

5 W P R R E S E A R C H

# THE CANNABIS COMMUNICATIONS GAP

WHY A \$38.5 BILLION INDUSTRY OPERATES WITH THE WEAKEST  
COMMUNICATIONS INFRASTRUCTURE OF ANY MAJOR CONSUMER CATEGORY IN  
AMERICA

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*The Advertising Blackout • The Rescheduling Inflection Point • The Celebrity Endorsement Reality • The  
MSO Visibility Gap • The Athlete Policy Shift • The FTC Enforcement Environment • The GEO Blind Spot*

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## Executive Summary

The U.S. legal cannabis market generated \$38.5 billion in revenue in 2024. It is projected to reach \$47 billion in 2025 and \$55 billion by 2030. It is the fastest-growing regulated consumer category in American business history, and it operates with the communications infrastructure of a much smaller and much less consequential industry.

This is not a communications problem that cannabis brands don't know about. It is a problem they have not yet solved — partly because of the genuine structural constraints created by federal prohibition, and partly because the culture of the industry has historically prioritized operational scale, regulatory compliance, and market share capture over brand communications investment. That priority ordering made sense in the early years of legalization. It makes less sense in 2026.

The environment has changed in ways that make communications infrastructure both more available and more urgent. President Trump's December 2025 executive order directing the Department of Justice to complete the rescheduling of cannabis from Schedule I to Schedule III is the most significant federal cannabis policy development in more than fifty years. Rescheduling — expected to be finalized in the first half of 2026 — will eliminate the Section 280E tax burden that has taxed cannabis companies on gross rather than net income, freeing substantial capital for reinvestment. It will improve banking access. And it will, over time, open the door to U.S. stock exchange listings for cannabis companies that have been limited to Canadian exchanges.

All of those outcomes require communications infrastructure to convert into competitive advantage. The regulatory event alone does not produce the capital markets benefit, the brand premium, or the consumer loyalty. Communications builds that bridge.

This report documents the Cannabis Communications Gap across five dimensions: the advertising blackout and the channels it forces brands toward; the rescheduling inflection point and its communications implications; the celebrity and athlete endorsement market and what the performance data actually shows; the multistate operator earned media gap; and the FTC enforcement environment that has made the influencer marketing space both more important and more legally consequential for cannabis brands. Throughout, the report identifies the specific investments that produce documented competitive advantage and the window in which first-mover advantage is still available.

*“Cannabis is the only major consumer category in America where the advertising blackout has not produced a compensating investment in the channels that work. The brands that recognize that gap and close it in 2026 will have a compounding advantage that late movers cannot replicate.”*

## Key Data Points

Metric	Figure	Source
U.S. legal cannabis market 2024	\$38.5 billion	Grand View Research 2024
Projected U.S. market 2025	\$47 billion	Statista Market Forecast
Projected U.S. market 2030	\$55 billion	Statista Market Forecast
Cannabis marketing spend vs. CPG (% of revenue)	80% less	Cannabis Media Council / Flowhub
Cannabis marketing spend vs. retail (% of revenue)	75% less	Cannabis Media Council / Flowhub
Google Ads — THC products	Banned	Google Advertising Policy 2025
Facebook/Instagram paid — THC products	Banned	Meta Advertising Policy 2025
TikTok paid — all cannabis products	Banned	TikTok Advertising Policy 2025
Trump Executive Order on rescheduling	Signed December 18, 2025	Goodwin Law / Congress.gov
280E relief expected (final rule)	First half 2026	AAFCPAs; ArentFox Schiff
Maryland dispensary avg. 280E savings (annual)	\$805,000 per store	Cannabis Business Times
Top celebrity cannabis brand by 2024 sales	Khalifa Kush: \$50M	Hoodie Analytics via Herb.co
Snoop Dogg Death Row Cannabis 2024 sales	\$2–3 million (ranked 20th)	Hoodie Analytics via Herb.co
Active celebrity cannabis brands (U.S.)	40+	MJBiz Magazine; Variety
NBA CBA change: cannabis removed from banned list	Effective July 1, 2023	NBA/NBPA CBA 2023
FTC civil penalty per influencer violation (2025)	Up to \$53,088	FTC 2025
Active cannabis business licenses in the U.S. (Q3 2023)	42,000+	Grasslands Agency

# Section 1: The Advertising Blackout — The Constraint That Defines the Category

## 1.1 What Cannabis Brands Cannot Do in 2026

Federal prohibition of THC-containing cannabis products under the Controlled Substances Act creates a cascade of advertising restrictions with no parallel in any other major U.S. consumer category. These restrictions do not track state legalization — they are federally imposed regardless of whether cannabis is legal in the state where the ad would appear or the consumer resides.

Platform	Cannabis Ad Status 2026	Detail
Google Ads	All THC products: Banned	Non-ingestible CBD permitted with LegitScript certification; THC products categorically excluded
Facebook (Meta)	All THC products: Banned	Non-ingestible CBD with Meta written approval and LegitScript; THC: no exceptions
Instagram (Meta)	All THC products: Banned	Same policy as Facebook; organic content allowed but shadowbanning reported
TikTok	All cannabis: Banned	No exceptions for THC; some non-ingestible CBD topicals attempted but enforcement inconsistent
YouTube	Promotion banned	Educational content allowed; no paid promotion; sponsored influencer content requires overt disclosures
Twitter/X	Partially open	Policy loosened; geographic and age restrictions apply; growing option for the category
Television (national)	Effectively banned	No major network accepts cannabis advertising; local spot buys available in some legal markets
Radio (national)	Effectively banned	Some local markets; FCC restrictions limit reach
Programmatic digital	Severely limited	Cannabis-specific DSPs (Mantis, Adistry, StackAdapt cannabis) exist but reach is a fraction of mainstream programmatic
Out-of-home	State-by-state	Billboards and transit permitted in most legal states; 71%+ adult audience requirement in California and others
Spotify / podcasts	Limited, growing	Some cannabis brands running podcast host-read ads; platform policies inconsistent

Source: Google Advertising Policy 2025; Meta Advertising Policy 2025; TikTok Policy 2025; Cannabis Regulations AI 2025; MJBizCon 2025 takeaways

## 1.2 The Misallocation Problem

Cannabis brands spend 75% less on marketing than traditional retail and 80% less than CPG companies as a percentage of revenue. Within that already-undersized marketing budget, allocation patterns are further misaligned: brands spend disproportionately on the channels with the most restrictions (social media, programmatic) and underinvest in the channels where they have no restrictions and where the return is highest (earned media, SEO, owned content, influencer with proper disclosure).

The MJBizCon 2025 panel on cannabis marketing documented this pattern in operator interviews. One California brand operator noted dedicating 80% of her marketing budget to online ads and platform-specific geotargeting — a channel mix that, while functional, bypasses the channels that build lasting brand equity in a restricted environment. Another operator identified Leafly content marketing and Spotify podcast campaigns as high-return alternatives — yet both remain minority allocations for most MSOs.

### 1.3 The Search and GEO Vulnerability

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Cannabis consumers research purchases online extensively. Dispensary selection, product comparison, strain information, brand reputation, and safety information are all research-driven decisions. Organic search for cannabis-related queries is unrestricted — Google does not ban organic cannabis search results, only paid advertising. This creates a specific and urgent opportunity that most cannabis operators have failed to capture.

A search for any major MSO brand returns results dominated by Leafly, Weedmaps, Reddit threads, and third-party review aggregators. Brand-controlled narrative content is largely absent. The brands are ceding their own search results to platforms they do not own, cannot control, and that frequently feature competitor brands alongside their own.

The GEO dimension is newer but more urgent. AI-powered search tools — Perplexity, ChatGPT Search, Google AI Overviews — synthesize information about cannabis brands from whatever content ranks for those queries. For most cannabis operators, that content was written by Leafly, anonymous Reddit users, and cannabis review aggregators. The brand has no voice in its own AI-generated description. As AI search captures an increasing share of informational queries, the brands that have built owned content ecosystems will compound their advantage over those that have not.

*Source: CannDelta 2025; Marketing Brew; Grasslands Agency 2025; MJBizCon 2025*

## Section 2: The Rescheduling Inflection Point — The Communications Implications of the Most Significant Federal Policy Shift in Fifty Years

### 2.1 What Happened

On December 18, 2025, President Trump signed an executive order directing Attorney General Pam Bondi to “take all necessary steps to complete the rulemaking process related to rescheduling marijuana to Schedule III of the [Controlled Substances Act].” The order follows the Biden administration’s 2023 HHS recommendation, the DEA’s 2024 proposed rule, and a process that stalled through most of 2025. The Trump executive order instructs the DOJ to complete rescheduling “in the most expeditious manner” permitted by law. Final rule publication is expected in the first half of 2026.

Rescheduling does not federally legalize cannabis. Adult-use cannabis remains illegal under federal law at Schedule III. What rescheduling does is formally recognize that cannabis has “accepted medical use” — a classification change that carries immediate and material financial consequences and creates the conditions for further reform.

### 2.2 The 280E Elimination: What It Means Financially

Section 280E of the Internal Revenue Code currently prohibits cannabis businesses — classified as Schedule I or II traffickers — from deducting ordinary business expenses on federal tax returns. Payroll, rent, marketing, legal fees, accounting costs: all non-deductible. Cannabis companies are taxed on gross income rather than net income, producing effective federal tax rates of 70% or more for profitable operators — a structural disadvantage with no equivalent in any other U.S. consumer industry.

Schedule III rescheduling removes cannabis from the scope of 280E. The relief is prospective, not retroactive — applying to tax years beginning after the effective date of the final rule. For cannabis businesses, this is a structural reset of unit economics. Cannabis retailers in high-volume states like Maryland would save an average of \$805,000 annually per store under 280E relief, per Cannabis Business Times analysis.

Business Impact	Current (Schedule I)	Post-Rescheduling (Schedule III)
Business expense deductions	Disallowed (payroll, rent, marketing, legal)	Allowed — same as any other business
Effective federal tax rate	70%+ for profitable operators	Normalized to standard corporate rate range
Banking access	Severely restricted; most	Improved; banks may re-enter

	banks decline	with greater confidence
U.S. stock exchange listing	Not permitted (Canadian exchanges only)	Not automatic; further reform required
Capital markets access	Limited to private equity and Canadian exchange	Potential institutional capital thaw
Marketing expense deductibility	Non-deductible	Deductible — direct incentive to increase spend

Source: Vicente LLP Cannabis Rescheduling Explained; Goodwin Law December 2025; AAFCPAs December 2025; ArentFox Schiff December 2025; Congress.gov

## 2.3 The Communications Implications of Rescheduling

The financial relief from 280E elimination is the headline. The communications implications are equally significant and have received less attention.

### Marketing becomes deductible

Under 280E, marketing and advertising expenses have been non-deductible for cannabis operators. Post-rescheduling, they are deductible — immediately and materially improving the after-tax economics of communications investment. A dollar spent on PR, owned content, or influencer strategy becomes a deductible business expense. The effective cost of communications investment drops by the company's marginal tax rate at the moment the final rule takes effect.

### Investor communications becomes critical

Rescheduling is the regulatory event that the cannabis capital markets have been waiting for. When institutional investors begin evaluating cannabis MSOs as genuine investment candidates — rather than federally prohibited entities — the companies with established investor relations infrastructure, credible CEO profiles, and coherent equity narratives will access capital at lower cost than those without. The communications gap between cannabis MSOs and comparable public companies in other industries is documented in Section 4. The window to close that gap, before the institutional capital flows, is now.

### Media coverage of the category intensifies

Rescheduling is a major news event that will generate sustained national media attention on the cannabis industry for months. The companies that have built relationships with the journalists, analysts, and media outlets covering this event will shape the narratives. Those that have not will be described by their competitors, by critics, and by regulatory observers. The earned media infrastructure built before the rescheduling news cycle is the one that matters.

## **The banking and exchange listing pipeline opens**

Rescheduling will not immediately enable U.S. stock exchange listings or resolve all banking restrictions — additional legislation (such as the SAFER Banking Act) is required for full resolution. But it creates the political and regulatory environment in which those reforms become more achievable. The MSOs that are positioned with the investor communications, analyst coverage, and public market transparency that U.S.-listed companies require will be first-movers when the exchange listing window opens.

*Source: ArentFox Schiff December 2025; Goodwin Law December 2025; Cannabis Business Times; Ecigator January 2026; Verdant Strategies December 2025*

## Section 3: The Celebrity and Athlete Endorsement Market — What the Performance Data Actually Shows

### 3.1 The Scale of the Market

More than 40 identifiable celebrity brands or formal endorsement partnerships are active in the U.S. legal cannabis market as of 2026. The range spans music (Wiz Khalifa, Snoop Dogg, Jay-Z, Willie Nelson, Melissa Etheridge, Carlos Santana, Doja Cat), entertainment (Seth Rogen, Whoopi Goldberg, Martha Stewart, Jaleel White, Danny DeVito, Mike Tyson), sports (Calvin Johnson, Al Harrington), and lifestyle figures. Cannabis has attracted more celebrity brand involvement, proportionate to industry size, than almost any other consumer category.

The strategic logic is straightforward: cannabis brands cannot use conventional celebrity endorsement advertising channels. They cannot run a television campaign, a YouTube pre-roll, or a Facebook ad featuring a celebrity. The brand ownership or co-ownership structure — where the celebrity builds or owns the brand rather than merely endorsing it — emerged as the dominant model precisely because it sidesteps the endorsement-advertising restriction and activates the celebrity's organic media presence instead.

### 3.2 The Performance Data: A \$47 Million Gap

Hoodie Analytics' 2024 tracking data, published in early 2025, provides the most granular available measurement of celebrity cannabis brand performance. The results are stark.

Brand	Celebrity	2024 Sales (est.)	Structure	Communications Notes
Khalifa Kush	Wiz Khalifa	\$50 million	Owned brand + MSO partnerships	Authentic 10-year cannabis advocacy; Trulieve & Cookies distribution; full product line
TYSON 2.0	Mike Tyson	\$50M+ (2022-23 reported)	Licensed brand	Strong in Nevada, California; cannabis events tied to boxing brand
Houseplant	Seth Rogen	Not publicly disclosed	Owned brand + home goods	California-focused; authentic advocacy; lifestyle brand extension
Monogram	Jay-Z	Not publicly disclosed	Caliva partnership	Premium positioning; acquired by StateHouse Holdings
Willie's Reserve	Willie Nelson	Not publicly disclosed	Licensed brand	Multi-state; older demographic; authentic NORML advocacy history

Cookies	Berner	Largest non-celebrity brand	Owned brand	Hip-hop culture driven; not traditional celebrity but largest independent brand
Death Row Cannabis	Snoop Dogg	\$2–3 million (ranked 20th)	Owned brand	Supply chain focus over brand marketing; legacy licensed brand underperformed
Leafs By Snoop (legacy)	Snoop Dogg	Discontinued	Canopy Growth license	Canopy's own assessment: did not perform as expected

Source: Hoodie Analytics via Herb.co January 2025; MJBiz Magazine; Technical420; Variety; South China Morning Post

### 3.3 Why Khalifa Kush Outperforms Snoop Dogg by \$47 Million

Wiz Khalifa and Snoop Dogg are arguably the two most famous celebrity cannabis advocates in American culture. Snoop Dogg's association with cannabis predates Wiz Khalifa's by decades and is arguably more universally known. Yet Khalifa Kush generated approximately \$50 million in 2024 sales while Snoop Dogg's Death Row Cannabis generated \$2–3 million, placing 20th among celebrity brands.

The performance gap is not explained by awareness. It is explained by authenticity of brand structure, communications consistency, and distribution strategy. Khalifa Kush was built over a decade as a genuine cannabis brand — a specific strain bred for Wiz Khalifa before any commercial product existed, commercialized through years of direct fan engagement, and scaled through strategic MSO partnerships (Trulieve, Cookies) that brought it into new markets with built-in distribution and credibility. The brand has a communications posture — social media, media appearances, event presence — that is consistent with Wiz Khalifa's identity at every point.

Snoop Dogg's Death Row Cannabis is a newer brand without that accumulated equity. His earlier Leafs By Snoop brand, licensed through Canopy Growth, underperformed by Canopy's own admission. The Snoop Dogg data is the clearest evidence in the celebrity cannabis dataset that celebrity name recognition, absent a genuine brand-building communications strategy, does not sustain itself in the cannabis market.

#### The Core Lesson

The celebrity cannabis brands that work are the ones where the celebrity is genuinely the brand — built over years, not announced in a press release. The ones that do not work are the ones that substitute a famous name for a communications strategy.

### 3.4 The Four Models and Their Communications Implications

### **Model 1: Owned Brand**

The celebrity founds or co-founds a brand built on their identity. Communications value is intrinsic — every media mention of the brand is a mention of the celebrity. This model has the highest upside when the celebrity's authentic cannabis connection is longstanding and credible. Risk: the celebrity's reputation is the brand's reputation. A public controversy affecting the celebrity directly damages the cannabis brand with no structural separation.

### **Model 2: Licensed Brand**

An operator licenses the celebrity's name and likeness for a product line. The operator retains control; the celebrity provides identity. Historical performance is mixed. Martha Stewart's CBD relationship with Canopy outperformed the Snoop Dogg relationship because the demographic fit was genuine — her audience (baby boomers, wellness-oriented consumers) maps directly onto the CBD consumer profile. The licensing model fails when the celebrity's audience does not map onto the cannabis consumer being targeted.

### **Model 3: Distribution Partnership**

An established celebrity brand partners with MSOs for market entry. Khalifa Kush's partnership with Trulieve is the benchmark. The communications value for the MSO is immediate shelf-level recognition and earned media from the partnership announcement. For the celebrity brand, it is multi-state distribution without capital-intensive vertical integration. Of the four models, this one delivers the most consistent near-term return for both parties and is the most replicable.

### **Model 4: Advocacy and Organic Endorsement**

Celebrities reference brands in organic social media, podcast appearances, and event contexts. This is the highest-risk model under FTC enforcement guidelines updated in 2023–2025. Undisclosed paid endorsements in cannabis are an active FTC enforcement priority. Cannabis brands operating in this model without disclosure infrastructure and legal review are exposed.

*Source: Hoodie Analytics; MJBiz Magazine; Herb.co; Scarinci Hollenbeck; Technical420; Variety*

## Section 4: The Athlete Endorsement Policy Shift — A New Market That Is Not Yet Fully Open

### 4.1 The NBA CBA Change

On July 1, 2023, the NBA’s new Collective Bargaining Agreement with the National Basketball Players Association took effect, running through the 2029–2030 season. Two provisions are directly relevant to cannabis communications.

First: marijuana was removed from the NBA’s Prohibited Substances List entirely. Players are no longer tested for cannabis use and face no sanctions for off-court consumption. This change — formally codifying what had been an informal moratorium since the COVID-19 pandemic — makes NBA players among the first major professional athletes in the United States to legally use cannabis without career risk.

Second: players may now invest passively in companies that make or sell products containing marijuana, and may promote and endorse companies that make CBD products, provided those companies are not “Marijuana Companies” under the CBA definition. Players remain prohibited from actively promoting THC-containing cannabis brands. A player who wishes to promote CBD products sold by a marijuana company must receive written approval from both the NBA and the Players Association, and that approval requires detailed written submissions on the products, ingredients, and proposed endorsement activity.

### 4.2 What This Actually Opens — and What It Does Not

Activity	NBA Policy Status	Communications Implication
Off-court cannabis consumption	Permitted (removed from banned list)	Players can speak openly about personal use; eliminates career risk of organic social media references
CBD product promotion (non-marijuana company)	Permitted without restriction	Immediate and significant endorsement opportunity for CBD brands
CBD product promotion (marijuana company’s CBD line)	Permitted with NBA/NBPA written approval	High-value opportunity but requires compliance process; not automatic
THC/marijuana product promotion	Prohibited	Direct endorsement of cannabis brands remains off-limits under current CBA
Passive investment in marijuana companies	Permitted (minority, non-controlling)	Players can be investors and organic advocates without formal promotion restrictions
Active/controlling interest in marijuana company	Prohibited	Players cannot found or run cannabis companies while active

Own personal cannabis brand	Prohibited	Cannot put own name on a THC-containing cannabis brand while active
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Source: NBA/NBPA Collective Bargaining Agreement 2023; Bloomberg Law; Harris Sliwoski LLP; MJBizDaily; Marijuana Moment; NORML

### 4.3 The Other Sports Leagues

The NBA's change is part of a broader pattern across professional sports, though the specific rules differ significantly:

League	Cannabis Policy Status	Endorsement / Investment Rules
NBA	Removed from banned list (2023)	CBD promotion: yes; THC promotion: no; passive investment: yes
MLB	Removed from banned list (2019)	No formal endorsement policy published; some player investments
NFL	Not banned; fines (not suspensions) for positive tests	No formal policy on endorsements; players generally avoid due to sponsor risk
NHL	Not banned; testing reduced	No formal endorsement guidance; some player investments
NFL Players (retired)	No restrictions	Growing space for retired NFL players in cannabis; Rob Gronkowski, others
MLS	Removed from banned list (2023)	Policy aligned with Canadian market where cannabis is federally legal
UFC	Removed from banned list (2021)	No endorsement policy; fighters have active cannabis brand investments

Source: NORML; Bloomberg Law; MJBizDaily; Marijuana Moment 2023; Fairwinds Cannabis

### 4.4 The Opportunity and Its Limits

The NBA CBA change opens a genuine, near-term endorsement opportunity for cannabis brands — specifically CBD-focused brands or brands that have successfully separated their CBD and THC product lines under separate brand identities. An NBA player's organic social media reach, combined with the newly permitted investment and advocacy structure, creates a communications channel that did not exist before July 2023.

The limit is clear: active NBA players cannot endorse THC-containing products. For MSOs and state-licensed cannabis brands whose primary products are THC-containing, the direct endorsement pathway remains closed. The opportunity is most immediate for the CBD and

wellness segment of the cannabis industry, and for retired athletes across all sports who face no league restrictions.

Al Harrington (former NBA forward, founder of Viola Brands) and Calvin Johnson (former NFL receiver, founder of Primitiv) are among the most prominent examples of athlete-founded cannabis brands predating the policy changes. Their brands demonstrate the model — athlete authenticity, cannabis advocacy history, and genuine product investment — that the new NBA policy environment makes more accessible.

*Source: Global Sports Advocates; Harris Sliwoski; Bloomberg Law; MJBiz Magazine*

## Section 5: The FTC Enforcement Environment — Why Influencer Strategy Has Become More Important and More Legally Consequential Simultaneously

### 5.1 The Regulatory Backdrop

The FTC's updated Endorsement Guides, fully effective as of October 2024, represent the most significant overhaul of influencer marketing regulations in the agency's history. Simultaneously, the FTC finalized a rule banning fake consumer reviews and testimonials, authorizing civil penalties for violations. For cannabis brands — which rely on influencer marketing, organic social media, and earned endorsements more heavily than almost any other consumer category — the compliance stakes have materially increased.

FTC Rule/Action	Effective Date	Key Requirement for Cannabis Brands	Penalty
Updated Endorsement Guides	October 2024	All material connections (payment, free product, affiliate) must be clearly disclosed	Up to \$53,088 per violation (2025 rate)
Fake Reviews Final Rule	August 2024	Prohibits fake reviews, fabricated followers, AI-generated testimonials	Up to \$51,744 per incident
Operation CBD Deceit (2020-2023)	Ongoing enforcement	Health claims for CBD must be substantiated; no disease treatment claims	Restitution + injunctions
Hemp/CBD Influencer Scrutiny	2024–2025	Brands liable for influencer claims even if not reviewed in advance	Brand-level liability
Youth-appeal enforcement	2025 active	No marketing that could attract minors; age verification required	Forced product withdrawal + fines

Source: FTC Endorsement Guides 2024; Cannabis Regulations AI 2025; Bloomberg Law January 2026; inBeat Agency 2025

### 5.2 What This Means for Cannabis Influencer Strategy

Four of five social media influencers still fail to properly disclose paid partnerships, per industry analysis. For cannabis brands, this is not just a compliance risk for the influencer — it is a brand-level liability. The FTC's updated guidance makes brands directly liable for influencer

claims made in endorsed content, even if the brand did not review or approve the specific post. “Claiming ignorance is not a defense,” per FTC Bureau of Consumer Protection guidance.

In the cannabis category specifically, the compliance exposure has two layers. The first is the standard endorsement disclosure requirement — every material connection must be disclosed clearly and conspicuously, at the start of posts, not buried in hashtags or footnotes. The second is the health claims layer: CBD and cannabis influencer content frequently includes health benefit statements (pain relief, sleep improvement, anxiety reduction) that the FTC requires to be substantiated by rigorous clinical evidence. Most are not.

### 5.3 Building Compliant Influencer Infrastructure

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Cannabis brands that want to operate in the influencer channel — and they should, given the advertising blackout that makes it one of the most important channels available — need five things in place before running any influencer program:

- Written influencer agreements that explicitly require FTC-compliant disclosure language (“Sponsored,” “#Ad”, or equivalent) at the beginning of every post, not at the end.
- A claims matrix documenting every health or benefit claim being made about the product, with the substantiation evidence for each claim. Any influencer content featuring a claim not in the matrix should be flagged and corrected before posting.
- Age-gating requirements written into influencer contracts, specifying that content must use available platform age-restriction tools and cannot be designed to appeal to audiences under 21.
- A monitoring system for live influencer content that reviews posts within 24 hours of publishing and has a documented process for requesting corrections to non-compliant content.
- A legal review process for any influencer content featuring health benefit claims, conducted before content goes live rather than after.

The compliance cost of this infrastructure is modest relative to the influencer spend it protects. The FTC penalty exposure for a non-compliant influencer campaign — potentially \$53,088 per post, multiplied across dozens of influencers and hundreds of posts — is not modest.

*Source: FTC 2024-2025; Cannabis Regulations AI 2025; Bloomberg Law 2026; M Accelerator 2025*

## Section 6: The MSO Earned Media Gap — Public Companies Nobody Has Heard Of

### 6.1 The Scale of the Problem

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The largest cannabis companies in the United States are publicly traded companies with annual revenues ranging from several hundred million to over \$1 billion. Curaleaf, Green Thumb Industries, Trulieve, Verano Holdings, Cresco Labs, and AYR Wellness collectively generate more than \$5 billion in annual revenue and operate hundreds of licensed dispensaries across dozens of states. They are listed on Canadian exchanges (OTC in the U.S.) because U.S. exchanges do not list cannabis companies under current federal prohibition.

By almost any measure of corporate communications quality, these companies are operating well below the standard for publicly traded companies of comparable size. Tier 1 earned media volume is minimal. CEO media profiles are reactive rather than proactive. Investor communications are functional but not narrative-driven. Analyst coverage is thin compared to comparable companies in adjacent categories. And the owned content infrastructure that would allow them to shape how investors, regulators, and consumers understand their businesses is largely absent.

There are over 42,000 active cannabis business licenses in the United States. Only 300 of those companies were publicly traded as of Q3 2023, and another 2,000 were social equity licensees. The major MSOs are the visible face of a legitimate, large-scale industry — and they are not communicating at that scale.

### 6.2 The Rescheduling Communications Window

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The December 2025 executive order on rescheduling will generate sustained national media coverage of the cannabis industry throughout the first half of 2026. Congressional hearings, regulatory comment periods, financial press analysis, and consumer media coverage of what rescheduling means will create more earned media opportunity for cannabis MSOs in 2026 than in any prior year.

The companies that have relationships with the journalists covering this story — at the Wall Street Journal, Bloomberg, Reuters, CNBC, and the trade press — will have their executives quoted and their perspectives reflected in coverage. The companies that have not built those relationships will be described by their competitors, by regulatory critics, and by the journalists' own analysis.

Rescheduling is not just a tax event. It is the largest earned media opportunity in the history of the U.S. cannabis industry. The window to position for that opportunity closed on December 18, 2025 for companies that had not already invested. For those that begin immediately, the opportunity is still available.

### 6.3 The MSO Earned Media Comparison

Company	Revenue (approx.)	Industry	Est. Tier 1 Media (quarterly)	CEO Proactive Profile	Comms Rating
Curaleaf Holdings	~\$1.3B	Cannabis MSO	Very Low (<10 mentions)	Reactive only	D
Green Thumb Industries	~\$1.0B	Cannabis MSO	Very Low (<10 mentions)	Rare	D
Trulieve Cannabis	~\$1.1B	Cannabis MSO	Low (10–20; mostly regulatory)	Occasional	D+
Verano Holdings	~\$900M	Cannabis MSO	Very Low	Rare	D
Comparable CPG (\$1B rev.)	~\$1B	Consumer Packaged Goods	Moderate (40–80 mentions)	Regular	B
Comparable specialty retail (\$1B)	~\$1B	Specialty Retail	Moderate (30–60 mentions)	Regular	B-
Comparable biotech (\$1B rev.)	~\$1B	Biotech/Pharma	High (80–150 mentions)	Frequent	A-

MSO Tier 1 media estimates based on 5WPR analysis of publicly reported coverage. All figures are estimates for illustrative comparison.

### 6.4 Pre-Legalization State Market Entry

Every new state adult-use legalization creates a compressed communications window in which early earned media investment produces disproportionate returns. The pattern across multiple state launches — Michigan 2021, Maryland 2023, Ohio 2024 — is consistent: operators with pre-existing earned media presence achieve faster initial consumer acquisition than those who arrive at launch with advertising budgets alone.

The mechanism: cannabis consumers in a newly legal state research before they buy. The brands that appear in their organic search results — in local press, in state-specific media, in the search results for cannabis brands in [state] — have a first-mover advantage that advertising spend at launch cannot replicate. The advertising blackout makes this pre-legalization communications window more valuable for cannabis brands than for any other consumer category.

The states with active 2026 legalization pipelines — Florida (adult-use likely to return after the 2024 narrow defeat), Pennsylvania, Hawaii, and others — represent specific, time-limited pre-legalization communications opportunities. The window does not stay open. The earned media investment made before the legalization news cycle is the asset. The spend made at launch is catch-up.

*Source: Grasslands Agency 2024-2025; MJBiz Daily; Cannabis Business Times; Flowhub*

## Section 7: The Cannabis Communications Investment Framework for 2026

### 7.1 Channel Priority in a Restricted Environment

Channel	Restrictions	Brand Equity Return	Current Industry Investment	Gap
Earned media / PR	None	Very High	Very Low (<1% of revenue)	Very Large
SEO / organic content	None	Very High	Low	Large
GEO / AI search content	None	Very High (growing rapidly)	Minimal	Very Large
Budtender education	State-by-state	High (drives sell-through)	Moderate	Moderate
Authentic owned celebrity brand	Structural model restrictions	High (when genuine)	Moderate	Moderate
Influencer (organic, FTC-compliant)	FTC compliance required	Moderate-High	Growing	Moderate
CBD athlete endorsement (NBA/others)	NBA CBA restrictions on THC	Moderate-High (CBD only)	Low-Emerging	Large (CBD brands)
Out-of-home	State-by-state	Moderate	Moderate	Small
Cannabis platforms (Leafly, Weedmaps)	Platform rules	Moderate	High	Small
Investor relations / IR	None	High (pre-rescheduling window)	Very Low	Very Large
Events and experiential	State restrictions vary	Moderate	Low	Moderate
Paid social (organic only)	Heavy platform restrictions	Low-Moderate	High (misallocated)	Negative

### 7.2 Five Priority Investments for 2026

#### 1. Rescheduling Investor and Media Relations

The 2026 rescheduling process is the most important earned media event in cannabis industry history. MSOs and established operators should be actively pitching investor and financial media now, building relationships with the reporters at Bloomberg, WSJ, CNBC, Reuters, and the cannabis trade press who will cover this story. Executive commentary, analyst briefings, and

investor communications materials that position the company's specific rescheduling benefit (280E savings, capex freed for reinvestment, banking improvement) should be developed and ready to deploy when the final rule publishes.

## 2. Owned Content and GEO Infrastructure

A disciplined owned content strategy — brand storytelling, product transparency, responsible use content, educational content, executive thought leadership — deployed consistently over 12 months will materially shift the content ecosystem for a cannabis brand in organic search and AI-powered search. This investment is more urgent in 2026 than in any prior year because the AI search tools that will synthesize cannabis brand information for the next decade are being trained on today's content. First-movers in cannabis GEO will have a compounding advantage.

## 3. Pre-Legalization State Market Entry

For operators with expansion-state targets, the pre-legalization communications investment is the highest-return marketing spend available. Identify the five to ten journalists in each target state who cover cannabis, business, and politics. Build those relationships. Publish owned content that appears in state-specific search results. Have the executive team visible as credible sources before the company has anything commercial to announce. The cost is modest. The return at launch is documented.

## 4. FTC-Compliant Influencer Infrastructure

Build the compliance infrastructure before the influencer spend, not after. Written agreements, claims matrices, age-gating requirements, monitoring systems, and legal review processes for health claims are the minimum viable compliance program. The influencer channel is too important in a channel-restricted environment to forego, and too legally exposed in the current FTC environment to run without it.

## 5. Executive Visibility and Thought Leadership

Cannabis' regulatory moment will be shaped by which executives are recognized as credible voices by legislators, regulators, investors, and media. MSO CEOs who are unknown outside the cannabis trade press are not positioned to benefit from the rescheduling process their companies have spent tens of millions of dollars lobbying for. A sustained thought leadership program — op-ed placements in national business media, speaking at non-cannabis conferences, availability as sources for the reporters covering the rescheduling story — builds the profile that converts regulatory outcomes into institutional credibility.

## 7.3 The Celebrity Partnership Decision Framework

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For operators evaluating celebrity or athlete partnerships, the data in this report supports the following framework:

- Authenticate first. The \$47 million gap between Khalifa Kush and Death Row Cannabis is an authenticity gap. Does the celebrity genuinely use cannabis? Do they have a documented advocacy history? Do their fans expect them to be involved in the category? If the answer to all three is yes, the brand has a foundation. If not, the deal is a marketing event, not a brand-building investment.
- Communications strategy cannot be outsourced to the celebrity. A partnership without a sustained earned media strategy produces launch coverage and silence. The celebrity provides the initial awareness hook. The communications strategy builds the brand equity.
- For NBA and other professional athletes: the CBD pathway is open; the THC pathway is not for active players. CBD brands with wellness positioning have genuine NBA player endorsement opportunity under the 2023 CBA. Build compliance infrastructure before approaching players.
- Demographic alignment matters more than fame. Martha Stewart's CBD performance versus Snoop Dogg's CBD performance is a demographic alignment story. Match the celebrity's audience to the target consumer.
- Distribution partnerships (Model 3) offer the most consistent near-term ROI for both parties. The Khalifa Kush / Trulieve structure is the template: celebrity brand equity plus MSO operational infrastructure and multi-state reach.
- FTC compliance is non-negotiable. Every celebrity and influencer partnership requires written disclosure agreements, claims documentation, and monitoring. The risk is brand-level, not just influencer-level.

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Sources: Flowhub Cannabis Industry Statistics; Grand View Research U.S. Cannabis Market 2024; Statista Cannabis Market Forecast; Cannabis Media Council; Hoodie Analytics via Herb.co 2025; MJBiz Magazine; Grasslands Agency; Marketing Brew; Cannabis Regulations AI 2025; Marijuana Moment; NBA/NBPA CBA 2023; Global Sports Advocates; Harris Sliwoski LLP; FTC Endorsement Guides 2024; Bloomberg Law; AAFCPAs; ArentFox Schiff; Goodwin Law; Vicente LLP; Verdant Strategies; Congress.gov; MJBizCon 2025; Cannabis Business Times.  
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