MARKETERS TEST DIFFERENT APPROACHES AS MAINSTREAM BRANDS SIZE UP CANNABIS' POTENTIAL

Upon their arrival, a montage reveals the idyllic day ahead of them: They laugh, picnic, play chess, take pictures and later huddle around a campfire to cap off the night.

With its emphasis on aspirational but relatable lifestyle, the spot has all the makings of a beer campaign or an ad for a clothing line--until the end, when the screen flashes the words "Fireside Cannabis." What you've just witnessed is an ad for a weed product--and with the cannabis industry booming and showing no signs of slowing, there will be much more where this came from.

Constellation Brands, the beverage giant behind Corona, Ballast Point and Svedka, among other labels,
last month invested $4 billion in Canopy Growth, a leading publicly traded Canadian cannabis company. "Fundamentally, we think this is going to be a big business worldwide," said president and chief operating officer Bill Newlands during a Barclays investor conference. (Constellation declined to comment for this story.)

Newlands estimates cannabis will become a $200 billion industry, with $100 billion of that eventually concentrated in the U.S., once legalization hits the federal level. Canada, he notes, is "one of the early movers."

But to fulfill that prediction, the industry will first have to clear some significant hurdles. Cannabis is now legal for medicinal use in 30 states and Washington, D.C., but it's classified by the U.S. government as Schedule 1 under the Controlled Substances Act, reserved for drugs deemed to have absolutely no "accepted medical use." Examples of drugs that fall under the next classification (Schedule 2, meaning they carry a high potential for abuse but are accepted for medical use) include methamphetamine, morphine, fentanyl, oxycodone and carfentanil, which is an opioid said to be tremendously more potent than fentanyl, heroin and morphine. Meanwhile, only nine states and Washington, D.C., have legalized marijuana for recreational use.

Although "it's a plant," Jason DeLand, Anomaly founding partner and board member of dosist (formerly hmbldt), the therapeutical cannabis startup that the agency invested in and helped bring to market in 2016, says he's pessimistic that federal legalization of cannabis is on the near horizon. Attorney General Jeff Sessions is a steadfast opponent of marijuana. In January, he rescinded an Obama-era policy leaving legalization up to the states, paving a path for federal authorities to go after marijuana businesses, which is why banks won't serve cannabis-related companies.

A bipartisan bill, Strengthening the Tenth Amendment Through Entrusting States Act, was introduced in June that would give states back the authority to determine their own marijuana legalization laws. President Donald Trump mentioned he "probably" would support it.

"There's a certain hypocrisy in the current regulatory regime," DeLand says. "The government is not just going to come out and say you were right and we were wrong; let's change it. What would they do with all the inmates in the federal prison system who are there for low-level cannabis crimes? Say, 'I'm so sorry. Here's your five years back?'"

Regulations around advertising cannabis products--whether involving THC, CBD or hemp--are also a potential minefield for marketers. They're determined individually by state, making it both "the most regulated category ever and the most unregulated," says DeLand.

In most of the states where marijuana is legal, marketers can't show cannabis being used in ads. Any ad or label claiming a product has "curative or therapeutic effects" is banned, proposing obvious obstacles
for cannabis companies in the health and wellness space. In California, cannabis brands can only advertise in channels where at least 71.6 percent of the audience is over the age of 21. And cannabis products can’t appeal to children, making designing logos tricky.

Our northern neighbors face similar obstacles. Bill C-45 legalizing marijuana for recreational use across Canada is set to take effect on Oct. 17, but until then, marketing rules are just as murky as they are in the U. S. What regulators will ultimately deem lawful is unknown, which is why the agency behind that millennials-filled "Fireside" ad took a cautious approach.

"We're having to make judgment calls on what's acceptable to put out into the world and what's not," says Matt Coulson, group account director at Virtue Toronto, creative agency of record for all three of Ontario-based VIVO Cannabis' brands: Fireside (recreational), Beacon (medical) and Lumina (a wellness line of oils with plans to expand into topicals, creams, bath salts, etc.). "We don't want to make a bad impression."

Virtue's approach, explains Coulson, has been to first build brands. Each of the three VIVO brands "has its own identity." Fireside represents the "being in the moment" that happens "when people sit around afire. It just felt like a really great metaphor for that sharing of a joint between friends," he says. For Beacon, marketing efforts are aimed at providing clear information to patients, whom Virtue has learned view the medical cannabis space as "extremely complex." Lumina targets "people using cannabis to support healthy lifestyles," emphasizing how cannabis can be used "to improve your life."

In fact, creating recognizable brands is critical at this stage, both because of the increasingly crowded cannabis space and the wide variety of categories the product spans—healthcare, wellness, consumer-packaged goods, food and beverage. "From a marketing point of view," says DeLand, "you have to ask questions like, 'What does the product represent to the people buying it?'"

Heavy Grass, a California-based recreational weed brand, has set its sights on fans of "loud" music (and cannabis), leaning into rock culture. "Rock 'n' roll is not a genre of music; it's a culture," says Clay Busch, vp of marketing for Heavy Grass. "Cannabis and music in general have always gone hand in hand. Cannabis was always there to amplify creativity, amplify experiences."

To promote Heavy Grass, Busch--who hails from the Los Angeles entertainment scene and is the former vp of marketing for production and promotion company Danny Wimmer Presents--determined the company needed an expert partner in the category. He chose the agency arm of Prahbtd, a media startup formed to bridge the gap between cannabis and the mainstream.

"The biggest thing for us is just helping people understand this product," says Prehbtd founder and CEO Drake SuttonShearer. "Clients are asking us, 'Who is the cannabis consumer?'"

Sutton-Shearer encourages clients in cannabis to find their niche because the consumer is everyone:
from baby boomers and millennials to children prescribed CBD for medicinal purposes.

Hilary Craven, founder of brand consultancy Sidecar and a former 72 and Sunny executive, says one of the most underserved categories of cannabis consumers right now is moms.

"There has been a lot of coverage around normalizing cannabis, and the perception still exists that cannabis users are burnouts living in their parents' basements playing video games," Craven notes, "even though the range of users include endurance athletes, moms and senior citizens."

Ophelia Chong, partner at dedicated cannabis agency Bevel, has been at the forefront of reversing misperceptions. Alongside her ventures to get minorities represented in the cannabis space, Chong created StockPot Images, which reimagines the stereotypical "stoner" in stock photos.

Everybody knows what the cannabis space used to be about, says Badr El Fekkak, vp of Virtue Toronto. But now, "it's about repositioning it as a useful product that is eventually going to be considered normal."

As advocates promote cannabis' legitimacy, Constellation isn't the only mainstream brand taking notice. Donald Glover of Childish Gambino and Atlanta fame is an investor in Prahbtd, and Jimmy Buffett last month licensed his Coral Reefer brand to Surterra, a company exploring cannabinoid treatments (apparently, cheeseburgers aren't the only edibles in paradise).

Prahbtd, meanwhile, works with more than 60 cannabis brands, as well as Fortune 500 companies from outside industries--including retail--that are looking to enter the conversation, although Sutton-Shearer declined to identify them.

"Without question, whether you're Johnson & Johnson, Procter & Gamble or CocaCola, you're interested in the cannabis space," he says.

Harrison Wise, president of Wise Public Relations and its cannabis-dedicated unit, the Cannabis PR Firm, says he receives on average "two to three inquiries a week from clients of ours not from the cannabis sector who just want to talk about it."

With the conversation on weed evolving, so too is media coverage. "It's a lot less stigmatized today by the mainstream media than it was when we first started in 2015," Wise notes.

"Journalists have an enormous role in sculpting public opinion and having people come to their senses regarding drugs," says Hamilton Morris, writer, filmmaker, producer and star of Viceland series Hamilton's Pharmacopeia, which was spun off of his weekly column in Vice Magazine.

On camera, in an effort to show the potential therapeutic uses for psychoactive substances, Morris visited clandestine labs across the world, interviewed the chemist who founded ecstasy, and chatted with PCP...
and ketamine advocate Timothy Wyllie (before he died last year) while Wyllie took PCP and ketamine (separately). Morris himself joined a shaman ritual that involved smoking the psychoactive venom of an Amazonian frog.

"The show's watched by millions and millions of people so of course I've gotten a negative reaction by some people," Morris notes, but "the predominant response has been positive."

To promote his show, Morris went so far as to post billboards in New York City subway stations conveying the steps to make M DMA (also known as ecstasy or molly). "I filled the New York subway system with advertisements for my show that depicted the total synthesis of MDMA from start to finish, no steps omitted, nothing scrambled, using all over-the-counter materials," Morris notes. "The MTA approved it, no objection."

A spokeswoman for Outfront Media, the agency that reviews advertisements for the MTA, says Morris' campaign "principally promotes a television program and in our judgment complies with standards."

Still, North America is a long way from the tolerance levels of places like Amsterdam, where what's considered "soft drugs"--marijuana, hallucinogenic mushrooms, salvia--are legal for recreational use.

There, cannabis companies "are almost cartoonishly catering to the counterculture," with animations promoting stereotypes like the "Rastafarian smoking a giant joint," says Morris.

Here, he says, "more successful companies tend to distance themselves from the counterculture, almost to an extent that you wouldn't even know they're selling cannabis."

1 "Fireside Cannabis" ad features many millennials, zero products. 2 Ophelia Chong reimagines the stereotypical "stoner" in stock images. 3 Hamilton Morris showed the full synthesis of MDMA in banner ads hung in New York City subway stations.

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