

# Licensed Products

## Situation

### Creative. Artistic. High-quality.

Scentsy Consultants often join because they love Scentsy products and want to share them with others. They stay for our community of encouragement, support and opportunity! It's our job at the Scentsy home office to serve them with all the products and tools they need to succeed. One way we regularly improve their business opportunity is by partnering with other brands their customers love (or would love) to design new Scentsy products that feature their unique branding, characters, logos and more — in our authentic Scentsy style.

Through licensed products, we get to offer Consultants and their existing customers something new and exciting to share! But our partnerships also give us the unique chance to broaden our global audience and customer base to include new fans — even those who don't fit the typical Scentsy demographic.

And because it's mutually beneficial for our licensing partners, we're able to build strong, lasting ties with some of the most recognizable brands in the world.

After successful partnerships with the NCAA®, Major League Baseball®, Mossy Oak®, American Heart Association®, National Breast Cancer Foundation® and other charitable organizations to help raise money and awareness for worthy causes, we set out to hook our biggest (licensed) fish yet in 2018: a partnership with Disney®, one of the most well-known and beloved brands of all time.

### A special kind of magic

Our new partnership with Disney allowed us to begin merging Disney intellectual property with Scentsy product designs and intellectual property, including the development of signature fragrances for some of their most iconic characters — from Mickey Mouse to Simba, Aladdin to Winnie the Pooh — celebrating their stories and creating a new point of connection for Disney and Scentsy fans alike.



Our Disney products have a special kind of magic. When you add our fragrances to their characters, we just fit. So in 2019, we set out to expand our partnership to offer Consultants even more opportunity to share the magic and grow their businesses.

## Strategy & Tactics

Enhance the Scentsy business opportunity by expanding our licensing contract with Disney, allowing us to design even more products that celebrate their characters with Scentsy fragrance and other authentic Scentsy products for home, kids and beyond.

### Best of both worlds

Scentsy and Disney go together like peanut butter and jelly. Both encourage childlike wonder and joy, both are family-focused and all about making memories — and both companies garner extreme fandom!

After achieving incredible success with the launch of our first round of Disney products in 2018 — who could say no to Mickey Mouse and Minnie Mouse – Scentsy Buddies, with fragrances to match? — Scentsy Consultants and fans began clamoring for more.

With so many Disney characters to choose from, we knew we'd need Consultant and customer help deciding exactly what new products to launch, and when.

### Use Consultant and customer suggestions to maximize new product excitement and sales.

Scentsy Consultants are naturally masterful at understanding their customers and anticipating

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what they'll love. With the use of our internal IdeaShare system, Consultants could ask us to design products featuring their favorite Disney characters, recommend entirely new product ideas, vote on suggestions made by other Consultants and pass along the requests of their customers with ease, allowing us to catalog those requests and measure demand before designing each round of new Disney products.

For example, we launched the **Stitch – Scentsy Buddy and Stitch: Experiment 626 – Scent Pak and Scentsy Bar** after requests were made in IdeaShare. The Stitch – Scentsy Buddy sold out in just 16 days and still has a loyal following, and the Stitch: Experiment 626 – Scentsy Bar quickly became one of the top wax bars subscribed to through Scentsy Club for recurring revenue.

## Offer new products in various Scentsy categories — Home, Scent, Kids — in unexpected ways.

We started this relationship with Disney because we knew it would be a gamechanger for Scentsy Consultants — we're always exploring new areas of growth for their businesses, and licensing is a great opportunity. Plus, it was a natural extension of the Scentsy brand because so many Disney characters just make sense as Scentsy products, like Dumbo as a cuddly, fragrant Scentsy Buddy or Jack Skellington as a sculptural, Halloween-ready Scentsy Warmer.

So many Scentsy customers keep coming back for products from their favorite lines, most often Scentsy Warmers and fragrant Scentsy Wax Bars. But we offer a broad range of products across seven categories, and designing Disney products that span different categories encourages product exploration and a deeper connection to Scentsy among new and existing customers — a difficult feat!

In 2019, we launched new Disney products in seven exclusive Scentsy product formats: Scentsy Buddy, Scent Pak, Scentsy Bar, Scentsy Sidekick, Scentsy Buddy Clip, Scentsy Warmer and Scent Circle.

## Drop new Disney products strategically throughout the year.

We offer Disney products in our seasonal catalogs, but also release Disney limited-time offers (LTOs) throughout the year. Our relationship with Disney enables product development and key storytelling to build upon each time a new Disney movie is released!

For example, we launched the **Dumbo – Scentsy Buddy** alongside the movie release date in March 2019, and it was one of our bestselling Disney Scentsy Buddies to date, selling out in just four days!

## Expand our partnership with Disney to include Marvel and Lucasfilm.

In adding Marvel and Lucasfilm licensing opportunities, we opened the door to **a much broader cast of characters**, aligning with some of the hottest movies releasing in 2019 and giving Scentsy Consultants access to an entirely new type of customer. For example:

- We launched the **Spider-Man – Scentsy Buddy** and a specially designed **Marvel: Nine Realms** fragrance as a follow-up to the new Spider-Man movie, *Far From Home*.
- In anticipation of the final installment of the Star Wars saga, *The Rise of Skywalker*, we launched a menacing **Darth Vader™ – Scentsy Warmer**, **Millennium Falcon™ – Scentsy Warmer** and two fragrances — **Star Wars™: Light Side of the Force** and **Star Wars™: Dark Side of the Force** — that could be warmed separately or together, “bringing balance to the Force.”



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## Engage new marketing techniques to reach the right customers with the right products.

Our relationship with Disney also enables shared customer segmentation insights between companies, so we can plan product development roadmaps and use targeted marketing to make sure the right customers — or potential customers — are in the know when new products drop.

## Bring value to the world with licensed charitable cause product opportunities.

Through our charitable cause program, we design a special Scentsy product each season with proceeds benefitting a particular charity that supports children, families and communities. For Fall/Winter 2019, we were thrilled to partner with Disney on the Disney Tinker Bell: Faith, Trust & Pixie Dust – Scentsy Warmer.

### Results

Our Disney products are made to break records! In 2019, our partnership resulted in:

1. **Our biggest sales hour and day** in company history on Sept. 1, 2019, with the launch of the Jack Skellington: Pumpkin King - Scentsy Warmer and Jack's Obsession Scentsy Bar.
2. **Our fastest-selling product** in company history, with 94,000+ Jack Skellington: Pumpkin King – Scentsy Warmers sold in 24 hours.
3. **Significant growth** for the entire Scentsy brand in 2019, with a 190% increase in year-over-year licensed product sales.

## We believe in magic!

Scentsy Consultants around the world sold thousands of Disney Tinker Bell: Faith, Trust & Pixie Dust warmers to benefit Make-A-Wish®, an organization that grants the wishes of critically ill children around the world. Thanks to this incredible partnership and the dedication of our Consultants, Scentsy was able to donate \$529,236 USD to Make-A-Wish.

### Social Media Marketing for Disney products, from Jan. through Dec. 2019:

	Facebook (organic)	Facebook (ads)	Instagram
<b>Reach</b>	8.2 million	2.26 million	751,000
<b>Engagement</b>	109,900	505,245	38,600
<b>Clicks</b>	31,900	35,054	–