

Business

American Legal Marijuana Startups Target Social Drinkers

By Matthew Sourgoutsidis - January 14, 2018



American legal marijuana startups are working on cannabisinfused wines and seltzers. But they aren't forgetting the appreciation of an old-school joint.

Alchohol companies in the states may have some new competition. With recreational marijuana legal in California and seven other states, legal marijuana startups are targeting consumers looking to ingest a "social intoxicant."

Instead of slamming down a few drinks with friends, these companies are suggesting other more "green" ways to catch a buzz. Why not kick it with some cannabis wine or a pot-infused seltzer? Or maybe you would prefer a pre-rolled joint?

Whatever your fix, these legal marijuana startups are looking to take cues from "Big Alcohol" in the states.

The champagne, cocktail, and scotch of marijuana



Marijuana Cigarettes from Toast Via The New York Post

Toast is a Colorado-based startup co-founded by the former CMO of Budweiser, Chris Burggraeve. It markets two types of cannabis cigarettes. The company says their flagship product is like a cocktail, and their Toast Gold compares to a glass of champagne. There is another line extension named Toast Reserve. This is listed as the marijuana version of Scotch Whisky. Buggraeve says,

"TOAST IS DESIGNED SO WHEREVER YOU WOULD THINK OF ALCOHOLIC DRINKS, YOU WOULD THINK OF TOAST."

This is all due to rapidly shifting perceptions of marijuana in America. According to a Gallup poll, about 64 percent of the U.S. population now wants to make pot legal.

California legalized recreational use on Jan. 1. The industry is expected to balloon up to \$50 billion (U.S.) by 2026, from \$6 billion in 2016, according to Cowen & Co.

Beating brewers at their own game

Los Angles producers spearheading Rebel Coast Wines have taken a different approach to beat "big alcohol". They are going after companies at home. The producers of Rebel Coast Wines have created an alcohol-free sauvignon blanc infused with cannabis.

One with fewer calories and no hangover, Rebel Coast co-founder Alex Howe said:

"WE'RE DEFINITELY FOCUSED ON BRINGING OVER TRADITIONAL ALCOHOL CONSUMERS AND GIVING THEM A BETTER ALTERNATIVE"

The threat that cannabis poses to the \$257-billion alcohol business in North America is real, said

Cowen & Co. analyst Vivien Azer.

He added:

"ALCOHOL AND CANNABIS ARE SUBSTITUTE SOCIAL LUBRICANTS"