

STATE OF CANNABIS TECH

2025 REPORT



Regional Dynamics

eCommerce Landscape

Budtender Workforce

Opportunities

And more...

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1. Executive Summary

Canada's cannabis retail industry in 2025 sits at a crossroads between untapped potential and structural constraint. While eCommerce has become a dominant driver of growth across most retail categories, cannabis continues to lag behind. Our survey of 80 store owners/managers and 268 budtenders reveals that online sales penetration remains low, with roughly half of retailers reporting that eCommerce contributes less than 10% of total revenue, and only 6% achieving above 20%.

At the same time, the data highlights clear upside: delivery orders are larger on average than in-store purchases, with nearly one-third exceeding \$70 compared to less than 10% of in-store transactions. Regional analysis confirms that provinces such as Ontario and British Columbia are demonstrating stronger adoption of delivery and higher-value carts, while Alberta continues to trail.

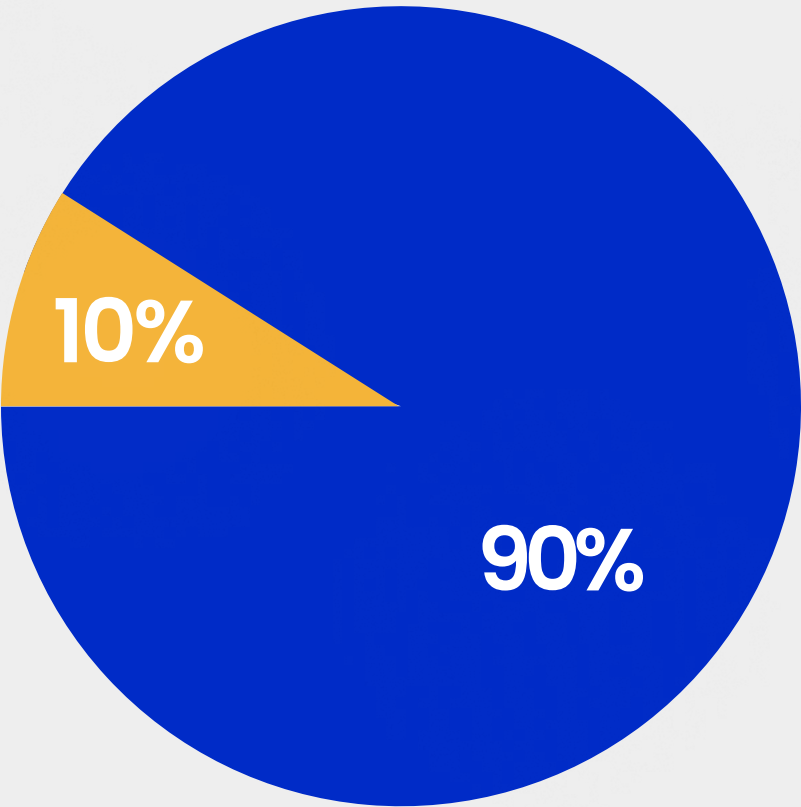
Satisfaction with existing eCommerce solutions is limited. Only 14% of owners report being "very satisfied" with their current provider, and a quarter selected a platform simply because it was the only perceived option at the time. This lack of maturity in the technology landscape, combined with regulatory constraints and competition from illicit sellers, continues to restrict the industry's digital progress.

Despite these challenges, optimism remains high. Retailers and staff are investing significant time in eCommerce management, workforce engagement is strong, and both consumers and budtenders show increasing appetite for education, loyalty programs, and premium product experiences. The opportunity exists for cannabis retail in Canada to accelerate digital adoption, provided stakeholders can address regulatory bottlenecks and invest in modernized retail infrastructure.

2. The Cannabis eCommerce Landscape

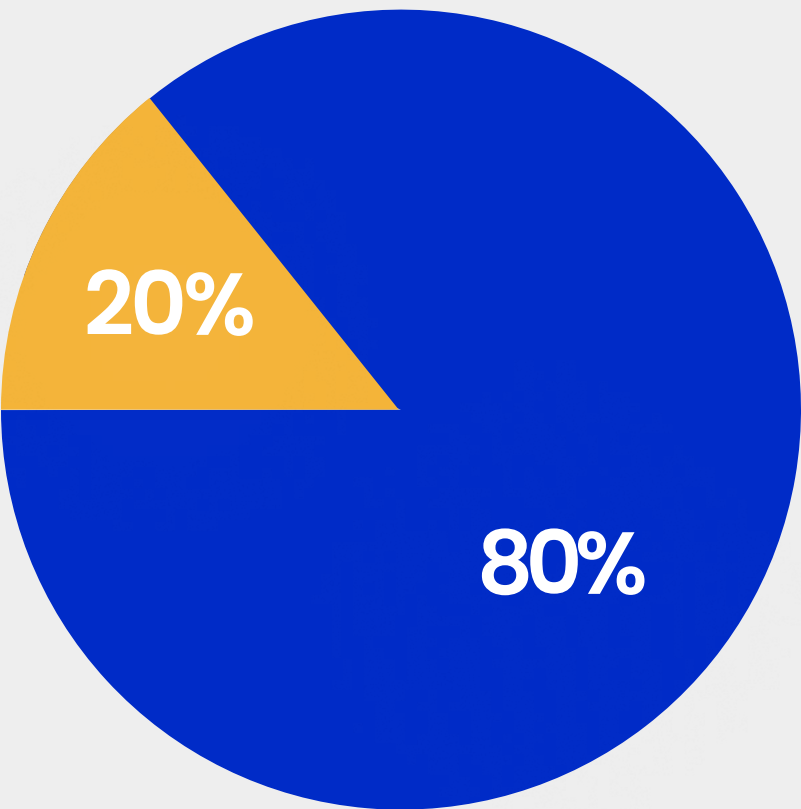
The Canadian cannabis eCommerce market remains underdeveloped relative to broader retail, but the data reveals important signals about where growth may emerge.

Low Online Sales Penetration



Approximately **50% of owners/managers report eCommerce contributes less than 10%** of total revenue.

- eCommerce Revenue
- Other Revenue



Only **6% report eCommerce exceeding 20%** of total revenue.

- eCommerce Revenue
- Other Revenue

In contrast, e-commerce now represents **11.5% of Canada's total retail sales (data as of 2024)** in Canada. This gap highlights a significant growth runway for cannabis retail.

Delivery Drives Larger Baskets

- Online delivery orders are disproportionately higher in value: **nearly one-third exceed \$70, compared to fewer than 10% of in-store transactions.**
- Regional data reinforces this trend:
 - **British Columbia:** average delivery cart size of \$83.42, compared to \$35.58 in POS orders.
 - **Ontario:** delivery carts average \$75.58 vs. \$44.00 in POS.
 - **Alberta:** delivery carts average \$110.53, the highest in Canada, vs. \$41.01 in POS.



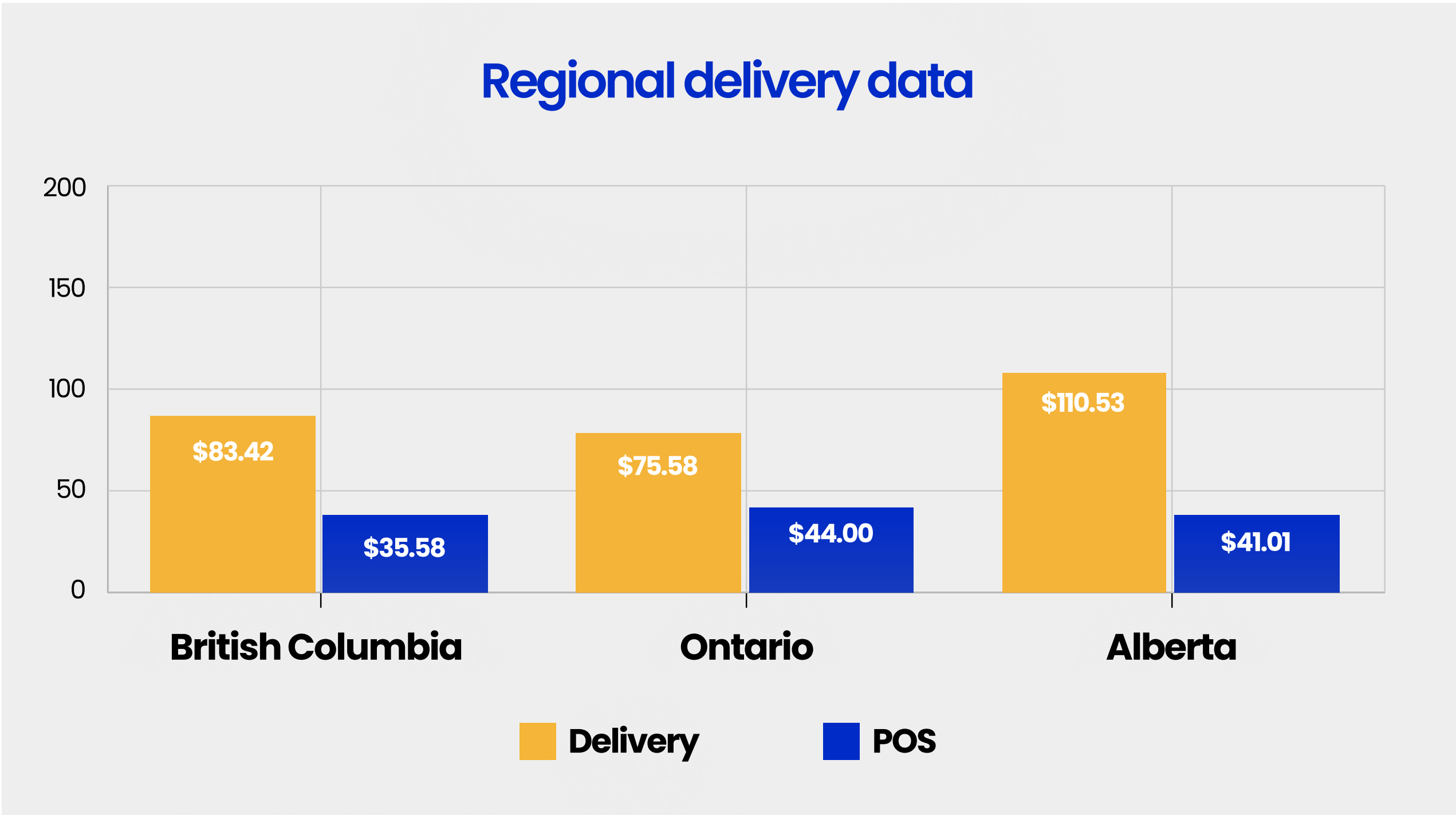
"Over the past 12 months our online orders have doubled, underscoring the growth potential the report highlights. Thanks to Breadstack's e-commerce solution we're seeing delivery tickets averaging around \$110—right in line with the report's observation that delivery channels capture the highest-value baskets."



Justin Woo, Founder of BudBar Cannabis

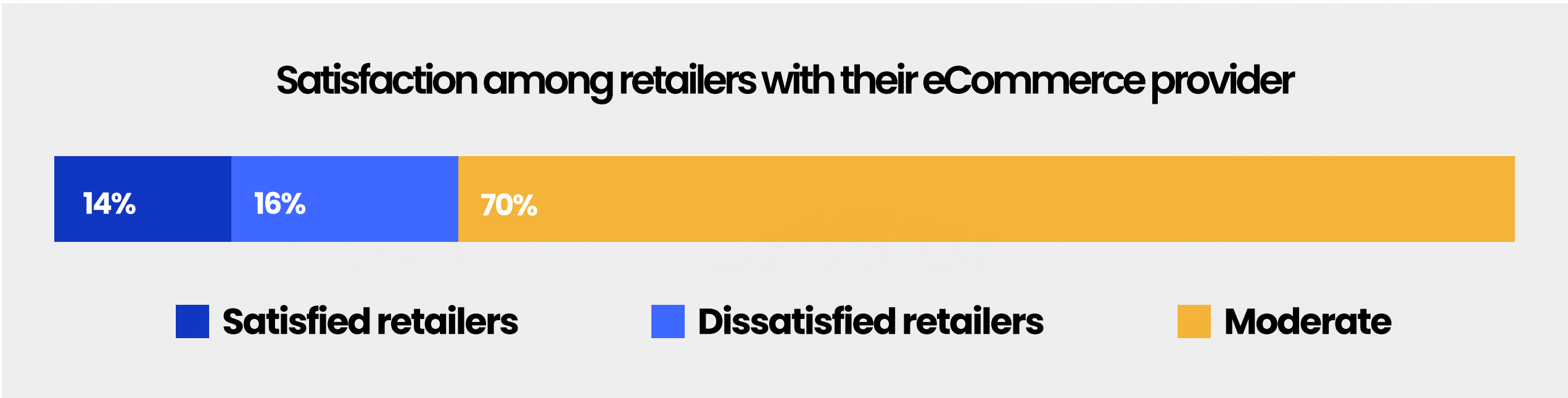
This suggests that while penetration is low, delivery channels are already capturing higher-value consumers.





Technology Satisfaction and Limitations

- Only **14% of retailers describe themselves as very satisfied** with their current eCommerce provider.
- **16% are dissatisfied**, while the majority report only moderate satisfaction.
- **A quarter of retailers chose their system because it appeared to be the only option available**, underscoring limited competition and innovation in the market.
- Retailers are highly engaged despite this: **44% of owners and 18% of managers spend 10+ hours per week** managing eCommerce tasks.



Barriers Beyond Technology



Regulation

Nearly half of store owners (48%) cite provincial regulation as a “major obstacle,” with 41% pointing to federal compliance.



Illicit competition

40% identify unauthorized online sellers and 38% unlicensed storefronts as significant barriers.



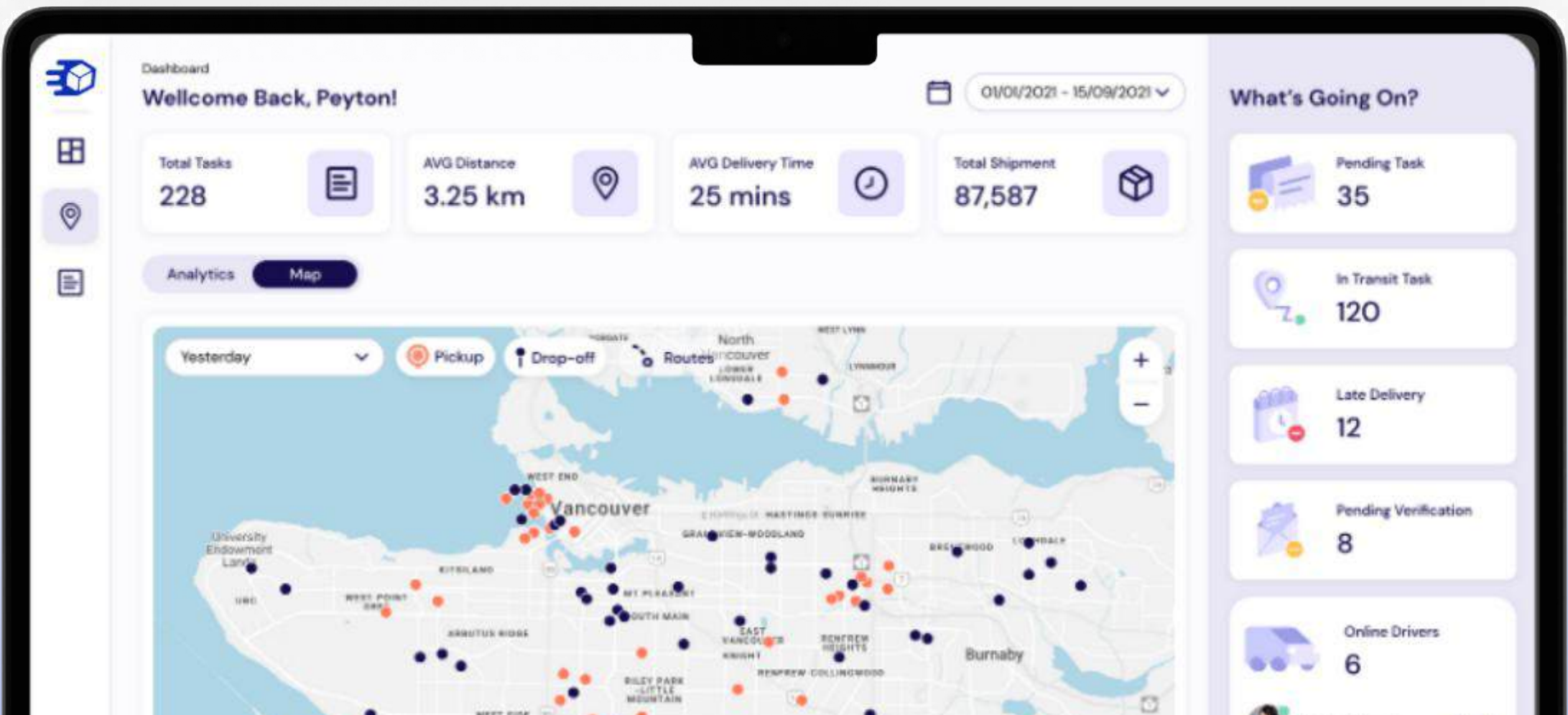
Operational challenges

Inventory management (35%) and lack of integrated delivery and flexible payments compound the problem.

“Adopting e-commerce as a revenue driver is the difference between retailers that succeed and those that struggle. Given today’s margins, and consumer shopping preferences, there really isn’t another option.”



Katie Pringle, Co-founder of Tether Buds



3. Regional Dynamics

Ontario: Large Market, Growing Digital Adoption



- **Market profile:** Ontario is Canada’s largest cannabis retail market.
- **Platform landscape:** Ontario retailers show high platform fragmentation. Dutchie and Hifyre dominate, but Buddi and newer systems also appear. Breadstack is present but less widespread relative to incumbents.
- **Takeaway:** Ontario demonstrates broadest digital uptake, but platform fragmentation and limited satisfaction constrain further growth.

Ontario performances:

53.8% of new customers place their first order through delivery.	6.3% of total revenue is contributed by delivery, while pickup adds another 4.0%.	\$75 is the delivery cart average, vs \$44.00 for POS.
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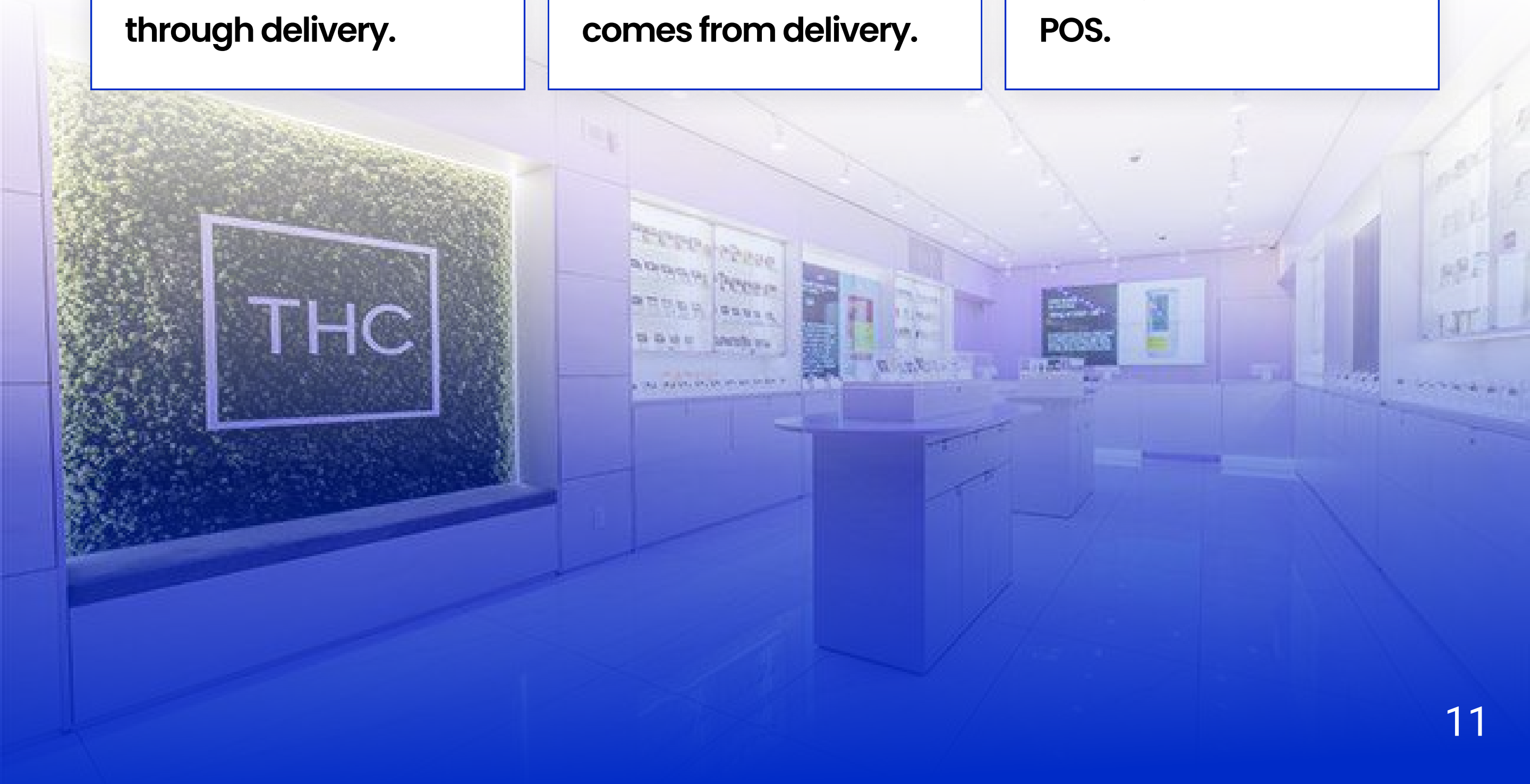
British Columbia: Delivery-Heavy but Lower Cart Values



- **Market profile:** BC consumers show the strongest preference for delivery.
- **Platform landscape:** BC is heavily tilted toward Hifyre and Buddi, with Dutchie also present. Breadstack penetration remains relatively low in BC compared with Ontario and Alberta.
- **Takeaway:** BC demonstrates consumer readiness for digital, but retailers are constrained by limited tech differentiation.

British Columbia performances:

72% of new customers place their first order through delivery.	6.9% of total revenue is online, of which 5.5% comes from delivery.	\$83.42 is the delivery cart average, vs \$35.58 for POS.
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Alberta: High Delivery Spend, Low Adoption



- **Market profile:** Alberta shows smaller-scale eCommerce adoption relative to Ontario and BC.
- **Platform landscape:** Alberta is one of the most fragmented tech ecosystems. More retailers operate without online platforms, while Dutchie, Hifyre, and Breadstack compete in smaller volumes.
- **Takeaway:** Alberta has latent digital value (highest cart size) but remains underpenetrated in terms of adoption and infrastructure.

Alberta performances:

46% of new customers place their first order through delivery.	1.25% of total revenue is delivery, but those who use spend it big.	\$110.53 is the delivery cart average (highest in Canada), vs \$41.01 for POS.
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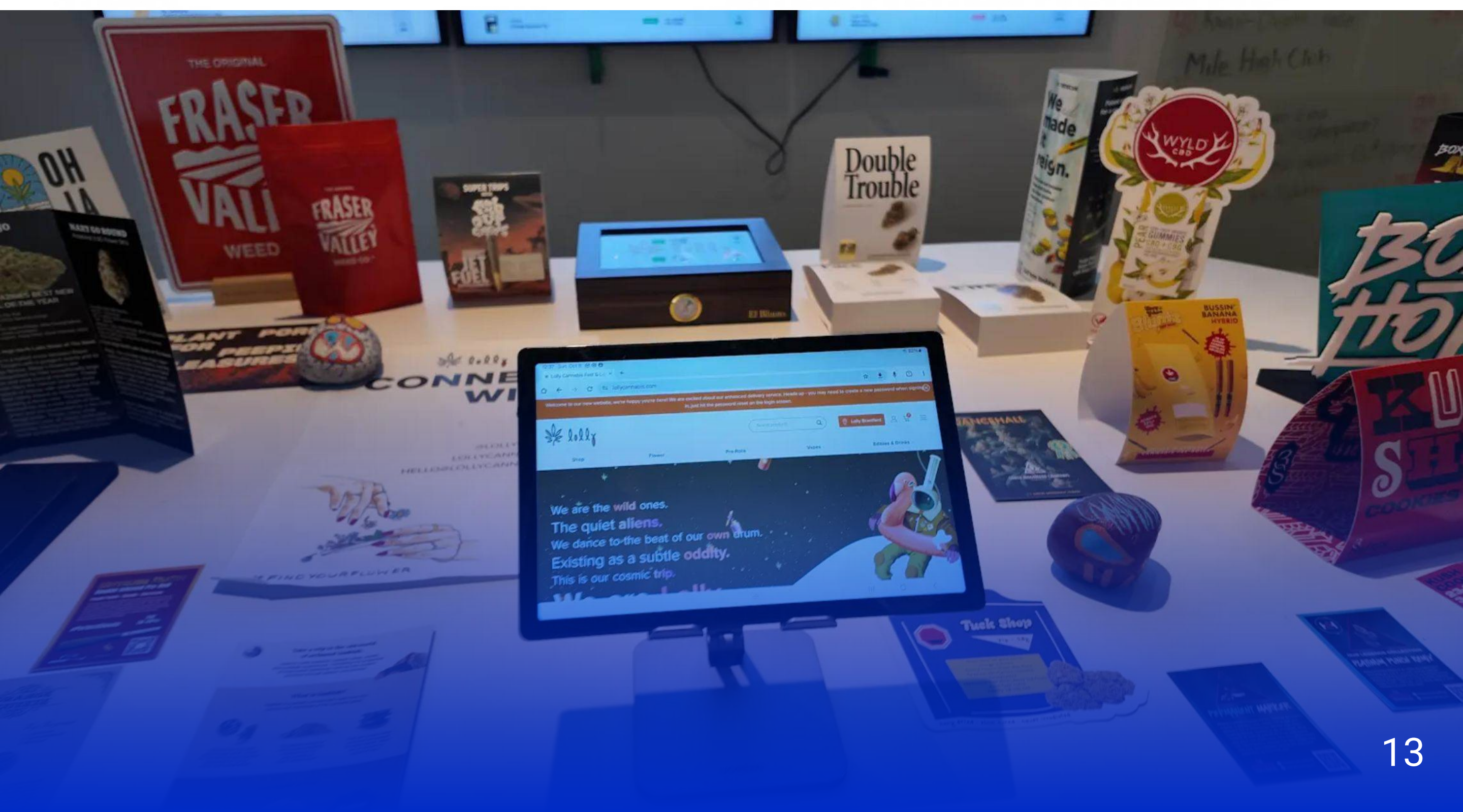
4. Technology Infrastructure

Technology infrastructure remains one of the most significant enablers—and barriers—for Canadian cannabis retail. While demand-side dynamics (consumer appetite for delivery, larger online baskets) are increasingly clear, the supply-side is constrained by fragmented systems, low satisfaction levels, and uneven adoption across provinces.

Cross-Regional Insights

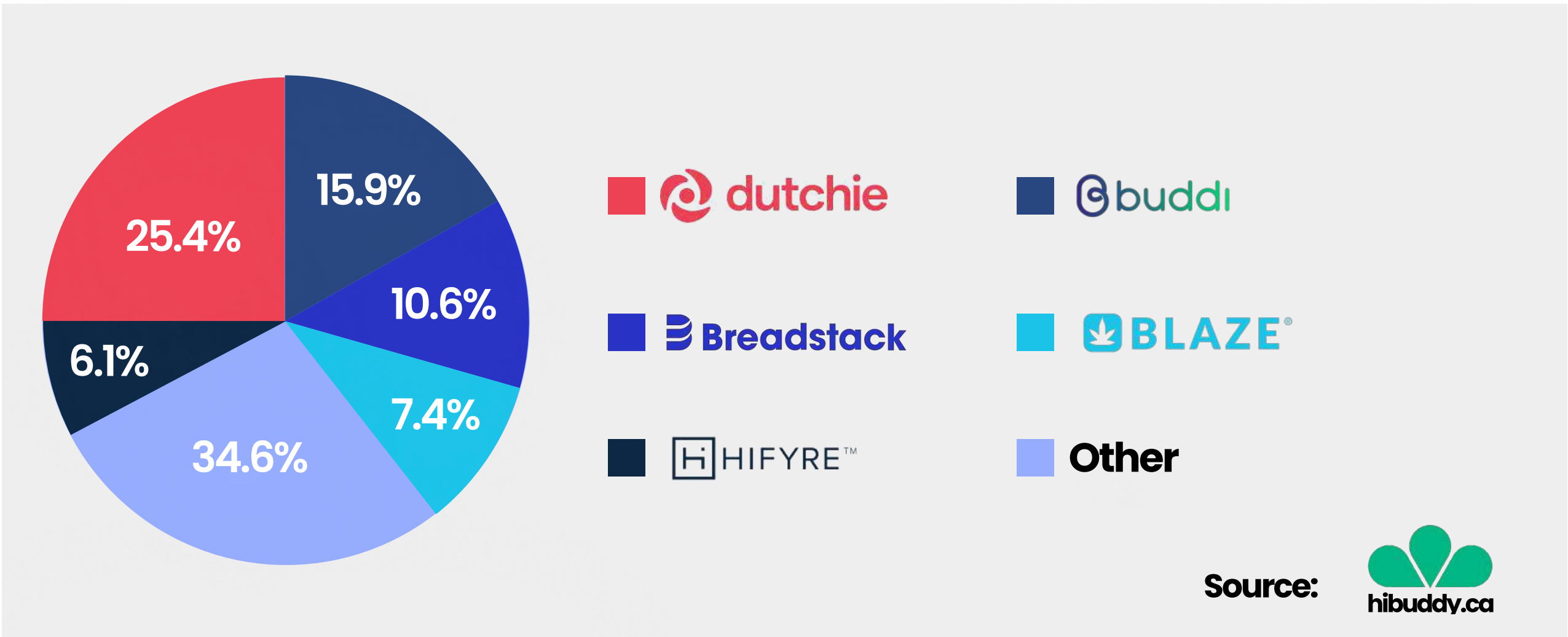
- **Ontario** demonstrates the broadest digital uptake, with over 10% of revenue derived from online channels and more than half of new customers starting with delivery.
- **British Columbia** shows the strongest consumer preference for digital, with 72% of first orders placed via delivery.
- **Alberta** has the highest delivery cart values (\$110.53) but remains the least penetrated in terms of eCommerce adoption.

Together, these patterns reveal a fragmented national market where digital growth potential is evident, but unevenly distributed.



Platform Market Share

- Dutchie represents the largest share, followed by Buddi, Breadstack, Blaze, and Hifyre.
- Breadstack, while smaller than incumbents, shows growing adoption particularly in Ontario and Alberta.
- Most striking is that **248 stores (~4.6%)** report having “no online” system at all, even in 2025. In addition, **179 retailers (~3%)** list “no website”, suggesting a further gap in digital enablement.
- The dataset also shows **806 inactive or “dead” stores (~14.8%)**, underscoring the fragility and high turnover in Canada’s retail cannabis market.



Satisfaction & Limitations

- Even among retailers with platforms in place, satisfaction remains modest: **only 14% of retailers report being “very satisfied”** with their eCommerce provider, while 16% describe themselves as dissatisfied.
- Many report selecting their system by default, rather than by preference, due to limited perceived options.
- The survey further notes significant gaps in integration, including delivery logistics, loyalty programs, and flexible payment methods such as e-transfers.

“ The survey reveals that e-commerce is one of the most significant underutilized levers a retailer has for enhancing revenue – and retailers haven't been doing as much as they can to pull that lever. That's combined with the federal Cannabis Act requirement for those running digital ads to take "reasonable steps" to ensure youth can't access the ad, which provides more ability to connect with potential new consumers versus the complete prohibition, subject to some limited point of sale exceptions, on in-person promotions in places where youth aren't prohibited by law.

Harrison Jordan, Cannabis Lawyer

Strategic Lens

The fragmented technology base has three key implications for the sector:



Fragility of the Market

The high number of inactive or “dead” stores (~15%) signals an industry still in transition, with weak resilience to competitive and regulatory pressures. Technology gaps compound this fragility.



Missed Consumer Engagement

Larger baskets in delivery and consumer interest in loyalty suggest that tech-enabled channels are not just incremental but value-accretive. Retailers without online systems are leaving higher-margin opportunities untapped.



Opportunity for Consolidation & Modernization

The presence of multiple small platforms—and the persistence of “no online” operators—indicates space for consolidation or leapfrogging to integrated solutions. Retailers who modernize early will likely differentiate on customer experience, efficiency, and compliance resilience.



“With the amount of consolidation going on in the industry, it's clear that dispensaries need to leverage every advantage they can to get ahead.”

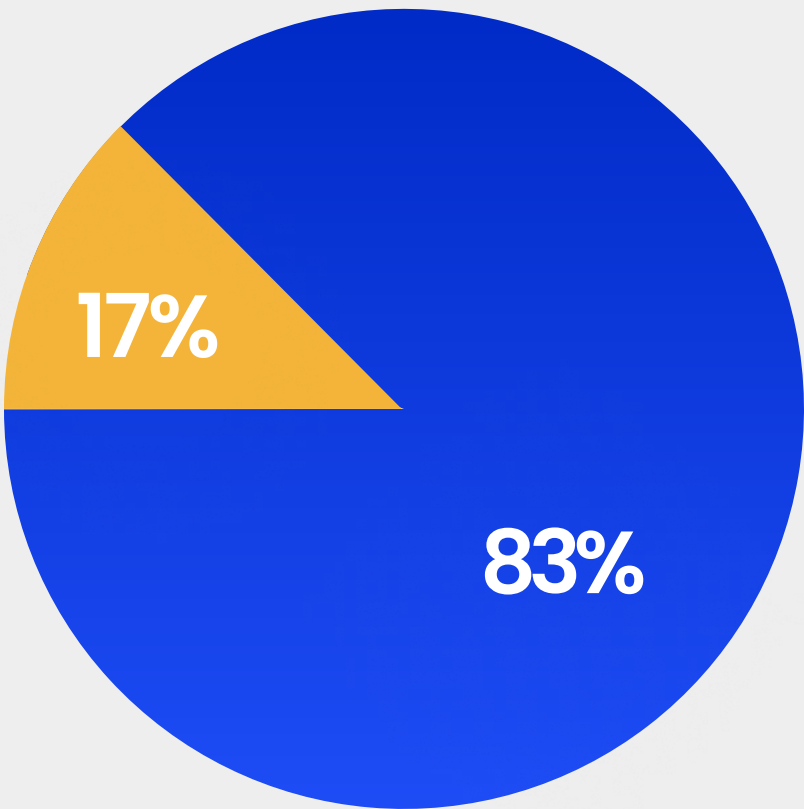
David Brown, Co-founder at StratCann



5. The Budtender Workforce

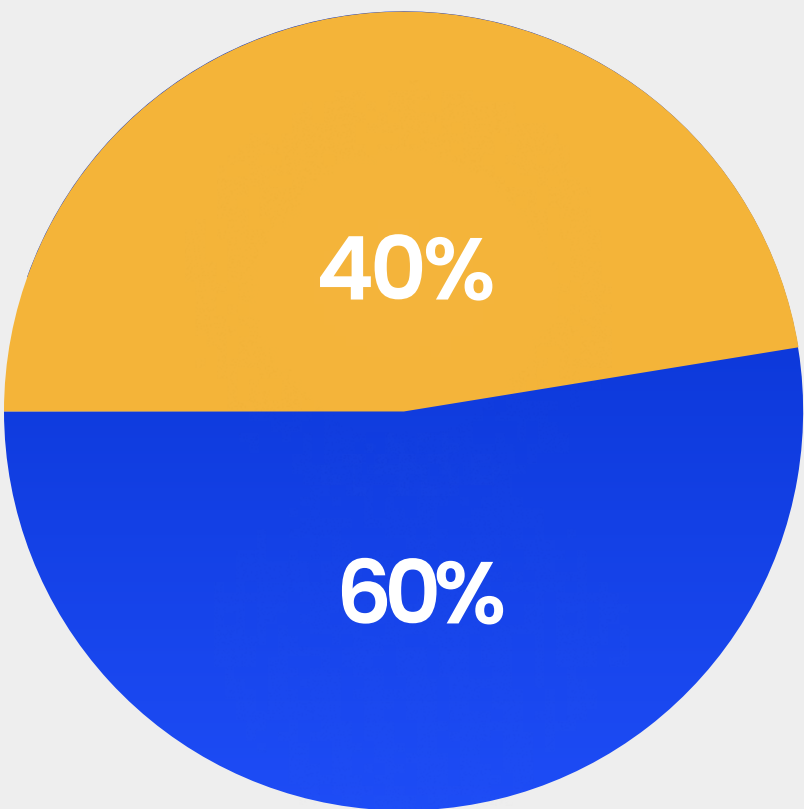
Budtenders are the frontline of Canada’s cannabis retail experience. Their demographics, training, and engagement levels reveal both the strengths and vulnerabilities of the industry’s human capital base.

Demographics



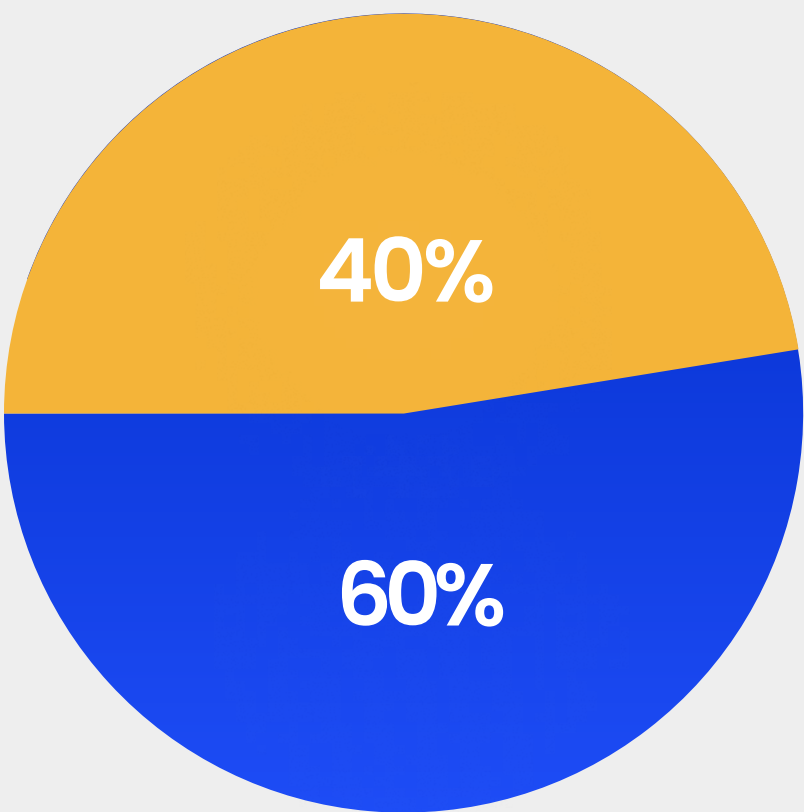
Young workforce:
83% of budtenders are under 45, with the largest group aged 25–34.

Over 45 Under 45



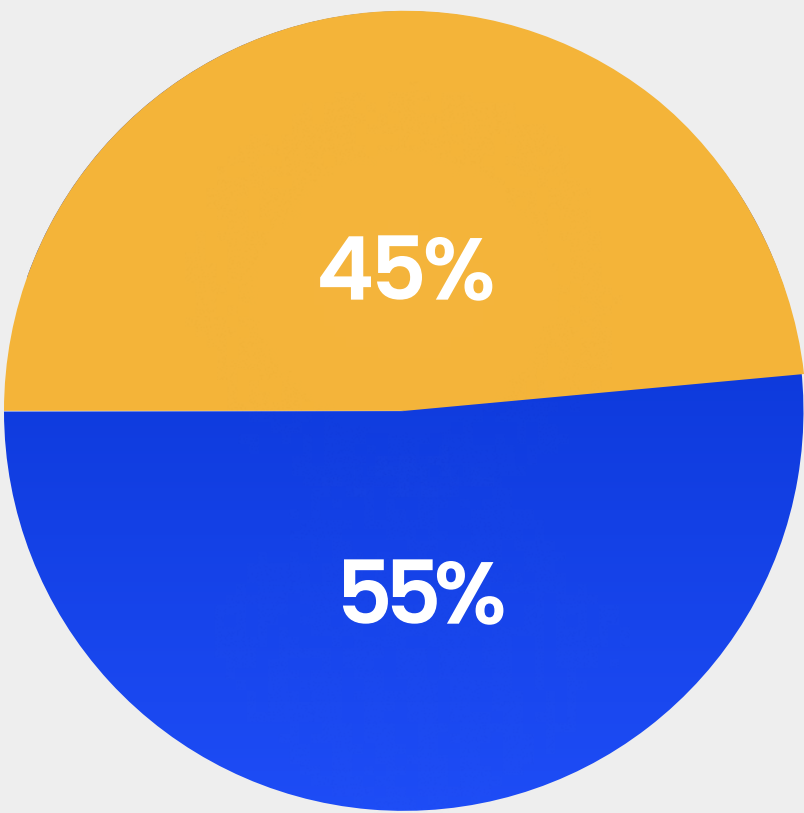
Gender balance:
Women represent 60% of budtenders, providing a notable level of representation in a traditionally male-dominated retail segment.

Men Women



Education:
40% hold a college or trades degree, suggesting a relatively skilled base compared with other retail subsectors.

■ Have a degree ■ No degree



Tenure:
Turnover remains high—55% have been in their current position less than one year, and 32% have under one year of total industry experience.

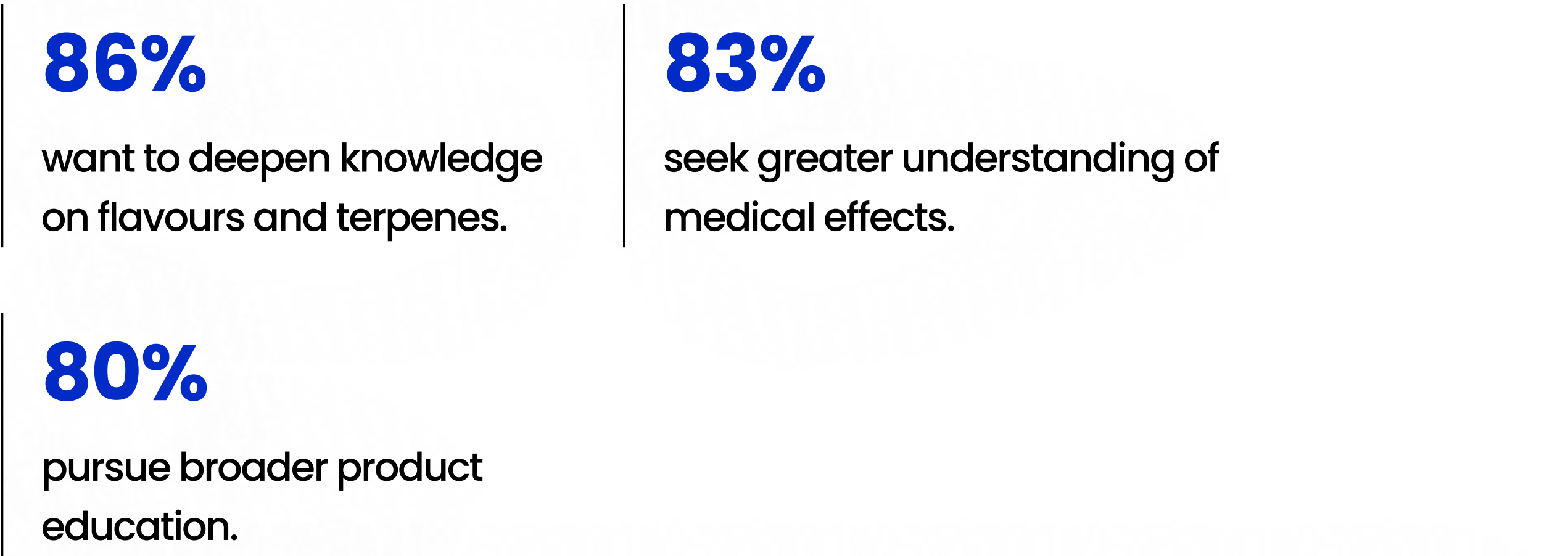
■ Work over 1 year ■ Work less than 1 year

Training & Knowledge Development

Budtenders acquire cannabis expertise through diverse channels:

- **Workshops and in-person forums (63%)** are the most common training method.
- **Online courses/seminars (60%)** also rank highly, showing digital willingness in workforce development.
- **Self-directed learning: 49%** read scientific articles and **46%** pursue formal cannabis-related education.

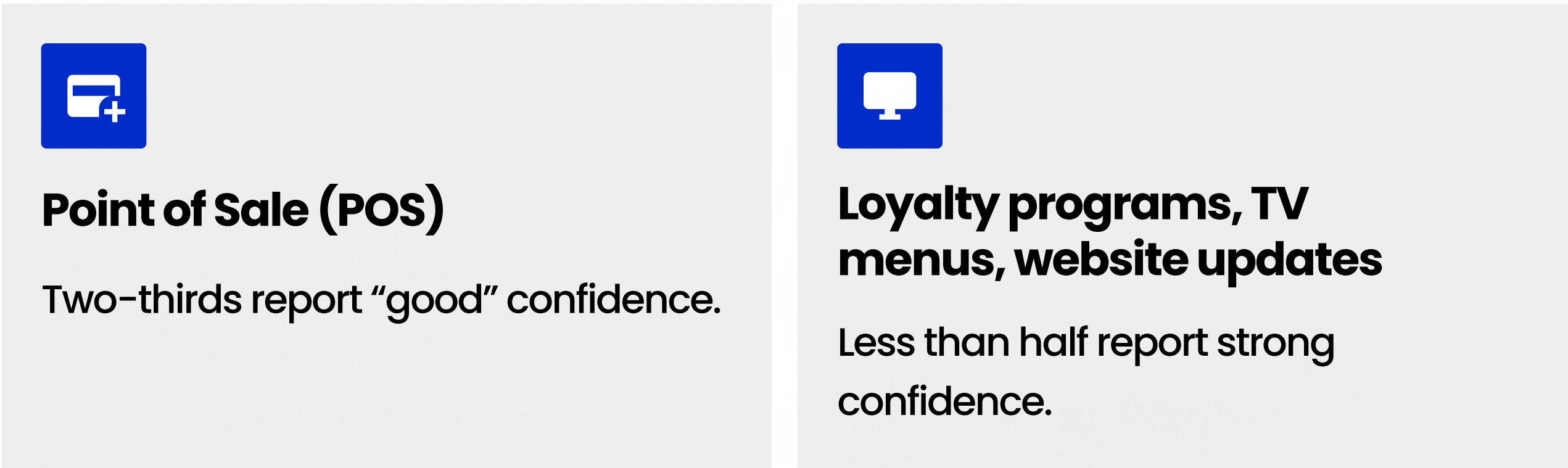
Enthusiasm for product knowledge is strong:



This positions budtenders as educators and influencers, able to bridge product science and consumer choice.

Confidence in Technology Use

Confidence levels vary significantly across retail systems:



This suggests a capability gap in higher-order digital tools, which could limit the effectiveness of eCommerce and loyalty integration unless training improves.

“See, Budtenders need more training.”

Jaime Lipowitz, Founder of High Buds Club

Strategic Lens

The fragmented technology base has three key implications for the sector:



Budtenders as Differentiators

In an environment where online platforms risk commoditization, budtenders represent a human differentiator—able to influence consumer perception through product education and customer experience.



Training as a Strategic Investment

Addressing the gaps in digital tool confidence and expanding formal cannabis education could significantly raise retailer effectiveness.



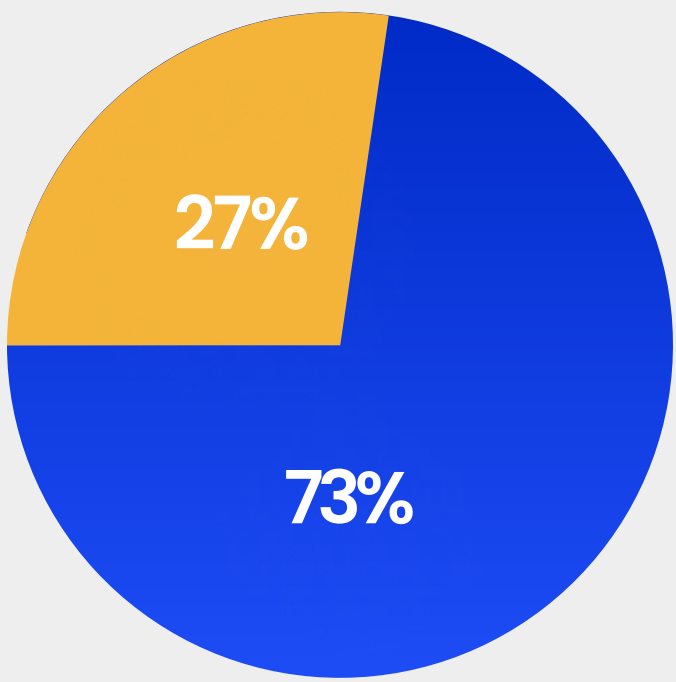
Retention Challenge

High turnover undermines continuity and expertise. Building career pathways and recognition programs could help transform budtenders into long-term ambassadors for the industry.

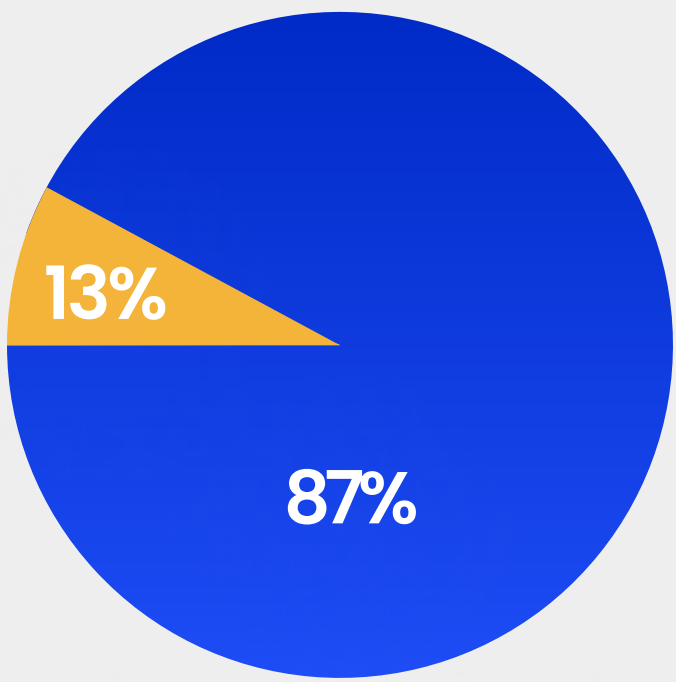


Engagement & Retention

Despite turnover, sentiment is largely positive:



73% of budtenders say they are likely to continue working in cannabis for the next two years.



87% report higher job satisfaction in cannabis compared to previous roles.

This reflects an engaged workforce with strong loyalty to the sector, though fragile in tenure and skill depth.

Training & Knowledge Development

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- **Online courses/seminars (60%)** also rank highly, showing digital willingness in workforce development.
- **Self-directed learning: 49%** read scientific articles and **46%** pursue formal cannabis-related education.

6. Consumer Preferences

Consumer priorities in Canada’s cannabis market reflect a blend of value-consciousness, curiosity about product experience, and growing interest in brand credibility. Budtender survey data offers a clear window into what customers most frequently ask about and how they make purchase decisions.



Purchase Drivers

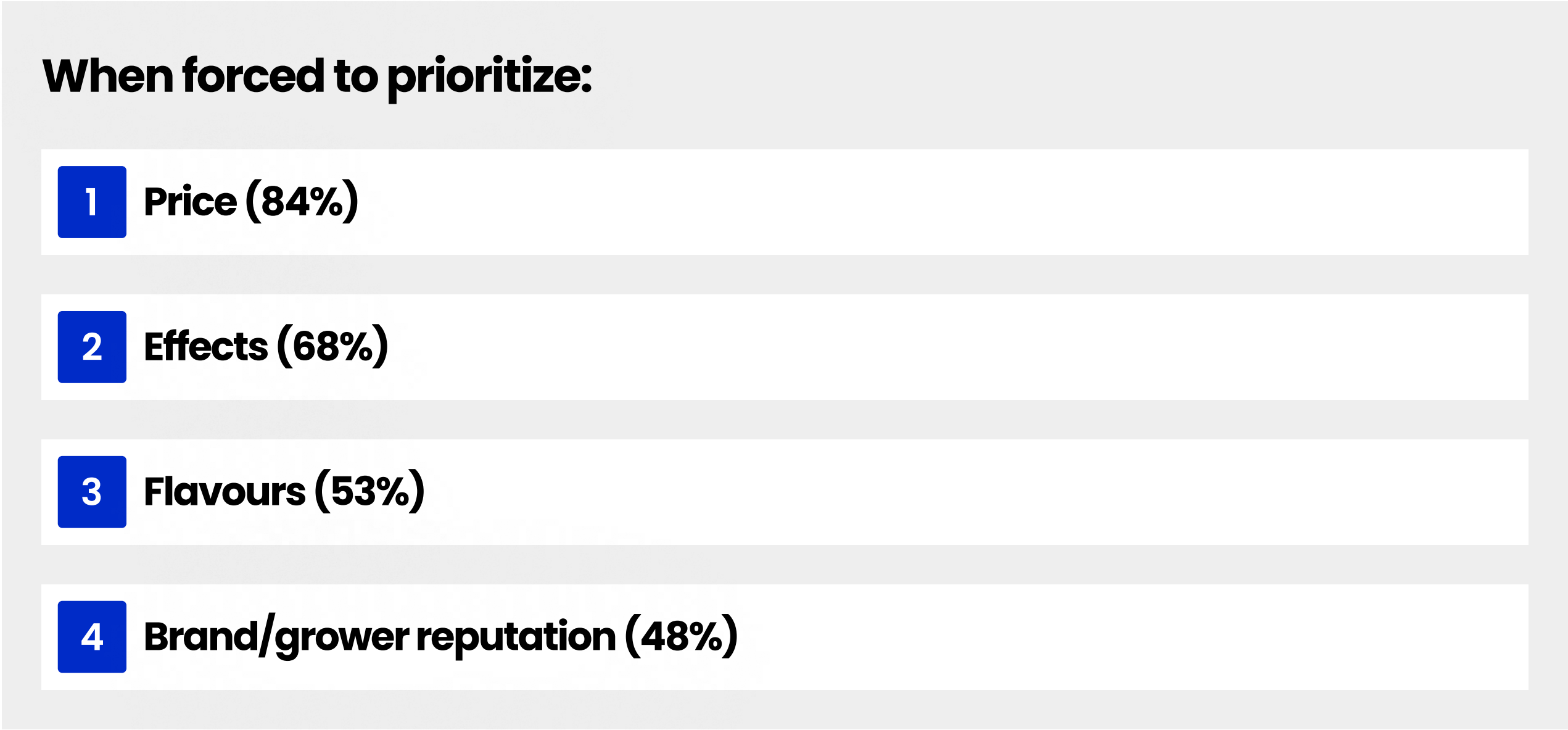


“Owning your brand and the customer journey is more important than ever; The last thing you want to be competing on is price.”

Riel Roussopoulos, Head of Marketing at Breadstack

A circular portrait of Riel Roussopoulos, a man with a beard and glasses, wearing a dark shirt.

Decision Hierarchy



Online vs. In-Store Behavior

- **Delivery orders skew higher value:** Nearly one-third exceed \$70, compared with fewer than 10% of in-store purchases.
- **Provincial cart values reinforce this:** Delivery carts are consistently larger than POS across Ontario (\$75.58 vs \$44.00), British Columbia (\$83.42 vs \$35.58), and Alberta (\$110.53 vs \$41.01).

This indicates consumers use online channels for bulkier or higher-value purchases, positioning eCommerce as a pathway to higher margins.

“ This data shows that delivery is already driving higher cart sizes and deeper engagement. The market isn’t lacking demand — it’s lacking infrastructure. If the proper policy and regulatory changes were made, we’d reduce the illicit market, empower licensed retailers, improve competitiveness, and strengthen public health and safety. The retailers who modernize now will be the ones who win long-term.

Nick Baksh, Founder of Montrose



Strategic Lens



Emergence of Quality Signals

Flavours, effects, and brand reputation are increasingly used by consumers as differentiators. This points to opportunities in premium positioning and consumer education.



Online as a Premium Channel

Since online orders consistently yield higher baskets, retailers should treat eCommerce not just as an access channel, but as a strategic revenue lever for higher-value sales.



Price as the Baseline

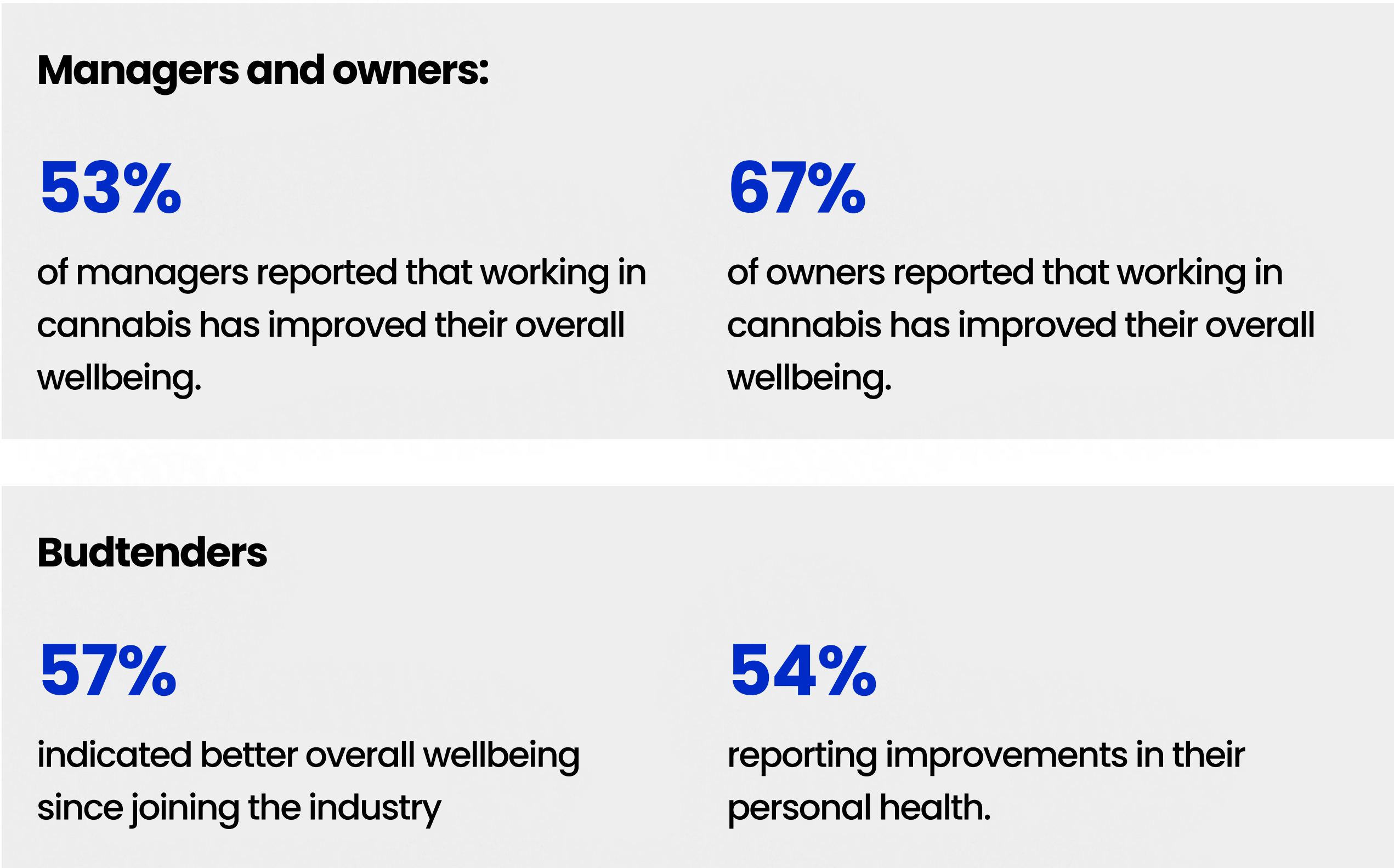
Retailers must remain price competitive, but competing on cost alone risks margin erosion.



7. Workforce Wellbeing & Mental Health

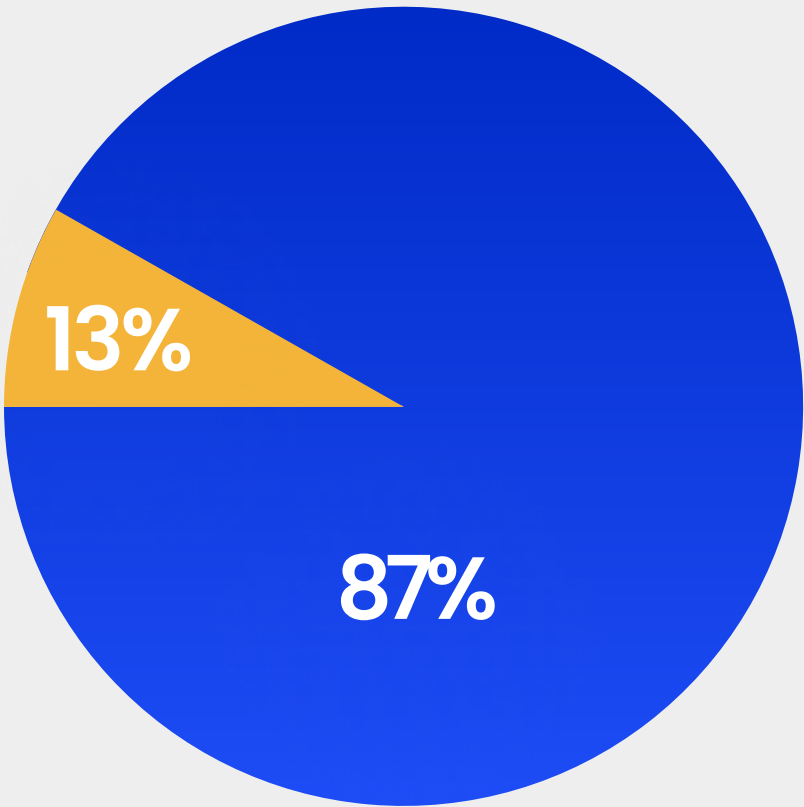
Beyond revenue and operations, the cannabis industry’s impact on its workforce is an important lens for understanding sector sustainability. Survey responses from both owners/managers and budtenders reveal that the cannabis retail environment has had a positive influence on personal wellbeing and career satisfaction.

Wellbeing Gains

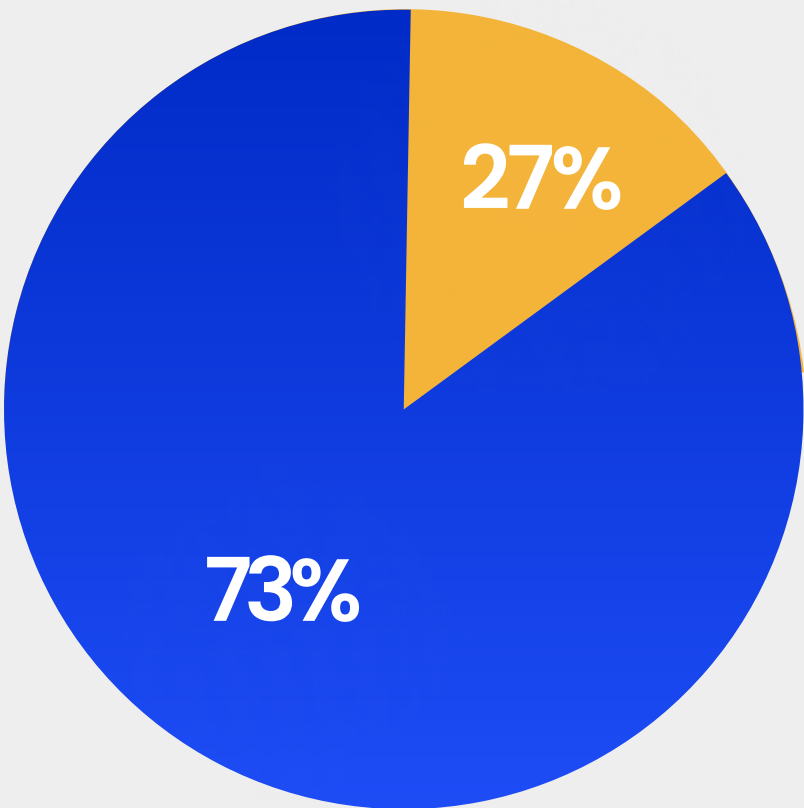


These outcomes suggest that cannabis retail offers more than economic opportunity — it provides a sense of purpose and lifestyle alignment for many participants.

Job Satisfaction & Retention



High satisfaction rates:
87% of budtenders report being more satisfied in cannabis compared to their previous jobs.



Retention intent:
73% of budtenders say they are likely to continue working in cannabis for the next two years.

Owners’ outlook: Over half of owners say they would choose cannabis retail again if given the chance, though one-third indicated they would consider selling if offered the right deal.

Resilience of the Workforce

The combination of wellbeing improvements and high satisfaction reflects a resilient workforce. Even amid regulatory burdens, illicit competition, and operational challenges, cannabis retail has cultivated a base of engaged employees and entrepreneurs who are committed to the industry’s future.

Strategic Lens



Caution on Owner Exit Intentions

With one-third of owners open to selling, consolidation pressures remain. This highlights both risk (market instability) and opportunity (for stronger players to scale).



Human Capital as a Competitive Edge

A healthier, more satisfied workforce is an underappreciated strength that could differentiate cannabis retail from other retail subsectors known for burnout and turnover.



Wellbeing as a Retention Lever

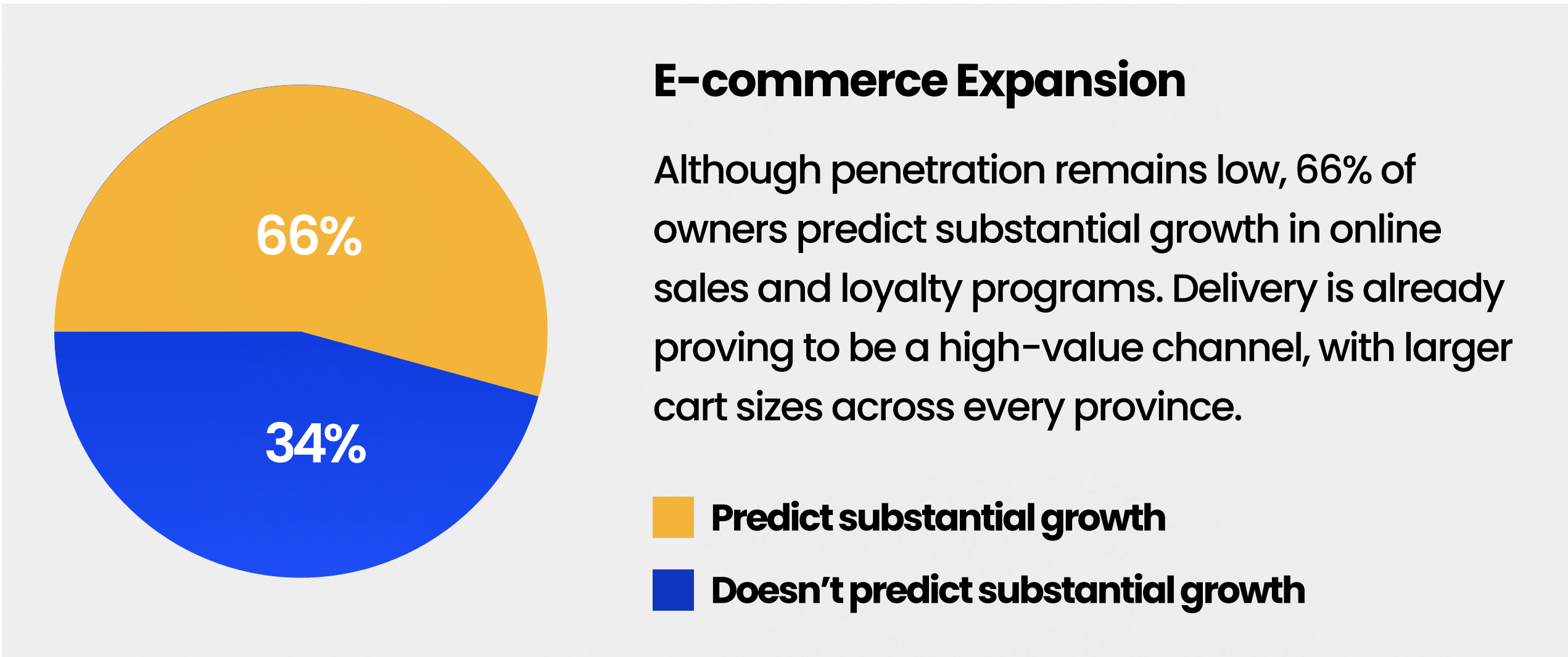
The positive impact on mental health and satisfaction may serve as a buffer against the sector’s high turnover rates. Emphasizing supportive workplace cultures could further improve retention.



8. Outlook & Opportunities

Canada’s cannabis retail sector is at an inflection point. While data reveals clear areas of consumer demand and digital opportunity, the industry also faces structural risks that will shape its trajectory over the next several years.

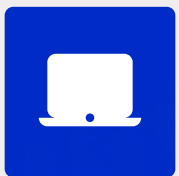
Growth Themes



- **Loyalty & Consumer Education:** Retailers see loyalty programs and consumer engagement as central to future competitiveness. Budtenders’ enthusiasm for learning—especially about terpenes, medical effects, and product science—positions them as effective educators to meet this need.
- **Premium Product Categories:** Consumer interest in flavours, effects, and reputation indicates rising demand for quality differentiation beyond price. This creates opportunities for premium branding, curated product assortments, and targeted marketing campaigns.
- **Regional White Space:** Ontario leads in digital uptake, but Alberta’s exceptionally high delivery cart values show a latent opportunity if adoption barriers can be overcome.

Strategic Lens

The path forward for Canadian cannabis retail hinges on balancing opportunity with resilience:



Unlocking Online Value

Retailers who modernize digital infrastructure will capture the higher-value consumers already gravitating to delivery channels.



Investing in People

Budtenders' role as educators can be a differentiator if supported with better training and recognition.



Navigating Regulation

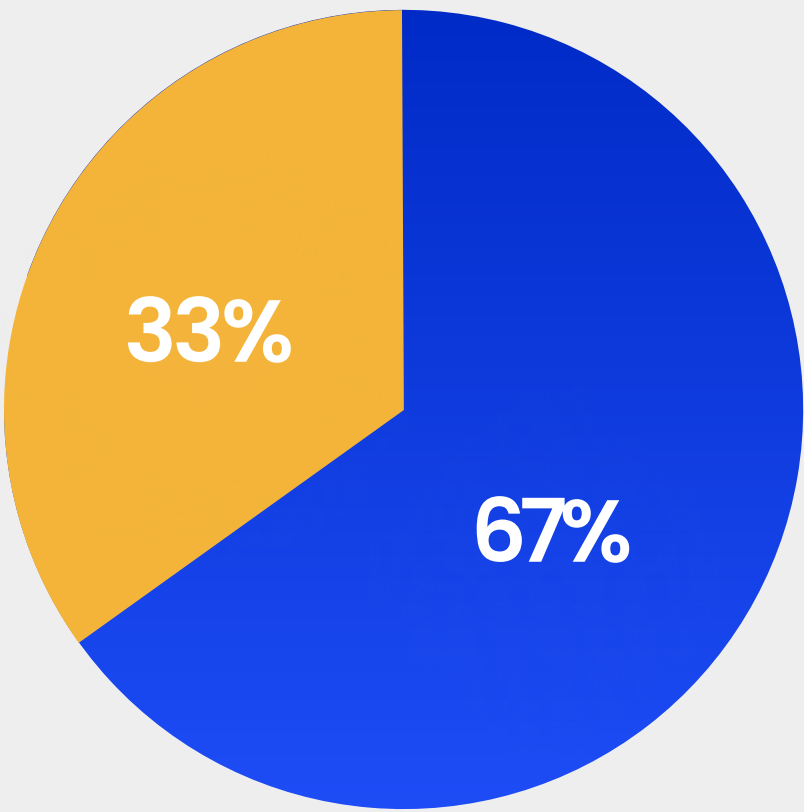
Collective industry advocacy may be necessary to push for modernized policies that allow innovation in eCommerce, advertising, and payments.



Preparing for Consolidation

Operators must anticipate further consolidation, positioning themselves either as acquirers or attractive targets.

Risks & External Pressures

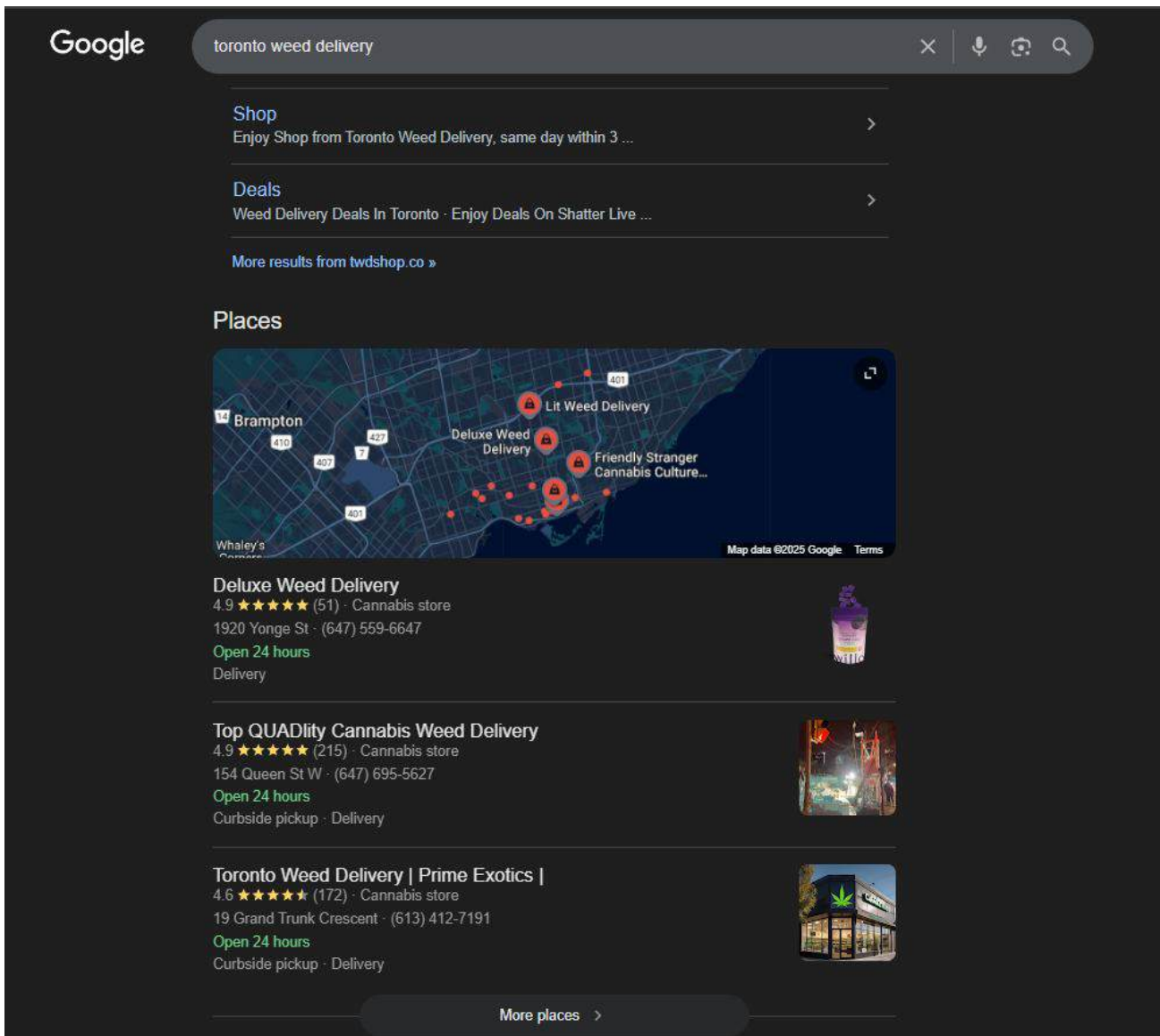


Consolidation Pressure:

1/3 of owners say they would sell if given the right offer, suggesting further consolidation is likely. This could increase efficiency but also risk reducing market diversity.

- Suggesting further consolidation
- Not suggesting further consolidation

- Regulatory Constraints:** Nearly half of retailers cite provincial regulations and 41% federal compliance as major barriers. Advertising and distribution restrictions continue to limit innovation.
- Illicit Competition:** Unauthorized online sellers (40%) and unlicensed dispensaries (38%) erode margins and consumer trust.
- Technology Fragmentation:** With at least 4.6% of stores operating with “no online” system and ~15% classified as “dead” or inactive, the ecosystem remains fragile and uneven in digital adoption. Fragmentation in providers also slows scaling.



9. Conclusion & Recommendations

The Canadian cannabis eCommerce sector in 2025 reflects both **unrealized potential and systemic constraint**. Penetration remains modest—half of retailers report that online accounts for less than 10% of revenue—yet the underlying signals are compelling. Delivery consistently produces higher-value baskets across provinces, and both consumers and budtenders express a growing appetite for education, loyalty, and premium product experiences.

At the same time, structural challenges persist. Retailers face heavy regulatory burdens, significant illicit competition, and an uneven technology landscape where at least **4.6% of stores have no online presence and nearly 15% are inactive or “dead”**. Satisfaction with current providers is low, and many retailers adopt systems by default rather than choice.

Despite these barriers, optimism remains high. Owners and staff report improvements in wellbeing, strong engagement, and confidence in the industry’s long-term growth. This suggests that with the right interventions, cannabis retail can shift from fragmented experimentation to a more resilient and digitally-enabled ecosystem.

Recommendations

For Retailers:

- Invest in eCommerce as a strategic revenue driver, not just an access channel.
- Leverage budtenders as educators to differentiate on experience rather than price alone.
- Prioritize digital training to close gaps in loyalty, online menus, and customer engagement tools.

For Policymakers:

- Modernize advertising, delivery, and payment rules to enable innovation.
- Streamline compliance burdens to reduce operational drag on small and mid-sized operators.

For Technology Providers:

- Simplify integrations across POS, loyalty, and delivery to reduce friction.
- Address dissatisfaction with usability by prioritizing ease of use and flexible payments.
- Seize the opportunity for consolidation or platform unification to bring greater stability to the sector.



Thank you



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“

We are saving **\$140,000** a year, our deliveries are up by **25%** and online revenue is up **16%** since upgrading to Breadstack.

– Palash Tiwari
Co-CEO of The WeStore Cannabis



”

Our online sales are up **39%** within 5 months of switching to Breadstack and **20%** are paying with interac, that's **money back in our pockets**.

– Lisa Bigioni
Owner of Stok'd Cannabis



“

Our high converting eCommerce site with Breadstack has added **\$23,000** in revenue and increased our online orders by **22%** in 30 days since the upgrade.

– Mike Dunn
Founder & CEO of 1922



It might be time to upgrade

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