

Weeding out the confusion about Cannabis Marketing in Canada

Adult consumption of recreational cannabis is now legal in Canada, but most forms of advertising and promoting cannabis products are not. If you're in the Cannabis industry how do you advertise your brand and adhere to marketing regulations? That's the question we're discussing in this post on Cannabis Marketing, as part of our, 'Oh Cannabis' series. If you're a part of the Cannabis industry or you're just curious about what's permitted in cannabis marketing read on...

What is prohibited in Cannabis Marketing?

The federal [Cannabis Act](#) heavily restricts the packaging and advertising of pot. The Government of Canada states that [Health Canada](#) is focused on ensuring the packaging of cannabis products doesn't influence minors. Just like rules for alcohol and tobacco, cannabis companies can't take out print ads, broadcast commercials or use celebrity endorsements, contests or sponsorships to promote their products, or advertise price or distribution.

Specifically, Health Canada states under the [Cannabis Act](#) the promotion of cannabis, cannabis accessories or services related to cannabis are prohibited to:

- Communicate information about price or distribution
- Communicate in a way that appeals to young persons
- Provide testimonials or endorsement, however displayed or communicated (celebrity endorsements are strictly prohibited)
- Provide depictions of a person, character or animal, whether real or fictional promoting the product
- Present the product or any of its brand elements in a manner that evokes a positive or negative image showing a way of life that includes glamour, recreation, excitement, vitality, risk or daring.

Well, that doesn't seem to leave much room for anything else...or does it?

What about packaging of Cannabis products?

This is where you might think a company can be creative, right? Wrong. Packaging of cannabis products are required to have mandatory health warnings and any claim of health benefits are prohibited. Beyond a brand name, no images or graphics are allowed either. Again, the [Cannabis Act](#) states: "Marijuana products must come in plain packaging with a uniform background and cannot contain brand elements that evoke a way of life such as one that includes glamour, recreation, excitement, vitality, risk or daring."

This is much like cigarettes. In a highly visual society this may be a struggle for Cannabis brands trying to differentiate themselves in the marketplace. For better or for worse tobacco had years to do before bans were implemented.

What about social media advertising of Cannabis products?

With conventional advertising largely prohibited, social media is quickly becoming the go to for companies to test messaging. Tweed, the main subsidiary of multibillion-dollar Canopy Growth, scatters its social media profiles with posts in a not-so-subtle indicator of its product. There are limits however. Facebook, Google, and other social media outlets have very strict regulations as it applies to the advertising of drugs or drug-related products—the rules are very strict about displaying cannabis plants or people smoking. According to [CTV news](#), Lift & Co., which hosts cannabis industry events, had its YouTube and Facebook ad account suspended earlier this year for not following the guidelines.

Many companies are pushing the envelope of social media using it to advertise related products or services that don't actually have cannabis in them. One company used Cannabis Crunch as a snack to showcase a box with their logo. Since it contained no cannabis, technically no rules were violated. According to an article in [the Guardian](#), “By getting in early iterations of future products – and ensuring those products don't contain cannabis – companies are able to sidestep advertising restrictions. Instead, by hosting concerts and gallery shows and showcasing early iterations of future products – and ensuring those products don't contain cannabis – companies are able to sidestep advertising restrictions.”

With the new guidelines Health Canada states, the Cannabis Crunch ad wouldn't likely pass regulations.

How do you make your Cannabis brand stand out?

Some companies are getting creative, abiding by the current law as they interpret it. Providing information, not advertising, for instance, or promoting their company, not cannabis. According to Doug Stephens, an expert in retail marketing in a [CTV news](#) article on Cannabis marketing, “Companies are figuring out some work-arounds to packaging and advertising rules, including using augmented reality to bring packaging to life on smartphones with animations, graphics and pop-up information. It's also not illegal to market other products, such as alcohol, as “cannabis-inspired,” even if they don't contain any cannabis at all. That's a way to get a brand name into the market.”

Even those companies might have to change their approach soon. [The Guardian](#) states, “Health Canada officials declined to identify the companies that have been warned, but listed some activities they have engaged in that it considers inappropriate: sponsoring events such as music festivals; engaging in promotional activities at events, booths and pop-up venues; and publishing advertisements about cannabis on company websites and social media platforms. Health Canada says it has issued five warnings to companies since July, ‘requiring that they take immediate corrective measures to bring their activities into compliance with the current law.’”

With Health Canada making changes to the Cannabis Act all the time, it is up to the company to check the regulations. This is why it's important to have an expert SEO marketing team that keeps apprised of the latest advertising, marketing and branding regulations if you're involved in the Cannabis industry. With the industry booming and leading economists projecting sales

upwards of 10 billion per year, it's a worthwhile investment to market your product in a way that will get you customers without breaking the law.

What will happen if a Cannabis company doesn't follow the marketing/advertising guidelines?

Hopefully they look good in orange...

If a Cannabis Company breaks the law under the Cannabis Act, they will need some deep pockets and better look good in an orange jump suit. Penalties for violators include up to \$5 million in fines and three years in jail so it's best to exercise caution.

Are marketing restrictions for recreational Cannabis different from Medical Marijuana?

The advertising restrictions aren't really new for the industry because advertising medical cannabis has been essentially prohibited, with some restrictions. The difference seems to be that the marketing stakes are much higher with recreational use since the industry is going to be so much more profitable.

What can Cannabis Companies do to advertise?

As of this posting, under federal rules, cannabis companies are allowed to use advertising to provide "factual, accurate information about cannabis products," including levels of THC and CBD, along with information that "allows consumers to tell the difference between brands would also be permitted." Fact sheets, informational brochures might fall under this category. (Any promotion will only be permitted where it can not be seen by youth.)

Swag bag?

Cannabis companies can also sell swag such as: T-shirts, hats and bags which may help with branding. Though the Senate proposed banning promotional products that depicted cannabis or cannabis brands it was rejected by the federal government.

Marketing your brand may take time with the new regulations but it's important to adhere to them while broadening your reach. If you need help with your cannabis digital marketing or branding don't hesitate to [contact us](#).