



Impact of Unethical Cannabis Marketing and Its Legal Status on Albanian Consumers

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Abstract

The purpose of this paper is to study how different marketing strategies regarding cannabis products can affect the buying behavior of consumers in a developing country like Albania, where cannabis cultivation, production, and marketing of its by-products are still prohibited. Primary data have been collected through a structured questionnaire distributed to a population residing mostly in Tirana, but also in Kosovo and the Republic of North Macedonia, made up of students as well as young and middle-aged professionals of different fields. This sample has been chosen to study if people from countries with a legalized cannabis market tend to be more affected by cannabis advertising and consequently to use more cannabis products, as well as the risk of a negative impact of massive advertising on abusive use of medical and recreational cannabis among different age-groups of the society, especially the most vulnerable ones. To evaluate the data, a regression analysis has been used, which showed that unethical marketing practices in advertising cannabis for recreational and medical purposes do affect considerably sales of these products among citizens. The findings are important to help compile the relevant legislation regarding the marketing of cannabis for these purposes, to adapt to the consequences of possible future legalization.

Keywords: cannabis legislation, advertisement, sales, legalization

1. Introduction

This paper investigates the impact that legalization of cannabis for medical purposes and/ or decriminalization of recreational cannabis (here on called "legalization of cannabis products") might have on advertisement exposure of such products and their use in the Republic of Albania. The objectives are to identify the actual legislation on cannabis in Albania and some other Balkan countries, such as the Republic of Northern Macedonia and the Republic of Kosovo. It will be also presented a general picture of ethical marketing and advertising. The positive and negative sides of advertising recreational and medical cannabis will be presented to compare our potentials and local issues to the ones of

other countries which have faced it or are still facing the insecurity of the impact of massive advertising in the abusive use of cannabis by-products, complications and exemptions related to this process. Such important changes in the legislation of a country, which are connected directly to its health and social aspects, need to be implemented with vigilance and not be seen primarily as a means for economic benefits of private companies or increase of the state budget. As the need for cannabis products increases worldwide (Market Research Report, 2021), also the need for more social awareness about its effects and uses is growing (EMCDDA, 2021). This process needs to be accompanied by social enlightenment and maturity in dealing with the freedom to use cannabis for these purposes. This paper studies why it is important to study priorly the way marketing and advertising of such products impact their sales, to avoid an abusive use, and how responsible marketing and the actors involved in this process from the business side to the regulatory part, play a major role in here. This section will be followed by the literature review, which will present the actual state of the literature regarding unethical marketing strategies, different types of advertisements in the pharma industry, especially in countries where advertisements (hereinafter shortly called "ads") of cannabis products are allowed, the actual legal state of cannabis use in Albania, and considerations of possible legalization of cannabis for medical and recreational purposes. The paper aims also to reveal these trends, mostly from the perspective of Albanian consumers in Albania, but also other countries, especially of some countries in the USA with a long history of legalization and well-established respective legislation. Methodology, analysis, results, and recommendations will follow, giving a scientific picture of the actual consumer protection importance of these issues for the region and especially for Albania, where it lacks scientific research in this field.

2. Literature Review

The main research question concerning this work is to find out whether, due to legalization and/or decriminalization, being exposed to massive advertising of cannabis, especially in an unethical way, would increase the sales of cannabis-based products.

One of the main reasons for success for product sales is marketing, whose importance is increasing more and more nowadays, especially as technology advances (Kotler, P. 2002). Therefore, marketing strategies matter but depending on the type of product and on the impact their use has on the population, especially the most vulnerable part of it, it is of crucial importance to find out which strategy suits most for the given product types. When it comes to cannabis, public health is an important aspect to be taken into consideration, therefore do exist a lot of reasons for the limitation of marijuana use not only by minors but also by adults (NIDA, 2014). This leads to considerations of limiting the advertising of cannabis products. This paper is going to discuss how the legalized markets expose consumers to cannabis advertising, and how this exposure, especially the strategy of mass advertising of cannabis products, increases their use and sale. According to Kotler (2012), marketing can be also shortly defined as meeting human and social needs profitably. But because meeting these needs may cause effects not only to the company and to its clients but also the society, marketers must keep in mind *inter alia* the ethical side of their activities. This role of marketing is fulfilled using communication tools such as advertising, which involves communicating the value of the company or the brand through paid media to give information, to persuade but also to remind consumers of the products or services (Kotler, 2017). Kotler also stipulates that in this communication process of values, a major role plays the word of mouth, which includes the impact that personal words and recommendations of trusted friends, family members, etc. have on the buying behavior of clients. Throughout the world there do exist different communication channels for cannabis products, such as among others retail stores and online sales in Canada and mostly retail cannabis stores in the US (World Drug Report, 2021), budtender culture in some US states (Pelper, N.C. 2017), or legal and illegal stores of different kinds in Canada (Mahamad, S. et al, 2020), an online black market in the US (Decay-Hetu, D. et.al, 2018), Dutch coffeeshops (MacCoun, R.J. 2011), etc.

The Republic of North Macedonia ("RNM") has legalized cannabis for medical purposes since 2016 (Marusic, S. J., 2021.), whether in the Republic of Albania (hereafter called "Albania") according to Law No. 7859/2020 on the "Criminal Code of the Republic of Albania" the production and sale of narcotics are punishable by imprisonment.

Moreover, under Law No. 97/2013 on "Audiovisual Media in the Republic of Albania", pharmaceutical and medicinal products cannot be advertised via audiovisual media. However, according to the Law on "Narcotic Medicaments and Psychotropic Substances", it is forbidden only the advertisement to the public of Hashish straw concentrate, not of cannabis products. In some other countries of the world where cannabis for medical and/or recreational purposes has been legalized, advertisement often does exist, but the marketing of these products is not always easy for the companies. Canada has its own general Marketing Code of Ethics & Standards and other specific

Marketing Guides about specific products and services, including Cannabis (Canadian Marketing Association, 2020). While in the USA, limiting cannabis use for public health faces the Supreme Court’s interpretations of the constitutional protection of the commercial speech, therefore also advertising (Jacobs, 2017). According to this review, not only cannabis companies but also broadcasters are often careful in allowing cannabis ads, because of difficulties stemming from Federal Illegality. Media companies too, avoid giving ad spaces to the cannabis industry, whether social networks like Twitter, Facebook but also Google do not allow advertising of marijuana (Oxenford, 2016).

Higher rates of advertisement awareness were associated with greater cannabis use in US states with a legal cannabis market, according to a study conducted by Rup, J., Goodman, S., and Hammond, D. (2020). Based on the above research, one can hypothesize that the legislation of the correspondent jurisdiction is important in being exposed and noticing cannabis advertisement and consequently also the decision-making process regarding buying cannabis products. There is enough evidence for the following research hypothesis to be examined:

Hypothesis 1: A legalized cannabis market expose people to more cannabis advertisement such as on TV, or the internet, and consequently increases sales.

Unethical marketing in the cannabis industry is the other issue studied in this paper, to precede possible legalization and decriminalization in the future in Albania. Ethical marketing practices regarding medicinal and recreational cannabis mean that this promotion should not surpass the ethical and legal requirements (Freudenberg, Hemp, 2021).

According to the Law on Audiovisual Media, telecommunications of a commercial nature in Albania should avoid moral or physical damages on minors. There does also exist a Law on Protection of Consumers in Albania, which rules general aspects of publicity of products and services to protect the public from unfair practices. Under the US Federal Trade Commission Act, claims in advertisements must be truthful, they cannot be deceptive or unfair, and must be based on evidence, with special provisions regarding, health claims, online marketing, children, etc. (Federal Trade Commission, 2021). Nowadays there do exist specific rules on Cannabis Advertising in different US American states with a legalized cannabis market whether for medical and/or recreational purposes, such as: in California, no ads in front of an audience of under 21 years elders are allowed, nor do free contents and giveaways, mascots or cartoon characters, or ads on billboards within 15 miles of the out-of-state borders; in Colorado cannabis companies cannot use online pop-up ads, leaflets and similar, with possible exceptions for over 21 years of age, no minor’s attraction is allowed, nor ads out of state, especially by youngers, is allowed, and no glorification of cannabis as a hobby; in Washington are not even buds and leaves allowed to be used in ads, etc. (Parker, 2021).

Another good example of how to norm these aspects is the Cresco Lab’s Standards on responsible advertising and marketing, representing principles that help in self-regulating the advertising and marketing efforts of the company (Cresco Labs, 2020). This literature review gives enough evidence to raise the following hypothesis:

Hypothesis 2: Unethical marketing practices affect sales of cannabis products, such as medicine, cosmetics, its recreational forms, etc.

The conceptual framework for this study is as follows:

Cannabis market legalization (Country of origin)
↓
1. Advertising exposure of cannabis products
+
2. Sales of cannabis products
Unethical Marketing
(Ads targeting under legal aged; ads of under quality products; ads praising side effects; ads with no warnings & recommendations)
↓
Affects sales of cannabis products

Table 1: Conceptual Framework

3. Methodology

It was used a qualitative research method in this study. Primary data were collected through an online questionnaire used to obtain responses on the influence of cannabis legislation on advertising exposure and on the consumption of cannabis products by the targeted respondents, as well as the influence of unethical marketing on the use of these products.

Regression analysis and correlation using SPSS were used to analyze the data. To identify the two independent variables of the first hypothesis, they were numbered 1.1 for advertisement exposure and 1.2 for use of cannabis products. To understand the composition of the independent variable of the second hypothesis, it was presented through: Ads targeting under the legal age, ads of under quality products, Ads praising side effects, Ads not including warnings and recommendations.

As cannabis is still not legalized in Albania, questions include the possibility for the respondents to describe their experience in other countries as well.

As secondary sources, where the hypothesis was based, were used mainly the Albanian legislation on marketing and trading rules, as well as consumer protection and criminal law on cannabis legalization. A general picture was given also on the legislation on marketing rules and ethics of advertising cannabis products in Canada and the US, because of their consolidated practice in this area, as well as on the international research panorama regarding cannabis marketing and legalization.

The questionnaire was distributed to 500 people, mainly from Albania, but also from Kosovo, the Republic of North Macedonia, and a few of them living in other countries of the European Union. For the distribution, it was used the social network Facebook, but also other electronic communication means like WhatsApp, Viber, and emails.

The questions were self-designed based on the above-mentioned hypothesis. They were priorly consulted with a pilot group to test their validity regarding similar or redundant questions. After their evaluation, some of the questions were reformulated to better build up variables. The questions are used to examine separately the marketing of cannabis products in legalized markets or in potential legalization markets in the future and ethical marketing of cannabis products. They were measured using the Likert Scale.

4. Results and Analysis

Of the 124 respondents, the majority come from Albania (70,2 %), then 18,5 % from the Republic of North Macedonia, followed by Kosovo, and other native Albanians living abroad or foreigners. The respondent's age is 41-60 by 41,9 %, followed by 27,4 % aged 22 – 29, by 21 % aged 30-40 and 8,9 % the youngsters aged 18-21, whether over 60 years old is a very small part of them. 41,1 % possess a master's degree, 39,5 % a bachelor's degree, 14,5 % possess a Ph.D. or a higher academic degree. 10,5 % of them are unemployed, 10,5 % work as a freelance, almost 40 % of them are full-time employed, a few work part-time. Almost half of the respondents are married, 21 % have children, 31,5 % a single, 12,1 % are in a relationship, 3,2 are living together and 2,4 % are divorced. Regarding their income 46 % earn 301-700 Euros a month, 21 % 701-1.500 Euros, 20,2% over 1.500 % and 12,9 % less than 300 Euros.

Regarding the dependent variable for the first hypothesis, 64,5 % of the respondents were never exposed to cannabis advertising. These respondents though were from Albania, which has a non-legalized and a non-decriminalized cannabis market. In the case of people from the Republic of North Macedonia, where there is a legalized cannabis market for medical purposes since 2016, there are more respondents who have chosen TV ads, online pages, or restaurant fronts as info sources of cannabis products, whether people from Albania have been influenced by word of mouth in their decision making about these products, which implies the presence of an illegal market. Moreover, the respondents have seen more ads originating from the EU countries, Canada, and the USA, where the cannabis market has been legalized in several states since 2011. These results though, do not imply full support for the first hypothesis, that the legislation of a country regarding cannabis (independent variable) influences the ads exposure on cannabis products and on their consumption/use. As it can be seen in the table below, the coefficient for the independent variable is 0.371, which means an increase with one unit in the independent variable Cannabis Legalization, increases advertisement exposure by 0,371 units, but it loses its importance, as the Sig. Value is above 0.05 showing a security level of less than 95 %. On the other hand, it shows a low standard error, but also a low t-value of 1.359 which indicates low confidence of the coefficient as a predictor.

Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
Constant	4.088	.584		7.001	.000
Cannabis market legalization (Country of origin)	.371	.273	.122	1.359	.177

a. Dependent variable: Ads exposure

Table 2: Coefficients Hypothesis 1.1

Regarding the dependent variable for the second part of the first hypothesis on the consumption of cannabis products in the form of medicine, supplement, cosmetics, and/ or narcotics, most of the respondents (74,2 %) choose never to have used such products in their life. The table below shows a very low coefficient of 0.100 and a high Sig. value of 0.588, being statistically insignificant.

Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
Constant	4.010	.394		10.187	.000
Country of origin (cannabis legislation)	.100	.184	.049	.543	.588

b. Dependent variable: Prior use of cannabis products

Table 3: Coefficients Hypothesis 1.2

Regarding the second hypothesis, many respondents who have been exposed a little or moderately to unethical ads on cannabis products, belong to the ones who have used cannabis products priorly in their life. The percentage of those who would be very much affected by unethical marketing in the future is 7,3 % and of those moderately affected is 16,9 %.

Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	4.828	.344		14.046	.000
Ads targeting under legal aged	.751	.241	.325	3.116	.002
Ads of under quality cannabis products	.177	.300	.064	.591	.556
Ads praising side effects	-.255	.369	-.085	-.690	.491
Ads not including warnings & recommendations	-1.147	.280	-.489	-4.097	.000

a. Dependent variable: Prior use of cannabis products

Table 4: Coefficients Hypothesis 2

The table of coefficients, in this case, shows that the independent variable “Ads not including warnings & recommendations” negatively affects the dependent variable “Prior cannabis products use” by 114.7 %, with a 0.000 Sig. value indicates a high statistical significance of the variable, which means that increasing ads with no warnings on side effects and health recommendations with one unit, will decrease the sales of cannabis products by 114.7 %. The standard error of 0.280 is low and the high absolute value of t value (-4.097) indicates high confidence in the coefficient as a predictor. The hypothesis is also supported by the other independent variable “Ads targeting under-aged” which affects the dependent variable by 75.1 % showing a strong connection with a P-value of 0.002. An increase by one unit of the independent variable of advertisement targeting groups under the legal age or ads regardless of the targeted age of the audience increases by 75.1 % the sales of these products. Its t-value of 3.116 indicates great confidence in the coefficient as a predictor. Even the standard error of 0.241 demonstrates acceptable reliability for the assessment. Therefore, the second hypothesis stands partially, namely, advertisements targeting underaged and ads not including warnings on side effects and medical recommendations do significantly affect the sale of cannabis products, where the first one affects them positively, whether the second one negatively.

5. Discussions and Conclusions

Regarding the legalization status of cannabis production, sale, or use in the sample countries, due to the limited number of respondents from RNM (18.5%) which is a country with a legalized medical cannabis market, the results of the study show that this does not affect their advertisement exposure or the buying behavior of the respondents. Since most of them were from Albania, a country with an illegal cannabis economy, people might not need any conventional marketing for cannabis products, since word of mouth works well too, therefore it is very difficult to identify the real sources of marketing for the respondents who use cannabis products in Albania and therefore also the real reason of their use. Also, regarding the impact of unethical advertising, the major limitation in this study is the absence of advertising of these products in Albania because they are not legally traded there. For this reason, the questions were designed to collect information also the access that Albanians residing in Albania have on information had to be collected from other

countries, from the experiences of Albanians abroad and from foreign TV channels as well as internet pages/social networks too, but the number of the respondents from abroad was also very small to be taken in consideration. On the other hand, it is worth mentioning that access to drugs is easier than ever through the possibility to buy online, making the drug markets on the dark web worth some \$ 315 million annually (World Drug Report, 2021). People in RNM, as in many other countries of the world including the Balkans, might have been influenced by online marketing even before legalization (of medical cannabis), even though buying might be limited by local entrance border restrictions due to legislation issues regarding cannabis use and trade.

The results showed that unethical marketing including advertisements targeting users under the legal age, as well as ads that do not include warnings about side effects and medical recommendations, influence the most sales of cannabis products. This shows a great impact of unethical marketing on sales, which in this case indicates an increased awareness of consumers on side effects and medical recommendations about psycho-social effects of these products, but it also shows the impact their marketing has on consumer behavior, unfortunately regardless of the age. As mentioned above, in the case of recreational cannabis products, more attention must be paid to the public because of its dependency risk. The Albanian legislation until now allows ads of cannabis products, except for Hashish straw and it does not further regulate this matter. If in the future, cannabis will be legalized and decriminalized, there should be introduced legislation that rules the marketing of these products too, to minimize the effects on the population. Therefore, due to the virgin market in this field, it is important that small step policies are undertaken before such advanced actions, such as advertising or promotion of cannabis for recreational and medical purposes, are implemented.

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