

HIGH TIMES

FROM JOINTS TO A
LIFESTYLE MOVEMENT:
THE RISE OF THE
CANNABIS ECONOMY

Contents

Introduction 3–8

Green rush, 5

Controversy, 7

Why should marketers care?, 8

Lifestyle 9–18

Pro-pot media, 12

Luxury brands, 14

Women and weed, 16

Retail 19–24

High-end dispensaries, 21

Green e-commerce, 23

Health & Wellness 25–29

Medicinal highs, 28

Beauty 30–35

Beauty counter-culture, 32

Beauty packaging: sophisticated purity, 35

Food & Drink 36–44

High-end edibles, 38

Natural high, 40

Cannabis fine dining, 41

Cannabis: the new alcohol?, 43

Food packaging: Californian cool, 44

Experience Culture 45–49

420 festivals, 47



Cannabis is undergoing a massive rebrand, shedding its stoner image to become part of a chic, wellness-forward lifestyle.



Introduction

Today, one in five American adults has access to legal marijuana. Cannabis has proved an economic boon, with Colorado processing \$1 billion in sales in just the first eight months of 2017. The industry is poised to create a quarter of a million jobs by 2020, according to a New Frontier Data report—more than manufacturing, utilities, or the federal government.

The rapid rise in spending and large compound annual growth in the cannabis industry has been compared to the rapid penetration of cable TV in the 1990s and broadband internet in the 2000s. Will cannabis have the same far-reaching effect on society as these two game-changers?

Though it remains to be seen, the ramifications of the legalization movement are starting to be felt.

With the exploding cannabis economy come startup brands, innovative products, new marketing, crossovers, more regulations—and fresh controversies. What are the latest developments? Who are today's cannabis consumers? And why should marketers care? All these questions and more are explored in this report.



One in five American adults has access to legal marijuana.

Green Rush



In the cannabis economy, the numbers are racking up faster than anyone anticipated. According to Arcview Market Research, a leader in cannabis market research, the North American marijuana market posted \$6.7 billion in revenue in 2016, up 30% from the year before. Sales for 2017 could jump an additional 33% to hit \$10 billion by 2017. By 2020, the market could top \$22 billion.

And that's before two of the world's largest cannabis markets really get under way. Recreational marijuana use has been legal in California since January 1, 2018, and recreational weed will be introduced in Canada by midyear. As California is the largest economy in the United States, its legal marijuana industry is poised

to have a disproportionate effect on sales. And Canada will become the world's largest country with a national legalization program.

As the cannabis economy emerges, a new type of consumer emerges as well. Today's marijuana smokers are just as likely to be data scientists or entrepreneurs as they are to be musicians or writers. The emergence of a range of cannabis products allows for items like low-dose edibles or vaporizers that make marijuana appealing to even the most fitness-conscious purchasers.

In June 2017, marijuana delivery startup Eaze conducted a study of its customers. In stark contrast to stereotypes of cannabis users, a majority were well-educated and well-paid. Just over half of respondents had at least a bachelor's degree, and 49% made \$75,000 or more per year. And while 58% reported that they smoked every day, 91% had jobs. In both new markets and the popular imagination, stoner tropes like "lazy," "unmotivated," and "antisocial" are fading away.

—
**By 2020 the
marijuana market could
top \$22 billion.**
—



Controversy



The industry still faces major controversies, not the least of which is the discrepancy between state and federal law. In January 2018, the Department of Justice suspended an Obama-era policy that encouraged federal prosecutors to adopt a hands-off approach in states with legal marijuana, opening the door to more crackdowns. There's also a growing backlash against the plant's new cultural cachet and growing profitization, driven primarily by advocates of those behind bars for possession or distribution.

Yet some of the industry's challenges open the door to unparalleled creativity. Marijuana is "a very rare instance where small and medium-sized players are getting a chance to take a run at a multibillion-dollar market before there are any big dogs," says Troy Dayton, CEO of the Arcview Group. He adds that, as "a multibillion-dollar market growing at a 27% compound annual growth rate with no big institutional multinational companies," the industry has room to grow in surprising ways.

Why should marketers care?



Today, marijuana legalization enjoys broad-based support in the United States. Nearly two thirds (61%) of Americans supported marijuana legalization in 2017, according to a Pew Research Center survey, a number that has nearly doubled since 2000 alone (31%). Though still far off, legalizing weed nationwide no longer seems impossible—making this industry one even the most conservative of marketers should keep an eye on.

For consumers, cannabis represents a tipping point. Public attitude towards the drug has undergone a massive shift similar to attitudinal changes to sexuality, menstrual health, feminism and more. A topic that was once taboo has pushed its way towards mainstream acceptance. In much of the United States, cannabis is no

longer inherently edgy; if anything, it's moved towards the realms of Instagram gurus and soccer moms. Do brands today have their sense of edge calibrated correctly?

Although normalized in culture, the cannabis industry remains less regulated than many others. With the drug still outlawed or ostracized in many areas, the industry boasts fewer large players and less startup funding. The result? A sandbox for new technologies that could one day move to a much larger industry once they've proved their effectiveness—particularly in the realm of digital payments.

An emerging economy, the cannabis industry can also shed light on trends in other sectors. In sectors such as beauty, cannabis is following an overall societal trend towards wellness as it becomes a tool for self-optimization or personal care. As a natural experience enhancer unlike anything else on the market, cannabis is also carving exciting new paths in the experience economy. Where else might cannabis trends offer a glimpse at a larger movement? This report offers some answers.



- LIFESTYLE -

Cannabis is everywhere today—even for those not in a legal market.

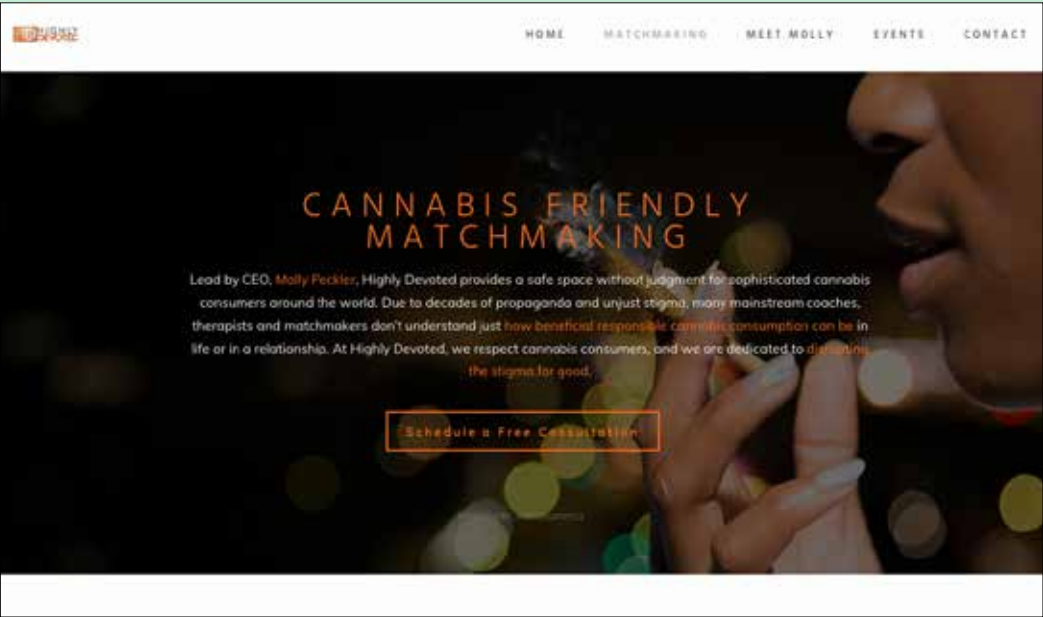


Cannabis is everywhere today—even for those not in a legal market.

Beauty brands are infusing their products with cannabis extracts, while TV characters are learning to light up. Cannabis motifs have made their way onto high-end fashion, including labels such as Alexander McQueen, as well as popular streetwear brands.

For regions with a legal market, cannabis is a pervasive theme that extends well beyond the dispensary. There’s Vangst, the LinkedIn for weed jobs, as well as cannabis-infused manicures and marketing mash-ups with fast-food chain Jack in the Box. In Los Angeles, there’s even a cannabis-friendly dating service called Highly Devoted.

The face of the cannabis consumer is undeniably changing. As the plant loses its stigma, it also loses its stereotypes. Far from its basement-dwelling connotations, cannabis today has been fully rebranded as a lifestyle product. And like most of today’s lifestyle brands, it’s chic, ambitious, and increasingly appealing to demographics well beyond its roots.



Pro-pot media

The face of the cannabis economy is rebranding for a generation of viewers who are young, hip, and increasingly pro-pot. Shows such as *Broad City* and *High Maintenance*, the HBO series that follows a marijuana delivery man in New York City, have created a normalized image of cannabis users: young hustlers who freely embrace cannabis culture, while still chasing other dreams.

With cannabis increasingly normalized on TV, networks are developing the next iteration of shows for the era of legal weed. *Queens of the Stoned Age*, launched in July 2017 on YouTube, challenges the male-dominated stereotype of stoners with its focus on empowered, entrepreneurial women who use weed. On Viceland, *Bong Appétit* challenges chefs to prepare weekly weed-infused dishes

for star-studded dinner parties. And *Disjointed*, a new Netflix comedy, follows a family of “budtenders” running a dispensary.

Elsewhere, publishers are launching content sites that blend cannabis news with politics, humor, art, and more. *Broccoli*, a magazine launched in November 2017, “explores and shapes modern stoner culture by looking at cannabis through an art, culture and fashion lens.” Civilized, a news and pop culture website, reflects the “millions of motivated, productive adults who choose to enjoy cannabis recreationally,” while The Fresh Toast takes a BuzzFeed-esque approach to cannabis culture alongside medical marijuana news from certified physicians.





Luxury brands

The surest sign that cannabis has left its stoner roots behind is the sheer number of luxury products aimed at the cannabis consumer. These items share many of the same attributes as today's rising lifestyle brands: they're organic, experiential, and tied into an active and successful lifestyle. A 2017 Business of Fashion article even asked: "Is marijuana the luxury industry's next big opportunity?"

The poster child for the nascent luxury cannabis industry may well be Beboe, from former Yoox president Clement Kwan and tattoo artist Scott Campbell. Dubbed "the Hermès of marijuana" by the *New York Times*, Beboe sells \$60 vaporizers and \$25 pastilles in attractive packaging, aimed at incorporating them into what Campbell calls the "dinner-party culture." Containing low dosages,

the products are targeted at those enjoying social consumption.

Elsewhere, Canndescent's cannabis strains are marketed through an Instagram page that reads like an upscale lifestyle brand: models surf, jog, and attend sophisticated dinner parties, all while toking up on strands with names such as Create or Connect. AuBox is a premium medical marijuana delivery box featuring THC-infused edibles, bath bombs, and massage oils for "hard workers, jet-setters, and those who expect the best"—subscriptions start at \$99 per month. Today's consumers can even purchase high-end handbags specifically designed to conceal a stash. Asche makes a line of leather clutches, while AnnaBis's odor-concealing cross-bodies start at \$225.



Beboe dubbed
"the Hermès of marijuana"
by the *New York Times*



Left: Canndescent. Ashley Parker, Creative Director. Jacqueline Rubasky, VP Brand Marketing
Right: AnnaBis by Ann Shuch and Jeanine Moss

Women and weed

In a 2016 interview with *Vanity Fair*, ganjapreneur Whoopi Goldberg expressed frustration that women were still considered a niche market in the medical marijuana industry. “This niche is half the population on the earth,” she laughed.

Today, women are positioned as a powerful force in the cannabis industry—as consumers, and beyond. Whoopi & Maya, Goldberg’s collaboration with edibles chef Maya Elisabeth, launched in April 2016 with a line of cannabis-infused products to treat menstrual cramps. Also in 2016, Foria, a company best known for its cannabis-based lubes, launched a suppository to ease cramps.

In legal markets, will cannabis become the new rosé? Female-friendly dispensaries, such as Seattle’s Van

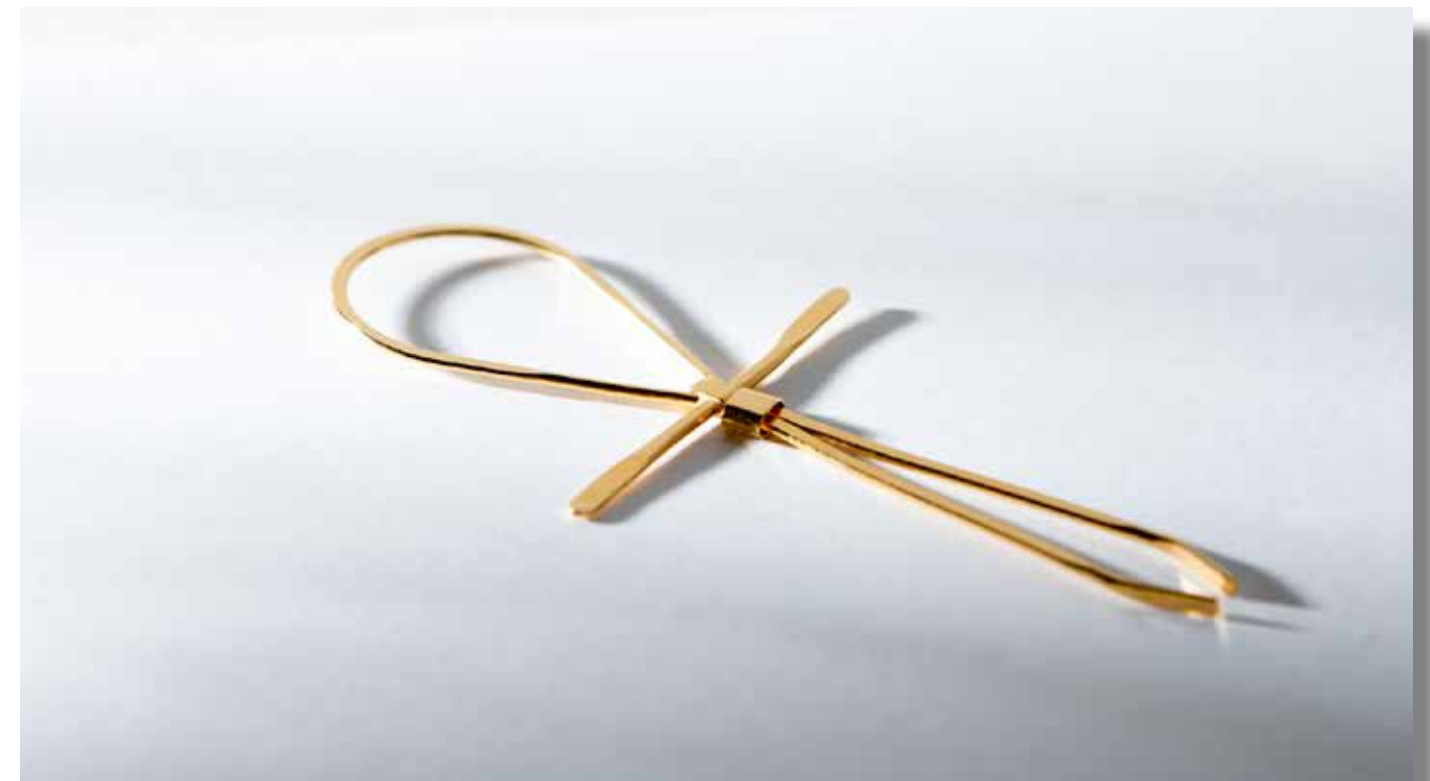
der Pop, position the plant as a chic, natural alternative to a nightly glass of wine. Retail aggregator Sweetflag curates female-friendly smoking products that counter the male-centered design culture. And new communities are springing up



around women who toked, including LA's influential Cannabis Feminist collective, which hosts community events like "bake sales" that showcase its top brands, Tupperware party-style.

Co-founder Jackie Mostny describes the genesis of Cannabis Feminist as "bringing women who just love cannabis together...rolling joints, talking, opening up, sharing why we love cannabis, and realizing that women want to share their experience, to confide in one another, and show other women that this plant is incredibly medicinal. We're reshaping the way that cannabis is seen as a wellness product. We're changing the stigma around cannabis, and how it can unite community."

Women are also angling to play a key role in cannabusiness. In Los Angeles, Cheryl Shuman, founder of the Beverly Hills Cannabis Club, has been dubbed the "Martha Stewart of Marijuana" for her work with groups including Moms for Marijuana. In Colorado, Women Grow is a networking group for female leadership in the cannabis industry that hosts a fiery leadership summit once a year.





A modern retail interior featuring wooden display cases with glass tops and black metal frames. The cases are arranged in a row, with some having multiple drawers. The floor is covered in light-colored, irregularly shaped tiles. In the background, there is a large glass partition and a hanging light fixture. The central part of the image is overlaid with a semi-transparent green rectangle containing the text '- RETAIL -'.

- RETAIL -



In November 2017, the Standard Hotel in Hollywood launched a partnership with cannabis brand Lord Jones.

From 2018, guests at the high-end hipster favorite will be able to shop an exclusive line of THC-infused candies.

“The Standard is proud to be at the forefront of this cultural shift, becoming the first hospitality company to enhance our guests’ experience in this manner,” stated Amar Lalvani, CEO and managing partner of Standard International. “Cannabis is gaining enhanced relevancy as a key component of wellness, awareness and discovery.”

The Standard Hotel’s partnership underscores the extent to which

cannabis retail has outgrown its associations with video games and tie-dye. Despite regulatory hurdles, cannabis retail is maturing today at an accelerated rate. And, like traditional retail, it’s creating innovative environments to draw in consumers, often looking beyond the physical store.



High-end dispensaries

For decades, cannabis retail flew under the radar. With the advent of legal recreational cannabis, however, dispensaries are in the spotlight. Retailers are transforming the formerly sketchy “head shop” into sophisticated, design-centric spaces that are more in line with the industry’s new overall vibe.

In California, Mister Green takes retail cues from streetwear and art galleries with a minimalist and stylish selection of paraphernalia and apparel. Founder Ariel Stark-Benz is on a mission to correct cannabis’s “branding problem,” as he told GQ. “Cannabis has been approached from an overly simplistic point of view. Putting a pot leaf on every single product—people are finally moving away from doing that. We’re in this completely new territory where people are creating an

absolutely ground-up system for relating this new world to the general public.”

In Colorado, Ajoya’s futuristic spaces use what designer Jeff Sheppard calls “neuro-aesthetics,” including lighting and shapes to trigger feelings of comfort and happiness. At Silverpeak, dubbed the “Whole Foods of weed,” beautiful displays and a lounge-like feel match locally grown, socially responsible offerings. And Serra in Oregon is a dispensary that could easily pass for any millennial-minded beauty or retail store.

In highly evolved markets, cannabis is transcending the boundaries of the dispensary altogether. In San Francisco, Harvest offers a members-only private lounge with space for co-working or events alongside a medical marijuana dispensary. Is the WeWork or Soho House for weed next on the horizon—staged around a retail model?



Serra in Oregon is a dispensary that could easily pass for any millennial-minded beauty or retail store.



Green e-commerce

Beyond physical retail, a sophisticated e-commerce industry is springing up around cannabis. Trapped in a legal gray area, the cannabis economy is largely unbankable as most banks are prohibited from working with the federally illegal substance. The result? An industry run mainly on cash, but increasingly serviced by alternative models for payments and record-keeping, and a sandbox for emerging technologies that may one day spread to the retail industry at large.

Blockchain is the emerging technology that's drawn the most attention for its transparent, decentralized and hyper-secure approach to cannabis finance. In November 2017, IBM pitched a blockchain-based system to the Canadian government that could track pot supplies throughout the entire supply chain. In retail, Oakland-based

Paragon aims to launch a similar supply chain service, while CannaSOS is building a blockchain-based sales platform. The industry even has its own cryptocurrency, PotCoin.

As the industry picks up steam, sleek interfaces are professionalizing the experience. Baker, which aims to be the "Shopify for cannabis," helps dispensaries to create stylish online shopping platforms that work around the industry's specific concerns, including legal compliance and age restrictions. San Francisco-based Meadow is even emerging as the "Amazon for weed"—a one-stop-shop for retail, inventory management, patient registration, security and more.

In fact, nearly anything that exists in the world of e-commerce has a cannabis counterpart. There's Baking Supply Company, the "Blue Apron for edibles," which mails out ingredients and recipes for spiked baked goods—cannabis not included. And Eaze, a marijuana delivery startup, aims to be the Uber for pot. Cannabis retail today is bringing a spark of innovation to largely uncharted waters—one that traditional retailers would do well to watch.



A close-up photograph of a person's mouth, slightly open, with a cigarette held between the upper teeth. The lips are a deep red color. The background is a soft, out-of-focus skin tone. A semi-transparent dark green rectangular box is overlaid on the image, containing the text '- HEALTH & WELLNESS -' in white, bold, sans-serif capital letters.

- HEALTH & WELLNESS -

As cannabis sheds its stigma, it also sheds its stereotypes.

The once-prevalent image of a cannabis user—sedentary, apathetic, demotivated—need not apply to today’s consumers, who are increasingly incorporating cannabis into a healthy lifestyle.

Before the hippie and counterculture movements came along, cannabis “played a really critical role in humanity, and a really critical role and a fundamental tool to our wellness,” says Derek McCarty, chief marketing officer of medical marijuana startup Dosist. “We’re trying to disrupt the eight to 10 decades of misinformation around it.” The aim, he says, is to reinstate cannabis as “a plant-based medicine

that’s really important for us to live a happy and healthy life.”

Los Angeles, a hotbed of both wellness culture and cannabis legalization, offers several examples of the new overlap. For those incorporating weed into an active lifestyle, the 420 Games provides community around both cannabis and exercise. “If you were walking by, it’d look like a 5k run, not a marijuana event,” founder Jim McAlpine told *LA Weekly*. “There’s very little traditional stoner stuff.” McAlpine plans to open the world’s first cannabis-friendly gym, Power Plant Fitness, in San Francisco.

Higher Self Yoga offers monthly cannabis yoga classes throughout Los Angeles that similarly focus exclusively on health. “It’s not a party scene where cannabis is used just for fun,” reads the organization’s website. “We have nothing against this, but the Higher Self Yoga experience goes a little deeper and invites you to explore your consciousness and your humanity.”



The 420 Games provides community around both cannabis and exercise

Medicinal highs

The medical benefits of cannabis are well documented. According to a 2016 poll from Quinnipiac University, 89% of Americans support doctor-prescribed marijuana use. At the time of publication, 29 US states have approved the use of marijuana to treat certain conditions, while another 17 states allow limited use of “low THC, high CBD” products. Conditions for which treatment is commonly approved include epilepsy, Crohn’s disease and post-traumatic stress disorder.

New products focus on bringing the medicinal benefits of cannabis to mainstream consumers, for a high that’s no longer about the “high.” Vaporizer brand Wink offers “an enjoyable and consistent experience to women who use cannabis as part of a therapeutic lifestyle,” while Quill has carved out a niche for its low-dose vape pen—a welcome product for those not focused on the buzz.

“How do we create a quality play in the cannabis space?” says McCarty. “How do we ensure we’re providing a consistent, repeatable experience around the plant? How do we help people that would consider it as an alternative, but want a predictable and repeatable experience? They want to feel safe with it.”



What is CBD?

CBD, or cannabidiol, is a major player in the health-focused cannabis sphere. CBD is the non-psychoactive cousin of THC, the main ingredient responsible for the sense of “high.” Derived naturally from the cannabis plant, CBD produces feelings of calm and can be used to manage pain—without affecting perception, senses, or reaction time. In the United States, CBD oil is legal in most states, but outlawed at federal level.

For Dosist (formerly Hmbldt), the answer is to focus on dosage and quality. A controlled release system guarantees the user experience, while stringent testing ensures each batch remains consistent. With branding that calls to mind the pharmaceutical industry, Dosist's pens are labeled not by strains of cannabis, but rather by the benefits they provide, like "calm," "relief," or "sleep."

Elsewhere, products are harnessing the medicinal properties of cannabis for everyday use. Elise, produced by Mineral Health, blends hemp stalks into a powder that can be consumed for "peace of mind and body." Aceso mixes CBD extracts with natural ingredients to make a powder that relaxes and calms the brain. It's a parallel to the supplement industry, where edible and restorative "dusts" made of superfoods have taken hold among Goop acolytes.

89% of Americans
support doctor-
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- BEAUTY -



Is cannabis the next beauty super ingredient?

By infusing beauty products with CBD and hemp extracts, retailers are helping to shift the plant’s image from contraband to a health-forward beauty essential.

“We’re hoping everyone can realize the benefits of cannabis, not just by smoking it,” says Mollie Twining, a founding partner at cannabis skincare company CBD For Life. “We’re healthy without the high and healing without the high, so there’s no psychotropic effect. It’s a very calming and healing anti-inflammatory.”

Cannabis has shown a number of benefits for the skin. Results suggest the plant is an antioxidant, and may

help revitalize aging cells. Beyond CBD, hemp seed oil has attracted a cult following among beauty devotees for its anti-inflammatory properties that are used to treat eczema and acne.

As the beauty industry shifts its lens towards wellbeing, cannabis has emerged as an all-natural skincare alternative, with a rich list of health benefits and an alluring connection to ancient practices. With the plant losing its overall stigma, emerging cannabis-laced beauty products are increasingly chic, well-branded and fully divorced from any stoner associations.

Beauty counter-culture



In April 2017, cannabis skincare brand Crave asked consumers to join the beauty counter-culture and embrace a cannabis-laced alternative to the traditional beauty counter. Crave highlighted its own “clean” formulas, “free of fillers and harsh synthetics,” for women seeking “cleaner and greener” beauty products. “It’s exciting to see this healing plant emerging from the shadows and into the health and wellness space, and our skincare products,” writes Crave CEO Janet Schriever.

As wellness makes its way into the beauty industry, new cannabis products are more aligned with mainstream skincare than with stoner aesthetics. In November 2017, Mineral released a cannabinoid-based skincare line featuring natural oils and fruit extracts. CBD For Life,



launched in 2016, offers a line of CBD-infused skincare products, including face cleansers and eye serum. Other all-natural brands include CBD Care Garden and Apothecanna.

“The mainstream market is becoming much more accessible because cannabis is constantly in the news, and CBD in particular,” says Twining. “CBD carries the benefits of cannabis without the stoner aspect of it. We’re not hiding the fact that we have CBD in our products, and we’re not going that route even in our own dispensaries.”

As the cannabis buzz grows, retailers are offering increasingly chic options. New York-based Herb Essentls is a line of “high-performing skincare products” created from hemp seed oil, with clean, modern branding.

Crave uses hemp-derived CBD in high-end skincare products such as Alchemy Oil Lux Body Serum (\$48 for 120ml) and Radical-C Serum (\$60 for 30ml). Even long-established companies, including The Body Shop and Malin & Goetz, are now rolling out products that feature hemp oils.

Although the legal status of cannabis-based products is contentious, those that contain no THC—the plant’s psychoactive chemical that results in the stoned sensation—are categorized under the label “hemp” rather than “cannabis”. As a result, CBD stands to enjoy widespread appeal, if it can overcome public stigma. In fall 2017, the *Hemp Business Journal* estimated that the CBD market could be worth \$2.1 billion by 2020, up from \$202 million in 2015.

“The mainstream market is becoming much more accessible because cannabis is constantly in the news, and CBD in particular.”

MOLLIE TWINING, FOUNDING PARTNER
CBD FOR LIFE



Beauty packaging: Sophisticated purity

"Forget about Rastafarian colors and Jamaican décor," says Mexican-based creative studio La Tortillería, responsible for Seven Point's beauty branding. Instead the design changes the traditional preconceptions of cannabis infused beauty products propelling Seven Point into the premium ranks reminiscent of Aesop or Haeckel's.

Enter the premiumization of cannabis beauty: clean, elegant, and slick. Subtlety is key. Embrace the purpose space and glorify the minimalist text.

- 1+2. Seven Point by Curioso Design Studio
3. Herb Essntls
4. Lord Jones
5. Malin+Goetz cannabis perfume oil
6. Vertly lip butter
7. Khus & Khus





- FOOD & DRINK -

Cannabis-laced food and beverage options are moving far beyond the realm of “pot brownies.”

The legalization of marijuana has opened the market to wide possibilities for edible infusions. Following the overall consumer trend towards wellness, today's edibles emphasize their health benefits and organic bona fides.

Echoing the central role that food and drink are playing in consumers' social lives, cannabis-infused products are not limited to private consumption. Creative chefs are staging high-end dinners with cannabis, paving new territory for culinary innovation. In California, chef Chris Sayegh serves multi-course, cannabis-infused

dinners for \$200-\$500 per ticket under the name The Herbal Chef.

“It is a sensory experience,” Sayegh told Leafly, a cannabis news site. “You start to lighten up and really pay attention to certain flavors... It's an overall enhancement, just like how a glass of wine enhances a dinner.”



High-end edibles

As more sophisticated players enter the scene, edibles have gone upscale, with a focus on design and on premium ingredients. New players also offer a more controlled experience, with lower doses and rigorous testing that prioritizes consistency and health benefits over a “high.”

Take Marigold Sweets, based in Los Angeles, a company that brings the “slow food” movement to edibles. Confectioner Vanessa Lavorato creates elegant, organic chocolates that aim to “take the taboo out of cannabis.” The chocolates aren’t the only thing subjected to the “slow” ethos—Lavorato sources heirloom cannabis strains, carefully cultivated to ensure a certain strength and potency. The candies are infused with a dose of either 10mg or 25mg of THC—lower than that found in other typical products.

The chocolates represent a high-end edibles experience—one that will have to prove its mettle on the market. As Lavorato said to *Vogue* of a \$36 box of chocolates, “When you have a Cheeba Chew that’s two dollars, how do you convince [dispensary owners] that this beautiful box of organic fair-trade chocolate, made in America by hand, has more value?”

Yet there’s plenty of evidence that consumer tastes are shifting, evidenced by the sheer number of brands entering the space. To Whom It May creates artistic chocolate assortments, with “meticulously measured” THC to ensure accurate dosing. Dixie Elixirs takes cues from specialty food products, designing sleek, childproof bottles for its line of THC-infused drinks.





Natural high

Marijuana is even joining the ranks of the holistic mind enhancers. In July 2017, San Diego-based startup Brewbudz launched a line of marijuana-infused coffee pods compatible with Keurig brewing machines, for morning coffee with a jolt. The biodegradable pods offer discreet cannabis consumption that is “lifestyle-integrated, which is important to a regular consumer,” according to the brand.

Cannabis coffee reflects the latest pivot in edibles—versions meant for the office, not the couch. Silicon Valley’s affinity for biohacking has spurred interest in the cognitive effects of psychoactive substances, elevating cannabis from a party drug to an ingredient that can be used for focus, mood enhancement, stress relief and more.

Food and beverage brands are also exploring CBD, the non-psychoactive cannabis extract that offers therapeutic benefits. Sakara’s Rest & Relax hemp chocolates, infused with a blend of CBD extracts, “gently lift the mood and induce a subtle state of tranquility and bliss.” New York-based High Tea infuses cold-brewed teas with hemp-derived CBD, which contains other ingredients that can benefit health, such as “omega-3 fatty acids, terpenes, vitamins and chlorophyll.” In West Hollywood, plant-based Mexican restaurant Gracias Madre has served CBD-infused cocktails at \$20 a pop.



Cannabis fine dining

Forget college dorm rooms. Today's chefs are using cannabis to create novel experiential dining events in restaurants. Pairing cannabis products with cuisines or events offers new possibilities for dining experiences.

"Every other psychoactive out there—coffee, alcohol, tobacco—there are really only two variables you can choose from," says Troy Dayton, CEO of the Arcview Group. "You can change the taste, and change the strength... And of course, you can use branding. But with cannabis, you have a bunch of other dimensions that we haven't seen in other psychoactives. You can actually play with whether it makes you tired, whether it makes you hungry, whether it makes you up, whether it makes you down."

Flow Kana, a small-batch cannabis

brand, hosts "tasting salons" that bring its farm-to-table cannabis aesthetic to life through events featuring local food and drink in California. In Colorado, the Mason Jar Event Group hosts stylish dinners, yoga events and live music several times per year. Events have included a farm-to-table dinner from *Top Chef* winner Hosea Rosenberg, complete with cocktail and cannabis pairings. Cannabis weddings, which feature anything from 420-friendly limos to an open "bud bar," are so popular that the Atlantic proclaimed in February 2017 that "Weed Weddings Are Now A Thing."

The White Rabbit High Tea series, based in Los Angeles, offers THC-infused baked goods and teas staged in an elaborate tea-party setting. Guests are encouraged to dress up, and well-known chefs contribute



baked goods. "I want our guests to walk into something they have never experienced before and walk away talking about it for months," founder Jessica Cole told cannabis news and culture site Merry Jane.



“I want our guests to walk into something they have never experienced before and walk away talking about it for months.”

JESSICA COLE, FOUNDER,
WHITE RABBIT HIGH TEA

Cannabis: the new alcohol?

With health and wellness on the rise, alcohol sales are declining. In 2015, the overall volume of alcohol consumed globally dropped 0.7%, the first decline since 2001, according to Euromonitor. Will cannabis be the industry's alternative? In October 2017, Constellation Brands, which distributes Corona beer and Svedka vodka, bought a minority stake (9.9%) in Canadian medical marijuana company Canopy Growth—an early sign of the industry's potential pivot.

“The growth trajectory for alcoholic drinks in the west has reached its finite limits and has been declining for a while now,” Spiros Malandrakis, a senior alcoholic drinks analyst at Euromonitor, told Business of Fashion. “In terms of volume, if you look at margins across the west, cannabis could provide an escape route for

multinational [conglomerates].”

Could cannabis one day take its place among wine or craft beer as a legal means of recreation and an experience enhancer? While that would bring more regulation for the industry, it would also open up new pathways for branding, marketing and selling the drug. With experience in measuring standards such as alcohol by volume (ABV) and managing health risks, the alcohol industry seems like a natural partner for those seeking to take cannabis to the mainstream market.

“This is like fine wine, fine champagnes, fine cigars,” Cheryl Shuman, founder of high-end marijuana retailer Beverly Hills Cannabis Club, told Business of Fashion. “It’s becoming more chic to talk about it. Like being part of a tribe, if you will.”



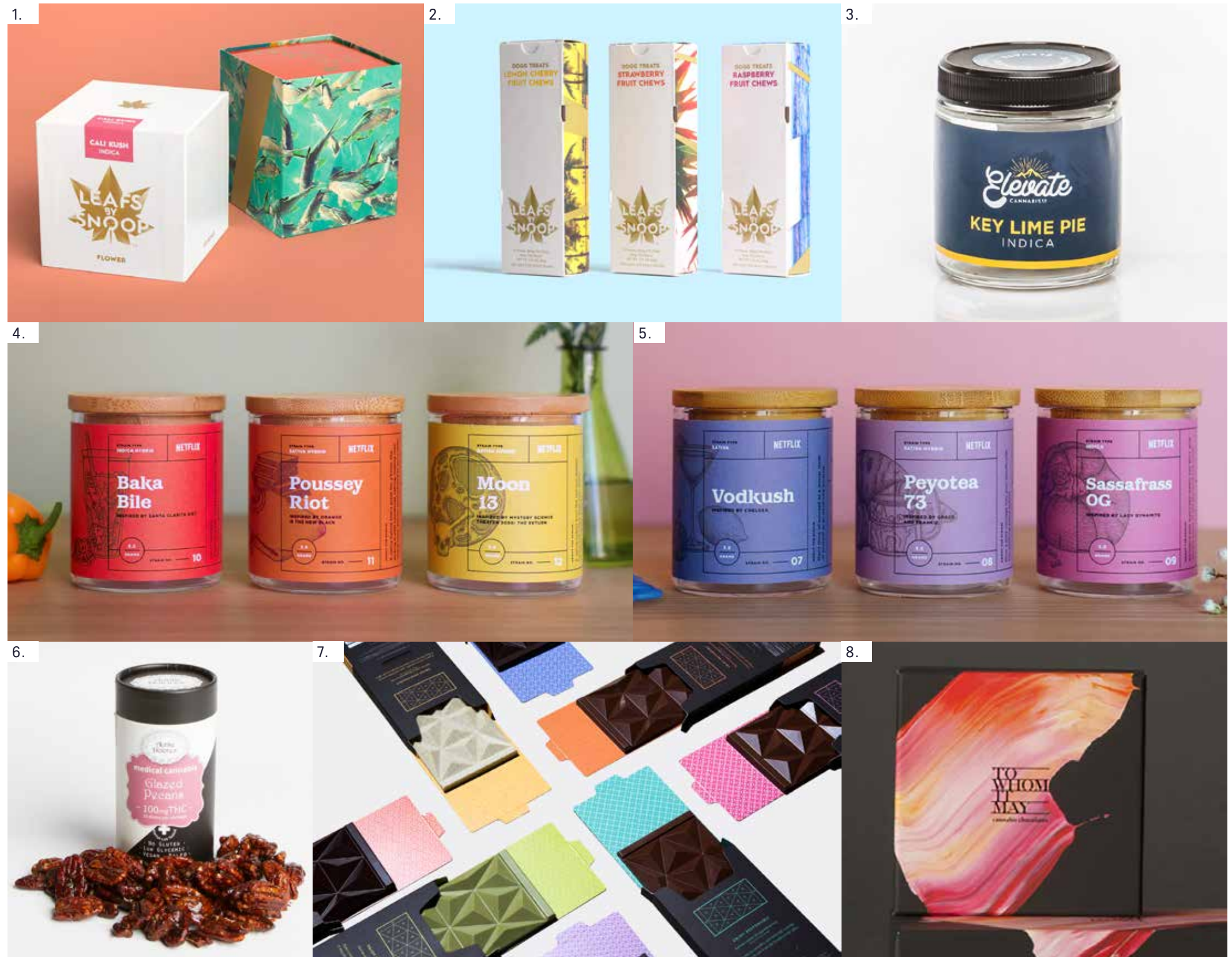
Food packaging: Californian Cool

Packaging designers are having fun wrapping cannabis infused food in colorful packaging.

"Our packaging is vibrant with color and description, and stands apart from other cannabis edibles on the shelves," said Julianna Carella, founder of Auntie Dolores in an interview.

The modern makeover for pot infused edibles is slick yet playful, colorful yet not overpoweringly bright, and full of personality. "Californian cool" is what design company Pentagram calls their aesthetic approach to Leafs by Snoop.

- 1+2. Leafs by Snoop designed by Pentagram
- 3. Elevate designed by OMD Agency
- 4+5. Netflix collaboration with agency Carrot
- 6. Auntie Dolores
- 7. Défoncé, Californian chocolate company
- 8. To Whom It May





- EXPERIENCE CULTURE -



In August 2017, marijuana-focused consultancy American Green purchased the town of Nipton, California.

The company intends to turn Nipton into a “first-of-its-kind eco-tourism experience for conscious cannabis consumers,” says chairman David Gwyther. Visitors to Nipton will eventually be able to shop dispensaries, tour a marijuana farm, visit pot-friendly coffee shops and more—all in the same town.

What happens when cannabis meets the hospitality industry? American Green shows the potential for cannabis to create novel, immersive environments. With experience culture on the rise among consumers, can brands tap into cannabis as a creative way to enhance the experience?



420 festivals

Experience is the currency of the day. According to a 2016 survey from Harris and Eventbrite, 78% of millennials prioritize spending on experiences over buying something desirable. More than half (55%) say they are spending more on events and live experiences than ever before.

Cannabis is a natural pairing for experience culture—as some brands are beginning to demonstrate. At Coachella 2017, WeedMaps (the “Yelp of marijuana dispensaries”) sponsored a “weed oasis” several miles from the festival, where influencers gathered amid product samples and on-site cannabis experts. In the vein of fashion pop-ups from past years, the oasis was one of the more buzzed-about experiences of the festival, cementing the industry’s status as hip, upscale, and edgy enough for trendy millennials.

In Los Angeles, cannabis entrepreneur Dan Braunstein hosts ganja-and-gaming events where visitors can combine cannabis with immersive VR to transport themselves to alternative realities. “The overall goal is to become the go-to platform for private and corporate cannabis events,” Braunstein told *LA Weekly*. “And I see the demand coming very quickly.”

Entrepreneurs are finding that cannabis can also be a way to build community. In California, Ganja Goddess Getaway hosts cannabis-enhanced retreats for women with dance classes, sexuality talks, and goal-setting workshops. In Portland, Oregon, Make & Mary workshops combine cannabis with crafting and creativity. And the Cannabis Feminist collective stages circles for women to talk and toké.



78% of millennials prioritize spending on experiences over buying something desirable



The CannaSpa, a second standout from Coachella 2017, opened the door to a new fusion of cannabis and wellness. Hosted by events forum Culinary and Cannabis, the event offered everything from cannabis-infused bath soaks to art classes and yoga. The true potential of cannabis as a wellness tool may lie in this intersection of experience, indulgence, and wellness—a therapeutic tool with a recreational edge.



About the Innovation Group

The Innovation Group is J. Walter Thompson's futurism, research and innovation unit. It charts emerging and future global trends, consumer change, and innovation patterns—translating these into insight for brands. It offers a suite of consultancy services, including bespoke research, presentations, co-branded reports and workshops. It is also active in innovation, partnering with brands to activate future trends within their framework and execute new products and concepts. It is led by Lucie Greene, Worldwide Director of the Innovation Group.

About J. Walter Thompson Intelligence

The Innovation Group is part of J. Walter Thompson Intelligence, a platform for global research, innovation and data analytics at J. Walter Thompson Company, housing three key in-house practices: SONAR™, Analytics and the Innovation Group. SONAR™ is J. Walter Thompson's research unit that develops and exploits new quantitative and qualitative research techniques to understand cultures, brands and consumer motivation around the world. It is led by Mark Truss, Worldwide Director of Brand Intelligence. Analytics focuses on the innovative application of data and technology to inform and inspire new marketing solutions.



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