

WHITEPAPER

The Profitable Playbook for Selling CBD Online



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SECTION 1

CBD: The Latest Ecommerce Craze

Increasing consumer demand is making CBD one of the hottest commodities in ecommerce today.

01

Consumers are changing their state of mind.

As today's breakout wellness product, CBD offers online merchants many opportunities to profit.



Fast-growing sales have led many online merchants to consider adding CBD to their product offerings. While millennials and Gen Z are commonly seen as the driving force behind this change, older generations have also changed their perceptions—adults over 50 years old are one of the [fastest growing age groups](#) for cannabis consumers.

The passage of the [2018 Farm Bill](#) and a growing body of research have given consumers easier access to cannabis products. The substance can be found in a wide range of consumer products, from CBD-infused drinks to hemp seed oil skincare.

Despite the attention, [68 percent](#) of US adults have never tried CBD. Merchants have opportunities to fill this market gap and create a leading brand. In this whitepaper, we'll discuss how to profit from CBD, from crafting your brand to selecting the most valuable products to sell.

SECTION 2

Which CBD Products To Sell (And Who To Sell Them To)

Selling CBD is just half the battle. You'll need the right audience and the right products.

02

It takes more than a trendy item to stand out in the industry.

CBD will provide value to online businesses that can take advantage of its lifestyle qualities to appeal to the right buyers.

Products

According to studies, about [50 percent](#) of CBD users consume CBD for relaxation and stress relief purposes. This suggests that many consumers see CBD as a wellness aid rather than a recreational drug like cannabis or a hemp product containing THC. Products such as **creams, balms, tinctures, bath items, supplements, patches, and oils** are likely to provide your brand with the most consumer appeal.

Below are the global market forecasts for some of the most popular CBD products:

- Gummies: [\\$6.94 billion](#) by 2025 (31.9% CAGR)
- Topicals and skincare: [\\$1.7 billion](#) by 2025 (32.9% CAGR)
- Drinks: [\\$11.38 million](#) by 2025 (27.4% CAGR)



Demographics

There is tremendous opportunity to sell CBD in different ways to different consumer demographics. While millennials are a big consumer segment and take CBD to relieve anxiety and stress, baby boomers seek out CBD to treat chronic health conditions.

CBD isn't just for humans. The pet health market is a fast-growing segment, with sales predicted to reach \$125 million by 2022. Products like edibles, treats, and oils have been shown to have potential positive benefits for pets and are well-tolerated by most animals.

Costs

As a high demand item with constantly changing standards, pricing CBD can be tricky for businesses. However, the most important number to evaluate is the cost per milligram—how much CBD your business is getting for the price.

This number is based on the type of CBD product, the brand, and the quality. Factors like potency, extraction method, hemp source, and third-party testing impact the quality. The average cost of CBD ranges between \$0.04 and \$3.00 per mg.

These qualitative factors can be helpful in your **brand positioning** and **the marketing of your products**. Some CBD companies position themselves as premium, top-of-the-line-brands while others focus on offering good quality products for affordable prices.

As you begin to sell your CBD products, the prices to your customers will depend on the **labor, materials, packaging, labels, potency, marketing and shipping**. Your business should consider setting profit margins and markups to offset the potential risks.

SECTION 3

The United States of CBD

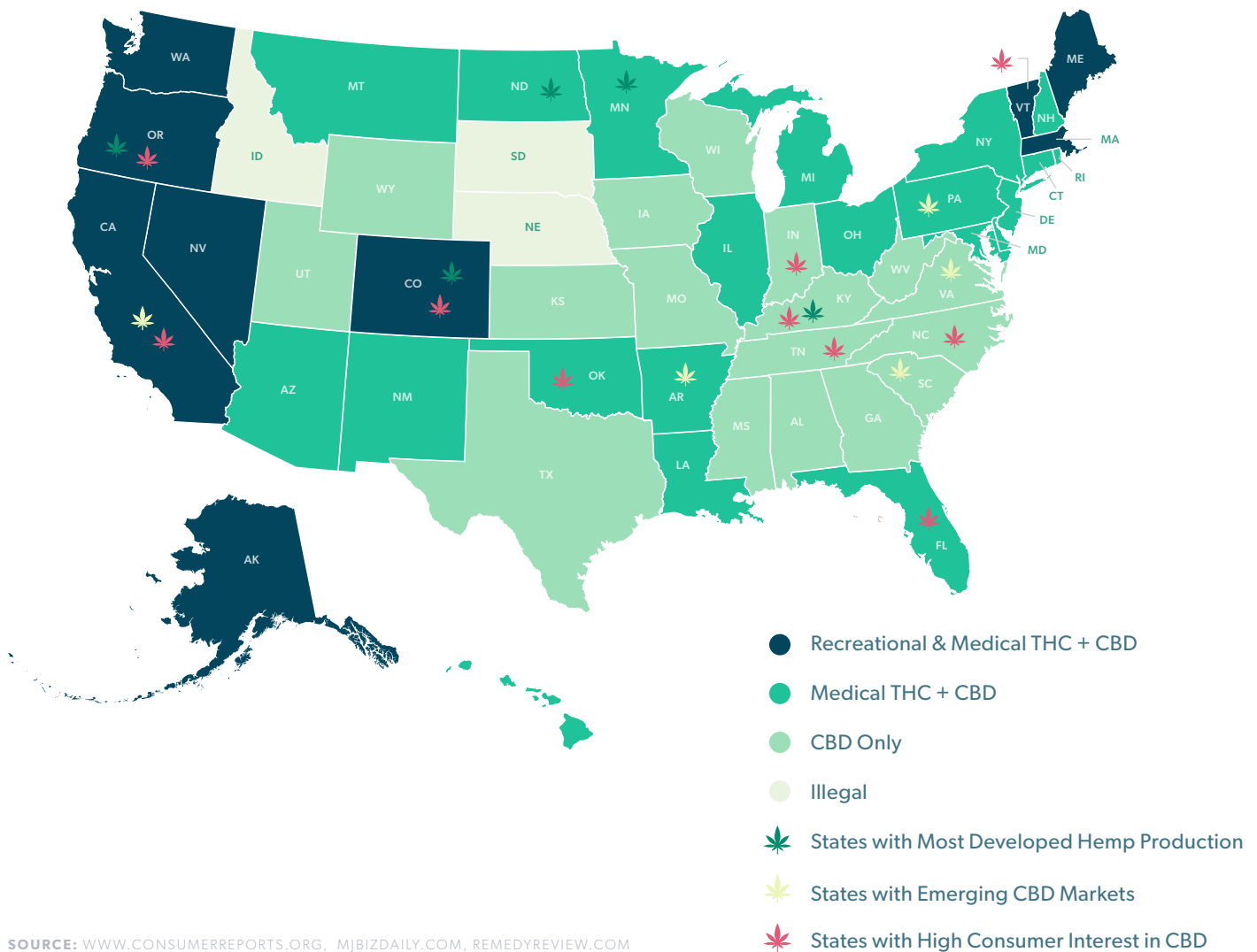
Although CBD is popular, the United States is “less than united” over CBD acceptance.

03

Which state has the most business potential for CBD?

Despite CBD’s legalization under federal law, businesses must still comply with the FDA, which continues to have the authority to regulate cannabis products. State laws also vary wildly—some prohibit the sale and consumption of CBD, while others limit the types of products sold. To build a successful CBD ecommerce business, you must comply with state regulations and ensure you stay within safe shipping zones.

Legality of THC and CBD Sales



SOURCE: WWW.CONSUMERREPORTS.ORG, MJBIZDAILY.COM, REMEDYREVIEW.COM

SECTION 4

Strategies For Creating A Profitable Brand

CBD merchants need to think outside the box to create an attractive, recognizable brand.

04

Impress your ideal customers.

To profit from selling CBD, your business will need a trustworthy website, appealing branding, and creative marketing tactics.



Keep customers coming back to your business with a compelling website. When buying CBD, consumers are looking for knowledge, trust, and quality. A study by the [Harris Poll](#) reveals that 38 percent of adults are still concerned about any unknown side effects of using CBD, while 33 percent worry about the combined effects with prescription drugs.

To build a reputable brand image, your business needs to produce informative content, leverage third-party test results, and take advantage of any customer stories. Top-notch website features provide more incentive for buyers to engage with your brand.

While the FDA prohibits making unsubstantiated medical claims, you can focus your website on the evidence-based benefits of incorporating CBD into one's lifestyle. There are studies that show how CBD oils may provide a [beneficial source of fatty acids](#) and have the [potential to help people sleep](#).

Most importantly, your business must be supported by CBD-friendly solutions and providers, including your ecommerce platform, payment processor, bank, and insurance company. Your providers must allow you to conduct your CBD business while providing the features you need to meet your needs.

What's Your Selling Point?

Two-thirds of Americans are unfamiliar with CBD brands. Create a recognizable brand by providing an experience shoppers can't get anywhere else.



Education

Consumers are still not fully aware of CBD and its ramifications. Offer seasoned advice and educational resources to establish your brand as a leading expert in the industry.



Appealing Lifestyle

Successful selling of a lifestyle product like CBD will be based on the image you promote. Are you focused on being organic? Do you appeal to athletes or working professionals? Determine the lifestyle that aligns with your target audience.



Assurance

Many Americans are still concerned about using cannabis. Consider benefits like a money-back guarantee and easy return policy to help lessen any friction in the purchasing process.



Product Quality and Selections

What is the potency of your products? Are you a premium brand or do you sell affordable products? Determine your value proposition and carry the products that appeal most to your audience.



Perks

Give shoppers a reason to return to you for their CBD needs. Consider selling points like loyalty programs, exclusive access, and subscription pricing to treat them like a special customer.



Curation

Most CBD beginners won't know which products they want or need. Win customers to your brand by curating products based on their preferences. Incorporating branded inserts and custom packaging can make your products even more unique.

Six Tactics to Win New Customers

01 Channel (Authentic) Influencer Marketing

An overwhelming 87 percent of social media users feel prompted to make a purchase by an influencer. Consider the niche and audience of the influencers you want to work with and see if there is an alignment. Athletes, fitness instructors, and health experts might be the best fit to promote the wellness qualities of your CBD products.

02 Invest in Social Media

Social media is crucial for connecting with customers. While paid advertising for CBD products is restricted, you can leverage product photos, special promotions, and educational content to build a strong organic following. Consider campaigns like workshops, swipe-up stories, and Instagram-worthy pop-up stores to get consumers buzzing about your brand.

03 Provide Exclusive Email Offers

Offer benefits to your website visitors in exchange for their email. Valuable incentives like a helpful guide, educational newsletter, special discounts, and new product announcements can effectively attract subscribers, while your email marketing strategy can help retain them.

04 Take Advantage of Content Marketing

Catch the attention of customers with compelling content. Leverage comprehensive guides, cinematic videos, customer testimonials, and surveys to boost your reputation and outperform your competitors.

05 Consider a Physical Presence

Even if you are an online-only merchant, a physical location can help move customers through the funnel faster. Rather than opening a display shop, consider making connections with a doctor's office, clinic, or wellness store to help answer any consumer questions.

06 Play with SEO

To expand your reach, you need a strong organic SEO strategy that includes keyword research, content writing, and link building. SEO can help to improve the quality of your traffic and convert casual visitors into loyal customers.

**HIGH QUALITY.
100% NATURAL.**

HERBALIVE
RICH CBD EXTRACT
100% NATURAL
30Z

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30Z

**HIGH QUALITY
CBD EXTRACT**

**NO HARSH
CHEMICALS**

**CRUELTY-FREE
AND VEGAN**

**ENHANCED
VITALITY**

Ready to market your CBD business?

Miva offers the tools you need to cash in
on the latest ecommerce craze.

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