



Will Canopy Growth Corp. Become the Nike Inc. of the Recreational Marijuana Market in Canada?

Description

The power of branding

When you think of the athletic equipment and apparel market, chances are the first company that comes to mind is **Nike Inc.** ([NYSE:NKE](#)). This is no accident or coincidence! Nike has spent billions of dollars maintaining and strengthening its brand image. The company does this through endorsements, cleverly placed sponsorship deals, and by acquiring or partnering with other strong brands, such as **Apple Inc.** with Apple Watch Nike+.

Canopy takes a page from Nike

Canopy Growth Corp. ([TSX:WEED](#)) seems to have looked to Nike for inspiration on how to create a powerful brand. Canopy has arguably spent more time and money than any other Canadian LP trying to create a strong brand.

When compared to other LPs, such as **Aphria Inc.** or Organigram Holdings Inc., Canopy has acquired significantly more notable brands to add for its portfolio and overall brand image. Canopy is essentially doing what Nike has successfully done for years, by partnering with other strong brands (Leafs by Snoop) and buying existing brands, such as Mettrum.

This aggressive branding strategy has put Canopy in a great position going forward and has enabled the company to claim the largest customer base of all Canadian LPs.

Closer look at Leafs by Snoop

Canopy partnered with Snoop Dogg last year in an agreement that will allow Canopy to sell three varieties of Leafs by Snoop as well as the ability to have exclusive use of some of the company's brands and content.

The whole idea of this partnership, from Canopy's point of view, is that it is aligning its brand with Snoop's. Canopy is creating an emotional tie with Leafs by Snoop and, in turn, an emotional

relationship with Snoop's fan base, which currently sits at roughly 17 million based on **Twitter**.

Snoop Dogg is arguably one of the most culturally significant pop figures that exists when talking about marijuana. To have the ability to partner with a brand that has the cultural power that Leafs by Snoop has, not to mention the Twitter following, is a big advantage to Canopy's overall brand image.

What if only plain packaging is allowed?

Much talk has occurred regarding the topic of plain packaging, or a total lack of ability for LPs to brand and market their products. Many of the top LPs have already begun lobbying the government to allow some sort of marketing/branding on packaging. If the government, in fact, does allow LPs to visually market their various products on packaging, I would argue that Canopy is, by far, positioned the best.

If the government chooses a model in which only plain packaging is allowed, then Canopy may have wasted a lot of time and money trying to create a culturally relevant brand image. Imagine sports shoes that can't be placed in bright, flashy, attractive packages, that can't be endorsed by celebrities online, and that can't be marketed and promoted on television. In this case, would anyone care if the Nike checkmark was on a shoe? Probably not.

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