SMS MARKETING • DISPOSABLE VAPES • PACKAGING • PAYMENT PROCESSING • POS SOFTWARE • SMS MARKETING • DISPOSABLE VAPES • PACKAGING • PAYMENT PROCESSING • POS SOFTWARE • SMS MARKETING • DISPOSABLE VAPES • PACKAGING • PAYMENT PROCESSING • POS SOFTWARE • SMS MARKETING • DISPOSABLE VAPES • PACKAGING • PAYMENT PROCESSING • POS SOFTWARE • SMS MARKETING • DISPOSABLE VAPES • PACKAGING • PAYMENT PROCESSING • POS SOFTWARE • SMS MARKETING

ASK
THE EXPERTS

WE ASKED FIVE SPECIALISTS TO PROVIDE INSIGHTS INTO ESSENTIAL CANNABIS RETAIL TOPICS TO HELP DISPENSARY OPERATORS ENHANCE THEIR BUSINESSES.

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5 QUESTIONS WITH
JULIA BRIGHT

Offering a line of vape pens, especially disposable ones, can help you attract the more discreet consumer and is a sure sale for tourists. Here, **Julia Bright, Director of Marketing for Wana Brands**, shares insights on how to identify a good disposable vape from a bad one, the innovations being made in the disposable vape market, and more.

1 The vape market seems crowded. Is there room for another disposable vape?
Vapes currently represent 40 percent of all concentrate sales, according to sales-tracking firm BDS Analytics. Wana launched its disposable vape line in September 2018 and far exceeded sales expectations, based on the fact that Wana offers superior oil, state-of-the-art, no-leak hardware and a smooth, delicious taste that consumers love, at a very affordable price.

2 What should buyers look for in a disposable vape?
Consumers' top two concerns are potency and price. Wana Disposable Vapes are made with CO_2 distillate for maximum potency and enhanced with our proprietary blend of botanically derived terpenes for great taste and effect. Additionally, vapes have been getting a bad reputation for hardware failures and complicated buttons and directions. So buyers need to ensure that they are purchasing easy-to-use, no-fail hardware. With Wana Vapes, all you need to do is draw on the mouthpiece (no fumbling around with buttons),

AT WANA, WE INVEST RESOURCES INTO PACKAGING AND POINT-OF-SALE DISPLAYS.

and the battery is guaranteed to work until the last drop of oil.

3 How does packaging play a role in disposable vapes' selection?
At Wana, we invest resources into packaging and point-of-sale (POS) displays. For our disposable vape line, we have two types of displays: one that displays vape packaging and lights up, and another that displays the pen itself so customers can see it. The vape pen has colored epoxy, so it's not a live product, but

people can experience the hardware, feel it in their hands. We also provide marketing materials with every package, including a Vape Tips card that explains how to use and store the product.

4 What are some of the most exciting innovations coming to disposable vapes?
Proprietary botanical blends, terpenes and best-in-class hardware. Wana's disposable vapes are enhanced with 40 proprietary blends of terpenes for delicious flavor and consistent effect. These terpenes are extracted using gentle solvents (steam-distilled) from organic botanicals. The pen is calibrated to vaporize 300 mg of oil at a safe temperature to prevent degradation of terpenes into potentially harmful byproducts.

5 What should dispensaries look for in a brand to stay competitive?
Dispensaries need to have good brand partners that they can trust and that will support them. Wana Brands remains the top-selling brand in Colorado because our products all undergo rigorous internal and external testing to ensure precise dosage and consistency, and Wana provides multi-tiered support with marketing, training, consumer education, POS displays and more. Our dispensary partners' success is our success.

ASK THE EXPERTS:
PACKAGING

5 QUESTIONS WITH
MICHAEL MARKARIAN

If you've ever bought, well, anything, you know that packaging is important. Having an eye-catching product can be just the thing to boost your brand. So here, **Michael Markarian, CEO of Contempo Specialty Packaging**, talks about the packaging trends you should be aware of, the dangers of over-packing your products, how to stand out from other brands, and more.

1 What are some trends in cannabis packaging that dispensaries should be aware of?

There are two main trends in cannabis packaging right now. The first is upgrading from generic packaging options to more beautiful packaging that you would see from brands in other industries. The second is sustainable packaging going mainstream.

2 Is there such a thing as over-packaging?

Yes. When you're creating your packaging, you want to give customers a great experience, but you need to be careful not to be wasteful. You need to consider not only the first time someone buys your product, but also the second, third, tenth and fiftieth times. An over-the-top experience might get old and be considered wasteful. So, smart brands need to be in-tune with consumers' desire not to over-package.

3 Why is packaging so important as competition increases?

The fact that you are selling legal

ASK YOURSELF: HOW DO YOU WANT YOUR CUSTOMERS TO FEEL WHEN THEY THINK OF YOUR BRAND?

cannabis alone will become less differentiated—and we are left in the same environment as any other industry, where either you build a brand, or you will be treated as a commodity and you will be in a race to the bottom. Ask yourself: How do you want

4 How do dispensaries choose between carrying their brands and carrying other brands?

It depends on the state and also the strategy of the executive team. In states where vertical integration is required, we often see brands launching products that share the name

your customers to feel when they think of your brand? Then, whatever that feeling is—be it the most organic product or the most luxurious product or whatever your vision—select packaging that matches that feeling.

of their dispensary and then licensing known brands from other companies to add to their product mix. In states where you can get a retail license only, it will be interesting to see if those dispensaries begin to create private label brands, as we've done for the fashion industry.

5 Do you have any packaging tips for dispensaries that carry other brands?

Consider the long-term viability of your business and how to maximize your opportunity. You've invested a lot to get your license, so how do you make a name for yourself? How do you push the envelope and maximize your opportunity? I would consider creating gift boxes for seasonal holidays, where you feature certain brands in those boxes.

5 QUESTIONS WITH
JASON LeBLANC

MTrac
The Key To Cashless®

The cannabis industry has historically been forced to operate as cash-only businesses, but payment processing technology is emerging to help operators mitigate risk and create a safer environment. Here, **MTracTech COO Jason LeBlanc** outlines how these platforms work.

1 How can payment processing technology like MTrac benefit cannabis dispensary owners?

First and foremost, it creates a safer environment for business owners, their employees, their customers and their community by minimizing or eliminating the need for cash. The transparency and reporting features of a technology like MTrac's also serve as a compliance tool for banks and regulators, which further mitigates the risks associated with cash-heavy operations. Another benefit is increased sales. By offering customers the option to pay with cards, business owners can expect to see a significant increase in sales over average cash tickets, which also means increased tax revenue for state and local governments, creating a truly comprehensive value position for all stakeholders.

2 How is credit card processing legally offered in the cannabis industry?

Cannabis businesses are prohibited from having direct merchant processing accounts, and this is where financial technology comes into play. The industry needs a solution, and there are companies out there trying to solve the challenges that cannabis business owners face every day. Certain closed-loop systems make it possible, but these companies must ensure that they only work with licensed merchants in good standing with state and local governments and that they are able to provide a transparent and audit-ready platform with full knowledge and support from strategic banking partners.

3 What is blockchain technology, and how is it used in payment processing?

Blockchain is a system of record-keeping on distributed ledger technology that forms information in a chain of encrypted blocks. At MTrac, we use blockchain for its record-keeping capabilities, not as a cryptocurrency. On our system, all information related to a sales transaction is recorded on a private ledger, or wallet, giving merchants real-time settlements on the block. Percentage value of each transaction can be coded for distribution to various wallets, so that micro-payments, such as sales tax revenue, can be dropped in real time to wallets of local municipalities or other vested stakeholders.

4 Which features and capabilities should dispensary owners look for in payment processing systems?

Dispensary owners should look for processing systems that can complete efficient transactions that don't require a change in customer behavior. They should also look for a system that is easy to reconcile and/or has the ability to integrate with their point-of-sale platform.

5 What are some common mistakes that dispensaries make when implementing payment processing systems?

Two common and costly mistakes are going with the lowest rate, and miscoding. Business owners need to factor costs and risk into their business model, but the decision on payment processing should be focused on having the support of banking partners, staying above board, and going with an efficient solution that transfers liability away from the merchant. For more information on MTrac, please visit MTracTech.com.

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COMPLIANCE
SECURITY
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5 QUESTIONS WITH
GARY COHEN

When implementing point-of-sale (POS) software at your dispensary, it is critical to use a reliable, cannabis-specific system that streamlines compliance for your operation. Here, **Gary Cohen, CEO of Cova,** explains which features are important, as well as the data points the software should track to help you stay compliant and improve your business.

1 What should a dispensary owner look for in POS software?
The first thing they should look for is a cannabis-specific POS software. If they bought software for a convenience store, it's not going to have the batch tracking or the traceability needed for the cannabis industry, where every single product that you sell needs to be tracked by the state. It will not have the ability to limit sales by THC purchase limits or check the validity and date of an ID.

2 Why are compliance features and system reliability so important?
Because of the scrutiny placed on this industry and the desire to make it legitimate, state governments need visibility into where the cannabis is: from when it was planted, to processing, and ultimately to the retail store. Retailers are accountable for their piece of supply chain, which is accounting for what came into their back door as inventory and what is sold out the front door (regardless of how busy the staff is, or if there was an internet outage). If you can't count on your systems to keep track of every gram of cannabis, flags go up. In our industry, you can't have a bunch of missing products, because the assumption is you either sold it out the back door or someone stole it.

3 Which data points should a POS system track at a dispensary?
Think like a traditional retailer: You'll want to track sales by category, product, supplier and timing by day of the week. Then study those sales and trends by budtender, discounts given, cost, gross margin and profit. You should also ask yourself these questions: What products are selling best in my store/neighborhood? What do I make the most money on? How can I feature those items, and at what time should I feature them?

4 How can retailers use those data points to improve their business?
We have a brand-new industry, so we have limited benchmarks. In cannabis, you benchmark against yourself. So, are we doing better this Tuesday than we've done the past seven Tuesdays? I think the key thing retailers can do with those data points is understand how they are changing week over week and adjust or optimize around them. As you learn, you will make better decisions about buying, merchandising and hiring.

5 What is a common POS software mistake?
No research before selecting a POS. Research the companies to see what their strengths, weaknesses or catastrophes are. You can't afford to be a part of their learning curve when your license is on the line. We also find that more and more customers don't choose a POS company that can provide enough training and support, and then things went wrong. Inventory management, state reporting, a perishable product and a staff new to retail make this a complex business. It's more difficult than the average business, so find a well-qualified and highly capable partner who can help guide you.
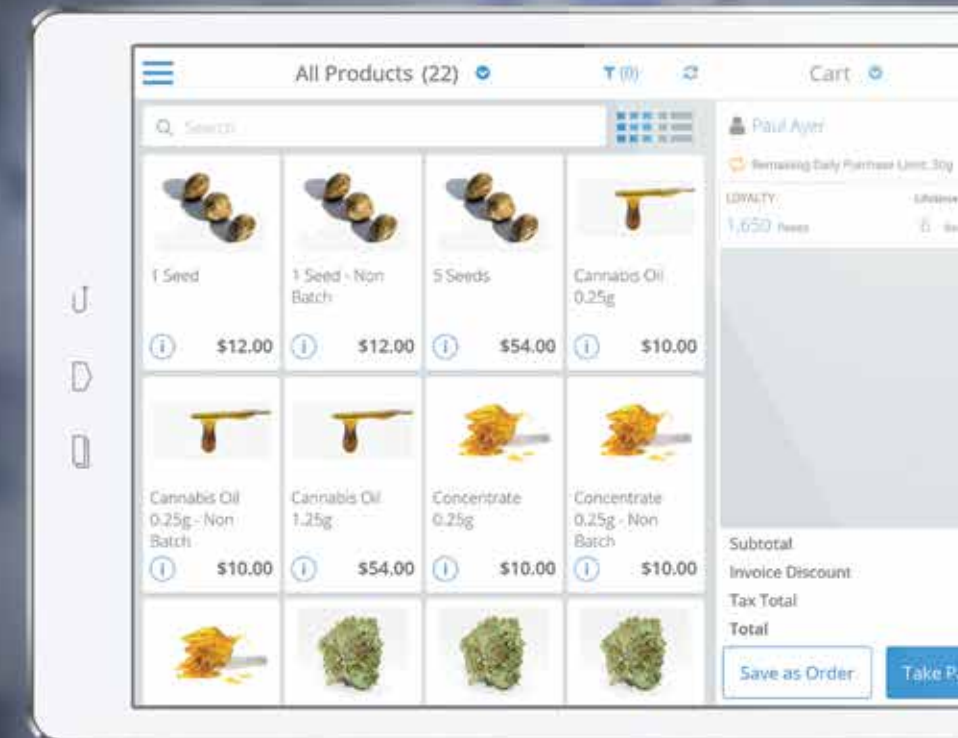
ASK THE EXPERTS:
SMS MARKETING

5 QUESTIONS WITH
JEFF WINAKER

Text messages are some of the most immediate and effective ways to reach customers. So, here, **Jeff Winaker, founder and chief executive officer of Wave Performance**, the holding company for NorthText—which offers SMS text message marketing for businesses in the U.S. and Canada—shares how to make the most of your text-messaging marketing plans.

1 What are the read rates of SMS, and how does it compare to email?
Email read rates are about 15 percent, while SMS read rates are almost 98 percent. Not only are read rates six times higher with SMS, but 90 percent of messages are read within three minutes. Seventy-five percent of Americans rarely have their phone more than 3 feet from them, and this makes SMS the first choice for marketing—even ahead of social media platforms such as Twitter, Instagram and Facebook—when a business is trying to get a call to action to its clients or customers.

2 What are some features one should look for when shopping for an SMS service?
Remember when Twitter increased its maximum message length from 140 characters to 280? Having more space to convey your message is important. When comparing SMS services, make sure to check what the maximum character length of an allowed message is. Many services will allow you to create a message longer than 160 characters—which is standard SMS length—but will charge you after every 160 characters. Some innovative services allow more characters—up to 240 characters, in fact. The user interface should be simple to use, but also allow for two-way communication, attaching images and the ability to forward responses from customers to another phone number or email address.

3 What else can one do with SMS, other than send plain text?
While texting is common in personal and small group-chat communication, it's just taking off as a business tool. Business texting with attached images opens a very impactful channel to convey a compelling and immediate call to action. Adding an image to a text can almost triple the customer recall of the message sent. QR codes and bar codes are easily embedded into messages, giving businesses the ability to track their return on investment in SMS.

4 What are best practices for managing an SMS program?
Always, always, always include your business' name, address—and website, where applicable—hours of operation, and phone number. While all this information takes up character count, it is essential for consistent branding and clear and effective communication with your customers. Spacing within a message is also very important. The less cluttered the message, the more effective and impactful it will be.

5 What sort of technical support should one expect from an SMS software provider?
While SMS marketing software should not be complicated, at some point you will need assistance. The urgency of texting as a method of communicating also leads us to expect immediate customer support. Ask for live support as part of any agreement for SMS services. Some SMS vendors offer it as part of their included service, some won't offer it at all without a minimum volume commitment, and for some, it will require negotiation. At NorthText, we can assist with all these services and more. Please feel free to call or text us at 312-869-9070 or email us at jeff@northtext.com.