



INTERVIEW REGARDING

Amazon's Hemp Market

This interview was conducted by CBD Oracle via email on January 16, 2024, and is provided here for full transparency. Learn more about CBD Oracle's Editorial Policy.

Mike Sill

CEO & Co-Founder Sunday Scaries

Mike is the CEO & Co-Founder at Sunday Scaries. He co-led Sunday Scaries on the charge to be one of the first CBD companies to market in 2017, helping to self-regulate the industry before the 2018 Farm Bill established clearer guidelines. He practices meditation, breath work & reiki and has been a Core Power Yoga student since 2015. He tragically lost his little sister to suicide in 2011 and is extremely passionate about mental health awareness and suicide prevention.

CBD Oracle: How would you describe the quality of hemp products available on Amazon? Can customers be sure they're getting what is advertised?

Mike: The quality of hemp products on Amazon is very low. When you search for "CBD gummies" on the platform, no reputable brands populate in your search results. The reason for this is that credible brands like Sunday Scaries, Charlotte's Web and cbdMD are not allowed to sell on Amazon without being banned. The companies that you see as a consumer are engaging in a process called "Brand Burning". This means that if they get banned on Amazon, they'll simply burn their label, whip up a new label, slap it on the same exact product and then reupload it to Amazon. Their business model doesn't include a focus on building a reputable brand and providing the highest quality and safest products to consumers, they are just looking for a quick sale and will do whatever is necessary to stay "live" on Amazon.

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Customers cannot be sure they're getting what is advertised. This is because a majority of these companies don't have websites where you can verify their <u>lab results</u>. In the hemp CBD industry, credible companies will showcase their Certificates of Analysis (COA's) on their websites which come from verified third party labs. These lab results reveal the cannabinoid profile, terpene profile, contaminant testing, potency testing and overall quality assurance. The fake brands on Amazon do not have a commitment to product safety or efficacy.

CBD Oracle: What has your experience selling hemp on Amazon been like? Would you recommend it to other hemp brands?

Mike: Our experience selling hemp on Amazon has been miserable, and we would not recommend it to other hemp brands. There's a reason that the top CBD companies, including the publicly traded ones, do not advertise on Amazon and it's because our accounts will be banned.

The worst part about it is that Amazon lets these illegitimate companies write in the names of credible CBD brands, like Sunday Scaries, in their product descriptions. They are keyword-stuffing competitor brand names within their product placements to capture the search intent of unknowing customers. These illegitimate companies are also brand bidding on sponsored Amazon ads using the same tactics. So, if a Sunday Scaries customer wants to find our products on Amazon and searches for them, they'll instead find brands impersonating us that are solely trying to capture this search traffic.

CBD Oracle: Many products on Amazon don't pass a basic sense-check (e.g. 2,600,000 mg, i.e. 2.6 kg, of hemp extract supposedly in a product weighing less than 250 g) and make unapproved medical claims. Do you think that products like this erode trust in genuine hemp products like yours?

Mike: Yes, products like this are why there is an inherent distrust in our industry. A gummy with any gelling base, whether it be gelatin or pectin, has a threshold for how many additives it can support before it loses its ability to gel and loses its structure. Unless each gummy weighs 20+ grams, which would be the size of 4 Sunday Scaries Couch Potatoes put together, it is impossible to pack that much extract into a gummy. There would be more extract than gummy. Even if you could get a 20+ gram gummy to fit 5 grams of extract and still gel properly, it would taste like battery acid and be the size of a golf ball.

Most of the fake brands on Amazon pushing extremely high mgs (100mg+ per gummy) make these claims by either adding up the total weight of the entire unit (including the packaging) and listing it in bold letters to confuse the customer, or they are flat-out falsely advertising.

In short, 1-2% of the gummy can be hemp extract without interfering with the gelling matrix (which is on the high end). .2% - .8% seems to be the norm. Anything higher than that is going to be really bitter and a typical 2-3 gram gummy bear cannot possibly fit 5 grams of extract.





CBD Oracle: What would you recommend that Amazon does to improve the quality of hemp products on their site?

Mike: First of all, Amazon should recognize that they are currently allowing CBD to be sold on their platform. This is against their policy, but brands are circumnavigating the rules by masking the CBD products as "hemp" on the labels. Addressing that they have this problem is the first step.

Amazon should then ban the illegitimate brands that falsely advertise how much CBD is in their products or that make false medical claims.

In order to separate which brands are legitimate or not, Amazon should have a verification process that includes the following:

- The seller uses manufacturing facilities that are FDA-registered and GMP (Good Manufacturing Processes)-certified.
- 2. The seller should have and publish legitimate third-party Certificates of Analysis (COA) that ensure products are precisely what they say they are—at the correct dosages.
- 3. The seller should produce reviews and testimonials from verified buyers on their actual web domains. These reviews should come from trusted review tools like Okendo, Trustpilot or Yotpo.

Fly-by-night, brand-burning companies don't have many verified reviews because every time they spin up a new label, they start from scratch. Or, the Amazon reviews are fraudulently purchased. Ex. the illegitimate

brand will pay an overseas company to purchase the product and write a review, and then reimburse the company for the costs.

Ultimately Amazon is doing their customers a huge disservice and putting them at risk by not showcasing products from companies that build legitimate, long-lasting brands. They instead allow unknown companies using deceptive practices to market on their platform.

CBD Oracle: Do you think these products are produced in China? Is there any way to find out?

Mike: I believe a lot of the products on Amazon are produced in China, yes, although there is no real way to tell. What you can do is purchase the product and look at the back of the label (since they do not show pictures of the back of the label in the listing) and then look for an address. According to the FDA, they must list "the name and place of business of the manufacturer, packer, or distributor.", but not a full address. So, this isn't foolproof because they can just post an address of a warehouse or something like that (or just the city), but, with an address you might be able to find a phone number and call them.

Legitimate players will put their website and phone number on the labels for customers to obtain more information. Based on my experience and research of most of the Amazon hemp products, they do not want to the customer to find them, so I doubt you'll come up with anything.





The main problem: The products on Amazon do not have legitimate websites. Google "Luckchan" and you'll just find Amazon listings in the SERP and other affiliate marketplaces where they can be purchased, no main website featuring their brand, "about us", customer service, etc.