



TWEAKING THE MESSAGE

Crises present opportunities for marketers,
as long as they can shift creative gears.

By Christopher Jones

In virtually every state that has legalized cannabis in the past five years, overzealous regulations and excessive taxes have created major hurdles to profitability, while federal politicians continue to drag their feet on virtually every important piece of legislation, leaving the industry in limbo along the way. As a result, investors across the United States and Canada have grown leery of cannabis investments of any kind, creating a do-or-die situation for companies large and small in 2020. And now we're in the midst of a pandemic.

To be a marketing professional in this environment is challenging to say the least. More than ever, marketing professionals in the industry are earning their keep and racking their collective brains to come up with effective strategies to adapt and survive in what is shaping up to be the most challenging business landscape since the Great Depression.

How cannabis companies respond to the COVID-19 crisis might end up defining them for years to come. The message seems to be: Get it right or become just another ash heap in the dustbin of history.



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—Jason White, CMO, Curaleaf

TAKING THE PULSE

Immediately and overnight, the pandemic disrupted everyone’s personal and professional routines. Shopping now is primarily online, “curbside and delivery” has become a new commercial mantra, and everyone from teachers to investment bankers has become expert at changing the background on their Zoom profile. Social gatherings are *verboden*, and traveling more than a few miles from home is a rarity for most of the population.

For cannabis companies, the changes have created some obvious impediments to growth. However, they also have rendered new opportunities to define brands and reach customers who are logging untold hours on the couch and in front of their screens, one Groundhog Day after another.

One of the fundamental messages marketing leaders in the cannabis industry express is the importance of taking a more humanized approach in times of crisis and connecting with customers in a more organic, compassionate manner.

Ann Skalski is chief brand officer at vaporizer manufacturer Double Barrel. Her long history in advertising and marketing includes serving as vice president of the creative department at Saks Fifth Avenue when 9/11 shook the world. As she watched the twin towers of New York’s World Trade Center fall from a screen in her office across town, “I just jumped into action,” she recalled. “It was very natural for me to want to make people feel better in a genuine way without selling them anything.”

In the same way, marketing is “all about listening now,” she said. “Obviously, we work in a capitalist world, and I have a job and I’m paid to do certain things. But we need to have a pulse on the moment. You’ll see this cascade soon, this waterfall of when things lighten up a bit, and you’ll see brands sort of come out and try to make everyone feel better.”

The crisis has put many of the marketing plans on hold at Denver-based Higher Celebrations and Aria Brands, according to Chief Executive Officer Michael Scherr, but in the meantime he’s found some new and quirky ways to reach his audience on social media platforms. “I can’t put a video of me in a unicorn onesie playing piano on LinkedIn, but on Instagram that’s kind of a fun thing to do because it’s a younger demographic and our followers are folks who are more cannabis-friendly,” he said. “They see [the unicorn-playing-piano video] as something that’s fun to engage with, and that’s better than me wearing a suit and talking about investment strategies for your industry during an economic downturn.”

Scherr also has been making impromptu appearances on Instagram and other social media channels while reading books, grabbing his ukulele to sing happy birthday to his followers, and anything else he can dream up to bring a smile to people while they’re hunkered down.

Nancy Whiteman, chief executive officer at edibles manufacturer Wana Brands, said COVID-19 will have a lasting impact on the way companies conduct business—from marketing to sales and everything in between—and the sooner a company can adapt, the better. She and Wana are focused on helping customers weather hardship one gummy at a time. “In times of crisis like this, people tend to stick to tried-and-true brands and products they know, and it tends not to be a time of experimentation,” she said. “We are fortunate because we’re already in the vast majority of dispensaries in Colorado and in several of our other markets. In some ways, a lot of the most important things we need to do during this crisis we’ve been doing for the past ten years, which is building the reputation of the brand.”

Jason White, chief marketing officer at Curaleaf, has tackled crisis situations with high-profile mainstream brands over the course of his career. He said crises provide an opportunity for brands to do some soul-searching to refine core values. “What I always think about in any crisis is that there is opportunity,” he said. “Unfortunately, some people think about that in a way that’s predatory, and a lot of terrible things arise out of it like predatory lending. But I also think there’s another side to that opportunity, which is a chance for people to understand who you are as a business and what you stand for, and where your values lie. How does this moment and how can our behavior in this moment speak to who we are and what we believe in? Hands down, that’s my first thought.”

FINDING THE TONE

One of the most obvious challenges in the midst of the pandemic is walking a fine line between promoting products as a remedy for the stress and anxiety so many people are confronting on a daily basis and appearing opportunistic. While cannabis and alcohol sales have been steady since the crisis began, brands don't want to seem insensitive or tone deaf.

Lindsay Topping, vice president of marketing at Elixinol, has spent the past decade advising cannabis and craft beer businesses (among others) about successful strategies. But like other experienced marketing professionals, she's never navigated anything like the current situation. "I dealt with trying to sell haircare in 2008 [during a major recession]. Different crisis, different problem, but it gets tricky because you don't want to be insensitive to what's happening, especially with something like this," she said. "It's not just the economy this time; people are getting very, very sick, and people are dying. And that is not something I think, as a marketer, I ever want to capitalize on. But I also feel like we have a product that can help people in a lot of ways. So, how do we communicate that without being out of touch or dismissive of the real suffering people are facing?"

Before the crisis began, CBD specialist Elixinol was in the process of a re-branding campaign. Topping said those plans are still in progress, while the overall marketing program is shifting priorities and resources. "I would say the overall budget is the same, but the channels are wildly different," she said. "We have pulled a lot of money out of what would have gone to brick and mortar and put it all into digital. People are not walking into stores freely right now, even if a wellness store is seen as an essential business. People are not wanting to shop and browse and hang out there. So, we're putting a lot more into digital and making sure we take the time to get people to our website, educate them, and help them find the right product."

For companies introducing new products in growing and expanding categories in the industry, now is potentially a prime opportunity to win over new customers. "There were some substantial issues faced by vaping last year, and so the idea of smoking is not necessarily as attractive as it might have been," said Ted Zittell, a veteran retail branding consultant. "Even younger consumers have the ability to explore quality edibles and beverages with fast onset. I think it's going to be one of the many behaviors that change as a result of what we're experiencing now. Some behaviors will go back to normal, like going to restaurants and bars, but others may change, whether it's online learning or people ordering online, and possibly the way people consume cannabis."

Drew Punjabi is a digital marketing and social media specialist with Kip Morrison & Associates who works with a wide range of cannabis clients. He said the pandemic hasn't had much negative impact on business thus far. In fact, he said, cannabis companies might need more help than ever to craft a digital game plan.

"Surprisingly enough, we have had just as many new business meetings since the pandemic started, and we are touching base with our current clients too," Punjabi said. "What we're finding, especially with new companies that are just launching, is they can't just sit back. They have to continue to move forward with whatever their plan is. It may be to postpone things from happening, but people can't just put everything on hold."

He noted some of the agency's more established brands with bigger, more strategic campaigns have delayed them for now. Regardless a company's size, though, all need to find ways to reinforce customer relationships and tweak marketing messages to maintain strong sales during a challenge that looks like it may last months or years.

"Obviously, the messaging has changed a little bit, and we've been more strategic about how often and how conscious we are about what we say to people during these times," said Punjabi. "It's not like we're not selling during this time, but we want our clients to be a support system for people that may need medicinal cannabis or are looking for a way to recreationally use it to make them happier, uplift them, or relax them."

Skalski said she is developing marketing messages and images that are a departure from Double Barrel's core brand, which traditionally has maintained a renegade, edgy tone. "The only change I would make right now is I might soften the edge, because people might not really want to be talked to like that."

Beyond the tone of the messaging, Curealeaf's White emphasized the importance of investing the time to create the right pivot from the beginning. "We're an essential service, so we have to launch products," he said. "But at the same time, how do you market them? What's the tonality? What can we say? What can we not say? And where is the line? So for me, in this instance I was in no hurry to communicate. Even after we knew we were going to be in this for a long time, I said let's pause, let's watch how the market evolves. Let's have an understanding of where the consumer is going to shift their time and attention; how they're going to shift their behaviors and purchasing. And then let's start to decide our tonality and how we speak to the world."

ADAPTING TO THE NEW NORMAL

One of the complicating factors for cannabis marketers: The plant, in its many medicinal and recreational forms and functions, might have the most diverse customer base of any product on the planet. In order to target these consumers, who range from Gen Z to the Silent Generation, newbies to old-school stoners, companies must be highly creative and make strategic decisions that often lack the benefit of trend-revealing data or other insights into a dynamic, unpredictable industry.

While consumption habits might be similar to alcohol and health-and-wellness products, that doesn't mean the messaging should be the same.

"We are aware of the different groups and how they're approaching each category, and we're going to continue to get smarter on it," said Zittel. "The funny thing is that in normal marketing terms, we would be saying there's not a lot of data and we don't know a lot of things. So, we're extrapolating what we do know and applying it based on consumer behavior that we are aware of. We're going to continue to get creative and smart and share our insights with our partners and really collaborate to make these messages clear and make the value clear."

22Red's Instagram feed, @22redla, is dedicated to lifestyle marketing. In the past, the company used its feed to promote brand themes such

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as people hanging out around town, smoking weed out and about and enjoying Los Angeles in all its glory. Once state and local governments began issuing stay-at-home orders, the images on the channel became much more sedate, depicting individuals smoking on a couch while sheltering in place ("Saturday nights in quarantine") or sitting alone outside ("Cinco de Mayo celebrations from today, social-distance style. Sidewalk, smoke, and wave").

"There's been recessions and other things that have happened in the past, pandemics that affected the markets, but never in a time where digital presence for brands has been so important and so dominant and such a key piece to their business," said Punjabi. "I do find it interesting and a bit challenging to find a way to navigate these waters."

Beyond marketing messages and strategies for engaging customers during the crisis, there are more fundamental and practical challenges companies and their marketing teams confront. Instead of sending sales teams out to dispensaries to pitch products, they must reach out to managers and budtenders in new, remote ways. And with customers leaning more on delivery services, companies are establishing new relationships through distributors and deploying new technologies to augment their sales operations.

Wana recently announced a partnership with I Heart Jane, which operates an e-commerce and point-of-sale platform, and also has relationships with more than 1,300 dispensaries and brands in twenty-nine states. "One of the long-term outcomes of COVID is it's going to definitely ramp up the number of people who are ordering online and having home deliveries," Whiteman said.

Zittell agrees delivery has become a critical piece of the puzzle for cannabis companies. One of his clients recently inked a deal with Ganjarunner, which is able to drop beverages directly on doorsteps all across California. Zittell said he currently is focused on creating meaningful programs with retailers and dispensaries.

"Our relationships with our home delivery partner and distribution partner are relatively new, and technology is a significant piece of what we plan to do together to build this category for retailers and consumers," he explained. "So the ability to do online promotions and to help retailers take advantage of their point-of-sale systems, those are things we're working on—like a premier partner program with retailers who have high potential and who believe in what we're offering. We're going to give them sort of special attention: If you do a certain number of things in terms of merchandising, display, and interactive advertising [then you'll receive a reward]."

When the Illinois market opens again, Skalski said Double Barrel will be aggressive in its marketing strategy, because having a presence there will be imperative for any national brand. The company already has established a partnership with a large cultivator that's ready to ramp up operations. "Once that's up and running, then we'll be in a good spot to really flood the market and put a little messaging out there," she said. "I think Illinois, like New York, is taking a hit right now, and they might need a little love on the other side of it."

Until the COVID-19 crisis subsides and people start to live a somewhat normal life again, brands are doing their best to hunker down, define who they are, and bring some happiness and solace to their customers.

"I went live [on Instagram] last week just to read Dr. Seuss, because I figured people just want to have fun in this crazy kind of sad, depressing, dark time," said Aria Brands' Scherr. "How can we just create some smiles? That's one thing we are doing and it's not equating to sales, but it's building connections and, at the end of the day, authenticity. I think [authenticity] is what's going to help grow some of these businesses. So, from the creative side of brainstorming, we talk about opportunities on social media and have some great ideas."

Skalski views the pandemic as a symbiotic situation, where brands and their customers have an opportunity to strengthen the cannabis community by reaching out and helping each other, even if the help is just an uplifting message from one sheltered stranger to another.

"The last thing I want to do is provide a false sense of hope. I'm much more about being real," she said. "When I wake up every morning, I check my Instagram, and the reason why I do that is because I want to see which customer needs help. I can't fix the pandemic, but if I can fix something for them in their own life, I know I've made a difference—and frankly, it's helping me get through, too." 