The 'Priceline of Pot' connects consumers to the deals

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Partners Kurt Rossner and Mark Breen founded Greenwood Village-based Leafbuyer in 2013 as a way to connect marijuana consumers in 26 states to the best deals. Photos by Peter Jones

Two nonsmoking 'soccer dads' find niche in Greenwood Village

BY PETER JONES

NEWS EDITOR

Searching out the best hotel rates and airfares online is nothing new—and now a Greenwood Village-based internet marketing firm has taken the Priceline model to marijuana.

"Our job is to match the cannabis consumers with the dispensaries and show them the menus, the deals, the offers," explained Kurt Rossner, CEO for the publicly-traded <u>leafbuyer.com</u>. "We have the largest cannabis-deals inventory in the country."

Let's say a legal-marijuana consumer is looking for the best price from a convenient south metro retailer. A simple and quick search on Leafbuyer will generate a list of comparables, including prices and special deals only available to Leafbuyer visitors.

"If you're looking for a specific strain, you put that strain in there, number of ounces, you filter Colorado. It will profile it in a map. You can scroll down and look at videos of the store, menus,

Our job is to match the cannabis consumers with the dispensaries and show them the menus, the deals, the offers. - Kurt Rossner, CEO Leafbuyer.com

The experience is much like plotting a vacation on Priceline or Trivago, minus the actual transaction—though the consumers may use an applicable Leafbuyer coupon to get the best deal when they physically visit the dispensary that best suits their needs.

Like the travel sites that serve as a sort of template for Leafbuyer, the site may have particular application to vacationers, with the growing advent of so-called marijuana tourism to states that have approved legalized-marijuana systems.

"If you live in Denver and there's a dispensary around the corner, do you need Leafbuyer? I would like to think that you would," Rossner said. "But if you're coming here from Sioux City, lowa, you don't know anything that's going on here."

Although Leafbuyer is based in Colorado, the de facto capital of legalized marijuana, the website is also geared to serve consumers in the other 25 states that have permitted recreational or medical use. More than 8,000 marijuana businesses are listed and about 400 pay to make special promotional offers. About eight million unique consumers visit the site, free of charge, every month, according to the company, mostly on mobile devices.

Although other websites, such as Weedmaps and Leafly, act as the sort of Yelp and Travel

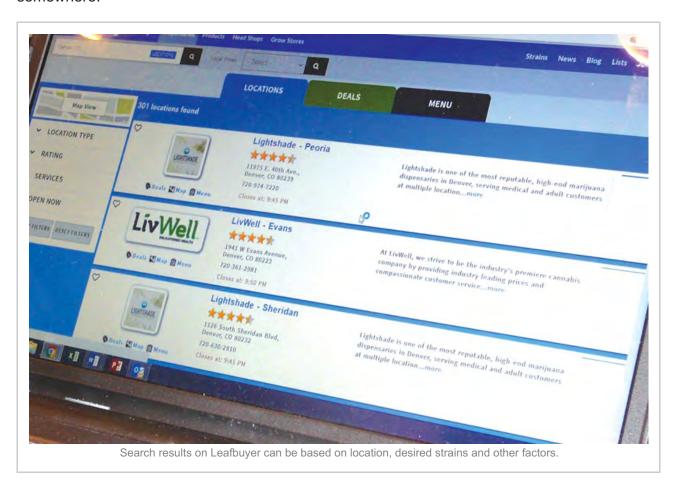
Channel, respectively, of marijuana consumerism, Leafbuyer is believed to be the first of its kind to so directly link shoppers with the best deals.

The firm was launched in 2013 by Rossner and his friend Mark Breen, two self-described "soccer dads" who say they do not consume the sometimes-controversial product they market —or at least have not since their college days.

Rossner, 49, a veteran of the 1990s tech boom, and Breen, 46, a former local-television producer and salesman, say they had little idea what kind of business they would start when the friends joined forces in the early days of pot's metamorphosis to quasi-legitimacy. [Although legal in the state Constitution, the plant remains illegal federally.]

"We didn't look at the cannabis space as something we were into at the time. It was more that we were looking for opportunities," explained Breen, Leafbuyer's vice president of business development. "Then, Amendment 64 came along in 2013. That's what kind of took our attention. At the time, we didn't know anything about cannabis."

To say that marijuana was a growing business would have been both an overused pun and an understatement, but by the time it was famously noted that the city of Denver boasted more pot shops than Starbucks, the two entrepreneurs knew there had to be an opportunity for them somewhere.



"It was obviously a hyper-growth market," Rossner said, comparing the industry to the '90s tech boom. "It was very scalable, and there's a recurring revenue model to it. You get those three things together—let's go for this."

After doing their homework and obligatory networking within the burgeoning industry, it became clear to the partners that their business sensibilities were more suited to an ancillary role in marijuana than one directly connected to production or retail.

"We quickly realized that touching the plant, with the federal laws, was probably not something that we wanted to do, not to mention it wasn't our expertise," Breen said. "When we looked at Priceline, Travelocity or Trivago, we said that might be our angle."

The entrepreneurs also realized that marijuana consumers were as deal-conscious as any other segment, especially within an industry frequently segregated into industrial locations not easily found without a user-friendly app or website.

In the early months of development, Leafbuyer operated out of a basement.

Five years later, the south Corridor office boasts more than 30 employees. Leafbuyer also has satellite offices in marijuana-friendly Los Angeles and Seattle.

The firm's current goals include greater market penetration—with only an estimated 25 percent in Colorado right now and still wallowing in the lower single digits in other states.

The partners seem unconcerned about the recent announcement by U.S. Attorney General Jeff Sessions that effectively ended an official hands-off policy on federal marijuana enforcement toward states with legalized marijuana.

"The U.S. attorneys in the states could have done whatever they wanted to anyway," Rossner said. "I don't think what [Sessions] said changed the matrix much at all. Most of our customers feel the same way."

The two fathers of young children are also unfazed by any criticism they may face for their choice in free enterprise.

"I go to school sporting events and I'll find out someone else is in the industry in a different way," Breen said. "You just have to talk with your kids—just like I'm sure Pete Coors talks to his sons."