

Let's Go Shopping! The Impact of Liquor and Cannabis on the Retail Market

Top Ten Takeaways

- 1. Know your State's Rules and Regulations.**
Liquor and cannabis are both heavily regulated on a state by state basis. Knowing your state's rules and restrictions is key.
- 2. Have a Compliance System In Place.**
Cannabis and liquor are both age restricted products that must be sold in a responsible manner. Have a compliance training program that addresses responsible sales and other state or local restrictions.
- 3. Beware of Ambiguities.**
The liquor and cannabis industries are heavily regulated. Be prepared for ambiguities in the rules and restrictions.
- 4. Marketing Products Properly.**
While a number of restrictions exist on the ability to market liquor products cooperatively amongst manufacturers, distributors, and retailers, no such restrictions currently exist in the cannabis market.
- 5. Do your Diligence.**
Knowing state and local municipality rules and restrictions on the locations of cannabis and liquor retailers is an essential part of the due diligence process.
- 6. Customer Demands Continue to Evolve.**
Be prepared to evolve with those demands.
- 7. Children.**
As can be expected, a common theme amongst alcohol and cannabis regulation and standardization aims to keep these products out of the hands (and minds) of children. This is manifest in packaging, time/place/manner, and advertising restrictions.
- 8. Consumer Protection.**
The patchwork of state regulations surrounding alcohol with limited federal oversight appears to be the forthcoming model for consumer protection in cannabis, but federal policy change (both with hemp and marijuana products) will dictate this progress/pattern.
- 9. Post-Prohibition.**
The legal and regulatory patterns that led to the end of alcohol prohibition and the post-prohibition commercialization of alcohol are instructive as to how cannabis legalization (when, not if) will roll out in the U.S. from a business planning and risk assessment perspective.

10. **Merging of Worlds.**

As alcohol went from a maligned substance during prohibition very quickly to mainstream in the U.S. post prohibition, so too will cannabis use. The merging of these 'worlds' is inevitable. And how can industry participants lead the charge from the commercial side?

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