



SMALL BATCH LUXURY CANNABIS OILS

Enjoy Ionic Responsibly

© 2019 IONIC INC. LOS ANGELES, CA. ALL RIGHTS RESERVED

ionic.social





BOLD NEW BOX SAME CLASSIC PUNCH









CONTENTS | mg April 2019

24 Dino Carter



66 Bailey K. Bifoss

70 Mathew Youngblood





78 Ruben Cross

4

Perfect Packaging How to avoid costly product

packaging mistakes.



10 News Briefing

Headlines and highlights, in case you missed them.

24 Opinion

Brand consultant **Dino Carter** explains how to use social networks to tell your brand's story and form consumer relationships.

36 | Business Profile

Shine Papers may operate primarily in the mainstream, but its Shine Day promotion is cannabis gold.

66 | Human Resources

Attorney Bailey K. Bifoss dives into the nitty-gritty of creating and maintaining an employee handbook.

70 Branding

Branding guru Matthew Youngblood makes the case for honesty, perspective, and discipline as the cornerstones of brand-building.

72 | Legal

Three attorneys provide perspective on navigating the tangled web of federal and state regulations after hemp legalization.

78 | Voice

Four brands discuss their processes and policies in the digital age.

80 Products

What's selling where, and why.

LETTER FROM THE EDITOR



Unintended Consequences

I AM BOTH MOLLIFIED and amused by the situation in Washington D.C. these days. Mollified, because it's about time congresscritters found something—anything—on which to agree, at least in principle, and amused because the thing about which they've decided to agree once seemed absurd: pot.

So far, 2019 has seen a flurry of proposed cannabis legislation, and all the bills enjoy bipartisan support. Even the dourest among the Old White Men contingent seem to be on board with "doing something" about cannabis. To be clear, several have been careful to mention they personally do not favor legalizing the demon weed, but they're honor-bound to heed the will of their constituents. (Congresscritters are fond of saying things like that during election cycles...and then conveniently forgetting the vow once they've secured another term.)

All the proposals before Congress offer a subset of provisions the industry deserves and desperately needs, though some are more encouraging than others. The STATES Act, for example, doesn't propose to legalize cannabis at the federal level, but at least it guarantees the feds won't interfere in state-level legal and regulatory affairs. The Marijuana Justice Act goes much further, proposing removal of cannabis from Schedule I, expungement of cannabis-related felony convictions, and investment in the communities hardest hit by the war on drugs.

The most comprehensive proposal to date comprises S.420 and a couple of companion bills. Sadly, though the package recommends de-scheduling, removal of 280E restrictions, and access to banking, among other things, S.420 and its companions represent a devil's bargain. Tucked among all the good stuff is a provision that would dramatically alter the industry: a 25-percent federal excise tax.

Even accepting Washington operates in its own discrete universe utterly divorced from reality, the tax rate is difficult to fathom. The figure may represent an attempt to woo naysayers by dangling a financial windfall—a time-honored tradition in Congress. While the tactic is indisputably effective, equally indisputable are underlying factors no one talks about: brazen greed and callous disregard for the people most affected by the legislation. The rate is on par with the "sin tax" on alcohol and cigarettes, which might not be morally objectionable for recreational products. But tacking on that kind of expense for medicinal products would price medicine beyond the reach of a significant portion of the population lawmakers claim to want to help. The provision also is self-defeating: Hiking consumer prices on that scale would drive patients to the black market, thereby throttling the projected windfall.

At least momentum is building in a direction the industry can support, but everyone with a stake in this game needs to remain vigilant and participate in the process. Otherwise, we may find ourselves claiming a Pyrrhic victory.

Kathee Brewer

mg is printed in the USA and all rights are reserved. ©2019 by CANN Media Group, LLC. mg considers its sources reliable and verifies as much data as possible, although reporting inaccuracies can occur; consequently, readers using this information do so at their own risk. Each business opportunity and/ or investment inherently contains criteria understanding that the publisher is not rendering legal or financial advice. Neither CANN Media Group, LLC. nor their employees accept any responsibility whatsoever for their activities. All letters sent to mg magazine will be treated as unconditionally assigned for publication, copyright purposes, and use in any publication or brochure and are subject to mg unrestricted right to edit and comment.



DIRECTOR OF CONTENT: Kathee Brewer CREATIVE DIRECTOR: Angela Derasmo EXECUTIVE EDITOR: Rob Hill COPY EDITOR: Erica Heathman CONTACT: editorial@cannmg.com

CONTRIBUTING WRITERS

Adrian Sedlin, Bailey K. Bifoss Esq., BDS Analytics, Bharat Vasan, Brett W. Scott Esq., Christopher J. Davis Esq., Christopher Jones, Christopher Machnich, Dana Leigh Cisneros Esq., Danielle H. Moore Esq., Danny Reed, Dr. Donald Land, Ean Seeb, Genese K. Dopson Esq., George "Trey" Lyons III Esq., Henry Wykowski Esq., Ian A. Stewart Esq., Joanne Cachapero, John Rozelle, Kary Radestock, Katherine Allen Esq., Kenneth J. Berke, Mary Shapiro Esq., Matthew Youngblood, Megan Stone, Mia Butera Esq., Michael Chernis Esq., Nancy Gudekunst, Nancy A. Shenker, Neil Juneja, Nicole E. Grimm Esq., Nicole E. Stenoish Esq., Nigel Williams, Paul Kiernan, Randall Huft, Ricardo Baca, Richard D. Pio Roda, Rik D. Jeffery Esq., Robert Selna Esq., Robert T. Hoban Esq., Sahar Ayinehsazian Esq., Tom Hymes

ADVERTISING & MARKETING

CLIENT MAGAGEMENT

Brie Ann Gould: Brie@cannmg.com Hope Gainey: Hope@cannmg.com Meghan Cashel: Meghan@cannmg.com General Inquiries: Sales@cannmq.com

PHOTOGRAPHY

James Banasiak, Thomas O'Brien, Roman Rivera, Mike Rosati, Frank Cachon

CONTRIBUTING ARTISTS

Zack Korn, Christine Bishop, Charles Heinrich

DATA MANAGEMENT

DATA MANAGER: Kevin Guardado

ONLINE DEPARTMENT

MANAGING DIRECTOR: Linda Friedman DIGITAL STRATEGIST: Ryan Bernard VIDEO PRODUCTION: Jorge Fuentes

BUSINESS OFFICES

CHIEF EXECUTIVE OFFICER: Darren B. Roberts
EXECUTIVE ASSISTANT: Amy Razi
EVENT COORDINATOR: Erin Zavala
ACCOUNTING: Jessica LeBlanc
GENERAL INFORMATION: hello@cannmg.com

MAILING ADDRESS

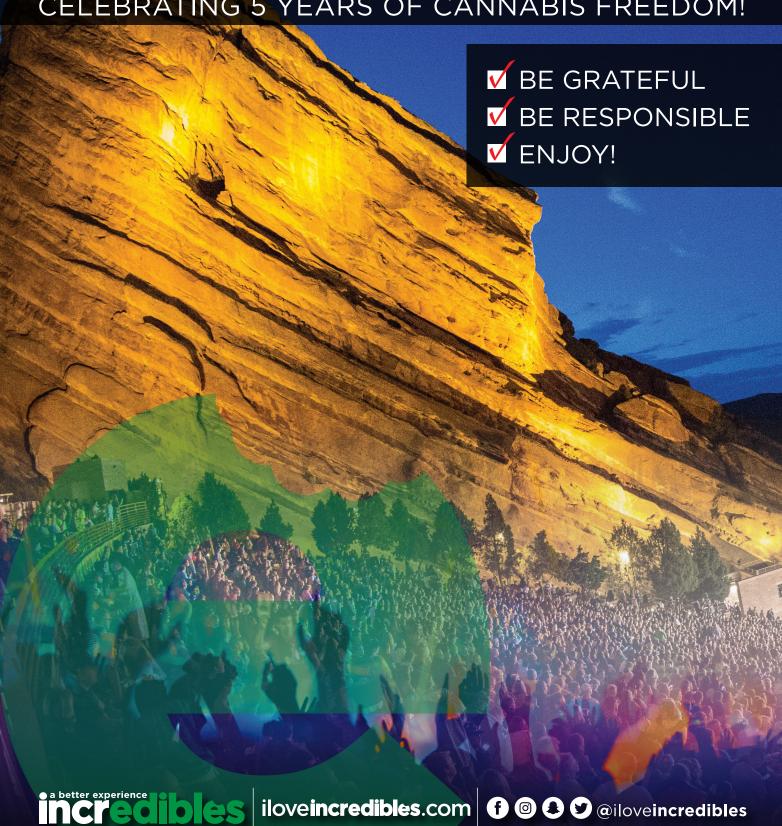
CANN Media Group, LLC 21333 Oxnard Street, Second Floor Woodland Hills, CA 91367 (310) 421-1860



www.mg retailer.com
A CANN Media Group Publication

incredible 420

CELEBRATING 5 YEARS OF CANNABIS FREEDOM!







NEWS BRIEFING



House Considers Easing Banking Restrictions

WASHINGTON, D.C. - Congress may finally be ready to do something about all that cash lying around at cannabis businesses. In February, the House Financial Services Committee's Subcommittee on Consumer Protection and Financial Institutions conducted a hearing for a bill that would provide legal cannabis businesses with access to financial institutions.

The Secure and Fair Enforcement Banking Act of 2019, or the SAFE Banking Act, would prevent federal regulators from penalizing banks for providing financial services to cannabisrelated businesses operating within their state's legal framework. The bill also would exclude legal cannabis businesses' funds from the definition of "proceeds from an unlawful activity" under federal criminal law.

Witnesses included bankers, state politicians, law enforcement representatives, industry insiders, and an anti-cannabis activist organization. Among the primary topics considered were threats to public safety and lack of transparency inherent in cash-only businesses. Not only are cash-only businesses and their employees potential targets for violent crime, but banks also worry about their obligations under Financial Crimes Enforcement Network (FinCEN) regulations. The bill addresses the latter, as well.

Hurdles remain, including reluctance on the part of representatives whose states have not legalized cannabis and widely varying trackand-trace requirements among the states.

The bill has not been scheduled for a vote.



Five Presidential Hopefuls Introduce Federal Legalization Bill

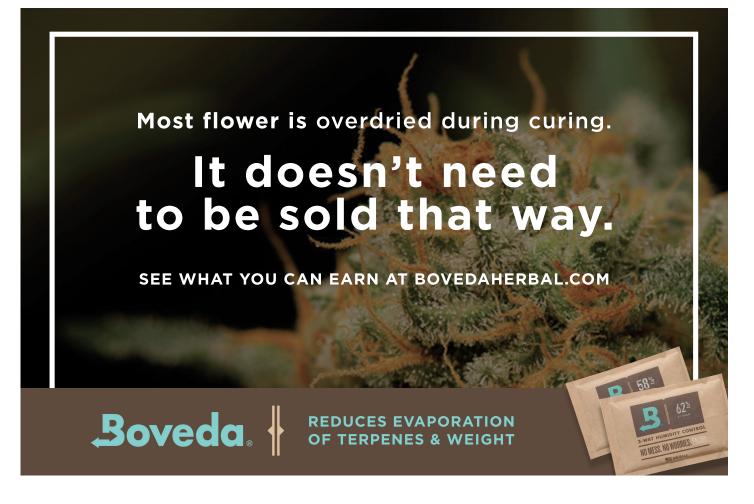
WASHINGTON, D.C. — Senator Cory Booker (D-NJ) in March introduced the Marijuana Justice Act, a bill he said would "reverse decades of unfair, unjust, and failed policy by removing marijuana from the list of controlled substances and making it legal at the federal level." Fellow presidential hopefuls Sens. Elizabeth Warren (D-Mass.), Kirsten Gillibrand (D-NY), Bernie Sanders (I-Vt.), and Kamala Harris (D-Calif.) signed as cosponsors, as did Sens. Ron Wyden (D-Ore.), Jeff Merkley (D-Ore.), and Michael Benne (D-Colo.).

"The War on Drugs has not been a war on drugs," Booker said when announcing the bill. "It's been a war on people, and disproportionately people of color and low-income individuals."

In addition to removing marijuana from the Controlled Substances Act's list of prohibited drugs, the Marijuana Justice Act contains provisions for expunging records of federal possession and use convictions and provides resources for community re-entry and job training.

Booker first introduced the bill in 2017, but it was not taken up for a vote. This year the odds are better, as ten states have legalized recreational cannabis use and at least three others—New York, New Jersey, and New Hampshire—have signaled their intention to do so this year.

Reps. Barbara Lee and Ro Khanna, both California Democrats, reintroduced companion legislation in the House.



New Products:



KRETEK INTERNATIONAL MOSAIC TINCTURES

Available in wild cherry and unflavored versions, Kretek's new tinctures contain full-spectrum CBD and meet FDA and GMP (Good Manufacturing Practices) standards. Certificates of analysis by an independent, third-party lab are available on the website by lot number. In 300mg, 750mg, and 1,500mg droppercap bottles.

MosaicHealthCBD.com



CODA SIGNATURE CRESCENDO

The \$100,000 swag bags presented to 2019 Oscars nominees included Coda Signature's hand-painted chocolate truffles. Each box includes white chocolate filled with fresh lemon and juniper berries, milk chocolate steeped with Earl Grey tea leaves and honey, and caramel spiked with Maldon salt crystals. 10mg THC per piece; Colorado and California only.

CodaSignature.com



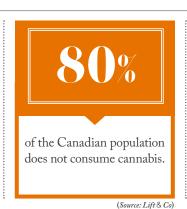
Wyden, Blumenauer Propose End to 280E Discrimination

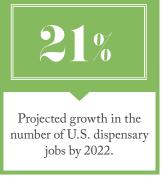
WASHINGTON, D.C. — Senator Ron Wyden and Rep. Earl Blumenauer, both Oregon Democrats, in February introduced bicameral legislation that not only would protect state marijuana laws and provide a pathway to federal legalization, but also end discrimination under Internal Revenue Code section 280E. Section 280E prohibits legal cannabis entities from claiming certain federal tax deductions and credits.

The three-bill package includes S.420, the legalization measure; the Marijuana Revenue and Regulation Act, which seeks a federal excise tax rate of 25 percent; and the Responsibly Addressing the Marijuana Policy Gap Act of 2019. The latter attempts to equalize federal and state cannabis policy by removing banking and business barriers, expanding advertising for cannabis products, providing FCC safe harbor for cannabis-related broadcasts, and codifying bankruptcy and employment protection, fair access to education, tribal sovereignty, access to federally assisted housing, and an end to unfair deportation and civil forfeiture.

It's unclear how far the legislation may progress in the Republican-controlled Senate, but Blumenauer believes passage in the House is all but guaranteed. In 2018, voters "elected the most pro-cannabis Congress in American history," he said.









(Source: Sativant) (Source: California Bureau of Cannabis Control)



Labs Use Liquid Chromatography To Test Your Product So Should You!



6+ Cannabinoids



Total Terpenes



Flower, Concentrate, Infused





MedMen Chronicles History of Cannabis

Spike Jonze helmed the production of a two-minute short film tracking cannabis in America from George Washington's farm to the current commercial explosion. The spot is expected to air digitally and on networks including Bravo, Oxygen, MSNBC, and Lifetime.

BARNEY'S BRINGS POSH TO POT

The luxury retailer opened its first The High End boutique inside the Beverly Hills flagship store, where it will sell both THC and CBD products and accessories.

CHELSEA HANDLER HIGH ON INDUSTRY

The comedienne and author introduced Canndescent's new Stylus line and teased a line of her own during a swanky, invite-only party in Los Angeles.

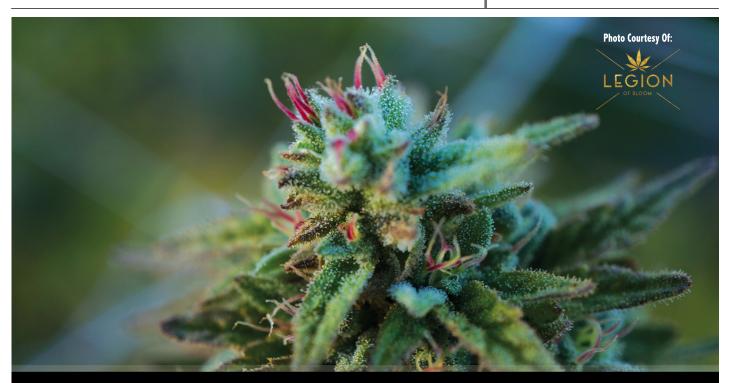
CANADIANS PLANTING FLAG IN U.S. HEMP

Canopy Growth bumped its original \$150 million investment in U.S. companies to \$500 million, with plans to produce hemp in New York and two to three other states. Meanwhile, Tilray sank CAD \$419 million into Manitoba Harvest, which cultivates 30,000 acres of hemp and has retail relationships with 16,000 North American retailers including Costco, Amazon, Kroger, and Walmart.



MARTHA STEWART COOKING UP CANNABINOID PRODUCTS

The American lifestyle guru and Canadian mega-corp Canopy Growth inked a deal to clinically test and market a broad range of products containing CBD and other cannabinoids for people and pets.





Vital Garden Supply Specializes in Organic Soils, Compost Teas, Fertilizers and Amendments. Try Our Triple Organic Certified "Vital Garden Products" Line Today!



Pharmacies vs. Dispensaries: The Future of Cannabinoids as Medicine

A Cannabis Intelligence Briefing Series Report



A SAMPLING OF KEY INSIGHTS





UNSURPRISING TO THOSE IN THE INDUSTRY, OUR CONSUMER RESEARCH SHOWS AN INFLUX OF CANNABIS CUSTOMERS TURNING TO THE PLANT FOR MEDICAL PURPOSES — A POTENTIALLY DISRUPTIVE TREND FOR THE TRADITIONAL OTC AND PHARMACEUTICAL DRUG MARKETS. 39% REPORT A REDUCTION IN USE OF PRESCRIPTION MEDICATIONS. WITH RELAXATION AND PAIN RELIEF THE TOP REASONS CONSUMERS ARE TURNING TO CANNABIS.* CURRENTLY 169 DIFFERENT DRUGS ARE IN VARIOUS STAGES OF DEVELOPMENT, WITH MANY EXPECTED TO HIT THE MARKET AT SOME POINT IN THE FUTURE.



41% of respondents to BDS Analytics consumer surveys report a reduction in use of OTC medications (*Source: Cannabis in the United States – Public Attitudes and Actions Toward Cannabis in the US)

In the US, prescription drug spending by consumers is expected to reach \$462 billion by 2022.

Five cannabis-derived drugs are in Phase III of their clinical trials, which means it likely will be several more years before those drugs are approved and commercialized, assuming their trials show efficacy in treatment.

A major turning point for cannabis-based pharmaceuticals was reached in June 2018 when **Epidiolex** became the **first**

FDA-approved drug derived from the cannabis plant.





Spending on both synthetic and naturally derived cannabis-based pharmaceuticals is likely to reach only \$2.2 billion by 2022. The majority of growth will come later in the decade as more drugs are approved and made available for prescription.

TO DATE, MEDICAL CANNABIS HAS PRIMARILY BEEN SOLD AT DISPENSARIES IN THE US AND LEGALLY VIA MAIL ORDER IN CANADA. THAT IS CHANGING AS MORE ENTITIES EXPLORE AND STUDY CANNABINOIDS AND THE OTHER CHEMICALS FOUND IN CANNABIS FOR USE IN PHARMACEUTICAL DRUGS.

TOM ADAMS EDITOR IN CHIEF, ARCVIEW MARKET RESEARCH MANAGING DIRECTOR OF INDUSTRY INTELLIGENCE, BDS ANALYTICS Worldwide over-the-counter medical cannabis spending is expected to reach \$12 billion by 2022. That year, OTC medical cannabis spending in the US is expected to hit \$7.8 billion.

Therapeutic Areas of **Cannabinoid Drugs Currently in Development**

(As of February 2019, 169 Total)



CENTRAL NERVOUS SYSTEM

GASTROINTESTINA





ONCOLOGY

12 | 7%

SENSORY ORGANS





DERMATOLOGY 9 | 6%

Key: Total Drugs in Development | % of 169 Total



This infographic was created exclusively for mg Magazine readers Purchase this report at shop.bdsanalytics.com

These insights are featured in the Pharmacies vs. Dispensaries: The Future of Cannabinoids as Medicine report | © 2019 BDS Analytics BUY IN BULK



SCALE UP WITH US



HAND CRAFTED HIGH QUALITY HEMP

GROWER
PROCESSOR

WE BUY AND SELL QUALITY HEMP FLOWER AND HIGH GRADE HEMP OIL

CLONES AVAILABLE TO EAST COAST GROWERS

SALES@KWHEMP.COM



kingweedyhemp.com

703-257-5620 MANASSAS, VA

APRIL 2019 EVENTS SCHEDULE

The following is a list of select industry events taking place during April 2019.

CANNATECH APRIL 1-3

Trask & Reading 3, Tel Aviv Port, Tel Aviv, Israel

Designed to bring together international cannabis professionals and change agents to network, reframe conventional thought about medical cannabis, participate in strategic conversations, and get connected and inspired, CannaTech spans science, research, finance, medicine, government policy, tech, innovation, agriculture, and entrepreneurship.

TELAVIV2019.CANNA-TECH.CO

CANNABIS CONFERENCE APRIL 1-3

Westgate Las Vegas Resort & Casino, Las Vegas

With the motto "Learn. Network. Grow.,"
Cannabis Conference offers insight into cannabis cultivation and business operations, as well as retail management and customer engagement.
New technologies and innovations will be showcased in 70,000 square feet of expo space; educational programming includes cultivation and dispensary tracks.

CANNABISCONFERENCE.COM

RENO CANNABIS CONVENTION April 6-7

Whitney Peak Hotel, Reno, Nevada

The second-annual convention expects to attract more than 100 exhibitors and dozens of speakers to interact with entrepreneurs, advocates, patients, and caregivers. Exhibitors will offer demonstrations and cultivation samples, and vendors will sell smoking and vaping products, storage, and accessories.

NECANN.COM/RENO

CANNABIS SCIENCE CONFERENCE APRIL 8-10

Baltimore Convention Center, Baltimore
More than 3,000 industry experts, instrument
manufacturers, testing labs, researchers, medical
practitioners, and policymakers from around
the world are expected to attend keynotes,
presentations, round table discussions, and
exhibits. Educational sessions are divided into
parallel medical and scientific tracks.

CANNABISSCIENCECONFERENCE.COM

CANNACON April 18-19

Cox Convention Center, Oklahoma City

An interactive gathering uniting pioneers and entrepreneurs with investors and experts,

CannaCon is dedicated to creating and strengthening partnerships. The event's mission is to provide a global venue for showcasing industry products and innovations and to cultivate values through education and responsible community involvement.

CANNACON.ORG

O'CANNABIZ CONFERENCE & EXPO April 25-27

Hall 5, The International Centre, Toronto
O'Cannabiz is an international business-to-business
event connecting companies and brands across the
spectrum, including lighting, nutrients, greenhouse
construction and supplies, peer-reviewed agripractices, lifestyle, medical and legal issues,
marketing, hiring, financial and investment advice,
quality control, and market analysis.

OCANNABIZ.COM

CANNABIS & HEMP EXPO April 27-28

Edmonton Expo Centre, Edmonton, Alberta, Canada

The Cannabis & Hemp Expo attracts industry leaders from across Canada to an interactive forum for education about new technology, research, and cannabis benefits. Networking opportunities are provided, as are industry-related exhibits. Seminars explore growing, cooking, extraction, investing, women in cannabis, health matters, cosmetic products, and veterans.

CANNABISHEMPEXPO.COM

HALL OF FLOWERS April 30-May 1

Sonoma County Fairgrounds, Santa Rosa, California

A highly curated B2B trade show open exclusively to members of the licensed cannabis community, Hall of Flowers has expanded its 2019 event to provide more space in which buyers and sellers may conduct business. The 2018 event welcomed more than 100 exhibitors; this year, organizers expect many more.

HALLOFFLOWERS.COM

STAY CURRENT ON ALL INDUSTRY EVENTS: MGRETAILER.COM



THE WORLD'S MOST ADVANCED EXTRACTION EQUIPMENT MADE WITH PRECISION®

#1 in Quality, Customer Service & Tech Support

MULTI-SOLVENT EXTRACTION TECHNOLOGY PROCESS 100 TO 50,000+ LBS OF INPUT MATERIAL PER DAY!









GREAT MARKETING REQUIRES GREAT DISTRIBUTION

Providing statewide distribution and sales services to high quality, small batch farmers from Northern California with world-class management systems and armored, refrigerated, GPS tracked cargo vans

Representing more Humboldt County cannabis brands than any other distributor in the state of California

PACIFICEXPEDITORS.COM | @PAC_EX | 707-791-1741



PACIFIC EXPEDITORS





DINO H CARTER

Embracing Social Media

Use the networks to tell your brand's story and form consumer relationships.

N A 2015 global research work, marketing professor Neil Granitz of California State University Fullerton wrote about the ways in which people interpret their exposure and experiences with brands via narrative processing. These narratives are brand stories. A brand story can build consumer awareness, comprehension, empathy, recall, and meaning-the cornerstones for sustainable business growth.

The world of commerce is changing. Over the past five years, huge global brands that once reigned supreme have lost market share and brand sentiment to small businesses that understand what branding in the new world is all about. Brands like Casper and Walker & Company—the latter recently was acquired by conglomerate Procter & Gamble-know it's all about creating long-term relationships with consumers. One effective way to create relationships and empathy between your business and consumers is to use your brand story on social media.

Social media offers a good return on investment (ROI) because it doesn't require an up-front investment. In addition, when done well, social media marketing serves both short- and long-term goals: It can grow both sales and brand awareness.

Follow these tips to find your brand story and use it on social media.

FIND YOUR BRAND STORY

A brand story connects people to your business on an emotional level. It is your business purpose—why the business exists. The easiest way to determine your brand's unique



story is to ask yourself, "Why did I start this business?" Yes, you wanted to make money, but there was a deeper reason. The deeper reason that inspired you to invest the time and money to create your business will inspire customers to buy your product or service.

The story should be authentic and evoke emotion within consumers. For example, let's say you sell safety mattresses for toddlers. After your firstborn hurt her back while sleeping, you decided to design the best, safest product on the market. That is the brand story. The brand value is safety, and your brand purpose is to empower parents by helping them protect their toddlers.

Casper, the mattresses company, is a great example of how a brand story can drive a whole marketing plan. Beginning with the name of the company that tells a story, Casper Sleep Inc., this is a story not about mattresses, but about sleeping. The brand focuses on great sleep and how to achieve it instead of the technical details on which other brands focus.

HUMANIZE YOUR BRAND

People connect with people, so the more human-like your brand, the more people will trust it. In order to grow brand awareness and drive high-quality traffic to your website from your social media posts, you need to create relationships. So, don't think like a product—think like a person.

Build a brand persona: Decide what kind of person your brand would be, how the brand will tell its story, how your brand will talk and interact with people. Communicate, ask questions, post photos with faces in them. Research has indicated "people pictures" perform almost 40 percent better than posts with no faces in them. Let your brand's social media followers ask questions, thank them for their support, tell them how you feel.

Post photos and videos that show progress: the first store you opened, Facebook memories, old photos from when the business was only you behind a desk, vlogs of you visiting the site of the first factory you opened. People like to see progress and modesty; they like to see success stories, so show them.

It took years for Coca-Cola, one of the biggest brands in the world, to start performing well on social media. The change for the better started when the brand began posting human-like content instead of product-like content.



KNOW YOUR BRAND'S CUSTOMERS

Good branding puts customers in the center. If you focus on your customer base and not on your product or service, your social media posts will perform better and drive more sales-ready leads.

Before you embark on a social media spree, you should strategize and define your customer base. Who are they? What social media do they use? What are their values? What are their pain points and needs? What might be valuable knowledge for them? What content can connect them to you on an emotional level?

Just as you want your customers to engage with you, you need to engage with them. Instagram stories are a wonderful way to do it. You can let them ask you questions, or you

can ask them questions. Be sure to use UGC (user generated content) from your customers. Run a video contest, best photo contest, share their posts if the post tells a great story that resonates with your brand story. Customers love when a brand they like shares their posts.

Fast-food brand Wendy's has a well-defined brand personality aligned with the company's customer base. It is so perfectly manifested in the brand's social media that the marketing industry can't stop talking about it.

CONNECT THE POINTS

Social media outlets are part of your brand's touchpoints. A touchpoint is any connection a customer has with your brand: your website, emails, packaging, newsletters, Facebook posts, YouTube videos, ads, blog posts, and so on.

OPINION

Your brand story should be the conceptual "connecting rod" between all of them, so use your brand story in multiple places. You can use the same elements or content ideas in different ways that fit the specific media. For example, while on Twitter you can write only short posts, you can use YouTube for the same story in a much longer video.

After you have defined your customers, you'll know what social media they spend most of their time on, so meet them there. Don't use Facebook if your customers are on Instagram, for example.

The best thing about using social media as a touchpoint is the two-way immediate conversation you can create with your customers. From posting comments to private messages, you have a one-on-one opportunity to talk with them, understand their needs and wants, and provide personal customer service.

DON'T TRY TO SELL

Good social media results happen when you are authentic; when you don't try to sell. Consumers know how much power they wield, and more than 60 percent of consumers will not return to a brand's social media page if



DON'T THINK LIKE A PRODUCT. THINK LIKE A PERSON.

they have a negative experience even once.

Let's revisit the safety mattresses example. If your brand value is safety and your brand promise is to empower parents through safety mattresses, your goal should not be to sell mattresses to parents. Your goal is to help them feel empowered, feel they are taking care of their kids' safety. You want every parent who buys one of your mattresses to feel they did the right thing and to become an ambassador for your brand. You can achieve that only by creating relationships with them. If all

your social media posts are focused on your product's features, your prices, and why you are better than the competition, you will not get a high-quality, sustainable stream of traffic to your website.

Have a persona, be funny, authentic, smart, and valuable. Show statistics relevant to your industry, repost how customers are using your brand's product or service, post do-it-yourself images and videos, how-to guides, behind the scenes, and so on.

Here is an example of how not selling generates sales: One of my agency's clients, a cannabis company, used to send newsletters that were all about the product. The client didn't generate any direct sales from the newsletters until we changed the focus from product to customer needs. Now our client makes direct sales from every newsletter it sends.

DINO H CARTER is owner and chief strategist of D Branding, a brand consultancy helping clients develop unique brand strategies to grow market share, deepen brand awareness, and sustain growth. **DBrandingLA.com**



DON'T WAIT FOR THE PERFECT ENVIRONMENT.

Create it with Integra BOOST®.



The cleanest humidity-control solution for optimal curing + extended storage.

YOUR BUDS. YOUR WAY.

Prevent mold & overdrying Maintain flavors, potency & aroma Regulate humidity at 55% or 62% R.H

PEACE OF MIND.

Salt-free solution Tear & Spill Resistant Non-Toxic & Biodegradable

JUST FOR GROWERS.

Custom sizes
Bulk discounts
Automated packaging

BOOST YOUR BUDS TODAY!







More Than Meets the Eye

The Apothecarium takes its commitment to community seriously.

YAN HUDSON, co-founder and chief executive officer of The Apothecarium, envisioned a better dispensary experience. "Years ago, I was standing in line at a dispensary, waiting behind a woman my grandmother's age," he said. "Like me, she was there for a serious medical issue. But the people working there were unable to provide her the information she needed. That was my 'lightbulb moment'-when I decided to create a dispensary where she could find quality cannabis in a welcoming, non-judgmental environment and also get the information and support she needed to use it safely and effectively.

"Everything we do at The Apothecarium—from the products we select to the training our staff receives to the way we design our dispensaries—is intended to give her the experience she deserves," he added. "I know if we are meeting her needs, then we are probably meeting the needs of everyone who comes through our doors."

Named one of the "Best-Designed Marijuana Shops Across America" by Architectural Digest in 2017, The Apothecarium in San Francisco's Castro district is more than just a pretty face. The dispensary, one of four in The Apothecarium family, also is home to an art gallery, an educational classroom with weekly events, 500 SKUs encompassing a full range of cannabis products from flower and concentrates to vape pens and edibles, and a welleducated staff of more than fifty employees.

THE GRAND TOUR

Situated on Market Street near its intersection with Dolores Street, The Apothecarium is smack-dab in the heart of California's cannabis legalization epicenter. "Through our front windows you can see the building that housed one of Dennis Peron's early dispensaries," said Chief Marketing Officer Eliot Dobris. "[That's] where he and other activists wrote Proposition





RETAILING: THE APOTHECARIUM



215, which California voters passed in 1996, legalizing medical marijuana."

Stepping through the dispensary's doors, a customers' first encounter is with staff at the reception desk. The sleek blackand-white counter area sits across from a chic, elegant lobby where guests are able to browse the product menu and wait in comfort for their cannabis consultant. "After check-in, [customers] can wait on stylish upholstered furniture that mixes a blend of neo-Victorian and modern details, or they can peruse accessories and branded merchandise in our award-winning boutique," said Dobris.

Entering the main floor of the 5,200-square-foot shop, the white-tiled walkway is emblazoned with a large inlaid tile seal proclaiming the store's date of establishment in 2011, when it was housed in a different location on Market Street. The current location has been home to the shop since 2016 and was designed under the direction of architect Vincent Gonzaga

and interior design firm Urban Chalet.

The open space concept behind the dispensary design makes the shop easy to navigate. Moving from the entryway to the wood-paneled floor of the showroom, off to the left is Mark's Corner, a curated art gallery with bimonthly rotating exhibits. "Mark's Corner is named after Mark Estes, an artist, cannabis enthusiast, and AIDS patient who died in the 1990s," said Dobris. "The space serves as a reminder to our staff and guests that the fight for legal marijuana began in our neighborhood and arose directly from the HIV/AIDS crisis." The gallery predominantly exhibits local artists and hosts opening events at each new installation, much like a museum gallery. Cannabis consultant and "Minister of Culture" Danyol Leon curates the collections. Continuing through the dispensary, a well-lit checkout area in soothing shades of blue and brown with a white, marble-topped, L-shaped counter reminiscent of a hotel check-in desk lines

the back of the shop, and a classroom off to the right completes the arc.

AN EFFORT TO EDUCATE

Aligning with the company's mission to provide "quality cannabis in a welcoming environment with empathy, education, and ongoing personal support," The Apothecarium sees customer education as a matter of paramount importance.

"We focus on education and one-onone consultations with highly trained staff," Dobris said. "A typical dispensary displays hundreds of products under glass counters, which can be overwhelming to newcomers. We prefer to focus on one-onone interactions with our highly trained staff who can help people find the right products for their needs and ensure they leave understanding how to use [those products.]"

Education is in everything the dispensary does, including its restaurant-style printed menus on which the flower selection is





















RETAILING: THE APOTHECARIUM

accompanied not only by tasting notes and a description of each cultivar's physical characteristics but also THC and CBD percentages, and a bar graph representing select therapeutic effects—sedative, anxiety relief, anti-inflammatory, antispasmodic, and mood elevation.

In addition, the dispensary offers a range of classes and events such as in-store vendor presentations and support groups for members. Educational classes—hosted weekly on Thursdays—are a popular draw for the shop. Attendees often find them to be "standing room only." Recent topics included Cannabis and Cancer 101; Cannabis Without the High: CBD and THCA for Cancer, Mood, and Pain; and Terpenes: Cannabis Aromas & Effects.



THE APOTHECARIUM SEES
CUSTOMER EDUCATION
AS A MATTER OF
PARAMOUNT IMPORTANCE."

AT YOUR SERVICE

Company values—particularly "Giving Back" and "Diversity & Individuality"—play a big role in daily operations. "At The Apothecarium, we take our commitment to community seriously," said Dobris. "Since our founding in 2011, we have donated

more than \$400,000 in cash to community groups and nonprofits—plus more than \$300,000 worth of in-kind donations." Offering transparency, the company provides a list of beneficiaries on its website. With its location in the Castro, a pledge

of diversity is crucial to the dispensary. "We operate in a neighborhood that is famous for its LGBTQ+ residents. Many of our staff are LGBTQ+ and so are many of our guests," Dobris said. "We are a company that prizes inclusion and diversity." That includes diverse demographics, as well. "We focus on seniors, working professionals, and folks with serious medical conditions," he said. "That said, we welcome all types of guests, and we see people of all ages, genders, and ethnicities."

Of relevance to its senior and medical clientele, The Apothecarium is easily accessible via several forms of public transportation, with nearby stops of the Muni Metro, bus, BART, and the city's historic streetcar line—a great benefit to customers who otherwise would be unable to make the journey.

"When you come inside The Apothecarium, you see a lot of gray hair," Dobris said. "We take pride in providing a welcoming environment to people who might not feel comfortable in other dispensaries." — Erica Heathman

The Apothecarium | 2029 Market Street | San Francisco, California 94114 | Apothecarium.com/san-francisco

DRY TRIMMER - M



844-DRY-TRIM GREENBROZ.com



The next generation in dry trimmers has arrived. This is the machine that lets you produce hand-trimmed quality results - gently. Food-safe stainless steel, a whisper-quiet motor and easier to cleanup than ever before make it clear: this is *the* dry trimmer cultivators can depend on.



Shine Papers Mines Digital Gold

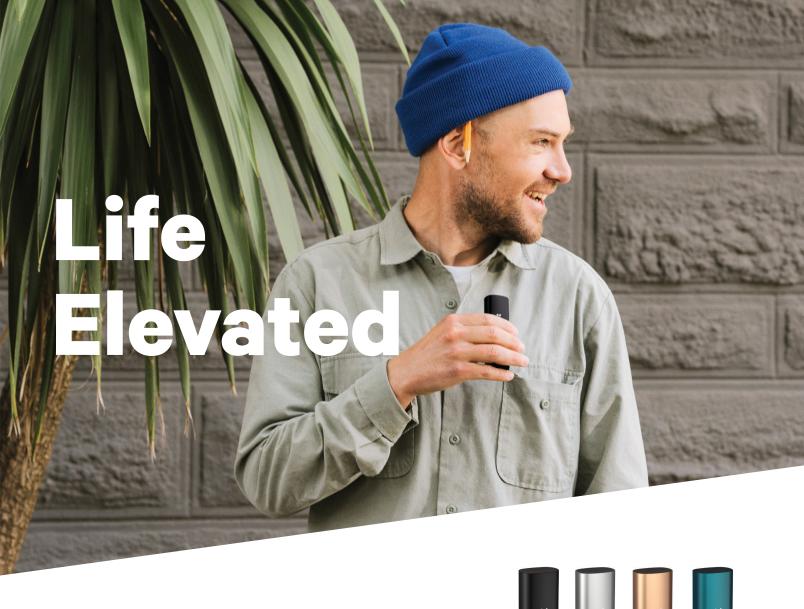
The company's savvy use of online marketing translates into sales.



ITH ITS twenty-four-karat gold rolling papers crafted from edible gold, standing apart from the crowd is something Shine Papers does very well. Which is exactly what you'd expect of a company whose flagship product was born on the heels of a night's partying in Las Vegas. It comes as no surprise the company's annual prize-packed Shine Day event started out big and is getting bolder and shinier every year, garnering the attention of fans and media across the United States. From its home town of Mount Pleasant, South Carolina, to the sunny shores of California—and everywhere in between—Shine Papers is gaining momentum.

AN INSPIRED IDEA

Hosted annually on February 4 (aka 2/4, as in 24K) "Shine Day sends participants throughout their respective cities, in a scavenger-hunt-style race for the ultimate prize of a famed 'gold briefcase'—filled to the brim with Shine, Pure Leaf, and Blaze By Shine swag," Shine Papers Public Relations and Events Manager Camille Livesay said in a recent press release. "Participants must follow clues that are





The Complete Vapor Experience.



PAX 3 Complete Kit



PAX 3 Device Only



PAX 2

© 2019 PAX Labs, Inc. All rights reserved. Protected by issued and/or pending US and international patents: www.pax.com/intellectual-property-list





dispersed via email, social media, and inperson in order to win the contest."

Shine Papers founder and Chief Executive Officer Dave Brown is the mind behind the event. He and the company's creative team were inspired by Amazon Prime Day. Much like the e-tail giant, Brown wanted to create an event that essentially would "take over a day," turning all thoughts and attention to Shine products rather than once-yearly deals on an Instant Pot.

A lot of planning goes into the event. "We begin planning the forthcoming Shine Day as soon as one is complete—sometimes before," Livesay told mg. "We're constantly working to grow, evolve, and improve, so the brainstorming never ends. We invest well over 1,000 man-hours into each Shine Day."

As proof the team's efforts are not in vain, Shine Day 2019 saw several thousand participants, a 300-percent increase over turnout for the 2018 event. "We had a lot of new competitors, which brought some fresh blood to the competition," said Livesay. "We also had returning competitors, specifically from Canada's Shine Day, who competed for the digital cases."

For this year's U.S.-based event, individual scavenger hunts took place in nineteen major cities: Atlanta, Austin (Texas), Boston, Chicago, Denver, Detroit, Houston, Las



WINNING SHINF DAY WAS VFRY SURREAL I WANTED TO WIN THE CASE SO BAD AND WAS WILLING TO GO THROUGH ANYTHING THAT WAS NEFDED TO MAKE IT HAPPEN. WHEN I **GOT THE CONFIRMATION THAT** I WON. I WANTED TO FLIP A MILLION TIMES DOWN THE STREET, I HAVE BEEN THE BIGGEST SUPPORTER OF SHINE SINCE THAT DAY

— Devonte Jennings, 2018 Atlanta winner

Vegas, Los Angeles, Miami, Minneapolis, New York, Philadelphia, Phoenix, Portland, San Diego, San Francisco, Seattle, and Washington D.C. Each location awarded one grand prize with an additional four prizes available to digital participants via an online version of the hunt.

GROW AND EVOLVE

As the event grows year after year, new prizes and ideas are incorporated. Shine Day 2019 prize packs included a wide variety of products not only from Shine, but also from brand partners. "Our partners hooked us up with vitamins from Cannassist, cannabis greeting cards from Kush Kards, CBD sodas from Sprig, and CBD gummies from Sunday Scaries," said Livesay. "In addition to multiple city-wide scavenger hunts, this year we hosted our first-ever Shine Day pop-up event. We took over famed Los Angeles dispensary LA Kush for the night and made it our own."

Making an appearance at the pop-up event was Shine Jesus, a popular, selfie-worthy ambassador of the Shine Papers brand. With just over 14,000 Instagram followers in less than a year, the popularity of the fun figure is quickly on the rise—as are the number of fan photos in which he appears. "Shine Jesus is an influencer turned brand ambassador for Shine," said Livesay. "He goes out to events on behalf of the company to 'spread the good news.' He has a really great presence and energy and has a knack for connecting with people. He's scheduled for over twenty events this year all around the country, mostly outdoor festivals, to 'bless' the attendees with Shine products."

Livesay said the future holds even more exciting changes. "Next year marks year five of Shine Day, wherein we will expand to an international Shine Day and expand our partnerships to make the prizes even more robust for our participants."

SHARING THE SOCIAL MEDIA LOVE

According to Livesay, Shine Day is about giving back to supporters of the Shine brand more than promotion of the brand itself. "Our number one goal with this event is to say thanks to our supporters," she said. "Whether that's prizes for the contestants or social media growth for our brand partners and stores, we are happy to give back to the people who give so much to us."

With 278,000 Instagram followers, growth from this year's event has been difficult to



gauge. "We see growth to our page in 1,000 increments, so it is possible we gained some new followers, just not quite enough to make a large dent," Livesay said. "Social media growth isn't really the intention of Shine Day, which is why there isn't much, and while we love social media love, what we really look to our social media platform for is engagement on that day." Though, she continued, "The event increases website traffic each year. On the day of the event, we receive an incredible spike in webpage visits, which inevitably translates into sales."

In addition to Instagram and ShineRollingPapers.com, the company utilizes Facebook, Twitter, email lists, and "face-to-face guerilla marketing tactics with [our] street team, [whose members] are dispersed in cities throughout the U.S." in order to spread company news and expand the reach of Shine Day. — Erica Heathman

PackagingConcepts

A S S O C I A T E S W

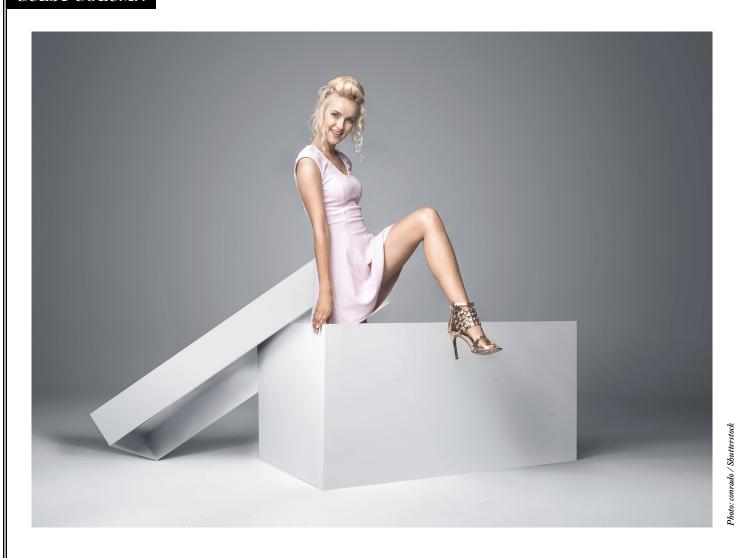


Be in Compliance

Child Resistant / Senior Friendly

Metered Dose Pumps and Packaging





Perfectly Packaged

BY KARY RADESTOCK

HAT HAPPENS when packaging fails-and what can be done to avoid this costly problem?

Packaging failures are more common than you may think, especially in the cannabis industry where regulations and requirements can change rapidly. In California, several high-profile companies had invested in new packaging shortly before new regulations took effect this year, and all that hard work (and expense) hit the trash bin because some part of the container, label, or childresistance was no longer compliant.

These costly mistakes not only impact



WHEN WORKING WITH A PACKAGING COMPANY. DON'T ASK FOR A TYPF OF PACKAGING THAT IS OUTSIDE THEIR CORE EXPERTISE.

the bottom line, but also have future ramifications. Growers and producers will be unable to ship any product until new, compliant packaging is developed and manufactured. In other words, discovering your packaging is not working is a nightmare.

CHEMICAL LEACHING

One unfortunate yet common occurrence when using plastic containers, like pop tops, is chemicals or odors leaching into the product, causing the containers' contents (flower, for example) to smell like plastic. This often occurs when cheaper plastic is

used to manufacture the container and/or contaminants have entered the production process. Some companies try to ameliorate the condition by moving manufacturing to the United States and using higher grade plastics. However it is important to note virtually any type of packaging has the potential to affect the smell and taste of the product it holds. A well-known food manufacturer's shipment of fine chocolates was impacted when the cardboard heart-shaped candy box was found to have a chemical odor. An analysis of the package found low-grade molecular compounds similar to mineral oil. When presented with the facts, the Chinese box manufacturer admitted it had used naphtha instead of isopropanol to clean the boxes prior to shipping.

Material type, material quality, and manufacturing processes all can significantly impact the contents of packaged goods.

ADHESION AND SEALING

All too often, containers open prematurely, causing products to leak or become exposed to the elements. Some packaging manufacturers are experimenting with lowercost adhesives, such as a polyurethane-acrylic hot melt, and the results are mixed. Other times, adhesives are not properly cured, and incomplete polymerization causes premature deterioration of the seal. In plain English, your box can pop open and labels can fall off while the product is still sitting on the shelf. This can cause flower or extract to become contaminated or result in time-consuming labor to re-adhere ineffective labels.

MATERIAL DEFECTS

While uncommon in the cannabis industry, canned products like soups, vegetables, or other food items frequently come open prior to sale. This is due to incorrect application of the epoxy liner inside the can, which causes it to delaminate and the top or bottom to detach. Tiny variations in the epoxy manufacturing process can cause the problem. If the manufacturing environment is not tightly controlled, the introduction of a foreign substance such as sulfur can cause the epoxy to fail.

LABELING FAILURES

This is a big problem in the cannabis industry, because so many products rely on a label to convey vital information. On some packages,

the label includes testing results and other required information. On other types of packages, the label contains all the product information as well as branding elements including logos. Understandably, a labeling failure can be a big headache.

Not all label failures are due to faulty adhesive. Some are due to ink migration or smearing. Some packages are designed with a gloss surface, making it almost impossible for the label to stay adhered through no fault of its own.

Successful labels are designed in conjunction with the package itself. It is vital that a packaging team understand the numerous elements that can significantly impact label quality and usability.

THE BOTTOM LINE

It would be easy to say all packaging failures can be avoided if handled by a professional, reputable, and experienced packaging company. There are, however, a lot of do-ityourselfers who want to save a few bucks and try to manage the process themselves. For them, it is important to note not all contract packaging manufacturers are equal.

When working with a packaging company, don't ask for a type of packaging that is outside their core expertise. While they may bid on the job, there are many things that can go wrong when dealing with companies operating outside their skill set. Also remember some manufacturers may subcontract jobs to other companies when they don't have a certain piece of equipment or they are too busy. Accordingly, make sure you know who is handling all aspects of your project. Transparency and honesty are key.

Packaging doesn't have to be a nightmare. The key is knowing the minefield before you enter. If you choose to work with outside vendors, select an experienced and reputable partner who will make sure your project is error-free so your package works like a dream.



KARY RADESTOCK brings more than 20 years of award-winning print and packaging expertise to some of the top brands in the world. She launched

Hippo Premium Packaging in order to fill a need for professional, compliant packaging, brand development, and graphic design for the emerging cannabis industry. HippoPackaging.com

MIGHTY FAST HERBAL INFUSER

Infuse Butter & Oil in Just 45 Minutes



The Ultimate Edible Making Machine









1-844-344-6400 theherbalinfuser.com



social media Manketing

IN THE DIGITAL AGE, COMPANIES MUST TAKE THEIR MESSAGE DIRECTLY TO THE MASSES.

BY TOM HYMES ADDITIONAL REPORTING BY LINDA FRIEDMAN

HE LATE, great screenwriter and novelist William Goldman famously quipped, "Nobody knows anything... Not one person in the entire motion picture field knows for a certainty what's going to work. Every time out it's a guess and, if you're lucky, an educated one." Much the same is true with social media marketing: Nobody knows anything, and every time out it's a guess. But that's okay, because social media is about leveling the playing field, providing reach and data previously available only to the cognoscenti. Now, enthusiasts of all stripes who have immersed themselves in the business of social media are proving all you need to succeed is determination, brains, and a smartphone.

Nothing is that easy, of course, and none of this is meant to demean the skill it takes to create a memorable social media campaign or negate the value of the terabytes of data instantly available to us in the digital environment. If anything, these tools have brought out the inner marketer in millions of people who never knew they had an inner marketer. At the same time, the milieu provides an inimitably rich environment where professional creatives may indulge the extremes of their intelligence in daily warfare for the hearts and minds of the masses using a fast-moving tableau of created content.

IS THE MOST **VALUABLE AND NECESSARY** ATTRIBUTE INFLUENCERS **HAVE TO EMBRACE IN 2019** AND BEYOND."

-Karen Freberg, @kfreberg, social media professor, University of Louisville

(Source: Talkwalker's "The Global State of Influencer Marketing in 2019")

The potential payoff is incalculable, with people across the spectrum primed for social interaction. According to a 2017 survey conducted by social media management provider Sprout Social, "More than half of buyers of all ages-Millennials (58.9%), Gen Xers (50.4%) and Baby Boomers (55%)—said they tend to follow a brand on social media before purchasing a product. When a customer had a positive interaction with a brand, 71 percent of respondents said they were more likely to buy from that company, with Millennials more likely than other generations to spend with a brand after a positive social exchange."

We spoke to a wide variety of professionals both within and outside the cannabis sector who use social media platforms, usually daily, to extend their brand reach, gather data, drive sales, interact with consumers and fans, or all the above. Social media is always on their minds.

CONSISTENCY AND WORK

"It's one thing to have access to distribution and relationships and connections, but if you want a brand that is not only in stores but is purchased by many, there's some work to do," said Jared Mirsky, founder of branding firm Wick & Mortar. "If you don't have the right budget to invest in social media marketing, then you might as well just do it yourself. [But] if you're going do it yourself do it right, because people who don't understand your brand well will create what's called bipolar branding, where you're establishing mixed messages."

Cost and control are the main reasons people go it alone with social marketing. Hashish producer and educator Frenchy Cannoli is one such intrepid selfmarketer who uses any medium available to him. "We are a small, artisanal, traditional hashish producer," he said. "Our work is very hands-on, and there is something about traditional hashish that evokes a primordial response in humans. Even non-smokers love to observe a stretching ball of traditional cannabis resin. Since our work is visual, Instagram is our favorite social media platform. That said, we use Facebook quite a bit, and LinkedIn has proven to be a good way to network with professionals in the cannabis industry."

Jaana Prall, a freelance public relations consultant, works with social media teams to identify strategies for customer engagement and retention. "Engaging with current customers is about keeping the conversation going, adding new perspectives, novel content, and sharing fresh, relevant content in real-time," she said. "Reaching out to new customers is about connecting and identifying a need or shared interest.

"Identifying the micro and macro influencers that align with my client's brand is the first priority, and then pushing the envelope and serving up content that's 'beyond trend' is the next step," she added. "I always tell the brands I work with to keep it authentic. Nothing sinks a social account faster than a company trying to be something they're not. Modern social media users are savvy. They see right through that stuff. They want honest, real, relatable content."

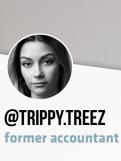
One of her clients is Cannabis Club TV (CCTV), a Direct Out of Home (DOOH) and Over the Top TV (OTTtv) network, website, and mobile channel for the cannabis industry. "We use social media to support brand awareness, for industry education, and to get the word out in real-time," said Chief Executive Officer Danny Keith.

The company recently partnered with UpTurn Agency to amplify its social media presence. "They are the microphone, we are the voice," said Keith. "Using influencers has been very effective. Through our partnerships with UpTurn and our spokesperson, Tommy Chong, our collective reach is 3.5 million unique impressions across our social platforms."

Larger mainstream agencies also are representing cannabis clients, who bring with them unique marketing needs. "Social media plays a critical role in giving cannabis brands the opportunity to connect with customers and their communities when their hands are often tied by regulatory restrictions," said Gretchen Gailey, vice president at New York-







Talking to [public relations] agencies and different people in different industries, including influencers, budget is a huge thing. In cannabis, there really is no budget or banking or anything like that, so the same post I would post with the same amount of engagement in a different industrywhere I'd be getting a couple thousand dollars for one photo—in cannabis is getting maybe a couple hundred. So, that's a huge factor that you can't do anything about other than if every influencer in the industry decides to just say "no, we're not doing it for free." But that's not going to happen.



based KCSA Strategic Communications. "While cannabis is still considered uncharted territory by many in the marketing space, social media allows cannabis companies to build brand awareness and reach billions of potential customers even if they are unable to sell on the platforms."

AUTHENTICITY RULES

Authenticity is the guiding principle of effective social media and the North Star of all good marketing, because nothing else in life stays the same. We live in a time of quickly evolving trends and attitudes delivered across a million points of contact, which is why the struggle to define and maintain authenticity remains a constant in marketing. A steep decline in organic social media reach over the past few years combined with an inability to buy advertising on social media platforms has placed added pressure on cannabis marketers to keep their messaging on point, not just to remain genuine but also to distinguish themselves from the competition.

"Good social media strategy is no different from good brand strategy," said Zack Darling, chief eternal optimist at The Hybrid Creative. "What is most important is that you resonate with your audience. If they discover alignment with your brand and choose to love what you stand for, they won't just become new customers—they'll become loyal fans. That kind of brand loyalty is priceless."

Michael "BigMike" Straumietis, founder and chief executive officer of Advanced Nutrients, has spent years adroitly developing his personal brand on social media. "A personal brand is something that applies to everyone," he said. "It's your uniqueness. Your edge. It's how you set yourself apart.

"If you want people to engage with you, you first need to hook them," he added. "Put yourself in their shoes and target their pain points. Understand what your product does differently from other brands and how your product alleviates their pain points where competitors failed."

Differentiation is key, according to Mirsky. "A big issue in [cannabis] social media is that everyone looks the same," he observed. "If you all look the same, what is going to make you stand out?"

He believes more people should invest in video. "The thing most brands fail to do is develop campaigns beyond a static image," he said. "But video content is huge. It gets great engagement and, unfortunately, there aren't enough companies creating video content, which offers a much easier way to tell a story in a shorter period."

Whether photos or video, the content must be purpose-driven, not aimless. "Do not just put content out there for content's sake or put images out there and say, 'Do you think it's pretty? Like it. Tell me what you think," said Mirsky. "Put content out there that has very specific intentions, very specific goals."

Specificity, originality, and authenticity are mantras in social media content creation and the holy grail of creation everyone aspires to achieve. Alice and Clark are popular cannabis influencers and YouTubers who make content that sometimes shows off their silly side. "Our top-performing video is '100mg vs. 1000mg Edibles Challenge," said Clark. "I think that's a great example of not only



MODERN SOCIAL MEDIA USERS...WANT HONEST, REAL, RELATABLE CONTENT."

—Jaana Prall, freelance marketer





Your customers are talking about you. Join the conversation.



SOCIAL MEDIA STRATEGY | CONTENT DEVELOPMENT | INFLUENCER MARKETING | BRANDING & COLLATERAL



LET'S GET SOCIAL · 707. 596. 5100 · THEHYBRIDCREATIVE.COM



@ZACKDARLING

chief eternal optimist, The Hybrid Creative

The sooner you abandon social media strategies that only deliver vanity metrics, the sooner you can evaluate and adjust your social media tactics to better engage your customers. Stop worrying about being "liked" and start focusing on shares, comments, repeat pageviews and, most importantly, conversion.







HIGHER STANDARDS

STAY HIGHER



Heavy Duty Glass Handcrafted in the USA
Premium Care & Maintenance Products
Limited Edition Collaborations



WHOLESALE ORDERS CALL 877.292.7660 | GNLN.COM

a topic people are interested in, but it's a versus video. It's both entertaining and also has an educational angle to it. A lot of people are watching for the education of what it's like to be on that much edible. The authenticity comes from us reacting as real as we could. People see we're being totally real with this.

"That's what I find makes the fastest connection with strangers online: They see something of themselves in you, and you only get that connection by first being true to yourself," he added.

According to influencer D.M. Blunted, "If you have a lot of people following you, they're following you because they like what you are doing. For whatever reason, you should let people know more of your ideas, how you feel about what's going on—especially your thoughts on what's going on in cannabis, because people are probably following you because they want to know about it."

Mike Smith runs GanjaGirls, which counts 620,000 followers on Instagram and more than 400,000 followers on Facebook. The content he creates for GanjaGirls features sexy young women as scantily clad as possible enjoying the copious benefits of cannabis. He said he's received a lot of blowback from the industry.

"The industry said I was objectifying women. I'm empowering women," he insisted. "Women in the marijuana industry are the most powerful influencers, not men. Women make all the decisions. Now, there's a pink bong. Try finding a pink bong in 2008." Nevertheless, "a lot of the strong female influencers hate me," he said. "The farmer girls in Humboldt hate me. They'll say, 'You need to post pictures of real ganja girls, like us farmers.' Victoria's Secret doesn't post pictures with the ladies sewing the clothes. That's not who sells it. If there weren't pictures of the models wearing the clothes, the person sewing them wouldn't have a job."

Straumietis has been answering media questions about scantily clad women on his feed since he began posting. Huffington Post crowned him "the new King of Instagram" in a February 2017 interview that asked about his literally high-flying lifestyle.

"I like to have fun when I do business," he told the interviewer. "When I have events that require travel, we take a private jet and load it with girls. We like to have fun while we're working."

Two years later, @BigMike, which boasts 2.9 million followers, has evolved. BigMike the veteran entrepreneur and mentor has replaced BigMike the playboy. "Without a doubt my Instagram feed has come a long way since its inception," he said. "At first I showcased more of the lifestyle aspect of my brand, which was just one facet. Now, I focus more on educating, motivating, and inspiring my audience, because I believe it's important to share my knowledge with the community or any budding entrepreneurs hungry for intel."

INFLUENCER NATION

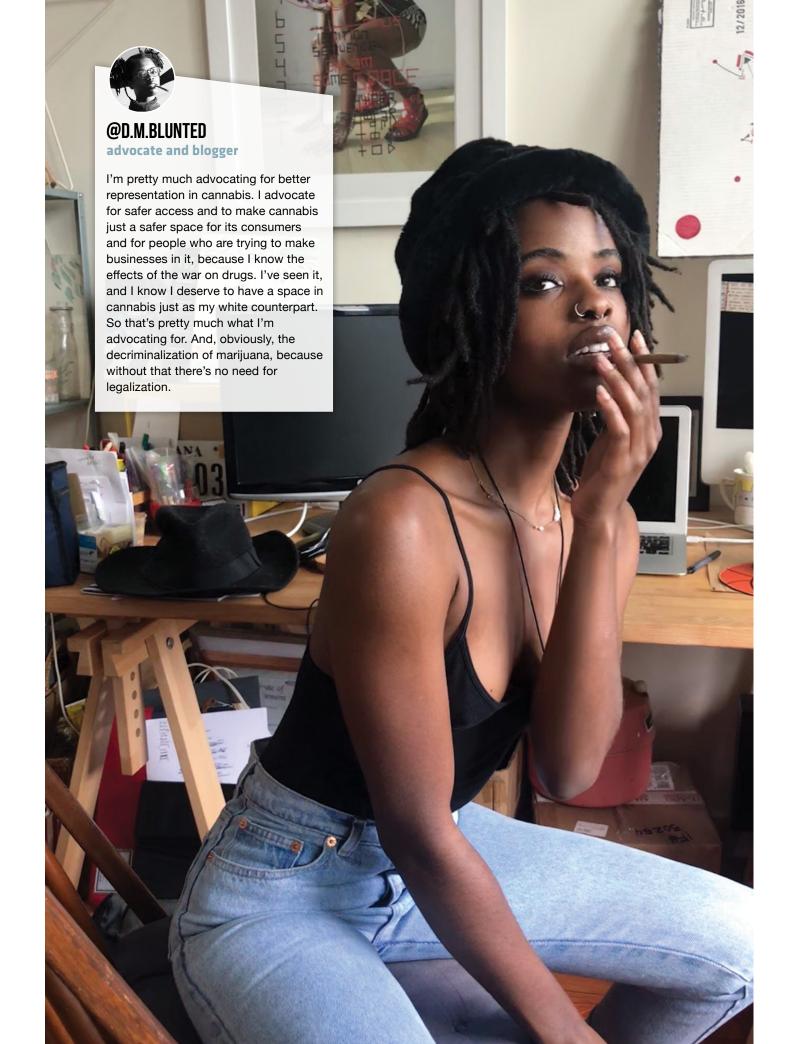
"Influencers are the modern spokespeople," said CCTV's Keith. "They are brand ambassadors and invaluable in the cannabis space. A huge amount of marketing takes place on Instagram, and to be able to reach consumers using this type of engagement is key. We can track engagement in real-time and adjust our strategy to reach



THE FASTEST CONNECTION WITH STRANGERS ONLINE: THEY SEE SOMETHING OF THEMSELVES IN YOU.

-@ThatHighCouple (Alice and Clark)









@MIKE.FX photographer

When I figured out what social media was, it blew my mind. Whenever someone asks me, "What's your main skill set?" I say I'm a puzzle solver. That's what I do for a living. I solve puzzles in all different forms. Social media is the most complicated puzzle in the world, where winning it is literally fame and fortune. There is no better game. All social media is an algorithm. They keep making updates to their rules and algorithms. I look at those like game updates, when they add a new level. I love it when they make a big change and the other influencers get pissed and give up.











SAME GREAT PRODUCTS BOLD NEW LOOK





our target audience. Our advertisers really benefit from the way we target influencers. It expands their reach and helps build brands."

Cannoli is himself a brand that creates educational content online and in person. If he's uneasy with the label "influencer," he's certainly not uncomfortable in the spotlight. "Social media fame is such a strange thing," he said. "On the one hand it can be a mindless soap opera diversion, and on the other there is the opportunity to share, educate, and create community. We've been blessed by so many great interactions: people making their own temple balls and sharing their successes, people celebrating the benefits of the cannabis plant, and people connecting and joining us at events in places all over the world."

Straumietis agreed authenticity is key. "Influencers are a part of advertising in the cannabis space, but they have to be authentic," he said. "They're great for marketing your products to niche audiences, because they are already embedded and trusted within that community."

Because the product is cannabis, people sometimes find their social media accounts closed. "My heart kind of sank," said influencer Bess Byers about the first time her account, @imcannabess, was removed from Instagram. "It's just an awful feeling. It means more work, uncertainty whether it will come back, are they even going to reply? I just started filing appeals to get it back and got it back. Then they took it down again, and it's just been back and forth for the past two and a half months.

"I never in a million years thought I would be in this position, doing what I'm doing, putting bags of weed pictures on my LinkedIn profile for all people to see," she said. "My super-Catholic mom is telling people at church about it. My grandmas are using topicals. It's amazing. Still, having my account deactivated so many times is frustrating. It can be very draining on your emotional health, because it is something like a community of 96,000 people just taken away like that."

Social media users should bear in mind networks broadly prohibit promoting illegal acts, including drug use. Cannabis remains an illegal drug in many places, so the sudden disappearance of some especially high-profile accounts is inevitable. "You could totally harm your brand by posting stuff you don't realize you're not allowed to post, like people smoking cannabis," Mirsky said. "It's no different from alcohol laws and rules. You can't post stuff like that."

IN SEARCH OF ROI

For better or worse, social media is here to stay, because you can never put a piece of technology or an idea back in the bottle. Its influence in our lives is beyond measure. Young people live on social media while old people tend to visit. A coexistent plane of existence, we now accept social media as inevitable. Influencers, who are like the webcam performers of social media, minus the sex, also are here to stay. Their job is to connect. It's all a work in progress.

"Influencing is no different in any industry," said influencer Trippy Treez. "It's still a learning game for everyone. The beauty industry is still trying to learn this stuff with influencers, too."



POST PICTURES THAT OTHER PEOPLE WILL SHARE.

-@Killa.Krissy







She said she works with more than 400 brands, but compensation is an issue. "Talking to [public relations] agencies and different people in different industries, including influencers, it is a huge thing," she said. "In cannabis, there really is no budget or banking or anything like that, so the same post I would post with the same amount of engagement in a different industry—where I'd be getting a couple thousand dollars for one photo—I'm getting a couple hundred in cannabis. That's a huge factor that you can't do anything about other than if every influencer in the industry decides to just say 'no, we're not doing it for free.' But that's not going to happen."

Influencer Jennie Diana (@SheFliesHigh) said people need to learn to hold their ground. "If you know your worth and what you can offer, what you can bring to the table, anything is negotiable," she said. "Don't ever be afraid to offer your services for a certain amount and don't ever feel like, 'Oh my gosh, what if this is too high and they don't hire me?""

She said it is the same with taking on clients. "My advice for people who want to start growing their accounts is to reach out to anybody and everybody you're interested in," she said. "Never accept offers from just anybody, because opportunities will come. You have to stay true to yourself, because your vibe attracts your tribe."

That belief seems universal. "I'm always trying to make sure that if I am working with you, I want to make sure you're putting good intent into the cannabis [space] and trying to make it better, just like I am," said D.M. Blunted, who sees herself as an advocate rather than an influencer. "What is an influencer if they're not trying to influence people beyond buying things? To me, the word influencer is almost empty at this point, because what are you influencing?"

Company owners want sales to be influenced. Advanced Nutrients' Straumietis takes a data-driven view of how the milieu is working for him. "You absolutely need to measure your social media presence if you want to know how engaged and connected you are to your audience," he said. "Our main indicators for measuring social media success include engagements, web clicks, and followers, and we also track web analytics to find out how many conversions we've made through our social media posting. Conversions are your metric for determining how effective engagement is at translating your social media presence into sales. If your presence isn't generating more sales, then it's time to rethink your social media marketing strategy."

The Hybrid Creative's Darling was in complete agreement. "The sooner you abandon social media strategies that only deliver vanity metrics, the sooner you can evaluate and adjust your social media tactics to better engage your customers," he said. "Stop worrying about being 'liked' and start focusing on shares, comments, repeat pageviews and, most importantly, conversion."

At the end of the day, divining accurate return on investment in a digital environment entails meticulous planning and testing, which requires time and patience on the part of the marketing entity. It's possible to do, though. That should be good news to social marketers, 55 percent of whom cited measuring ROI as their number one challenge in 2018, according to data from Sprout Social.

"For the sake of efficiency and accountability, businesses must define and measure their social ROI," the company noted. "This



MAKING SOCIAL MEDIA CAMPAIGNS WORK

Between November 2018 and January 2019, web data analytics company Talkwalker (@Talkwalker) surveyed a global sample of 823 brands and digital marketing agencies about their use of social media campaigns.

Here are some of the things the survey uncovered.

69%

of respondents ranked influencer marketing as an important or top strategic priority.

62.7%

of digital marketing pros track, evaluate, and manage campaigns manually instead of using digital tools.

65.8%

of agencies and brands listed increasing brand visibility as their number one goal for social media campaigns.

16.9%

of agencies and brands seek increased lead-generation and sales from social media campaigns.

4.2%

of brands use social media to increase customer loyalty.

HOW MUCH DO BRANDS SPEND ON SOCIAL MEDIA MARKETING?



24% of all respondents and 57% of brands with more than 500 employees spend \$30,000 or more per year.

19% of all respondents spend between \$2,000 and \$10,000 per year.

17.4% of all respondents have no budget.



ONE OF THE REALLY INTERESTING THINGS THAT I THINK WILL HAPPEN IN 2019 IS THAT WE'LL HAVE A NEW BREED OF INFLUENCERS TO CONTEND WITH: ENTREPRENEURS."

—Lilach Bullock, @lilachbullock, content marketing and social media specialist

(Source: Talkwalker's "The Global State of Influencer Marketing in 2019")

does double duty of ensuring your campaigns are focused on goals and your resources are going to the right places."

To further that end, SproutSocial.com offers a guide to help marketers define social media ROI subject to their "unique online presence." Basic steps include defining the purpose of social media for your brand, setting actionable social goals, measuring those goals, and tracking social media expenses.

Even if it is not directly quantifiable, keeping an eye on social media causation reaps benefits. Shine Papers, for example, uses social media to promote its annual Shine Day international scavenger hunt. A spokesperson for the company said while they cannot directly quantify the effect social media has on their sales, every time they conduct a major social media campaign (like Shine Day), they see an increase in sales on their website.

LOGGING ON

As we go to press, rumors are swirling that Facebook is moderating its policy toward accepting cannabis advertising. "We want to consider whether we can loosen this restriction, especially in relation to medical marijuana, legal marijuana, and brick-and-mortar stores," company officials reportedly remarked during an internal presentation in early March. By the time you read this, the rumor may have become fact and a new day in cannabis marketing will have arrived. A moderate policy inevitably will arrive, and people need to prepare for a world in which hyper-cannabis branding extends across all platforms utilizing the latest advances in technology.

"The next trend in cannabis-related marketing is, in two words, artificial intelligence," noted Amanda Lewis, marketing manager at The Hybrid Creative. "Because cannabis brands will need to continuously evolve and deepen their understanding of their core and prospective customers, social listening platforms, intelligent messaging, and chatbot technology will evolve to meet the new demand, enabling brands to serve up the right content at the right time."

AI may be the future, but leading publicly traded companies like Canopy Growth and Aurora still use traditional mainstream media to promote themselves, including broadcast television, where the cable business networks regularly cover publicly traded cannabis companies. One can be sure that when activist billionaire investor Nelson Peltz, who joined Aurora in March, wants airtime, all he will have to do is make a call and CNBC will put him on live. For Peltz and his ilk, broadcast media remains king.

The rest of us will continue to use social media, AI, and whatever comes next as the latest essential tool of







CUSTOMIZABLE EQUIPMENT TO AUTOMATE YOUR PACKAGING PROCESS





•US Patent 8.863.947 B2

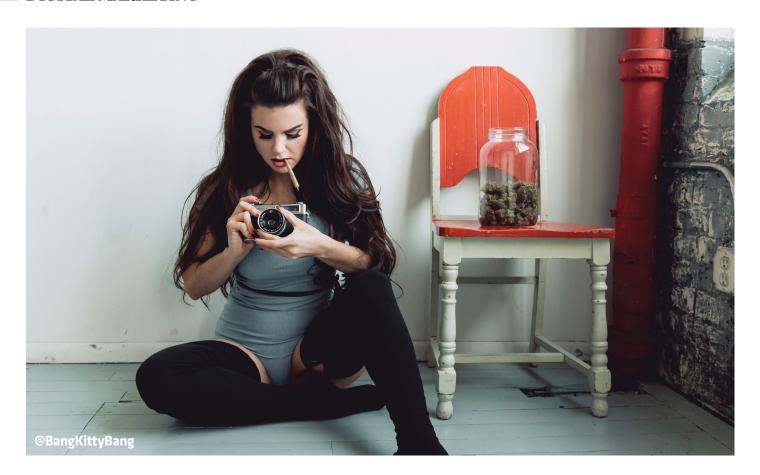
•US Patent 9,878,821 B2

•US Patent Pending CPSC 16 CFR part 1700.20

•Child Resistant Lid Patent Pending: Pub #US-2017-0355-495-A1

For more info on our Patents, visit: www.n2pack.com/patents/







YOU HAVE LESS THAN 10 SECONDS TO CATCH THE EYE OF THE VIEWER.

-@BangKittyBang

success in a digital world. Look at it this way: In the race to win the loyalty of cannabis consumers, do Canopy Growth or Aurora, with their billions of dollars in market cap, have an advantage over everyone else? Let's test the assumption they do. Can our American readers name one Canopy Growth or Aurora brand off the top of their head? Probably not, and not because the corporations don't have quality brands in their portfolios but because established cannabis brands at the national level simply do not exist yet.

Some marketers believe creating a nationally branded CPG (consumer packaged goods) product takes ten to fifteen years, which means we still have years to go before we see cannabis brands that resonate at that level of engagement. Knowing as we do that the increasing power and reach of social media helps level the playing field for brands looking to grow and compete in everlarger markets, and that impending technologies will only level the field even more, we have just one question for cannabis brands still considering whether to invest in social media marketing: What are you waiting for?



LEISEROW

YOUR FINEST HARVEST





To find out how we can help with your structure needs visit or call

www.growspan.com 1.800.476.9715

GrowSpan a Growers Supply Brand Growers

FOR NEARLY 40 YEARS GROWSPAN

has been helping growers maximize profits with Greenhouse Structures



Energy Efficient



Superior Warranties



Expert
Project Managers

No Money Down Financing, Terms Up To 7 Yrs and As Low As 5.99% on Greenhouses

Handbook Conundrums for Cannabis Employers

BY BAILEY K. BIFOSS, ESQ.



Photo: Sergey Nivens / Shutterstock

OR ANY business just getting started with employment policies and procedures, the prospect of drafting an employee handbook can be intimidating. Horror stories about 200-page handbooks abound, alongside tales of handbooks that have done more harm than good for their wellintentioned authors. When you have an array of state and local regulations—not to mention new licensing frameworks—to contend with, employees to hire, and a young and competitive market to contend with, you might ask yourself whether handbooks are more trouble than they're worth.

In a word, no. When done right, employee handbooks are a critical tool in providing structure for employees and protection for businesses. When done wrong—or not at all—an employee handbook can be a source of frustration for employees and a source of liability for you. As a cannabis business owner, here's what you need to know to set yourself up for success in the world of employee handbooks.

PREMIUM EXTRACTION SOLVENTS



- +1 424 331 5441
- (O) IRISLABSOLUTIONS

- ✓ CULTIVATION SOLUTIONS
- EXTRACTION GASES
- FILTRATION MEDIA
- ✓ PREMIUM VACUUM PUMP OIL



CULTIVATION SOLUTIONS

pH UP
pH DOWN
ISOPROPYL
H202





- ✓ FREE TECH SUPPORT
- ✓ BEST PRICE GUARANTEE
- ✓ SAME DAY SHIPPING
- ✓ COA'S ON ALL PRODUCTS

IRIS LAB SOLUTIONS stands apart as the premier producer and manufacturer of the highest purity pharmaceutical and analytical grade ethanol and Extraction Solvents in the world. We operate the most rigorous quality system, fully integrated into a dedicated manufacturing process that provides a chain of custody and control of quality from raw materials to finished product.



For starters, an employee handbook is a written reflection of your priorities. Many employee handbooks now begin with an "About Our Company" section that tells employees how the company got its start and describes the company philosophy. A statement of intent like this can be particularly impactful if you're a new business with an emerging workplace culture. Employees want to know what kind of organization they're joining. Your employee handbook is one of your first opportunities to tell them.

Educates employees

In addition to educating employees about workplace culture, employee handbooks educate your staff about workplace policies. If an employee has a question about whether they can take a leave of absence for a family member's illness or how much vacation time they earn during their second year with the company, those questions should be answered in the employee handbook.

Employee handbooks also set standards for conduct. Are there restrictions on what information employees can transmit outside the company? What are your expectations for attendance and punctuality? Will you have a zero-tolerance policy for drugs and alcohol at work, or a responsible-use policy? Studies

show employees appreciate clear expectations from their employers and are more likely to follow rules they clearly understand. From a behavioral standpoint, your handbook provides employees with information about what conduct will not be tolerated at work.

Educates managers and business owners

The employee handbook also can answer questions for *you*. A well-drafted employee handbook will tell you, the business owner, what leaves of absence you're required to give employees and under what circumstances. It also will remind you what the terms of your vacation policy are. It will outline the steps you need to follow to investigate a complaint of sexual harassment in the workplace.

As you grow in size, remember you won't be the only person enforcing workplace rules and answering employee questions. Eventually, you'll likely hire managers to whom you will delegate some of that responsibility. When managers are fielding questions from employees, they also need a resource to track down the rules they're charged with enforcing.

Facilitates consistency

Having policies and knowing what those policies say is crucial for you to execute one of the most effective ways of minimizing risk in employment matters: treating employees consistently. To be sure, treating employees differently for similar conduct is one of the fastest ways to buy a discrimination lawsuit. By way of example, say your manager allows Adam, a male employee, to show up late to work without any consequences. However, the same manager reprimands Bettie, a female employee who took a leave of absence last year, for the same conduct. Giving your managers guidelines (e.g., "all employees are expected to arrive at work on time or face disciplinary action") will facilitate consistent treatment and minimize risk.

REQUIREMENTS FOR YOUR EMPLOYEE HANDBOOK

So, you've decided to put together an employee handbook. The most integral policies for your handbook will depend on your priorities and the laws in your state. Nevertheless, the following policies tend to be important across the board.

Drugs and alcohol

As more states legalize recreational and medicinal cannabis, more employers are reconsidering their zero-tolerance drug and alcohol policy. Many employers recently have considered whether there is good reason to treat cannabis differently from alcohol. If employees are responsibly using alcohol or cannabis off-duty in a way that doesn't impact their work, what's the harm?

Whether you stand firm in a zero-tolerance policy or adopt a responsible-use policy, the standards for employees who have drugs or alcohol in their system at work need to be clear. The circumstances under which employees can be tested for drugs or alcohol similarly should be spelled out in a way that is compliant with your state's law. The place to set forth those standards? Your employee handbook.

Non-discrimination and harassment

Many states, like California, require employers to maintain policies prohibiting harassment and explaining how employees can report harassment. However, even where antiharassment and -discrimination policies aren't required by law, they are two of the most important policies in your employee handbook. Title VII of the federal Civil Rights Act requires all employment decisions be free of discrimination. To that end, your commitment to an inclusive workplace should be documented in writing.



Moreover, particularly in the #MeToo era, employees are justifiably unwilling to tolerate harassment or other inappropriate conduct at work. These claims can result in huge liability and significant negative publicity for your business. To mitigate the risk of an expensive and embarrassing harassment lawsuit, develop a policy that encourages employees to raise workplace issues with their manager or the human resources department and provides clear instructions for how those complaints are handled (no retaliation!).

At-will statement

Numerous states afford employers and employees a presumption that employment is at-will. This means either employer or employee may terminate the employment at any time, with or without cause or prior notice. Even so, employers should reinforce the presumption of at-will employment with an at-will policy in their handbook. An at-will policy also ensures employees understand the nature of their relationship with the company.

Timekeeping policies

Wage and hour lawsuits are on the rise and pose a particularly high risk of occurring in the form of a class action. For example, California requires employers to provide employees with the opportunity to take a meal period before the end of their fifth hour of work. A written policy permitting meal periods after the sixth hour of work, or no written policy telling employees about their meal period rights, is an easy target for a plaintiff's attorney who comes across your employee handbook. Include lawful policies on employee breaks, timekeeping, and wages to avoid this simple but costly error.

DON'TS FOR YOUR EMPLOYEE HANDBOOK

Although employee handbooks are incredible workplace tools, they can backfire when created incorrectly. Use caution around these points to make sure you have an employee handbook that works for you.

Don't violate the National Labor Relations Act

Much has been written about the National Labor Relations Board's (NRLB) recent assault on employee handbooks. Many policies often found in employee handbooks as recently as 2015 now can get you in hot water. Among others, you should look carefully at your policies requiring employees to keep certain information confidential, prohibiting



employees from taking photos or videos in the workplace, and leaving work. If too broad, these policies can draw the attention and disfavor of the NLRB.

Don't 'set it and forget it'

Your business is evolving. Your expectations of employees this year might not fit next year. Further, as your company grows in size or opens locations in other states, you will need new policies. Even in years that your employee population remains stable while you focus on other elements of your business, employment laws change.

Your employee handbook is only useful to the extent it reflects your existing, lawful policies. Remember to update it regularly. Fortunately, once you have a good base handbook, updating is usually less expensive.

Also, don't give your employee handbook to employees without going over it with them. When you were an employee, did you read your employer's handbook? Exactly. Take ten minutes to sit down with each new employee and discuss the most important policies in your handbook. Go through the table of contents so your employees know where to look when they have questions about policies.

Don't inadvertently create a contract

Failing to include the at-will statement discussed previously makes it more likely an employee could misunderstand your employee handbook as a contract for employment. However, there are other ways to inadvertently create an implied contract. Strict progressive discipline policies setting forth mandatory consequences for violations of company policy threaten at-will employment status when they deprive an employer of discretion to appropriately handle disciplinary events. Careless assurances of job security by a manager can overcome the presumption of atwill employment if there is no express policy. Avoid these points to keep employees from believing they have a right to employment with your company.



BAILEY K. BIFOSS
is an associate with labor
and employment law firm
Fisher Phillips in
San Francisco. She may
be reached at
BBifoss@FisherPhillips.com.

Brand **Empowerment**

A study in honesty, perspective, and discipline.

BY MATTHEW YOUNGBLOOD

ORTHE past few years, I've been advocating the need for cannabis companies to actively pursue a more mainstream, disciplined approach to brand-building. There's growing momentum around this strategy, and we're seeing good things happen to many who've embraced it. The following is an overview of some strategies and considerations we use at our firm to bring the necessary rigor and structure to build iconic, impactful brands.

Whether you're a grizzled veteran of cannabis building your brand by wit and grit or a recent entrant to this brave new world, you'll find the science of branding is loaded with terminology. Many labels are interchangeable, and some are misused, so a common language is required here to proceed. To talk brand empowerment, let's first examine each part of that term.

A brand is "the total collection of perceptions and associations your customers and consumers in general have about you." Not only your offerings, but your personality, reputation, achievements, flaws, and everything else they think they know.

Now "total collection of perceptions" sounds like a lot. Everything people think and feel about you. That's important. Equally important is what the second part implies: Your consumers and customers have the final say on what your brand stands for, and that certainly makes brand management more challenging.

Empowerment is defined as "the process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights." Again, it's helpful to parse the definition. While the idea of strengthening your brand is easy to understand, becoming more confident requires a balancing act between embracing your brand's strengths and being so sure of yourself that you lose sight of your audience's experience and risk damaging those perceptions.

With those two things in mind, we'll focus on what you can do to take your brand to the next level, crafting and executing a brand that is unique, compelling, and credible to your key audiences.

KNOW THYSELF

The first step to building a strong brand is defining who you are. Determine what you want your audiences to think about you when it's time to, well, think about you, especially if they're considering purchasing. They'll undoubtedly also be thinking about other brands that offer something similar.

When they do think of you, their thoughts need to be about things that are authentic to your brand, but also about what makes you different from other brands. And those differences need to matter to them. Check both those boxes and you've obtained the holy grail of branding: relevant differentiation.

When you're building a business, text messages are flying, emails are interrupting, and you've got orders to fill. It can seem an impossible luxury to step back and inventory everything your brand has going for it—your origin story, team, unique personality, awards, or incredible offering—but it's necessary. Identifying and narrowing your brand's most relevant and differentiating attributes takes real, honest introspection. You may have an embarrassment of riches, but for your brand to be truly impactful those riches must be prioritized. Once that's done, it's time to distill the result further into your "brand promise." Beyond service or product, a "brand promise" is the core idea representing what your brand stands for. It's your rallying cry

and the reason your audience will choose and remember you, not those other guys.

Once you've identified your promise, live it day in and day out. Make sure the people who represent your brand live it, too. It should drive how you act as a business and come through in your marketing communications. It should play an instrumental role in all creative touchpoints so your brand comes through consistently and cohesively everywhere, from website to packaging to investor deck to promotions.

We began our work with CERIA Brewing Company by helping the hybrid beer/cannabis consumable company define its brand. Rooting everything in the founder's reputation as the creator of Blue Moon would have made it easy to drive initial distribution and press coverage, but looking long term we needed a bigger idea that would drive voice, creative, and business decisions. Examining everything the new brand had going for it, we determined the underlying mission of helping destigmatize the responsible, social use of cannabis would help build a truly empowered brand.

CERIA's brand promise, "Cannabis for All," drove the decision to create a package grounded in the familiar beer ritual rather than the typical look of cannabis beverages, to ensure the product not only stands out in dispensaries but also immediately telegraphs its use and drives acceptability in any social situation. "Cannabis for All" helps the brand team think bigger and more strategically and stay motivated to live up to that promise.

Brand empowerment doesn't happen in a vacuum. Defining and articulating your brand represents only one of three important perspectives. The other two? Consumers, of course, and those constantly vying for their attention: your competition.

PACKAGING: A STRATEGIC AND TACTICAL TOOL

Strong packaging sells more than a product; it sells a brand. You've articulated your relevant and differentiated brand, now packaging should express that and resonate on an emotional level-whether it's edgy, nostalgic, elegant, or anything in between. Your brand's authentic personality should shine through.

But brand empowerment doesn't stop there. It's time to get tactical. Face it: If consumers don't understand what you're selling, they're not taking you home. Shopping in a dispensary is overwhelming, full of unfamiliar brands, time limitations, and products available only behind glass or on a digital pad. You need to do

everything you can to help consumers shop.

Packaging must telegraph exactly what makes your product unique—both from your competition and within your own product line. Packages should have a clear communication hierarchy, prioritizing the information your consumers need to notice while presenting an intuitive design that delivers the information seamlessly. Never make consumers work for it. And always think beyond the single package: Consider future flavors or products to design a system (colors, architecture, imagery, etc.) that is easily extendable.

For CERIA, the first read is beer. But we also made it easy for consumers and budtenders to spot the cannabis-specific information they care about in a system that can flex for changing regulatory requirements without impacting the brand's look and feel.

STAY VIGILANT

Every so often it's imperative to take a step back and examine everything you're doing. Ask yourself, "Is my brand expression helping maintain my relevant differentiation? Is it driving growth?" By that I mean, "Are you bringing new users into your franchise?" A strong brand will have a repeat purchase rate of only about 50 percent. This means in order to stay stable (not even grow) in year two, a brand

needs to replace the 50 percent who inevitably move on.

THINK BEYOND TODAY

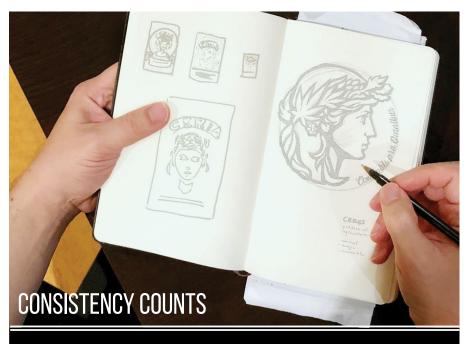
When building a brand, make sure you're thinking big picture and future state. From defining what you stand for to the rollout of your first offering, expanding into new segments, and developing campaigns, make sure you keep the long view. By not thinking about future expansion or extension, you can paint yourself into a corner. What's most expedient or impactful today can mean having to start all over again later. Great brands are crafted to allow for smart, efficient, and cohesive growth.

Once you've built a strong brand, never take it for granted. Believe in it. Nurture it. And most importantly, live it.



MATTHEW
YOUNGBLOOD is a
founding partner and executive
director at Trinity Brand
Group. He has thirty years

of experience developing brand strategy and packaging design for companies including CERLA Brewing Company, ebbu, Constellation Brands, Blue Moon, Safeway/Albertsons, Quantum Health, and Carhartt. TrinityBrandGroup.com



Being laser-focused on a brand day in and day out, things might start to look a little dusty well before they actually are. Keeping a finger on consumers' pulse and staying ahead of the game are important, but maintaining a consistent brand expression is vital. Changing too often not only is expensive, but also can dilute what you stand for in consumers' minds, make you less recognizable, and lead to confusion that puts your relationship with your audience at risk.





THC, CBD, and the FDA

What to expect from federal and state food-and-drug agencies.

BY IAN A. STEWART, ESQ. AND GENESE K. DOPSON, ESQ.

ITH CBD (cannabidiol) becoming mainstream and federal cannabis legalization on the horizon, many are asking how the U.S. Food and Drug Administration will regulate cannabis-based products going forward. The 2018 Farm Bill, which was signed in to law in December 2018, exempts hemp and hemp-derived products, including hemp-derived CBD, from the Controlled Substances Act (CSA). Prior to passage of the Farm Bill, there was widespread confusion about the extent of the "legality" of hemp-derived CBD, with many commentators and even some legal experts conflating legality under the CSA with legality under the Food, Drug, and Cosmetics Act (FDCA) and state food and drug laws. This confusion prompted FDA Commissioner Scott Gottlieb, M.D., to issue a public statement clarifying Congress had explicitly preserved the FDA's authority to regulate products containing cannabis or cannabis-derived compounds under the FDCA, regardless whether they are derived from cannabis or hemp.

A product containing cannabis or a cannabinoid potentially may be considered a drug, food, food additive, dietary supplement, or cosmetic, depending upon how the product is marketed and sold. How aggressively these products are policed by the FDA and state agencies depends on the nature of the product and how it is defined under the FDCA and state law.

CANNABIS AS A 'DRUG'

Under the FDCA's drug exclusion rule, once a substance is an active ingredient of an approved drug product or an active ingredient of a product in clinical trials that have been made public, a food or supplement containing that substance cannot be shipped in interstate commerce. Because the FDA previously authorized investigation of CBD and THC as new drugs-for which substantial clinical research already had been conducted and made public-CBD is considered a drug. The FDA has cited Epidiolex, Sativex, and Marinol as examples of clinical investigations regarding CBD and THC that have been made public. Epidiolex was approved by the FDA in June 2018 for treatment of childhood seizures associated with two rare forms of epilepsy. The FDA has therefore concluded that CBD products are in fact drugs and require FDA approval under the FDCA. The new drug approval process is exorbitantly expensive. In 2016, the Journal of Health Economics estimated the average cost per approved drug at well over \$1 billion.

The FDA prohibits THC use for any reason due to its status as a Schedule I drug under the CSA. When THC is eventually removed from Schedule I, it very likely will be assigned to another schedule within the CSA and regulated as a drug pursuant to that schedule.

CANNABIS AS 'FOOD'

Under the FDCA, food generally is defined as any item consumed primarily for taste, aroma, or nutritive value. It is doubtful cannabis or a cannabis-extract product would satisfy this test. In any event, the FDA has concluded THC and CBD must be excluded from foods due to the drug exclusion rule discussed above.

CANNABIS AS A 'FOOD ADDITIVE'

Every ingredient in a food sold in interstate commerce is a food additive and subject to FDA pre-approval requirements, unless an exception applies. Prior to adding a new food additive to a conventional food, one must obtain approval of a food additive petition, which can take years to complete. The primary exception is for a substance that is "generally recognized as safe," also known as "GRAS." A substance is GRAS if it is shown to be safe using "scientific procedures" or if it was used in food before January 1, 1958, and shown to be safe through "experience based on common use in food." Although GRAS determination has been made in

Are you prepared?

Quality - For more than 50 years, PolyScience has been providing precise liquid temperature control solutions to a wide variety of markets.

Reliability - The confidence of knowing PolyScience Chillers achieve temperature stability of 0.1° C or better means you can focus entirely on your production output. PolyScience knows that if your chiller is down, you're not making money.

Durability - We submit our units to destructive drop testing, and before a PolyScience product leaves our factory, it has to pass numerous demanding tests to ensure every function of the unit meets our rigorous standards.

American Made - Hand assembled in Niles, Illinois, each unit is a mixture of modern technological advances and old world craftsmanship.





www.polyscience.com





the case of hulled hemp seeds, hemp seed protein, and hemp seed oil—which do not contain CDB—the FDA concludes further research is needed for CBD and presumably other cannabinoids as well. Future GRAS applications certainly will be made for CBD, but this must be done in accordance with the scientific process and will take time.

CANNABIS AS A 'DIETARY SUPPLEMENT'

The FDA has concluded THC and CBD products are not dietary supplements under the FDCA or the Dietary Supplement Health and Education Act (DSHEA) due to the drug exclusion discussed above. There is an exception if the substance was marketed as a dietary supplement before the drug was approved or the trials started. The FDA has concluded, however, that "this is not the case for THC or CBD" based on available evidence. Another exception involves the substance being marketed as a dietary supplement before October 15, 1994. Again, there is no substantial evidence of this type of marketing activity for any cannabinoid prior to that time. If no exception applies, it is necessary to submit a premarket notification to the FDA with results of premarket safety testing for the proposed dietary supplement.

One potentially could market a dietary

supplement containing a cannabis-based new dietary ingredient if there was a "history of use or other evidence of safety" establishing that when used according to the direction in its labeling, the ingredient will "reasonably be expected to be safe." One first must submit a new dietary ingredient notification (NDI notification) at least seventy-five days before introducing the supplement to market. The FDA may send a "no objection" letter, but in the absence of a response from the FDA, one may legally market the dietary supplement after seventy-five days has expired. There is substantial risk of attempting to market any dietary supplement through this route without reliable scientific evidence of safety.

CANNABIS AS A 'COSMETIC'

Cosmetics are less heavily regulated by the FDA than food and drugs, and the agency has not yet taken a public position on the use of CBD or other cannabinoids in cosmetic products. A company that wishes to market CBD in cosmetics should proceed with caution and recognize agency policy may change with little or no notice.

SMOKING AND VAPING CANNABIS

Currently, cannabis flower that is smoked and cannabis oil that is vaped pursuant to intrastate adult-use cannabis markets falls

outside FDA's jurisdiction. Even future interstate sale and use of these products likely will not be regulated by the FDA, because they lie outside scope of the agency's statutory mandate. Cannabis flower and oil that is ingested though smoking or vaping does not qualify as a food, supplement, or other substance over which FDA has regulatory authority. So long as no health or disease claims are made, these products also do not qualify as a drug under the FDCA.

FDA AND STATE ENFORCEMENT

Between 2015 and July 2018, the FDA sent several warning letters to companies that sold CBD-infused oils and food products in interstate commerce with associated health claims, but it took no other visible enforcement action against those companies. Since passage of the Farm Bill, however, there have been numerous reports of stepped-up enforcement action in several states by the FDA and state authorities. There are reports of unannounced inspections and CBD product embargos ordered by authorities in California, New York, and several other states. FDA personnel reportedly have participated in some of these inspections, with state personnel as the apparent lead agency. Several states and cities, including California, Maine,



sunderstorm

EXPLORE BROTECT TO STATE OF THE PROPERTY OF THE PROPER

At Sunderstorm, we care about the quality of our products and improving the quality of the community around us.

That's why this year we're not just celebrating 420 - we're also celebrating Earth Day on 4/22. A portion of our proceeds during this timeframe will go towards cleaning up our beaches.

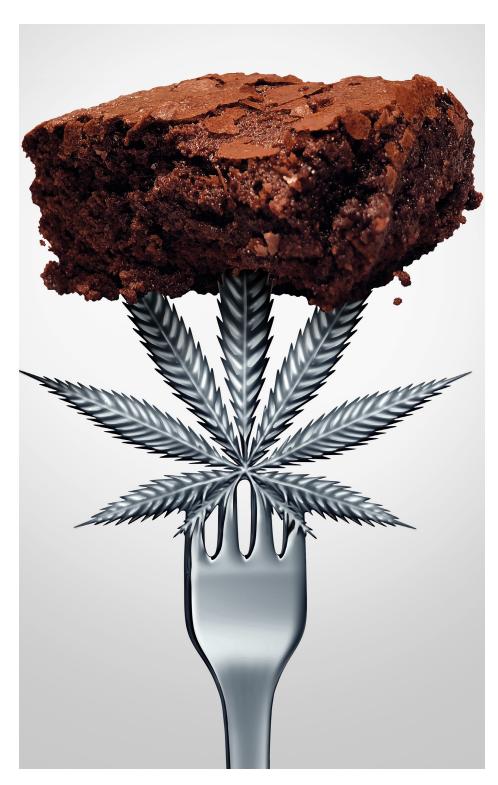
See our 420 specials on these products at your local dispensary.





NAN®





North Carolina, Ohio, and New York City, have banned CBD-infused food products under state and local laws. As cannabisbased products continue to enter interstate commerce, one should expect to see an increasingly robust response from both the FDA and state authorities.

The FDA has taken no action against cannabis edibles sold in states that have

legalized adult-use or medical marijuana. This likely is because those products are not sold in interstate commerce and because those sales violate the CSA, such that they already are considered illegal under federal law.

On February 11, 2019, the FDA announced a broad new initiative to modernize dietary supplement regulation and oversight for the purpose of ensuring FDA achieves the right balance between preserving access to lawful supplements while protecting the public from unsafe or unlawful products. The impact of this new initiative on the legal pathway for CBD remains unclear at this time.

WHAT COMES NEXT

Regarding a possible easing of restrictions on CBD and other cannabinoids, the FDA's public statement unfortunately contains only a vague assurance that the FDA will "make the pathways for the lawful marketing of these products more efficient." What this means is unclear. Although the statement references FDA's authority to "issue a regulation allowing the use of a pharmaceutical ingredient in a food or dietary supplement," it makes clear FDA will do so only if all other requirements in the FDCA are met, including those required for food additives or new dietary ingredients. These are not insignificant hurdles, as discussed above. The process can take years and often is exorbitantly expensive. In the meantime, the FDA remains under pressure due to intense public interest in these products.

This uncertainty has prompted multiple letters from Congress to FDA Commissioner Gottlieb. Oregon's two senators recently requested Gottlieb update "outdated regulations" prohibiting the sale across state lines of food products containing CBD. On February 15, 2019, a bipartisan group of members of Congress also sent a letter to Gottlieb calling on FDA to "swiftly provide guidance on lawful pathways for food products with CBD." The letter references significant confusion surrounding CBD and points out "numerous states are pursuing legislative efforts that would allow for the intrastate commerce of food products with CBD, potentially leading to a patchwork of state regulations."

Following receipt of the letter, Gottlieb testified before the House Appropriations Committee on February 27, 2019. In his testimony, he detailed the start of new regulatory plans for CBD. Initially, the FDA will hold a public meeting in April to hear from industry stakeholders about effective hemp-derived CBD regulations. Gottlieb also mentioned the FDA is forming a work group with "some senior officials in the agency" to study regulatory options for CBD. He noted that creating a regulatory framework for CBD "is not a straightforward issue" because CBD is a compound in an existing FDA-approved medication; therefor, under the FDCA, it cannot be added to products intended for human consumption. Nevertheless, hinting at a possible regulatory framework, Gottlieb said "CBD could potentially exist in a high-concentration, pure formulation as a pharmaceutical product" while also existing at lower concentrations that could be sold as foods and dietary supplements.

With respect to timing, Gottlieb acknowledged the possibility that promulgating CBD regulations could take longer than expected and testified he will seek congressional guidance to "have a discussion about whether or not there are other frameworks that could help address this" if the FDA determines the pathway to CBD regulations could be a multi-year process.

The expectation that the FDA will liberalize its position on CBD comes at a time when the agency is preparing to take a more aggressive stance on regulating the dietary supplement industry. Consistent with Gottlieb's recent congressional testimony, one should expect the FDA to maintain a fairly consistent position



SINCE PASSAGE OF THE FARM BILL. THERE HAVE BEEN NUMEROUS REPORTS OF STEPPED-UP ENFORCEMENT **ACTION BY THE FDA** AND STATE AUTHORITIES.



that CBD and other cannabinoids must follow the scientific process like any other chemical component, which will take many months at the minimum. Until then, vigilance is required.

LAN STEWART co-chairs Wilson Elser's cannabis law practice, helping clients prepare for regulatory changes and liability trends whether dealing with regulatory compliance, product liability risks, defense of false advertising and unfair competition claims, professional liability risks, brand protection and obstacles to protecting intellectual property, novel risk management methods, and insurance coverage problems created by conflicting state and federal laws.

GENESE DOPSON leads the firm's pharmaceutical and medical device practice and coordinates efforts to field a nationwide team of attorneys in the drug, medical device, and life sciences arena. One of twelve attorneys in the firm's senior trial group, she is known for her ability to defend complex cases and handle tough opposing counsel. WilsonElser.com



Sprinter Van

Ford Transit Van

RAM ProMaster

Numerous Vehicle Makes & Models Available!!

Maintaining product quality during your delivery process is critical. Bush Refrigerated Vans builds the highest quality vans in the nation so you can feel comfortable knowing that your cargo is safe, secure and at just the right temperature.

Contact us today for a free quote on any vehicle, customized to your needs!

1.800.200.0404

Purchase & Lease-to-Own Options Available GPS, Surveillance & Security Options National Delivery: East & West Coast Mfg

www.reefervansforsale.com/cold

Next Generation Marketing



NTHE ever-evolving landscape of cannabis, market competition is becoming fiercer. To stay ahead of the curve, many companies are turning to marketing tactics such as brand ambassadors. Ranging from loyal customers to event staff and social media influencers, good brand ambassadors not only can help humanize a brand, but with increasing demand for product knowledge and education they also provide a nonthreatening way for companies to reach their audiences and share information.

A brand ambassador—or better yet, a team of brand ambassadors—can give cannabis companies a big advantage over competitors.



WHAT KIND OF BRAND **AMBASSADORS DO** YOU USE?

At Caliva, we use two types of brand ambassadors.

First, we invite social influencers to join the Caliva Circle to become Caliva ambassadors. Anyone is welcome to apply to the Caliva Circle. We select people who really embody the spirit of #GoCaliva, which to us means they're using cannabis to enrich their everyday lives. Secondly, we work with several people as official brand ambassadors who promote Caliva flower and products within other dispensaries.

One reason I love Caliva brand ambassadors is because they bring so much passion and honesty to the brand. Having such a close, authentic relationship with our ambassadors also gives us a view into our customers' lifestyles we would never otherwise get. -Kristine Lyng, senior director of marketing, Caliva



HOW DO YOU FIND THE RIGHT PEOPLE?

I found the original band of pirates through various job listing sites, and the

good ones brought their friends along for the ride. This created a sense of family and community among our team from the get-go, and despite some people moving on, we've retained a lot of that original crew and deepened the family spirit. Today, we have a clearer definition of roles, and our more recent brand ambassadors focus on in-store marketing and running PADs [patient appreciation days]. We want them to be free from the rigors of sales and distribution and to focus their time on educating and engaging customers and budtenders.

In the end, you cannot run an effective, impactful consumer-facing brand without ambassadors. You need those boots on the ground. Brand ambassadors are the face, the voice, and perhaps most crucially, the ears of your company. —Ruben Cross, founder and CEO, Kushy Punch



WHY USE BRAND AMBASSADORS?

We decided to have brand ambassadors to connect with cannabis users and

cannabis sellers on an individual level. It gives us a chance to get feedback on our product from new users as well as to connect with veteran users in such a concentrated, unmarketable business. Quite simply, their job is education and listening to the marketplace. By hearing these real-world experiences, we're able to translate our customers' anecdotes into data that we can apply to our business practices. For example,

with our Budtender Loyalty Program, we're going to create a direct connection to budtenders through brand ambassadors. We'll be offering them recognition and rewards, like taking them to our farm for the day, in exchange for honest feedback.

Our ambassadors are people who authentically love cannabis; who are passionate about the plant and the impact it has had on their lives. Their appreciation for cannabis is critical, as they're representing not only Lowell Herb Co. but cannabis workers in general. -Shaun Hurley, head of sales, Lowell Herb Co.



WHAT'S THE BEST WAY TO DEPLOY AMBASSADORS?

Whenever somebody reaches out to work

together, we always want to find a way to establish a relationship. In such a crowded market, a lot of companies forget it's the consumers who will sell your product for you. When marketing in the cannabis industry, it's not enough to just take some photos and put them on social media. You need to have the support of real-life people behind your

Our brand ambassadors work with us in a number of different ways-from photoshoots to events, and even to helping us create content for special occasions like our monthly photo contests. One example is a collaboration we did with @Nug.Honey. She suggested we donate a portion of the proceeds for our limited-edition Ocean Blue Dipper to an ocean conservation charity. Her feedback was invaluable in creating the idea, executing it, and ensuring that it got as much attention as possible. -Lili Tran, director of social media, Dip Devices @ -Rob Hill





TerraTerpenes.com

TERRA Terpenes® are designed to mix easily with plant-based essential oils specifically for use in Vaporizers or Vape Pens.

Formulated using the latest techniques in Biomimicry, TERRA Terpenes® provides the true flavor, aroma, and effects of complex terpene profiles found throughout nature.

REQUEST CUSTOM FLAVORS



mention MG10 for 10% off your orders



WHOLESALE : (925) 405-5582 Sales@AirVapor.com

PRODUCTS



The Apothecarium

Retailer with three San Francisco locations and a store in Las Vegas.

Apothecarium.com

San Francisco

Best-selling edible: "People love their gummies because they're tasty and easy to dose," said Chief Marketing Officer Eliot Dobris, "Valhalla's are especially delicious, plus they're made with organic sugar."

Benefits: "Since these gummies come in sativa, CBD, and indica, almost anyone looking for an edible could benefit from one of these."

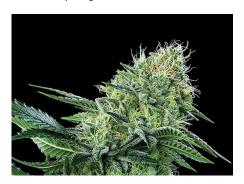
MSRP: \$25 for a 10-pack of THC gummies (sativa or indica); \$30 for a 10-pack of 2:1 CBD:THC gummies.

Las Vegas

Best-selling product: State Flower Cannabis's Cherry AK, eighth-ounce, dried flower.

Why the strain is popular: "It's known for being a good value and having a great cherry taste," Dobris said. "It's popular for daytime consumption, because customers say it allows them to remain focused and creative."

MSRP: \$35 per eighth-ounce.





SOL Distro

Product distributor offering well-known local and national brands to California retailers. SOLdistro.com

BEST-SELLING TOPICAL: HIGH GORGEOUS PIÑA-CO-CANNA BODY BUTTER.

Details: 100mg THC per four-ounce jar. Without parabens, soy, sulfates, or gluten; cruelty-free and vegan-friendly

Recommended uses: Sore muscles, sunburn, relaxation.

Why it's popular: "The smell is light and tropical, the texture is creamy, and it can be used for a variety of different ailments," said SOL Distro founder Shanna Droege. "Vendors say it's popular with female customers, but the male clientele like it, as well."

BEST-SELLING CBD PRODUCT: CHILL — THE HIGHEST CHOCOLATE'S CBD AÇAÍ BERRY **BLAST DARK CHOCOLATE BAR**

Ingredients: Semi-sweet and bittersweet chocolate, sugar, cocoa butter, cannabis oil, sunflower lecithin, vanilla, organic açaí powder, mixed berries.

Why it's popular: "This product is popular because it is a 1:1, 50mg THC and 50mg CBD edible. The flavor is dark chocolate with chopped acaí berry fruit pieces. It tastes delicious but also is packed with antioxidants, making it a healthy option," said Droege.



mg: For The Cannabis Professional Vol. 5, No. 4, (ISSN 2379-1659) is published monthly and is available to qualified industry professionals by readership request or for purchase online [subscribe.mgretailer.com]. Application to mail at Periodicals Pending postage rate is pending at Canoga Park, CA. and at additional mailing offices. POSTMASTER: Send all UAA to CFS. NON-POSTAL AND MILITARY FACILITIES: send address corrections to: mg: For The Cannabis Professional, 21333 Oxnard Street, Woodland Hills, CA 91367.

NEED EXTRA STORAGE SPACE FOR YOUR MATERIAL?

35 CU FT OF STORAGE

OUR
BIGGEST
-86°C
ULTRA
LOW
FREEZER
ON THE
MARKET!









