Canopy Growth (TSX:WEED) Teams Up with Seth Rogen's Houseplant

Description

The cannabis industry just got more interesting. *Pineapple Express* actor Seth Rogen has founded a new cannabis brand alongside Evan Goldberg, executive producer of the same movie.

Pineapple Express is a 2008 film about a pot-smoking process server (Seth Rogen) and his marijuana dealer (James Franco), who witness a drug-related assassination and must then run from the drug network's hitmen.

Now, the duo have partnered to build a real-life marijuana brand featuring pre-rolled joints and softgel capsules. They named their company Houseplant and partnered with the popular **Canopy Growth** (TSX:WEED)(NYSE:CGC) to market and distribute the product.

Rogen comedically released the following statement: "*Every decision we've made for the business reflects the years of education, first-hand experience, and respect we have for cannabis*."

Of course, the self-proclaimed pot entrepreneur doesn't mind admitting that he enjoys smoking marijuana. And, fans of Rogen already knew that he was no stranger to weed.

Canopy Growth shareholders should celebrate

Canopy Growth stock has been suffering from a downward correction in price after cannabis speculators drove the market price up above its true value.

In the past 52 weeks, the stock has fallen from $68.70 to a low of $26.28. Shareholders who purchased stock at this time last year have lost the majority of their investment. These shareholders can look forward to a rebound if they can take a long-term view of their investment.

Canadian shareholders who have already invested in Canopy Growth and are wondering what to do as their shares fall in value should not let fear drive their investing decisions. Stocks rise and fall every day and the partnership with Seth Rogen is a winning strategy.

Houseplant partnership may be the perfect competitive advantage

The partnership between Canopy Growth and Houseplant may prove to be the competitive advantage Canopy Growth needs to beat out **Aurora Cannabis** (TSX:ACB)(NYSE:ACB) on market share.

Aurora Cannabis and Canopy Growth are each other's primary competitors. They have implemented similar business development strategies in an effort to make the best use of their positions as first-movers in the pot industry. As first-movers, these two cannabis corporations have an opportunity to build rock-solid brand loyalty.

Second-movers and slow-growing pot stocks will have some trouble overcoming their handicap in the race for cannabis profits.

Aggressive growth strategies capture the spotlight

Aurora has been pursuing an aggressive growth strategy to capture market share much like Canopy. The smaller pot stocks have instead made a point to grow more slowly and have thus reported higher profit.

Canopy Growth has been assertive even toward smaller pot enterprises; the company likes to make exciting announcements on the day major competitors like **Aphria** and **Cronos** report earnings results.

Canopy Growth's competitiveness is part of the reason why this stock was overcome with so much investor enthusiasm. The stock captivated shareholders as it reported ever more exciting investments.

Now that it is coming down from a bubble, individual Canadian investors who took the risk on Canopy Growth may be concerned. I don't there's any need to be concerned about Canopy Growth as long as Seth Rogen is in their corner.

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