

Goal to aim for: Keep CPM < $8 and have ≥ 25 % of loyalty-token holders make a second purchase within 60 days.
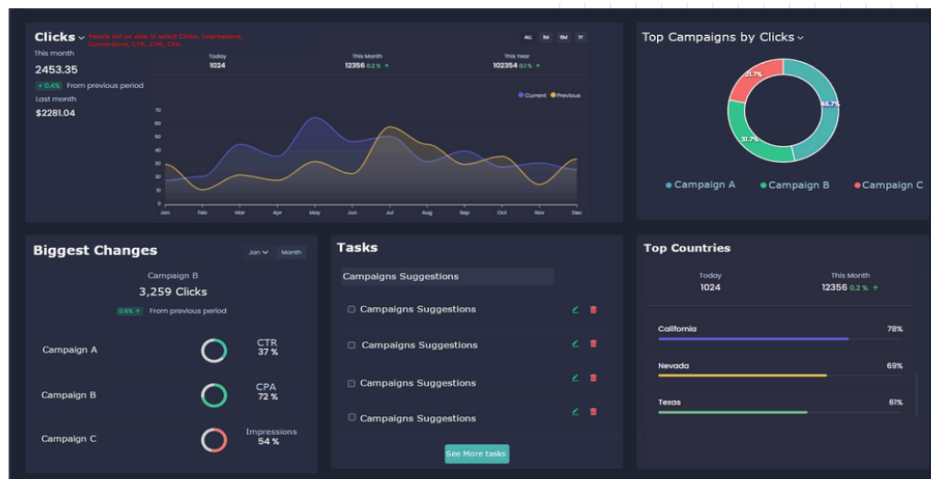
Short-Form Video Content Engine

What it means: Publish a steady stream of 15- to 60-second Reels, Shorts, and TikToks—plus quick how-tos and strain spotlights—optimized for vertical, sound-off viewing.

Why it works: Video is set to make up 82 % of all internet traffic by 2025, and short-form views have grown 75 % thanks to TikTok & Reels.

Goal to aim for: Drop 3+ shorts per week, hit ≥ 10 % engagement on organic posts, and drive 1.5× higher view-through conversions vs. static creative.

How it works: Tools like trend.io will help you to create your own UGC video and ads.

Livestream Shopping & Reels That Sell

What it means: Host live product demos on Instagram, TikTok Shop (for hemp), or cannabis-safe platforms with built-in buying options.

Why it works: It combines entertainment and shopping — live selling converts 5x better than regular product pages.

Goal to aim for: At least 8% of viewers should buy during your live events.

Case Study #1 — Independent Dispensary

(Single-Store, California)

2024 tactics that flopped	• Ran only brand-name keywords on Google; competitors out-bid and drove CPC up 55% • One generic landing page for all traffic—no store hours, no local proof • No real retargeting; relied on Weedmaps listings for repeat sales
What Spokes did in 2025	• **Brand-Defense 2.0**: exact-match + ad extensions + weekly negative list • Built city-specific landing page with store hours, Google reviews, and "Ready-for-Pickup" menu • Added BudCX-lite chatbot tied to POS; captured emails/SMS before checkout
30-day result	• ROAS jumped **1.9x → 6.2×** • New-customer count up **38 %** at ≤ $18 CAC • Zero compliance flags

Case Study #2 — MSO Dispensary Chain (10 Stores, Multi-State Operator)

2024 tactics that flopped	• Separate ad accounts per state—data silos and duplicate spend • Manual bids and "one-size-fits-all" creative ignored local rules • No connection between ads and POS inventory
What Spokes did in 2025	• Unified **PMax + Search** feed, sanitized for restricted SKUs; geo-tiered budgets • AI-generated creative matched to four intent buckets (Core, Convenience, Premium, Education) • Daily POS & CRM sync to pause out-of-stock SKUs and build high-LTV look-alikes
90-day result	• ROAS up **3.7x → 5.2×** • CPA down **45 %**; same-store revenue +18 % • 95 % ad-approval rate across strict states

Case Study #3 — E-Commerce THC Beverage Brand

2024 tactics that flopped	· Leaned on influencer swipe-ups and catalog "workarounds" that kept getting disapproved · Pixel-only tracking; CVR stuck at 0.8 % · Shrinking Meta audiences after iOS 17
What Spokes did in 2025	· Full **server-side tagging** and consent banner; hashed-email capture · Flavor quiz + BudCX chatbot to guide shoppers and collect first-party data · Built look-alikes from top 20 % customers; sequenced ads (UGC → offer → testimonial)
60-day result	· ROAS lifted **2.0x → 4.5×** · CAC down **37 %** · Conversion Rate climbed to **7.3 %** and zero ad disapprovals

Conclusion

As the cannabis market matures and regulatory landscapes tighten, the marketing tactics that fueled growth in 2024 are increasingly falling short in 2025. This whitepaper has demonstrated that the traditional approaches' reliance on broad digital programmatic buys, generic SEO, static ads, and one-size-fits-all influencer marketing are no longer sufficient to sustain growth or compete effectively. Instead, cannabis brands must evolve their strategies to keep pace with shifting consumer behaviors, technological disruptions, and heightened compliance demands.

The 2025 marketing environment demands precision, agility, and innovation. Brands must leverage first-party customer data by building unified data hubs, enabling personalized and privacy-compliant outreach. AI-powered personalization and conversational commerce will be vital in meeting consumer expectations for instant engagement and tailored experiences. The rise of generative AI and zero-click search results fundamentally changes how visibility is earned. Answer engine optimization (AEO) must replace traditional keyword-centric SEO.

Moreover, the fragmentation of discovery platforms from social media giants like TikTok and Instagram to emerging AI agents requires omnichannel optimization that integrates physical and digital touchpoints seamlessly. New media formats such as short-form video and livestream shopping, combined with contextual advertising and blockchain-enabled crypto networks, offer cannabis marketers fresh avenues for compliant, high-impact engagement.

The included case studies underscore the tangible benefits of adopting this forward-looking playbook: increased ROAS, improved conversion rates, reduced compliance risks, and stronger customer loyalty. These practical examples provide a roadmap for brands large and small seeking to transition from obsolete 2024 tactics to competitive 2025 strategies.

In sum, cannabis marketers face a pivotal moment. Success in 2025 will hinge not on repeating past formulas but on embracing data-driven intelligence, technology, and customer-centricity. Those who adapt quickly will turn challenges into growth opportunities, shaping the future of cannabis marketing in an increasingly complex and dynamic industry landscape.