

Advertising in the Canadian Cannabis Industry:

The utilization of Instagram to create cannabis marketing campaigns

Brad Haws, Livi Borecki, Carly Truscott, Sadie Russell

Mount Royal University

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Abstract

This project focuses on the effectiveness of advertising from the Canadian cannabis industry and the role social media plays in the public's perception of their products. Cannabis laws have been evolving since the legalization of cannabis in 2018, allowing the recreational sale and distribution of cannabis, yet placing strict restrictions on advertising cannabis products to Canadians. The objectives of this project are to 1) measure the effectiveness of advertising on Canadians' perception of cannabis, and 2) analyze the most effective messaging from the cannabis industry. These questions will be answered using a qualitative analysis of popular cannabis manufacturers' Instagram accounts. The results of the study will seek to inform cannabis-related public relations practitioners on how effective their messaging is and the public's perception of cannabis-related imagery.

What effect does digital marketing have on Canadians' perceptions of cannabis?

Cannabis became legal for recreational use in Canada in October 2018. Since then, the industry has been strictly regulated to reduce the potential dangers that come with cannabis use, instituting laws to prevent teenagers and other young Canadians from becoming influenced by large cannabis corporations. These laws fall under subsection 17 of the Cannabis Act (2018), which prohibits:

- Communicating information about its price or distribution in a manner that could be appealing to young persons.
- Using a testimonial or endorsement, however displayed or communicated.
- Using the depiction of a person, character or animal, whether real or fictional.

- Presenting it or any of its brand elements in a manner that associates it or the brand element with, or evokes a positive or negative emotion about or image of, a way of life such as one that includes glamour, recreation, excitement, vitality, risk, or daring.

These provisions outlaw the direct marketing of cannabis to consumers and also highlight how cannabis companies may interact with their public. Subsection 17 also states that “you cannot promote, in any way that is prohibited by Part 1 of the Cannabis Act, cannabis, a cannabis accessory, a service related to cannabis or a brand element of any of those things in any communication that originates outside Canada. This includes publications published outside Canada and broadcasts that originate outside Canada.” (Government of Canada, 2018).

While cannabis-related organizations may be legally obligated to advertise in a way that follows these provisions, social media has enabled a majority of the industry to operate without impunity toward its consumer base. The study seeks to explore how this cannabis-related advertising affects the Canadian public’s perception of cannabis and seeks to understand the ramifications of this perception.

The importance of information gathered on the public’s perception of cannabis could inform real-world regulators of the effects policy has on the cannabis industry and the current perception Canadian consumers have of cannabis and its advertising. It may also inform those in the cannabis industry of the effect certain advertisement campaigns may have on their followers.

This study seeks to perform a qualitative analysis of three cannabis companies’ Instagram feeds to find out how Canadians feel about each company’s cannabis-related posts. This study will create recommendations for those in the industry, specifically regarding cannabis-related marketing policy. This paper begins with a review of the current literature on the effectiveness of digital marketing of Cannabis and the potential legal hurdles that may occur. It will then propose

a method for how public perception of advertisements will be gauged. The paper will then show the expected results, recommendations for further study, and the limitations of the study.

Literature Review

The review of the literature is organized in chronological order based on publication date and focuses on the effectiveness of digital marketing on cannabis and the potential violations that come along with doing so.

Jenkins, Kelly, Binger & Moreno (2021) focus their efforts on using cyber-ethnography to further understand the normalization of cannabis-related digital marketing and the extent of exposure to youth. The authors state that while Facebook and Instagram prohibit paid advertisements for cannabis, “cannabis businesses can create promotional profiles or ‘business profiles’ where they can interact with customers and promote their products” (Jenkins et al., 2021, p.1). To conduct the study, researchers explored cannabis retailers on Facebook and Instagram by analyzing content from 28 cannabis business profiles and taking observational field notes to further comprehend the digital marketing of cannabis (Jenkins et al., 2021). Within the study, it was found that cannabis business content likely reinforces the acceptability of cannabis and diminishes stereotypes regarding cannabis use (Jenkins et al., 2021). On the contrary, “content describing Tips and Etiquette for cannabis use and Non-Cannabis Imagery may be used to entice new users, while also exposing them to a strong community and culture around cannabis” (Jenkins et al, 2021, p.7), in other words, providing a gateway for the youth.

Asquith (2021) argues that due to the Cannabis Act (2018), the ability to promote and advertise cannabis-related products is strained. However, promotion is permitted if it follows rules, such as ensuring that the content is informative, follows brand preference, and only

reaches audiences who are of age to participate (Asquith, 2021). Depending on the social media platform, “digital advertising is possible because users on platforms can be targeted by age [but many] platforms have their own policies prohibiting cannabis advertising” (Asquith, 2021, p.1). Within the author’s findings, it is stated that Instagram is currently the most popular platform for Canadian cannabis brands to use, due to the fact that the social media platform allows for pleasing visuals likely to garner attention from users (Asquith, 2021). More specifically, Asquith states that “Instagram provides fertile ground for commodity portrayals and symbolism analogous to those contained in twentieth-century mass media advertisements” (Asquith, 2021, p.13).

Sheikhan, Pinto, Nowak, Abolhassani, Lefebvre, Duh and Witek (2021) conducted a content analysis regarding the extent to which cannabis-licensed firms followed rules surrounding the promotion and advertising of cannabis on websites and social media platforms. It was found that within 261 Canadian cannabis-licensed firms, there was at least one violation of the Cannabis Act found in the digital promotion from each firm (Sheikhan et al., 2021). This equates to 86.3% of the profiles and relates to violating rules such as “lack of age restrictions for youth, unsubstantiated claims, omission of risk information and glamorization of cannabis products” (Sheikhan et al., 2021, p.4). Furthermore, the researchers found that violations were much more prevalent within a social media setting than on a firm’s website (Sheikan et al., 2021).

Trangenstein, Combs, Whitehill, Jenkins, Jernigan & Moreno (2022) state that the digital promotion and marketing of cannabis needs to be monitored and regulated to prevent the exposure of those under the legal age. Promoting cannabis online will aid in the recruitment and retention of cannabis users by increasing user algorithm and targeting, yet digital marketing may

suggest participatory engagement among youth (Trangenstein et al, 2022). Currently, 93.6% of youth located in areas where recreational cannabis has been legalized have reported exposure to the marketing of cannabis online (Trangenstein et al., 2022). This has led to “approximately 40 million youth aged 15-20” (Trangenstein et al., 2022, p.2) having an increased likelihood of being exposed to the promotion of cannabis and in turn, a greater motivational risk. Digital marketing aids in brand awareness and brand loyalty to cannabis companies, but marketers must be careful to ensure they are following rules within The Cannabis Act to protect those who are not of legal age.

Method

To analyze how Canadian cannabis companies are utilizing advertising, specifically social media advertising, and the success that this has granted these companies, this study will conduct a primary qualitative content analysis of the Instagram pages of three of Canada’s largest cannabis distributors. Instagram was chosen as the platform of research because “more Canadian cannabis brands have a presence on Instagram than any other social media platform” (Asquith, 2021, p. 340) and because “Instagram posts are semiotically rich and vivid photographic texts engineered to catch the glance of the browsing/scrolling user” (Zulli, 2018 as cited in Asquith, 2021, p. 340). To select the sample that will be used for this study from the population of Canadian cannabis companies with an Instagram presence, a non-probability convenience sampling method was used. From a list of twelve of the top cannabis company stocks (Bloomberg, 2022), High Tide Inc., Cronos Group Inc., Canopy Growth Corp., Organigram Holdings Inc. and Village Farms International were omitted due to their lack of an Instagram presence, leaving our sample at seven companies. Additionally, Tilray Brands Inc., Trulieve

Cannabis Corp., Curaleaf Holdings Inc., and SNDL Inc. were also omitted because of their identification as America-based cannabis producers, leaving our sample at three total participants: Aurora Cannabis Inc., HEXO Corp., and Flower Holdings Corp. Due to limited resources, a preliminary analysis of the five most recent Instagram posts from each of these companies was used to ensure that the data collected is both timely and relevant to the current state of each brand.

In a study conducted by Kyle Asquith on “the visual clichés of legal cannabis promotion on social media,” seven significant visual clichés were identified from a qualitative analysis of 1,236 Instagram posts during the first phase of cannabis legalization in Canada: conspicuous production, the awe of cannabis, glamorizing utilitarian accessories, on the go, the freedom of open spaces, authentic experiences at home and necessary ingredient (Asquith, 2021, pp. 341-346). These seven clichés are used as measures of company strategy in the codebook that accompanies this study (Appendix A). To measure the success of the Instagram posts analyzed, two additional variables were added: the number of likes and the number of comments. While relatively simple measures of audience engagement, they effectively determine which posts resonated with the audience and which did not. There are also variables included in the codebook for the type of post, which can fall into one of four categories: video, photo, poster/infographic, or other. The coding sheet (Appendix B) also includes a link to each of the posts analyzed for convenient access and referral.

In a similar study conducted by Torra E. Spillane, Bryce A. Wong, and Daniel P. Giovenco, titled “Content analysis of Instagram posts by leading cannabis vaporizer brands” (2020), Table 1, titled “Characteristics of brand-generated Instagram posts and differences by brand, 2017–2018” was used to quantitatively analyze the various categories of the posts of three

different cannabis vaporizer companies (p. 4). The categories used in this table are: Posts featuring individuals, health and risk statements, cannabis references, and co-marketing activities (Spillane et al., 2020, p.4). Only these general categories will be incorporated into our study and the other subcategories listed will only be used to describe the general categories for the sake of clarity. These four variables will also be used as identifiers in the final column of the coding sheet (Appendix B) and be further elaborated on in the codebook (Appendix A).

To ensure that the coding process is reliable and without error, coder training must be conducted before the commencement of this study. The training process includes six crucial steps that must be used in combination to properly prepare the coders involved (Wrench et al., 2012, p. 333). These steps include “introduction to the codebook and the coding form, sample coding, coding of initial data, initial reliability, and retraining” (Wrench et al, 2012, p. 333). For this particular study, all coders will be introduced to both the codebook and coding form before conducting sample coding of three Instagram posts outside of the data set identified for the study. This coding will then be analyzed to ensure that “everyone is coding data the same way” (Wrench et al., 334) and once approved, coding of the actual data will proceed.

Based on the research conducted by Kyle Asquith (2021), it can be predicted that the “awe of cannabis” and “the freedom of open spaces” clichés will be seen in the greatest numbers of the 40 posts that are analyzed. In Asquith’s study, 98 posts fell into the “awe of cannabis” category, while almost half of all posts analyzed landed under “the freedom of open spaces” classification (2021), making these two areas the most prevalent out of the seven that were identified. It can also be predicted, based on the study conducted by Torra E. Spillane, Bryce A. Wong and Daniel P. Giovenco (2020), that posts featuring individuals and posts with co-marketing activities, featuring other companies and products, will be the categories of posts

that receive the most audience engagement, specifically the most likes. As a whole, the results of this study will help determine which marketing tactics are most effective for Canadian cannabis companies and also identify which tactics are less successful, findings that will help these companies craft strategic social media plans intended to maximize their Instagram platforms.

Analysis & Results

With the research objectives of this project being to 1) measure the effectiveness of advertising on Canadians' perception of cannabis, and 2) analyze the most effective messaging from the cannabis industry, a qualitative data analysis was conducted.

After analyzing 15 different Instagram posts, fitting into three different media types, it becomes clear that Instagram posts that fell into the "Cannabis References" post category received the most engagement. Across the 15 posts evaluated, six media pieces fell into this category and they received a total of 709 likes and 67 comments cumulatively. On the other end of the spectrum, the category with the least amount of engagement on Instagram was the "Health and Risk Statements" category. It only made up one of the 15 posts and only received 30 likes and two comments. When observing their results separately, the two posts with the least amount of likes were tied at 21 likes each and they were in the categories of "Cannabis References" and "Other" respectively. On the other hand, the post with the most likes was in the "Posts Featuring Individuals" section and had a total of 422 likes. The post with the least amount of comments was in the "Cannabis References" category and had zero comments while the post with the most was also in this category with 42 comments.

Looking at the results of all 15 social media posts analyzed, there was an average of 128 likes. From this data, it becomes apparent that, apart from media falling in the "Other" category,

media containing “Cannabis References” received the most likes and consistently fell within the discovered average. Additionally, with the average number of comments across the 15 analyzed media pieces being approximately 10 per post, the “Cannabis References” category received the most comments that consistently fell within the discovered average. From this, we can determine that to achieve a steady and achievable amount of Instagram engagement through both likes and comments, cannabis companies should focus on using posts that highlight “Cannabis References,” as this seems to be what is drawing the most attention from their target audiences.

Conclusions & Recommendations

Based on the methodology and results, it can be determined that both research objectives were met. By identifying these research objectives, measuring the effectiveness of advertising on Canadians' perceptions of cannabis, and through a thorough analysis of the most effective advertising strategies being utilized by the cannabis industry, the following recommendation was formed:

- Cannabis companies with a social media presence should focus their attention on raising social media engagement by at least one percent within the next year. This can be achieved through the improvement of online content and an increased focus on posting media that falls into the most popular categories as identified by this study.

It is clear that the marketing of cannabis has been well-received by the general public, as there is a significant amount of engagement on social media posts regarding cannabis. This being said, some of the posts analyzed above could have had a better engagement rate. The first Instagram account analyzed (Aurora Cannabis) has 16 thousand followers and considering that a good engagement rate is at least one percent of all engagement, or approximately 160

interactions per post, they are receiving an average of 137 interactions per post. The second account studied (HEXO) has 9,228 followers and their engagement rate is greater than one percent at approximately 186 interactions per post. Lastly, the final account that was analyzed (Fire and Flower) has 8,584 followers and an engagement rate that is currently less than one percent at approximately 73 interactions per post. Because all three accounts only have a mediocre engagement rate, it is deduced that cannabis social media advertising campaigns will need to have a stronger impact overall if they are going to surpass their current engagement rates and become more impressionable.

The most effective messaging in the cannabis industry tends to be posts centered around the category of “Cannabis References”. Therefore, companies that sell cannabis should try to center their posts around the depiction of their products in order to achieve the highest levels of engagement and audience influence.

This research study only gives researchers a glimpse into the world of cannabis advertising via social media. In order to obtain more meaningful and all-encompassing results, a larger sample size and more comprehensive data collection methods must be utilized. Moving forward, it is suggested that more work be done to confidently determine what advertisement techniques and content types resonate best with the cannabis industry's target audiences.

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Appendix A: Coding Sheet

Codes:	Identification Categories:	Descriptions:
E1	Video	The Instagram post is a video.
E2	Photo	The Instagram post is a photo.
E3	Poster/Infographic	The Instagram post is a poster/infographic that utilizes various graphic elements.
E4	Other	The Instagram post does not fall into one of the three aforementioned categories.
F1	Conspicuous Production	Displays cannabis in “its now-legal production” with images of “interiors of greenhouses or other facilities” (Asquith, 2021, p. 341).
F2	Awe of Cannabis	Cannabis is the main focal point and portrayed as a “a captivating, autonomous entity” (Asquith, 2021, p. 342).
F3	Glamorizing Utilitarian Accessories	The addition of “glamour, sensuality and sexualization” to otherwise “mundane cannabis accessories like rolling papers and grinders” (Asquith, 2021, p. 342).
F4	On the Go	The depiction of cannabis in its “product packaging,” alongside various props or in the “pocket or bag” of the image’s subject (Asquith, 2021, p. 343).
F5	The Freedom of Open Spaces	The main focus is the portrayal of the “setting as the star,” a focus that can convey a multitude of meanings (Asquith, 2021, p. 244).

F6	Authentic Experiences at Home	Home settings serve as the backdrop and are juxtaposed by the “nature and urban open spaces” surrounding them (Asquith, 2021, p. 345).
F7	Necessary Ingredient	The settings are “larger social gatherings over food at dinner parties, barbeques, and picnics” in which cannabis is presented “as something to be served alongside food” (Asquith, 2021, p. 346).
F8	Other	Anything that doesn’t fall into one of the seven aforementioned categories.
G1	Posts featuring individuals	Posts featuring “a person/people” that are analyzed using the number of people depicted and the gender of these people, as well as whether or not they are shown using a vaporizer (Spillane et al., 2021, p. 4).
G2	Health & Risk Statements	Posts that draw attention to the health benefits and risk/warning statements associated with cannabis products and/or mention the age restrictions associated with the use of these products (Spillane et al., 2021, p. 4).
G3	Cannabis References	Posts that include “cannabis-related terminology” and/or images of cannabis in its pure or vaporized forms (Spillane et al., 2021, p. 4).
G4	Co-Marketing Activities	Posts that feature other companies and the products that they produce, includes the use of tags (Spillane et al., 2021, p. 4).

G5	Other	Any post that does not fit into one of the four aforementioned categories.
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Appendix B: Codebook

Study of Canadian Cannabis Advertising via Instagram					
Coder's Name:					
Post Link	Message Form	Visual Cliché Used	Post Category	Audience Engagement	Audience Engagement
A=Company 1 B=Company 2 C=Company 3 D=Company 4 *Add more if necessary	1=Video 2=Photo 3=Poster/ Infographic 4=Other	1=Conspicuous Production 2=Awe of Cannabis 3=Glamorizing Utilitarian Accessories 4=On the Go 5=The Freedom of Open Spaces 6=Authentic Experiences at Home 7=Necessary Ingredient 8=Other	1=Posts Featuring Individuals 2=Health & Risk Statements 3=Cannabis References 4=Co-Marketing Activities 5=Other	Number of Likes	Number of Comments
1=Post #1 2=Post #2 3=Post #3 4=Post #4 5=Post #5 *Add more if necessary					
A1					
A2					
A3					
A4					
A5					
B1					

ADVERTISING IN THE CANADIAN CANNABIS INDUSTRY

B2					
B3					
B4					
B5					
C1					
C2					
C3					
C4					
C5					
D1					
D2					
D3					
D4					
D5					
Most utilized categories/ calculated averages:					