A Strategic Business Decision: SHE Media Begins to Accept Cannabis Ads

Partners with Fyllo for regulatory compliance software for cannabis ads

SHE Media is looking to capitalize on a $50 billion industry: cannabis.

BY RACHEL WINICOV

Women’s lifestyle publisher SHE Media, owned by Penske Media Corporation, can now accept ads for cannabis-related paraphernalia, like cannabidiol oil and cannabis creams, across its own platforms and network of blogs. This opens up a growing source of revenue thanks to a partnership with software company Fyllo.

“Cannabis advertising is highly regulated and an emerging area of advertising that causes some concern and consternation,” said SHE Media ceo Samantha Skey. “Our profits are driven by advertising, there is a lot of pent-up demand on the advertisers’ side [for cannabis ads]. As a business decision, enabling ourselves to safely serve cannabis advertising is very strategic.”

Publishers have historically had brand safety concerns around allowing cannabis ads on their sites, which face stringent and oft-changing government regulations. This could mean publishers have a blanket ban and don’t serve any cannabis-related ads that come through the open marketplace, even though the category has grown to include health products and consumables. As a marketing channel, it’s growing in legitimacy, publishers that aren’t serving ads are leaving money on the table.
Increasingly more states are legalizing cannabis, adding to demand. Using the tech, SHE Media will be able to serve ads that meet state and local guidelines, thanks Fyllo’s use of artificial intelligence and image recognition. The compliance solution evaluates ad copy and creative, which can then run across platforms or buying types. The software has been tested in Fyllo’s own managed campaigns for over 40 brands in the national market and will be soon debuted with publishers, launching with SHE Media first, but sources said Vice and Refinery 29 are also in talks with Fyllo. When an ad does not meet compliance standards, it is instantly removed from the publisher’s pool.

“Cannabis is a 50 billion dollar industry. That’s the size of the problem,” said Fyllo ceo Chad Bronstein.

Increasingly, said Cory Rothschild, svp of brand marketing at cannabis firm Cresco Labs, “publishers and partners are willing to accept cannabis advertising because it’s becoming more professional and more normal across the board.”

He noted that Cresco Labs released standards for responsible cannabis advertising in the fall of 2020. The growing mainstream appeal of cannabis has led to a boom in both revenue and advertising, Rothschild said.

“Whereas cannabis used to be sort of off to the side, it’s hard for me to look at it as anything other than one of the most significant contributors to consumer packaged goods growth of any category,” he explained.

Still, monetizing the category has its challenges.

IAB president David Cohen said publishers have mentioned issues with regulations on cannabis ad inventory.

“As you think about the cannabis and CBD category, it is an opportunity, but very hard to navigate,” he told Adweek.

Cohen added that “this is a pretty nascent category. It’s not something that we hear as much as some other challenges.” Still, he predicted, “this will be growing over time as the category grows.”

Skey said cannabis ads appeal to SHE Media’s monthly audience of 76 million mostly female readers. She referenced the audience’s interest in “all sorts of health solutions,” including topical creams and beauty products that are derived from cannabis.

In addition to the six websites SHE Media owns, the publisher also manages advertising for over a thousand other blogs, most of which are in the women’s lifestyle vertical. SHE Media makes money through advertising and partnerships with those blogs and their advertising. Skey noted they do not have a full legal or creative compliance team.

“It’s our job to ensure that those sites can accept as much advertising demand as possible,” she added.