

Learning to Develop a New Industry – Cannabis, with Competitiveness Edge

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Abstract

A new Cannabis-based industry is filled with both challenges and opportunities. By being new, it needs the active participations of the different stakeholders and consumers, including the policy makers, to engage in value co-creation. This study exploits the netnography of YouTube and the available Cannabis publications to suggest a framework for involving the stakeholders in the Cannabis industry ecosystem. Although the study is exploratory in nature, the structural architecture of the framework is well-integrated with the theoretical-empirical bases of the existing literature. The framework shares the ABC (Antecedents – Behaviors – Consequence) typographical structure, which provides a vivid cause-and-effect linkage comprehension to induce the understanding and participations of the stakeholders. The paper is particularly aimed to establish the competitiveness edge, which signifies the ability of the industry to sustain the continuing increase of expenditures and the performance consequences, such as market and industry positioning, and quality of life of Cannabis users.

Keywords: Cannabis, Industry, Competitiveness, YouTube, ABC model.

Introduction

Cannabis is commonly known as marijuana, which is a flowering herb (Bostwick, 2012), and has long been recognized of its medical treatment functions, such as in treating “neuralgia, gout, rheumatism, tetanus, hydrophobia, epidemic cholera, hysteria, mental depression, etc.” (Wood and Bache, 1851” 311). Even today, Cannabis is claimed as a

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wonder drug that can treat various health problems such as asthma, autism, insomnia, Parkinson's and cancer (Paulo and Woo, 2014). By nature, cannabis is also a pleiotropic substance (Pacher and Ungvari, 2008), which opens up continuing new opportunities and possibilities for commercialized uses, whether for medical, cosmetics or alternative purposes.

Although Cannabis has many inherent medical and commercial potentials, hurdles and challenges dealing with legality remain (Roberts, 2014; Muller, 2015), and thus, to develop the Cannabis industry, it is important a systematic effort, that integrates the perspectives of Cannabis consumers and industry's stakeholders, including the policy makers and laboratories, is committedly planned and executed. In doing so, it will gradually impact the knowledge, shape the attitudes and shift public opinion, and as discussed in Bone and de Hoedt (2018), will eventually lead to political legitimacy to the Cannabis reform process.

In this study, the objective is set to review the literature, and use it as a guideline, and exploit the available YouTube information, to suggest what we can learn to develop a new Cannabis-based industry, with competitiveness edge. This study, though in exploratory nature, is beneficial, as the market potential is vast and is still emerging. In Yeoh (2020), it is shown that the European cannabis market is forecasted to grow to Euro 123 billion by 2028, which is more than two times Apple's 2018 revenue and larger than Ukraine's GDP. Besides, judging from the literature review, generally, the applications of Cannabis in business and industries draw relatively lesser attention than its deployment in medicine and recreation (Davies, 2019).

To accomplish this objective, this study acknowledges the fundamental basis of industry development as follows: Only that the Cannabis product-market features and potentialities, and their legalized context are mastered, the marketers would not have the legal platform to play their roles, which would further constrain the development pace of the Cannabis industry (Whitehill, Trangenstein, Jenkins, Jernigen, and Moreno, 2019).

In the meanwhile, Cannabis festivals come to a convenient assistance serving to accelerate the development of the industry. Skliamis and Korf, 2019) discuss that Cannabis festivals can be used for either political protests against Cannabis prohibition or commercial fairs dominated by entrepreneurs in the Cannabis industry. The YouTube provide many



cases of such Cannabis festivals, which show that nations with well-developed Cannabis industry would tend toward the commercialized version of festivals, and further, induce more technological creativity and product innovation. In essence, Cannabis festivals serve as “social gatherings organized by civic society movements, where people congregate to oppose Cannabis prohibition and advocate Cannabis law reform” (Skliamis and Korf, 2018). In purpose that aims to develop the new industry, Cannabis festivals should be established to embrace wide social representation and phenomenon (Skliamis and Korf, 2019). Rogers and Anastasiadou (2011), on the other hand, caution the vulnerability to over-commercialization in using Cannabis festivals.

Method

Cannabis-related research in the disciplines of socio-business context is still in infancy, partly as a result of its illegal characteristics, and even in legalized nations, many marketing activities in relation to cannabis are still banned (William and Wright, 2019). Thus, the limitations of consumptions and the lacking of markets lead to the infeasibility to approach response-able samples (Whitehill, Trangenstein, Jenkins, Jernigan and Moreno, 2019). In this regard, many socio-business oriented research papers are actually exploratory in nature, and covers some future scenario, for instance, that aims to encourage dialogue and critique at a time when attitudes to cannabis are still emerging (William and Wright, 2019). Though the research state is in infancy, various nations like Israel and some parts of USA have gained some impressive progresses to help shape the development of Cannabis industry. Towards this end, this study exploits the available online data, in particular, the YouTube, to help lay a groundwork for Thailand to learn to develop a new industry – Cannabis, with competitiveness edge. By industry, it would involve the regulations and guidelines, business opportunities and challenges involved in cultivation, extraction, retail, export, and import (World Law Group, 2020, October).



Results and Discussion

The YouTube observations lead to suggest Figure. 1 as a feasible “new Cannabis-based industry development” framework to guide the Cannabis ecosystems development. Specifically, Figure. 1 shows the necessary integrated set of factors, consisted of the interrelated “innovation, laboratories, technology for productivity and product possibility, Cannabis education, and national policy and regulator’s active support”, as antecedents to the mature formation of the new Cannabis-based industry. The latter is characterized by the centralized systems of differentiated activities known to consist of “value-chain, value-network and AI- and clinical supportive ecosystem development, entrepreneurship and new startup, Cannabis competency profiling, and Cannabis festivals”. These centralized industry competencies and systems of activities, of competitiveness edge, would eventually deliver a set of performances to the industry, such as the “industry and market positioning, brand positioning, quality of life, national health level, and medical Cannabis tourism”.

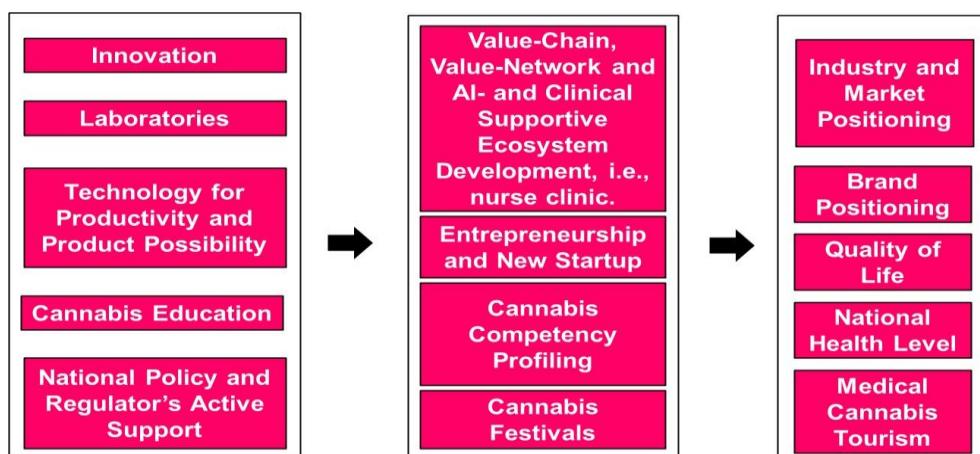


Figure. 1. Cannabis – National New Industry Development Framework

Competitiveness edge of an industry is realized when the efforts of the industry can sustainably lead to increase expenditures (Lusticky and Stumpf, 2021). By stimulating and supporting innovations, not only in products, but also in technologies, processes and administrations, value-chain performances are greatly improved (Szalpka, Stachowiak, Batz, and Fretsch, 2017; Buciuni and Pisano, 2021). Nevertheless, for Cannabis, as the relevant laws are still evolving (Emanuel, Haughton, and K’nife, 2018), the value co-creation and co-enabling relationship with the national policy makers is necessary (Dioun, 2018). Examples of



the innovation are shown in Figure. 2 for the Cannabis-fed pigs and the corresponding establishment of new themed restaurant, and the creation of various value-chain entities such as the nurse clinics in Figure. 3.



Figure. 2. Cannabis-Fed Pigs and New Themed Restaurants

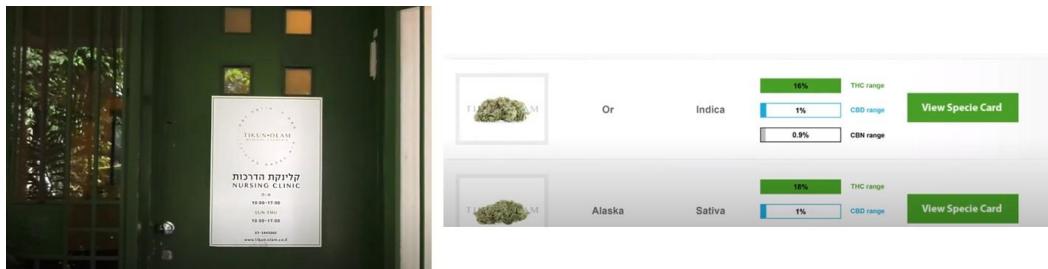


Figure. 3. One-on-one nurse clinic providing cannabis-based personalized treatment (i.e., informative and educational consulting, to find the right strain and the right dose).

With the legalization support, Cannabis innovation can be further accelerated, such as in areas of modern cultivation practices (Chouvy and Macfarlane, 2018), Cannabis testing devices, as shown in Figure. 4, and the varieties of vaporizing pocket-size devices made specifically to adapt to the specific requirements of the users, as illustrated in Figures 5 and 6. In addition, it is also expected that with the availability of supporting innovative products in the markets, scopes of new venture ideation and the entrepreneurial participations would



be increased significantly, and this phenomenon is observed in Warnick, Kier, LaFrance and Cuttler (2021) for Cannabis.



Figure. 4. Cannabis Mobile Non-destructive Testing Device



Figure. 5. Vaporizing Device for Curing Insomnia



Figure. 6. Digital Tracking for Different Cannabis Medical Product Strains



Lastly but not least, through Cannabis festivals organization, as shown in Figure. 7, a broad social conversation and phenomenon involving Cannabis (Sliamis and Korf, 2019) can help develop the ecosystem of Cannabis experiences, leading to unique brand positioning (Gilstrap, Teggart, Cabodi, Hills and Price, 2021) for Cannabis.

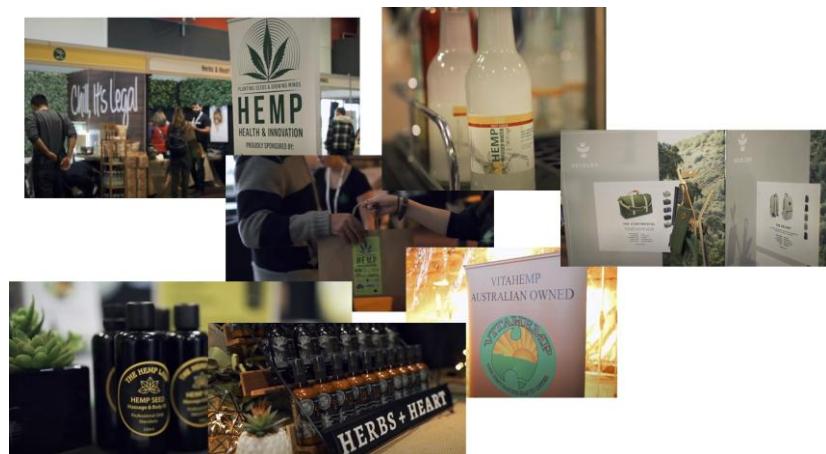


Figure. 7. Australia's Largest Hemp Event

Conclusion

Realizing the infancy state of the socio-business issues of Cannabis in the existing literature databases, this study exploits the netnography of YouTube (cf. Linsenmeyer and Schier, 2019), and together with the literature, to guide how a new industry such as Cannabis can be developed with the aim to create competitiveness edge. YouTube is effective in helping the researchers to explore for possible depths and scopes of phenomenon studied, and thus, can contribute to a better understanding of Cannabis experiences. Bosom and Medico (2020) rely on YouTube to gain the trans experiences of patients in hormone therapy with testosterone. Based on the YouTube observations, and with the supports of the literature reviews on the related themes found, as shown in Figures 2 to 7, a framework that pertains to developing the new Cannabis-based industry is suggested, as depicted in Fig. 1. The framework shares the typographical structure of the so-called ABC (Antecedents – Behaviors – Consequence) framework that has been proven of usefulness to understand complex business and social issues, and medical problem areas (Lanovaz, Argumedes, Roy, Duquette, and Watkins, 2013), and in competitiveness factors study (Zhang, Lee and Zhang,



2016). It is hoped that this framework would serve as a groundwork to stimulate the interests and draw the industry players closer to co- develop the Cannabis industry, towards creating uniquely differentiated positions in the Cannabis industry and the markets for Thailand.

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