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## **Diddy's New Day: Sean Combs Re-enters Fragrance**

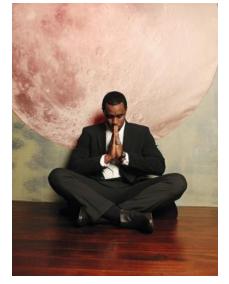
By Marcy Medina - 03/20/2015

Sean "Diddy" Combs wants to hit the "reset" button.

After a six-year hiatus from the fragrance business once Estée Lauder Cos. Inc. didn't renew his license, Combs is back on May 6 with a new fragrance, 3AM, under a new partner, Parlux. He is hoping he can regain relevancy in the category, even as the celebrity fragrance sector appears to be dissolving faster than a test spray in the air.

Which is perhaps why Combs doesn't want it to be called a celebrity fragrance.

He views himself as equal parts fashion player, music mogul and pop culture pulse-reader. That may not render him immune to market forces, but he's aiming to get ahead of the tide by leveraging his established status and playing to Millennials via social media.



"He's like Oprah in a way, with businesses in different areas. He has market stability and can get people to spend money, and in a market that's so up and down, that's invaluable. [3AM] may not set the world on fire, but people will try it. If they like it, it'll underscore his image as a multifaceted mogul, not just a single entity."

- Gerry Philpott (President and CEO of E-Poll Market Research) "I take my hat off to all celebrities who have a fragrance to give people a part of their lifestyle. But for me, it was important to take a break from celebrity persona fragrances, because we were kind of jumbled up with them," said Combs, whose last launch was in 2009 with I Am King, a follow-up to 2006's Unforgivable. "We're a true fashion label and this is something we take very seriously. So to make people miss it, that was my plan." Speaking to WWD from the downtown Los Angeles set of 3AM's first commercial shoot, in the penthouse of a pricey residential loft building, Combs has changed out of his custom suit into a black Versace tracksuit to enjoy some fresh air and a coffee outside his trailer, drawing more than a few curious glances from pedestrians.

Combs may have launched his first fragrance at the height of the celebrity fragrance craze, but he's decided to step back into the ring at a time when retailers are beginning to lose faith in the long-term payoff of personality-driven scents. Can he prove them wrong and stand apart from the pack?

"Gone are the days when someone just buys your product because you're a celebrity," said Jane Buckingham, founder of trend forecasting and brand consultant firm Trendera. "It used to be we had so few access points to [celebrities] that you bought anything you could, which is why so many of those fragrances were so successful. These days, you have more access to celebrities than you probably want, and if you are buying their fragrance, it's not because you want to smell like them, it's because you believe there's more to them. With Sean, you believe he's a smart businessman, and if he's coming out with a new fragrance it's because he knows something about the business. Young people might think he's rich and enduring and has a lot going on, so they're going to suss it. Are they going to put down \$70 for it? Maybe not, but their older brother might."

Combs still helms his record label Bad Boy Records, now a division of Universal Music Group, and Sean John has licensed products in 17 categories with exclusive distribution in Macy's that tallies annual retail sales of more than \$500 million. He ranked No. 31 on 2014's Forbes Most Powerful Celebrities list and had earnings of \$60 million. Certainly he doesn't need to pump out a new perfume every few months to stay relevant or flush — but it can't hurt.

"I think his track record is going to drive this new fragrance," said Gerry Philpott, chief executive officer of <u>E-Poll Market Research</u>, whose clients include fashion and beauty firms looking to assess the marketability of various celebrities. "He's like Oprah in a way, with businesses in different areas. He has market stability and can get people to spend money, and in a market that's so up and down, that's invaluable. [3AM] may not set the world on fire, but people will try it. If they like it, it'll underscore his image as a multifaceted mogul, not just a single entity."

Combs — never one to doubt his talents — naturally insists his timing is right. "Everything I do is about whether I feel it, you know? Right now, this is the type of energy that I'm feeling and that I want men and women to experience," he said. "3 a.m. is like, not a regular person's time. It is for me, so I just want to share with people another level of freedom and truth that you have at 3 a.m. Anything can happen."

That name might be a hard sell for another personality, but retailers liked it, according to Donald Loftus, president of Parlux Ltd. "Frankly, I was concerned about how to present the name and what it means," Loftus said. "But the Macy's team said, 'God, I love that.' Even 22-year-olds loved it. So any fear that the customer won't understand what it means is unfounded."

For the commercial, Combs wanted to convey "a little bit more fantasy and a little bit more sensuality. Without giving anything away, it's very sensual, it's very bad, it's very provocative." A glimpse at the storyboards on sets reveals a plotline in which walls are literally broken and a beautiful woman is swept off her feet, natch.

As for the scent itself, Combs said, "One thing all my palettes have in common is they are extremely clean. I love fragrances that don't take you out of the mood." With notes of bergamot (one of Combs' favorites, also in his last two fragrances), mandarin [orange], orange blossom cardamom, geranium and fig leaf, 3AM has a unisex appeal that Combs says will be part of the marketing plan.

When asked about some of his peers whose fragrances have floundered, Combs notes, "It depends on who the artist is and if that's their passion. This is my passion, but sometimes you need to not go there because you don't want to get associated with it, and I'm not just talking about celebrities, I'm talking about a gimmick. So if the gimmick is say, black, I wouldn't want to do anything black."

Indeed, the rectangular bottle and its contents are crystal clear with nary a logo in sight. The number three is subtly indicated in the sculptural, blocklike patterns in the glass. "These to me are different chambers of your emotions," he said of the design. "Everything I tried with '3AM' on it took away from the bottle." The fragrance comes in two sizes, 50 ml/1.7 oz. eau de toilette for \$55 and a 100 ml/3.4 oz. for \$70. The collection also includes aftershave pour, shower gel, aftershave balm and a deodorant stick.

Jacavi Beauty Group holds the fragrance's license for and is the manufacturer. Estée Lauder Cos., which dropped the license after the first two scents, declined to comment, but sources said the beauty giant

was no longer confident in its ability to ring in sales. But Combs stuck with Lauder executive Diana Espino, who has been global vice president of marketing and brand development at Parlux since 2012.

In typical Combs-ian fashion, he is upbeat about starting fresh. The man who at one time seemed to change his name every time he had a new record — or girlfriend — has always been focused on looking forward, not pondering what might have caused him to fail in the past. He also has always been able to spin a tale exalting his accomplishments.

"I think we have a new contemporary take, a Millennial take, on what a fragrance is supposed to smell and look like. I think a lot of people are stuck in the old age right now," he said. "This will be the first fragrance launched correctly in the social media age. This will be social by design. This will not be linear TV and print and outdoor ads. We will start socially and push everything up." The marketing plan includes interactive displays and engaging customers using social currency, such as rewarding shared photos and posts with prizes and product.

"It is really smart," Buckingham said. "The beautiful thing about Millennials is they are so open, so when you start talking to them, at least they're willing to listen. Even if he's not selling tons, he is getting in front of them and trying. If you don't talk to them, it's like you don't exist. You lose all relevancy."

Combs still looks up to old-school icons. "Every time I smell Chanel I want to know what Coco Chanel was like. I want to hang out with her. I feel a scent could last forever, just like a record. I say to producers all the time, 'Me and you are here right now, but only the song survives.' It's the same type of thing with a fragrance."

As for the perceived lack of steam for celebrity fragrances targeting young customers, Loftus said, "If I were a department store, I would worry about who they are walking away from. There are young kids already lost to them shopping at Forever 21, and the one place where they could still ring them in was fragrance. But in their minds, it's not worth it because it doesn't anniversary. Young customers are fickle. You need to come up with something new, not walk away because it's too hard."

Espino notes there's already a plan to add newness for 3AM's anniversary. "Something in the fashion realm. Probably 4AM," she laughs.

For better or worse, Philpott doesn't see celebrity fragrances going away soon. "It will continue because it's so hard to launch anything new these days unless you are a known name or you have a celebrity attached. Why do you think every designer has a Jenner or Kardashian at their show? It's a guarantee they'll get seen by the general public."

Combs, who has also dabbled in film and has marketing partnerships with Ciroc vodka and DeLeon tequila, says his focus is on fragrance and Sean John for now. And he harkens back to another classic. "The plan was and still is to have the world. Our hero is Ralph Lauren. We just wanted to follow in the footsteps of greatness," he said. "When we actually beat out Ralph Lauren for the CFDA award [in 2004], I think that's what made it clear that we did chart our own path, but I have to give credit where credit is due. You gotta start someplace and you gotta look up to somebody."