

CHAPTER 1

EXECUTIVE SUMMARY

1.1 Business Overview

Aromance is a revolutionary perfume trading platform that combines artificial intelligence and blockchain technology to create a personalized, secure, and trusted perfume shopping experience. The platform is specifically designed to address three key challenges in the Indonesian perfume industry: consumers' difficulty in choosing fragrances that suit their personalities, the vulnerability of personal data on conventional platforms, and the low quality of product reviews due to weak verification systems.

Aromance's primary focus lies in the implementation of Decentralized Identity, which gives users complete control over their personal data. Unlike conventional commerce platforms where companies collect and sell users' perfume purchase data for targeted advertising without fair compensation, Aromance ensures that all fragrance preference information, purchase history, and personality profiles are stored in a decentralized system that can only be accessed with the data owner's explicit consent. For example, when a user purchases a floral perfume on a conventional platform, that data is immediately used to display ads for other beauty products without the user's knowledge. With Aromance's Decentralized Identity system, users have private keys that control who can access their perfume preference data and can even monetize that data by granting access to certain brands for clear compensation.

An artificial intelligence consulting system integrated with Fetch.ai, an intelligent agent platform that automates the matching of user preferences with available fragrance products, analyzing personality and lifestyle characteristics to provide accurate recommendations. Fetch.ai is a blockchain technology that enables intelligent agents to communicate and negotiate autonomously. In the context of Aromance, these agents can automatically match buyers with sellers, negotiate prices, and verify the authenticity of product reviews without manual intervention.

The Proof of Stake system implemented creates a paid verification mechanism for both sellers and buyers, whereby each party seeking "verified" status must deposit funds as a guarantee of quality. This mechanism economically incentivizes an ecosystem of honest reviews and accurate product information, as those providing misleading information will lose their status and deposits.

1.2 Market Potential

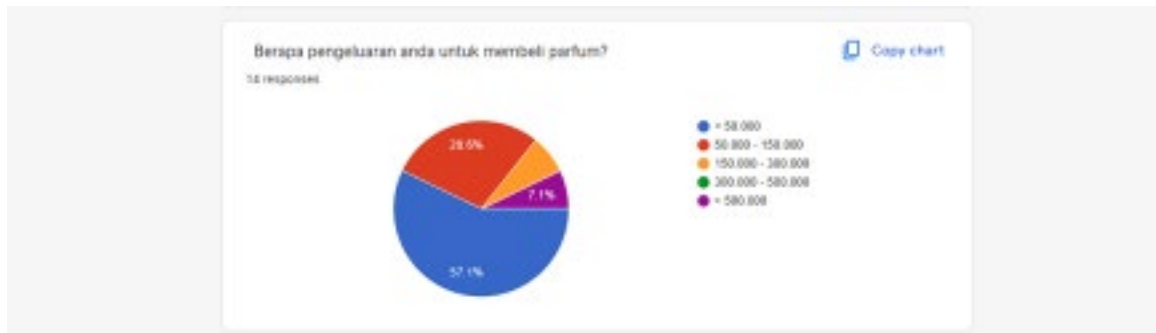
The Indonesian perfume industry shows very promising growth momentum with the fragrance market value reaching US\$0.45 billion or equivalent to 6.75 trillion rupiah in 2025. Based on Statista Market Forecast projections, this market is expected to experience a compound annual growth of 2.67 percent until 2029, reaching a total value of US\$0.50 billion. Per capita income for the fragrance category in Indonesia reached US\$1.60 per person in 2025, indicating that there is still significant room for growth compared to the global market.

The broader market context shows that the Indonesian Beauty and Personal Care industry has a total value of 9.70 billion US dollars in 2025 with a projected annual growth of 4.51 percent until 2029. Online sales penetration for this category reached 50.0 percent of total revenue in 2025, indicating a shift in consumer behavior towards increasingly massive digital platforms. Data shows that online sales channels have experienced a steady increase in the last decade and are expected to reach a market share of more than 26 percent by 2027.

The e-commerce segment for perfume and fragrance products shows enormous potential. According to Databoks data, cited from Kompas research, 27 million perfume and fragrance products were sold on major domestic e-commerce platforms like Shopee, Tokopedia, and Blibli in the first half of 2024. This data demonstrates the high transaction volume and interest among Indonesian consumers in online perfume

purchases.

Based on the results of our survey of 14 target market respondents, we obtained a perfume budget segmentation which showed that 57.1% of respondents had a budget below 50 thousand rupiah, 28.6% of respondents in the range of 50-200 thousand rupiah, and 14.2% of respondents above 200 thousand rupiah.



Appendix 1: Random Sampling Survey Regarding Aromance's Market Needs Validation and Target Market Segmentation

This empirical data forms the basis of Aromance's strategy, which encompasses a broad spectrum from affordable to premium segments to maximize market reach. The primary focus is on the younger generation, including students who purchase affordable perfumes, young professionals aged 20-35 who prefer mid-range fragrances, and premium perfume enthusiasts. This inclusive segmentation allows the platform to serve the needs of perfume personalization across all economic levels without focusing solely on the premium segment.

Targeting the younger generation is strategic given that they are early adopters of technology, familiar with Web3 concepts, more open to AI-based personalization, and highly aware of the importance of data privacy. This segment is also active in e-commerce and tends to seek alternative platforms that offer a more personalized and trustworthy shopping experience than conventional marketplaces.

Market trends show that Indonesian consumers increasingly value halal-certified products, personalized beauty products, and transparency in the purchasing process. With 85 percent of Indonesia's population being Muslim, halal certification is a key consideration in platform development. This combination of factors creates a conducive environment for a perfume-specific platform that prioritizes personalization, data security, and community trust like Aromance offers, especially in serving the needs of the younger generation who are price-conscious but still want superior quality and shopping experience.

1.3 Competitive Advantage

Aromance offers a strong differentiation compared to general commerce platforms that don't offer in-depth personalization for the fragrance category. Its key advantage lies in its implementation of artificial intelligence specifically trained for the fragrance industry, with a comprehensive database. Unlike general recommendation systems that lack fragrance-specific context and direct integration with commerce platforms, it offers a unique advantage.

The implementation of Decentralized Identity gives users full control over their personal data, addressing growing privacy concerns in the digital age. For concrete comparison, when users shop for perfume on conventional platforms such as public marketplaces, every transaction and browsing behavior is recorded and sold to third parties for advertising purposes without compensation to the user. With the Aromance system, users have full control over who can access their perfume preference data and can even monetize this data by granting paid access to brands seeking market research.

The Proof of Stake system creates a sustainable ecosystem where quality sellers and buyers are financially incentivized to provide accurate information. This economic mechanism creates a high level of trust on the platform and minimizes fake reviews, as each party has a financial stake in maintaining their reputation on the platform. The pioneering position in the Web3 technology-based perfume platform segment provides a strategic advantage before major competitors enter this niche market.

1.4 Investment Objectives

Aromance requires an initial investment of 700,000 Rupiah for basic technology development, platform launch, and initial market penetration using a highly efficient bootstrapping/cost-saving approach. The primary goal of this investment is to build a solid technological foundation by leveraging free and open resources to minimize operational costs while maximizing platform functionality that can compete with much more expensive commercial solutions.

The strategic funding allocation consists of 50,000 Rupiah for system deployment to the Internet Computer Protocol (ICP) as a distributed blockchain infrastructure that provides smart contracts and decentralized systems at minimal cost. The ICP platform provides 20 trillion free computing cycles/units for new developers, sufficient for the initial 6 months of operations, where canister creation/smart contract creation only requires 500 billion cycles or approximately \$0.65 USD per canister/contract. This 50,000 Rupiah allocation serves as a buffer for additional cycles and deployment costs that may be required during the development phase.

Firebase is used as a cloud/cloud computing infrastructure that provides hosting, databases, and authentication systems with free quotas that include 2 million function invocations/function calls per month, 1GB of storage/storage, and 10GB of bandwidth. Data transfer. Integration with Fetch.ai enables the implementation of intelligent recommendation systems and Decentralized Identity without significant investment in machine learning infrastructure. IDR 50,000 is allocated to anticipate Firebase Functions costs, which are charged at \$0.40 per million invocations after exceeding the free quota, and Firestore costs of \$0.18 per 100,000 read operations after exceeding the daily limit of 50,000 operations.

Initial digital marketing and community building requires an investment of 200,000 rupiah, which will be used for social media marketing, influencer partnerships, and organic content creation. These funds will be optimized for campaigns focused on the target demographic of the younger generation active on digital platforms, with an allocation of 120,000 rupiah for paid advertising on Instagram and TikTok, 50,000 rupiah for micro-influencer collaborations, and 30,000 rupiah for content creation tools.

AI-Powered Development Efficiency of 300 thousand rupiah is allocated for a premium subscription to AI development tools that optimize startup team productivity. As a lean startup with limited resources, this investment enables maximum efficiency in the development of complex features such as decentralized identity integration and blockchain smart contracts. Tools such as GitHub Copilot Pro, Claude Sonnet, and advanced coding assistants enable rapid prototyping and accelerated iteration, reducing the development timeline by 60-70% compared to traditional development approaches. This strategy enables small agile teams to achieve output quality that is competitive with established development teams with much larger budgets, in line with best practices for modern startups that leverage AI for competitive advantage.

The remaining 100,000 rupiah is set aside as a contingency fund for unexpected operational costs, a premium domain if needed for stronger branding, and a buffer for initial scaling if user traffic exceeds the projected free tier. This fund also covers potential costs for SSL certificates, premium APIs, or hosting plan upgrades if needed during the market validation phase.

This investment aims to build a Minimum Viable Product within 3 months with the ability to serve early adopters and validate the business model in a real market. The initial phase will focus on core features such as an AI recommendation engine, user registration with decentralized identity, and basic marketplace functionality. The funds will be used optimally to create sustainable technological differentiation, build a loyal initial user base, and establish a pioneering position in the Web3/third generation internet

technology-based perfume platform segment in Indonesia. This bootstrapping/cost-saving approach allows for gradual development with reinvestment of profits for feature expansion and wider market reach without reliance on additional external funding.

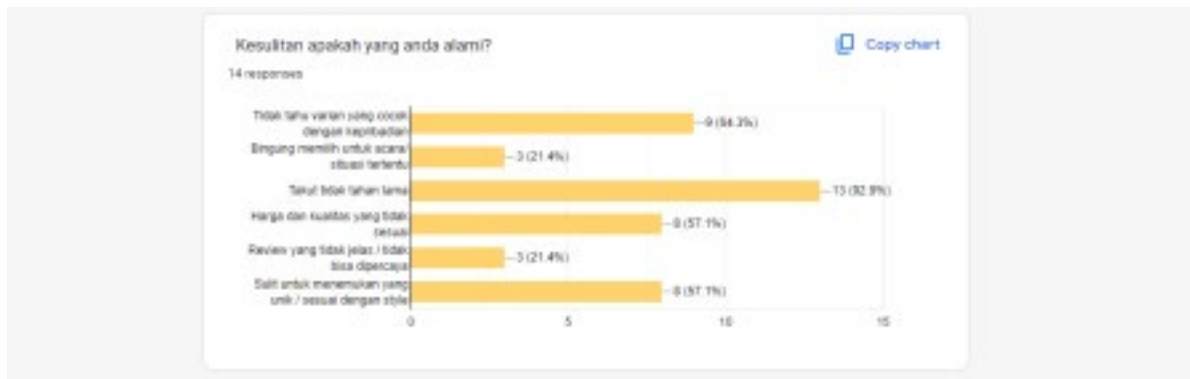
CHAPTER 2

BUSINESS IDEA OVERVIEW

2.1 Products/Services Offered

Aromance is a digital perfume marketplace that combines AI technology and a community verification system to provide a personalized and trusted perfume shopping experience. The platform offers three main, integrated services based on market needs validated through consumer research.

AI Fragrance Consultant is a chatbot specially trained with a database of local and international perfumes. This system analyzes user preferences through personality, lifestyle, and purchase history questionnaires to provide appropriate perfume recommendations. A survey of 14 target market respondents found that 92.9 percent of users have experienced confusion in choosing the right perfume, with 50 percent experiencing this frequently and 42.9 percent occasionally.



Appendix 2A: Random Sampling Survey Regarding Difficulties in Determining the Right Perfume

The most common specific challenges include "not knowing which variant suits your personality," "confused about choosing for a specific occasion or situation," and "fear that the perfume won't last long." This AI differs from ChatGPT in its specific focus on the perfume industry, with a deep understanding of the notes, longevity, and characteristics of each fragrance, tailored to the personality profiles of Indonesian users.



Appendix 2B: Random Sampling Survey Regarding the Credibility of Perfume Product Reviews in the Marketplace

Verified Review System uses the Proof of Stake concept, where reviewers and sellers pay a verification fee to gain "verified" status. Survey data shows that 85.7 percent of respondents have felt that a review they read was dishonest or fake, with 35.7 percent experiencing this frequently and 50 percent experiencing it occasionally. This system creates a financial incentive to provide honest and accurate reviews, as verified status can be revoked if a review is found to be false or misleading. This approach

addresses the problem of "unclear or untrustworthy reviews," a major complaint among survey respondents.

Decentralized Identity Protection gives users full control over their personal data. Research shows that 71.4 percent of respondents are concerned about their online shopping data being leaked or misused, with 64.3 percent feeling somewhat concerned and 7.1 percent feeling extremely concerned. Each user has a unique "fragrance identity" stored in a decentralized system, ensuring privacy while still receiving personalized recommendations. Fragrance preferences are highly personal and valuable data because they reflect a person's personality, lifestyle, economic status, and even health conditions. Centralized platforms like Facebook or Google have been shown to misuse personal data for targeted advertising without explicit consent. With a decentralized system, users have private keys that control access to their data, addressing a real concern validated through consumer surveys.

2.2 Resolved Problems

Difficulty in Choosing the Right Perfume Perfume has been validated as a major issue through a consumer survey that showed 92.9 percent of respondents had experienced confusion when choosing a perfume. The most common specific issues include not knowing which variant suits your personality, confusion about choosing a perfume for a particular occasion or situation, concerns about perfume longevity, and a mismatch between price and expected quality. Perfume is a sensory product that is very difficult to assess without trying it directly, and this complexity is further compounded by the wide range of options available on the market. Aromance addresses this with AI that understands the character of each perfume and can accurately map the user's personality profile.

Fake Reviews and Misleading Information This is a real problem experienced by 85.7 percent of survey respondents, with 35.7 percent experiencing it frequently and 50 percent occasionally encountering dishonest or fake reviews. The issue of "unclear or unreliable reviews" is one of the main challenges consumers face when choosing a perfume. In the mainstream marketplace, fake reviews are rampant because there are no financial consequences for those who provide false reviews. Aromance's Proof of Wager System creates a cost for providing fake reviews, thereby improving the quality of information and reducing consumer uncertainty in purchasing decisions.



Appendix 2C: Random Sampling Survey Regarding Online Shopping Data Concerns

User Data Privacy Threatened This is a real concern experienced by 71.4 percent of survey respondents, demonstrating Indonesian consumers' high awareness of personal data misuse. In the digital age, where major platforms sell user data without explicit consent, fragrance preference data is highly valuable but vulnerable to misuse. Aromance gives users full control over their data, addressing consumer concerns empirically validated through market research.

Lack of Personalization in General Marketplaces Platforms like Shopee or Tokopedia rely solely on ratings and generic searches. These platforms don't understand the complexity of perfume, where one fragrance might suit one person but not another, even if it has a high rating. Surveys show that consumers struggle to find a perfume that's "unique or fits their style," highlighting a gap that platforms can fill with

deep personalization.

2.3 Unique Selling Proposition

"Your Scent, Your Identity, Your Control" is Aromance's primary positioning, distinguishing it from its competitors, with empirical validation that 100 percent of survey respondents agreed that each person's identity and preferences are unique and should be protected. This platform is not just a marketplace, but an ecosystem that protects and leverages each individual's unique identity based on a deep understanding of Indonesian consumer needs.

Specialized AI vs General AI Aromance AI is specifically trained for perfumes, using a database of notes, brands, and fragrance characteristics, unlike ChatGPT, which is general-purpose. Market validation demonstrated a clear need for a recommendation system that understands which variants match specific personalities and situations. Aromance AI also integrates directly with the marketplace for a seamless purchase experience, addressing the fragmentation issue often experienced by consumers.

Quality Assurance Through Economics - The Proof of Betting system creates skin in the game for reviewers and sellers. A reasonable verification fee ensures a commitment to providing quality information, addressing the problem of fake reviews experienced by 85.7 percent of survey respondents. This economical approach is more sustainable than the often ineffective manual moderation system.

Privacy-First Approach - With 71.4 percent of respondents concerned about data breaches, Aromance gives users complete control through a decentralized system. Fragrance identities are stored in a system that cannot be accessed without user permission, providing much-needed peace of mind for Indonesian consumers in the digital age.

Budget-Inclusive Strategy - Unlike exclusive premium platforms, Aromance serves a broad spectrum, as surveys show that 57.1 percent of the target market has a budget under 50,000 rupiah. This inclusive approach enables sustainable monetization while providing access to advanced technology to all segments of the economy.

2.4 Main Target Market

Primary Target: Gen Z and Young Millennials (18-30 years old) Empirical validation through a survey confirms the budget-conscious yet technology-savvy characteristics. Data shows that 57.1 percent of respondents have a perfume budget under 50,000 rupiah, 28.6 percent in the range of 50-150,000 rupiah, and only 14.2 percent above 150,000 rupiah. This segment represents a generation that grew up with digital technology, has a high awareness of data privacy (71.4 percent are worried about data leaks), and seeks personalized yet affordable solutions.

Key characteristics of this segment include a high frequency of confusion in choosing a perfume (92.9 percent have experienced this), skepticism of conventional reviews (85.7 percent have felt reviews are dishonest), and an appreciation for unique personal identities (100 percent agree that perfume identities are unique and need to be protected). They also show a high level of interest in innovation in the perfume marketplace, with 85.7 percent of respondents interested in the Aromance concept.

Secondary Target: Fragrance Enthusiasts across Budget Segments Those who already have in-depth knowledge of perfume but still struggle to discover new products that align with their evolving preferences. This segment, while smaller, has high lifetime value and advocates for the platform because they understand the value proposition offered by the perfume-specific AI system.

Tertiary Target: Privacy-Conscious Consumers prioritize data security in online transactions. With 71.4 percent of respondents expressing concern about data breaches, this segment is willing to try platforms that offer decentralized identity protection, despite not previously focusing heavily on perfume as a primary purchasing category.

Geographic Focus: Urban Areas with High Internet Access Starting with Greater Jakarta (Jabodetabek), Bandung, Surabaya, and Yogyakarta as initial launch cities with high e-commerce penetration and tech-savvy communities. Expansion to other cities will depend on adoption rates and product-market fit validation in key markets.

Seller Target: Independent and Small-Medium Perfume Brands struggling to compete in large marketplaces dominated by brands with high advertising budgets. Aromance provides a level playing field where product quality and customer satisfaction outweigh marketing budget, meeting the transparency and authenticity desired by target consumers.

Market validation through surveys demonstrated strong product-market fit with an 85.7 percent interest rate and strong problem-solution alignment across all key pain points experienced by the target demographic. This data-driven approach ensures that product development and marketing strategies are focused on real, empirically validated needs.

CHAPTER 3

MARKET RESEARCH

3.1 Market Size and Growth Potential

The Indonesian perfume market is showing steady growth momentum with the fragrance market value reaching US\$0.45 billion or equivalent to 6.75 trillion rupiah in 2025. Based on Statista Market Forecast projections, this market is expected to experience a compound annual growth of 2.67 percent until 2029, reaching a total value of US\$0.50 billion or an increase of US\$58.8 million in that period.

The broader market context shows that the Indonesian Beauty and Personal Care industry has a total value of US\$9.70 billion in 2025 with a projected annual growth of 4.51 percent until 2029, reaching US\$11.57 billion. The Personal Care segment is the largest with a value of US\$4.14 billion in 2025, followed by the fragrance category which shows consistent growth potential.

Online sales penetration for the Beauty and Personal Care category is projected to reach 50.0 percent of total revenue by 2025, indicating a significant shift in consumer behavior toward digital platforms. Data shows that online sales channels are expected to reach a market share of over 26 percent by 2027, up from approximately 15.8 percent in 2022.

According to Databoks, citing research by Kompas, 27 million perfume and fragrance products were sold on major domestic e-commerce platforms such as Shopee, Tokopedia, and Blibli in the first half of 2024. This data was collected through a digital crawling or search method from official and unofficial stores with a minimum four-star rating, indicating a substantial transaction volume in the Indonesian online perfume market.

Per capita income for the fragrance category in Indonesia reached US\$1.60 per person in 2025, still showing significant room for growth compared to the global market. Projections indicate that this figure will increase to US\$1.72 per capita by 2029, reflecting the increasing purchasing power and interest of Indonesian consumers in fragrance products.

3.2 Current Industry Trends

The growth of local brands is a dominant trend in the Indonesian perfume industry. According to official data from Indonesia.go.id, several successful local brands include HMNS, Carl & Claire, Oullu, Daze Delacour, Laux, Euodia, The Living Potion, Scentcode, Sonar, Labcitane, Saff & Co, Heura, Alchemist, and Ateape. Some brands have even penetrated the international market, such as HMNS, which introduced its products at Paris Fashion Week 2022. In the first quarter of 2023, the contribution of the cosmetics industry, including the fragrance sector, reached 3.83 percent, demonstrating its growing economic significance.

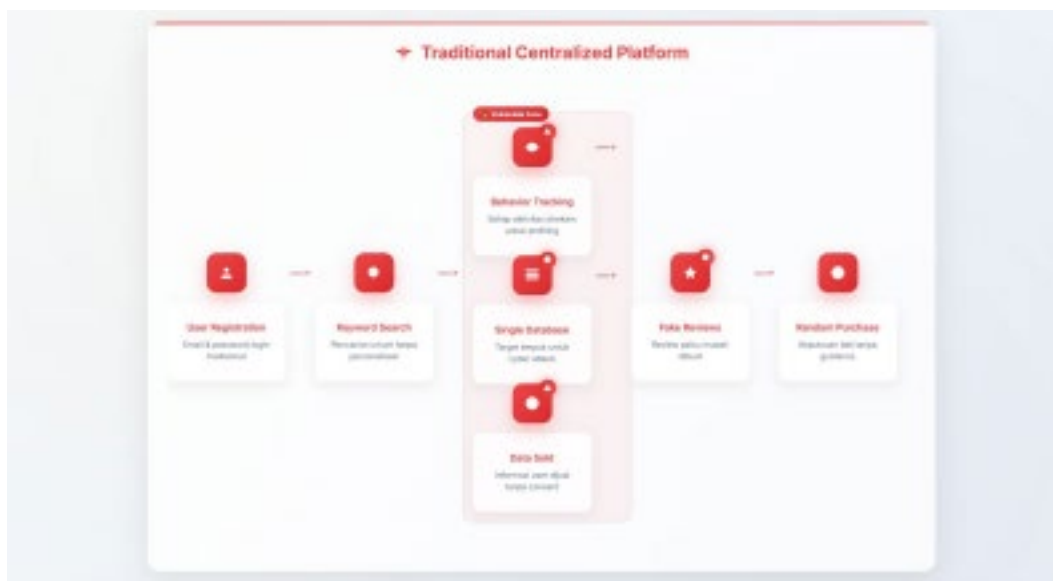
The dominance of e-commerce marketplaces in perfume sales is growing. Data from Databoks shows that of the ten best-selling perfume brands in e-commerce in the first half of 2024, local brand Evangeline led with a 4.3 percent market share, followed by Fresh & Natural with 3.2 percent, Saff & Co with 3.0 percent, and MyKonos with 2.5 percent. Platforms such as Shopee, Tokopedia, and Blibli are the main distribution channels, with a total of 27 million perfume units sold.

Halal and local product awareness is growing among Indonesian consumers. With 85 percent of Indonesia's population being Muslim, regulations enacted on October 17, 2019, stipulate that halal certification will be mandatory for cosmetics starting October 17, 2026. This has created a growing trend of halal-certified perfume products and encouraged innovation from local brands that understand the needs of the domestic market.

The spectacular growth of the Beauty E-commerce Segment is evident from data from Sociolla, Indonesia's leading omnichannel beauty platform, which recorded a threefold increase in perfume sales throughout 2023. This is the first time this has happened since the perfume category was introduced on Sociolla in 2015, indicating an acceleration in consumer interest in purchasing perfume online.

Personalization and digital consultations are becoming consumer expectations, although implementation remains limited. Platforms like Sociolla are starting to offer consultations and skin checks, but none yet offer AI-based fragrance recommendations. This trend aligns with Mintel research showing that 91 percent of Indonesian women compare products to find the best deals, and 21 percent of women aged 18-24 years compare products to find the best deals. 34 interact with online beauty content.

3.3 Main Competitors and Business Position



Appendix_3A; Framework of the Traditional Perfume Marketplace.

Direct Competitors - Perfume Dedicated Platforms:

Fragrantica is the largest global perfume encyclopedia, with over 110,000 fragrances in its database and over 1.5 million registered users. While the platform boasts significant strengths in educational content and community reviews, it lacks integrated marketplace functionality. A major drawback is the lack of a direct purchasing system, requiring users to switch to other platforms for transactions. Despite its comprehensive database, Fragrantica does not offer AI-based personalized recommendations or decentralized identity protection.

Indirect Competitors - Specialized Beauty Platforms:

Sephora Indonesia offers a curated selection of premium fragrances with over 2,600 stores in 35 countries and global sales reaching US\$16 billion by 2023. The platform offers a superior shopping experience with personalized consultations and interactive technology in physical stores. Sephora's strengths lie in its strong brand recognition, established distribution system, and exclusive partnerships with renowned international brands. However, Sephora focuses on the premium segment with prices that are out of reach for the majority of Indonesian consumers, and its recommendation system still relies on human consultants without in-depth data-driven personalization.

Sociolla, Indonesia's leading omnichannel beauty platform, has over 60 physical stores across 40 cities and recorded a threefold increase in fragrance sales by 2023. It has a deep understanding of Indonesian consumer preferences and has built trust by guaranteeing product authenticity through its partnership with the Food and Drug Authority (BPOM). Sociolla's strengths include a robust distribution network, high brand awareness among Indonesian beauty enthusiasts, and a portfolio of over 100 local and international brands. However, Sociolla's perfume recommendation system remains conventional, lacking AI-based personalization or decentralized data protection.

Indirect Competitors - General Marketplace:

Shopee dominates the Indonesian e-commerce market with 127 million monthly visitors and is the leading platform for perfume sales, with a total of 27 million units sold in the first half of 2024. Shopee's strengths include a massive user base, a well-established logistics system, an attractive loyalty program, and a recommendation algorithm integrated with user shopping behavior. However, Shopee's recommendation system is generic and lacks specific understanding of the complexities of perfume selection, and the platform lacks comprehensive personal data protection.

Tokopedia, with 135 million monthly visitors, has a strong presence in the Indonesian market and significant dominance in the perfume category. The platform boasts advanced features such as store statistics, broadcast chat, and a capital loan program for merchants. Tokopedia's strengths lie in its high trust score, rigorous seller verification system, and integration with a broad digital ecosystem. However, like other general marketplaces, Tokopedia does not specialize in perfume recommendations and does not offer decentralized identity protection.

Aromance Competitive Position Analysis:



Appendix_3B_; Framework of the Decentralized Perfume Marketplace, Aromance.

Aromance has the potential to be the first platform to combine fragrance expertise with artificial intelligence technology and decentralized identity protection. Its key differentiation lies in its in-depth focus on personality-based personalization and user preferences, which is not available on any other platform today. Its Proof-of-Stake system for review verification creates a unique value proposition that addresses the trust issues experienced by 85.7 percent of survey respondents.

However, Aromance faces significant challenges in terms of resources and market penetration compared to established competitors. Competitors have advantages in brand recognition, customer base, funding, and technological infrastructure. A realistic strategy for Aromance is to focus on an underserved niche market: consumers seeking deep personalization and data privacy protection, particularly the tech-savvy but budget-conscious younger generation.

Aromance's success will depend on creating a superior user experience within the fragrance specialty, building trust through an innovative verification system, and leveraging questionnaire data that reveals a clear gap in the market—92.9 percent of consumers have difficulty choosing a perfume and 85.7 percent have encountered fake reviews. A phased approach focused on specific demographics will be more realistic than direct competition with major marketplaces.

CHAPTER 4

REVENUE MODEL & FINANCIAL PROJECTION

4.1 Revenue Plan

Aromance implements a diversified revenue model that relies on five primary revenue streams, focusing on sustainable growth and value creation for all stakeholders in the Indonesian perfume ecosystem. This business model is designed to create multiple, mutually reinforcing revenue streams and provide long-term financial stability.

Transaction fees are the primary revenue stream, with a progressive percentage system based on transaction value to ensure fairness for sellers across all segments. Transactions under 100,000 rupiah are charged 1.5%, transactions between 100,000 and 500,000 rupiah are charged 2%, transactions between 500,000 and 1 million rupiah are charged 2.5%, and transactions above 1 million rupiah are charged 3%. This progressive structure allows small sellers with affordable products to remain competitive while optimizing revenue from high-value transactions, which typically have higher margins.

Betting Proof Verification System/*Proof of Stake* creates a unique revenue stream while improving the platform's quality through economic incentives. Sellers can deposit funds as a quality guarantee with three tiers: Basic Verification of 500,000 Rupiah, Premium Verification of 1.5 million Rupiah, and Elite Verification of 3 million Rupiah for a 12-month period. Buyers can also become verified reviewers by depositing 300,000 Rupiah for Basic, 950,000 Rupiah for Premium, and 1.9 million Rupiah for Elite status. The system's revenue model is based on opportunity cost. *opportunity cost* Aromance can invest the deposited funds to earn an 8-12% annualized return while providing participants with a 6-9% annualized return, creating a net positive margin of 2-3% as platform revenue. This system creates a real stake that encourages honest and responsible behavior.

The Artificial Intelligence Analytics subscription provides business intelligence for sellers who want to understand market trends and customer behavior in depth. The Basic Analytics plan, priced at 1.2 million rupiah per month, provides basic insights into customer demographics and sales patterns. The Premium Analytics plan, priced at 2.8 million rupiah per month, provides predictive analytics, competitor analysis, and personalized recommendations for inventory management. The Enterprise Analytics plan, priced at 4.5 million rupiah per month, comes with custom reports, API access, and more. *Application Programming Interface*, and specialized analytical consultants.

Advertising revenue through banner ads using an annual subscription system of 1.5 million rupiah per year for placement on the main page and category pages. This model provides predictable revenue while providing consistent visibility for advertisers without the complexity of an auction system that can confuse small sellers. Treasury Investment Returns from managing surplus cash flow through a conservative portfolio consisting of 60% rupiah fixed income instruments, 30% money market funds, and 10% emergency reserves. Target annualized returns of 6-8% from idle funds invested prudently with strict risk management to ensure liquidity is maintained for daily operations.

4.2 Pricing Strategy

Aromance employs a value-based pricing strategy that positions the platform as a premium destination for serious fragrance enthusiasts while remaining accessible to the mass market through a fair and transparent pricing structure. The pricing strategy is designed to optimize customer lifetime value while maintaining a sustainable competitive position. Transaction fees utilize a progressive pricing model that incentivizes sellers to increase average order value while not burdening smaller sellers with entry-level products. This progressive structure also reflects the fact that high-value transactions typically require less customer acquisition effort per dollar of revenue and have lower churn rates.

The Proof of Stake system's verification pricing is set high enough to be a meaningful commitment, but not prohibitive for serious market participants. Different pricing tiers allow flexibility for sellers of varying

business sizes while providing differentiated benefits based on their investment level. A 6-9% annualized return on deposits offers competitive returns compared to other conservative investment instruments while fostering long-term commitment.

The AI analytics subscription uses a freemium model, offering basic insights for free to drive adoption, while advanced features are monetized through subscription tiers that provide a clear value proposition. Pricing is competitive with other enterprise analytics tools while providing industry-specific insights not available on mainstream platforms. Ad rates are based on market research comparing advertising costs on comparable platforms, while delivering a better return on investment through a more qualified audience. The annual subscription model provides revenue certainty for the platform and cost predictability for advertisers.

4.3 Profit Margin

Aromance's margin structure is optimized for high profitability through digital-first operations with minimal physical infrastructure and efficient automation systems. High-margin revenue streams create a sustainable competitive advantage through economic moats that are difficult for competitors to replicate. Transaction fees offer exceptional margins of approximately 85-90% after a 2.9% payment processing fee plus IDR 2,200 per transaction, tax obligations, and platform operational costs. The digital marketplace model with minimal fulfillment costs allows for near-zero marginal costs per additional transaction, creating significant scalability advantages.

Proof of Stake Verification generates nearly 100% margins because it is a purely digital service with minimal ongoing operational costs. Deposited funds can be invested to generate returns higher than the annualized rate paid to participants, creating a positive interest rate differential. Artificial intelligence analytics subscriptions have margins of 85-90%, with the primary costs being cloud computing and data processing. Economies of scale in machine learning inference allow for very low marginal costs per additional user while providing high-value insights that justify premium pricing.

Advertising revenue generates 95%+ margins on digital inventory, with near-zero marginal costs for additional impressions or clicks. Premium audience targeting capabilities justify higher rates compared to mass-market platforms. Overall gross margins target 88-92%, reflecting the advantages of a highly scalable digital platform. 75-80% operational efficiency through lean operations and process automation. Net profit margins after tax of 60-65% are exceptional for a marketplace business model.

4.4 Revenue and Cost Projections (2025-2028)

Financial projections use conservative assumptions based on realistic user adoption patterns and purchasing behavior of the target Indonesian demographic, with a focus on sustainable growth rather than unsustainable aggressive expansion. The revenue projections provided are the minimum possible (as low as possible) given the volatile market conditions.

YEAR 1 (2025) - Market Validation Phase

Component	Unit Quantity	Amount (IDR)
BASIC ASSUMPTIONS		
Active Users	1,500 people	
Transaction Frequency	0.4 / month	
Avg. Transaction Value	Rp 85,000	
Monthly GMV	Rp 51,000,000	
INCOME		
Transaction Fee (2%)		Rp 12,240,000
Proof of Stake (3%)		Rp 860,000

<i>AI Analytics (1 customer)</i>	<i>Rp 14,400,000</i>
<i>Ads (1 advertiser)</i>	<i>Rp 1,500,000</i>
<i>Treasury Investment</i>	<i>Rp 0</i>
<i>Total Revenue</i>	<i>Rp 29,000,000</i>
OPERATING COSTS	
<i>Firebase (still free)</i>	<i>Rp 600,000</i>
<i>ICP Cycles</i>	<i>Rp 800,000</i>
<i>Claude AI Pro</i>	<i>Rp 3,600,000</i>
<i>Team & Infrastructure</i>	<i>Rp 2,500,000</i>
<i>Total Operating Costs</i>	<i>Rp 7,500,000</i>
TAX	
<i>PPh 22 (0.5% GMV)</i>	<i>Rp 3,060,000</i>
<i>VAT (11% revenue)</i>	<i>Rp 3,190,000</i>
<i>Corporate Tax (22% profit)</i>	<i>Rp 4,070,000</i>
<i>Total Tax</i>	<i>Rp 10,320,000</i>
NET PROFIT	<i>Rp 11,180,000</i>

Table_1A_ : First Year Revenue & Expense Projection Table (Minimum Expectation)

The first year is a market validation phase, focusing on proving the business model and building an initial user base. The projected 1,500 active users with a purchase frequency of 0.4 times per month reflects the conservative behavior of Indonesian consumers new to the perfume-specific platform. The average transaction value is 85,000 rupiah, according to the survey results.

This figure shows that the majority of the target market has a budget under 100,000 rupiah. Operating costs remain minimal thanks to the use of free tiers on various services, while taxes take into account the latest regulations for digital platforms.

YEAR 2 (2026) - Geographic Expansion Phase

<i>Component</i>	<i>Unit Quantity</i>	<i>Amount (IDR)</i>
BASIC ASSUMPTIONS		
Active Users	<i>4,000 people</i>	
Transaction Frequency	<i>0.6 / month</i>	
Avg. Transaction Value	<i>Rp 95,000</i>	
Monthly GMV	<i>Rp 228,000,000</i>	
INCOME		
Transaction Fee (2%)		<i>Rp 54,700,000</i>
Proof of Stake (3%)		<i>Rp 2,460,000</i>
AI Analytics (2 customers)		<i>Rp 28,800,000</i>
Ads (2 advertisers)		<i>Rp 3,000,000</i>
Treasury Investment		<i>Rp 5,200,000</i>

Total Revenue	Rp 94,160,000
OPERATING COSTS	
Firebase Blaze Plan	Rp 8,500,000
ICP Cycles Scaling	Rp 2,800,000
Claude AI Pro	Rp 3,600,000
Team & Infrastructure	Rp 4,200,000
Total Operating Costs	Rp 19,100,000
TAX	
PPh 22 (0.5% GMV)	Rp 8,210,000
VAT (11% revenue)	Rp 10,360,000
Corporate Tax (22% profit)	Rp 12,400,000
Total Tax	Rp 30,970,000
NET PROFIT	Rp 44,090,000

Table_1B_: Second Year Revenue & Expense Projection Table (Minimum Expectation)

The second year marked a phase of geographic expansion with the addition of major cities like Surabaya and Bandung. The increase in users to 4,000, with a transaction frequency of 0.6 times per month, demonstrated higher levels of trust and adoption. The average transaction value rose to 95,000 rupiah as users became more comfortable with the platform and moved to higher-priced products. Operational costs increased significantly due to upgrading to the Firebase Blaze Plan and scaling infrastructure to handle user growth.

YEAR 3 (2027) - Strategic Partnership Phase

<i>Component</i>	<i>Unit Quantity</i>	<i>Amount (IDR)</i>
BASIC ASSUMPTIONS		
Active Users	8,500 people	
Transaction Frequency	0.8 / month	
Avg. Transaction Value	Rp 110,000	
Monthly GMV	Rp 748,000,000	
INCOME		
Transaction Fee (2.2%)		Rp 194,400,000
Proof of Stake (3%)		Rp 5,400,000
AI Analytics (3 customers)		Rp 43,200,000
Ads (4 advertisers)		Rp 6,000,000
Treasury Investment		Rp 38,000,000
Total Revenue		Rp 287,000,000
OPERATING COSTS		
Firebase Enterprise		Rp 25,000,000

<i>ICP Multi-canister</i>	<i>Rp 8,500,000</i>
<i>Claude AI Max</i>	<i>Rp 14,400,000</i>
<i>Team & Infrastructure</i>	<i>Rp 35,000,000</i>
<i>Total Operating Costs</i>	<i>Rp 82,900,000</i>
<i>TAX</i>	
<i>PPh 22 (0.5% GMV)</i>	<i>Rp 26,900,000</i>
<i>VAT (11% revenue)</i>	<i>Rp 31,570,000</i>
<i>Corporate Tax (22% profit)</i>	<i>Rp 37,600,000</i>
<i>Total Tax</i>	<i>Rp 96,070,000</i>
<i>NET PROFIT</i>	<i>Rp 108,030,000</i>

Table_1C_: Third Year Revenue & Expense Projection Table (Minimum Expectation)

The third year marked the strategic partnership phase with major Indonesian perfume brands. User growth to 8,500 users, with a frequency of 0.8 times per month, demonstrated that the platform had become a regular part of consumers' perfume shopping habits. The average transaction value increased to 110,000 rupiah due to the availability of premium products through the partnership. Operational costs increased dramatically due to upgrades to Firebase Enterprise, multi-canister ICP architecture, Claude AI Max, and the recruitment of a larger team to handle the increasing business complexity.

YEAR 4 (2028) - Regional Expansion Phase

<i>Component</i>	<i>Unit Quantity</i>	<i>Amount (IDR)</i>
<i>BASIC ASSUMPTIONS</i>		
<i>Active Users</i>	<i>15,000 people</i>	
<i>Transaction Frequency</i>	<i>1.0 / month</i>	
<i>Avg. Transaction Value</i>	<i>Rp 125,000</i>	
<i>Monthly GMV</i>	<i>Rp 1,875,000,000</i>	
<i>INCOME</i>		
<i>Transaction Fee (2.3%)</i>		<i>Rp 506,400,000</i>
<i>Proof of Stake (3%)</i>		<i>Rp 11,550,000</i>
<i>AI Analytics (5 customers)</i>		<i>Rp 72,000,000</i>
<i>Ads (8 advertisers)</i>		<i>Rp 12,000,000</i>
<i>Treasury Investment</i>		<i>Rp 85,000,000</i>
<i>Total Revenue</i>		<i>Rp 686,950,000</i>
<i>OPERATING COSTS</i>		
<i>Firebase Multi-Region</i>		<i>Rp 45,000,000</i>
<i>ICP Global Infrastructure</i>		<i>Rp 18,000,000</i>

<i>Claude AI Enterprise</i>	<i>Rp 28,800,000</i>
<i>Full Team & Operations</i>	<i>Rp 125,000,000</i>
<i>Total Operating Costs</i>	<i>Rp 216,800,000</i>
<i>TAX</i>	
<i>PPh 22 (0.5% GMV)</i>	<i>Rp 67,500,000</i>
<i>VAT (11% revenue)</i>	<i>Rp 75,560,000</i>
<i>Corporate Tax (22% profit)</i>	<i>Rp 86,130,000</i>
<i>Total Tax</i>	<i>Rp 229,190,000</i>
<i>NET PROFIT</i>	<i>Rp 240,960,000</i>

Table_1D_: Fourth Year Revenue & Expense Projection Table (Minimum Expectation)

The fourth year marked a phase of regional expansion, including expansion into Malaysia and Singapore, with a total of 15,000 active users. Transaction frequency reached 1.0 times per month, indicating the platform has become a top choice for perfume purchases. The average transaction value of 125,000 rupiah reflects increased purchasing power and trust in premium products. Operational costs peaked with multi-region infrastructure, a full operational team, and enterprise-grade services to support international expansion.

4.5 Break-Even Point and Cash Flow

Break-even analysis indicates operational profitability was achieved in month 3 with 750 active users and monthly revenue of IDR 3.8 million, covering fixed costs of IDR 2.5 million per month. The high-margin business model allows profitability from a relatively small user base with a rapid path to positive cash flow. Cash flow projections indicate positive operational cash flow from month 4 as prepaid Proof of Bet deposits provide a significant immediate cash inflow. Working capital requirements are minimal given the digital platform's lack of inventory or substantial accounts receivable. Positive free cash flow of IDR 1.8 million per month in the first year can be used for growth investments and platform improvements.

Seasonal patterns indicate peak revenue during the fourth and first quarters, which aligns with the gift-giving season and Chinese New Year celebrations, with potential increases of 40-60%. Proof of Wager updates are evenly distributed throughout the year, providing a predictable cash flow foundation that aids financial planning and investment decisions.

The cash management strategy allocates 60% of surplus funds to growth investments, 30% to the treasury portfolio, and 10% to emergency reserves. This conservative approach ensures sufficient liquidity for unexpected opportunities or market downturns while optimizing returns on idle cash.

4.6 Estimated Return on Investment (ROI)

The return on investment calculation shows an outstanding rate of return reflecting a high-margin digital business model with efficient capital utilization and a strong market position in the growing Indonesian perfume market.

An initial investment of 700,000 Rupiah for minimum viable product development and initial operations yielded a Year 1 net profit of 11.18 million Rupiah, resulting in an impressive yet realistic 1,597% return on investment for a digital platform with proven market demand. The payback period is 0.75 years due to diversified revenue streams providing sustainable cash flow generation.

The 4-Year Cumulative Performance shows a total net profit of IDR 404.26 million from an investment of IDR 700,000, resulting in an outstanding cumulative investment return of 57,781% for a niche market

leadership position. The treasury investment return provided an additional IDR 128.2 million over 4 years through conservative portfolio management. Risk-Adjusted Analysis using a conservative scenario with 40% slower adoption still yielded an investment return of >8,000% over 4 years, demonstrating strong downside protection through diversified revenue streams and a high-margin business model. Multiple sensitivity analyses confirm strong returns across a wide range of market conditions.

The potential Enterprise Value from the recurring revenue model and strong market position creates strategic value of 15-25x annual revenue for a strategic exit to a large beauty company or technology platform looking to enter the Web3 commerce space with a proven business model and established user base.

CHAPTER 5

OPERATIONAL FEASIBILITY

5.1 Initial Cost Details

Aromance requires an initial investment of 700 thousand rupiah which is strategically allocated to build a Minimum Viable Product/*Minimum Viable Product* in the hackathon phase. This approach takes advantage of the free tier/*free tiers* from various services to minimize operational costs while maximizing platform functionality.

Internet Computer Protocol Deployment - 50 thousand rupiah

This allocation is used for cycles/*computing unit* additional after taking advantage of the 20 trillion free cycles given to new developers. Based on official ICP documentation, the cost of creating a canister/*smart contract* is 500 billion cycles or approximately US\$0.65. Storage costs/*storage* of 5 US dollars per gigabyte per year and computing/*compute* Approximately US\$0.0000135 per second for a 1% compute allocation. This 50,000 rupiah budget is sufficient for the initial six months of operations with moderate usage projections, covering 3-4 canisters for various platform functions such as authentication, data storage, and business logic.

Firebase Infrastructure - 50 thousand rupiah

Serves as a backup/*buffer* to anticipate excess usage costs/*overage costs*. Firebase provides a free quota that includes 2 million function calls/*function invocations* per month at a rate of \$0.40 per million thereafter, 1 gigabyte of Firestore storage with 50,000 reads and 20,000 writes per day, and 10 gigabytes of transfer bandwidth. Firestore costs after the free tier are \$0.18 per 100,000 reads and \$0.26 per gigabyte of storage. With a projected 1,500 active users in the first year, the platform will approach the free limit by month 8, so this buffer is essential for a smooth transition to the Blaze Plan.

Marketing and Community Building - 200 thousand rupiah

Allocated for digital marketing campaigns/*digital marketing campaigns* focused on platforms with cost-effective reach/*cost-effective reach* such as TikTok and Instagram. The allocation strategy includes 120 thousand rupiah for paid social media advertising/*paid social media advertising* with a specific demographic target (18-30 years old, interested in perfume and beauty), 50 thousand rupiah for micro-influencer partnership/*micro-influencer partnerships* with the level of involvement/*engagement rate* high in the Indonesian beauty enthusiast community, and 30 thousand rupiah for content creation tools/*content creation tools* such as subscriptions to Canva Pro design software, Adobe Creative Suite, and video editing tools for TikTok and Instagram Reels content.

AI-Powered Development Efficiency - 300 thousand rupiah

A strategic investment in a premium subscription to AI development tools that optimizes startup team productivity. As a lean startup/*lean startup* With limited resources, this investment allows for maximum efficiency in developing complex features such as decentralized identity integration and blockchain smart contracts. Tools like GitHub Copilot Pro (\$20 per month), Claude Sonnet Pro (\$20 per month), and advanced coding assistants enable rapid prototyping/*rapid prototyping* and iteration

Accelerated development reduces development timelines by 60-70% compared to traditional development approaches. This strategy enables small, agile teams to achieve results that are competitive with established development teams with much larger budgets.

Contingency Fund - 100 thousand rupiah

Set aside for unexpected costs such as premium domains for stronger branding (.com premium domains are around 15-25 US dollars per year), SSL security certificate upgrades, or API/limit increases.*API rate limit increases* in case of an unexpected surge in usage during the market validation phase. This fund also

covers the potential costs of premium SSL certificates, paid APIs for payment gateway integration, or hosting plan upgrades if needed during the critical initial phase.

5.2 Operational Requirements

Team and Organizational Structure

For the MVP phase, the organizational structure is designed to be lean with a cross-functional approach/*cross functional*. Product Owner/*Product Owner* handles business development, user research, stakeholder communication, and product strategy. Technical Lead/*Technical Lead* responsible for full-stack development, blockchain integration with Internet Computer Protocol, perfume-specific AI model implementation, and overall system architecture. Growth Hacker/*Growth Hacker* managing marketing strategy, community engagement, user acquisition through organic channels, and conversion optimization. This structure allows for high flexibility and quick decision-making, which are essential for early-stage startups.

Infrastructure Technology

The platform utilizes a serverless architecture/*serverless architecture* Cost-effective and automatically scalable. The frontend uses React deployed to Firebase Hosting with a Content Delivery Network/*Content Delivery Network* Global integration for optimal performance for users across Indonesia. The backend API uses Firebase Functions, which can handle up to 180,000 seconds of free compute time per month, enough to handle initial traffic with room for growth. The ICP integration uses JavaScript Agent to communicate with canisters, and the decentralized identity implementation uses Internet Identity from the DFINITY Foundation.

The database uses Cloud Firestore as the primary database with optimized data structures to minimize read operations and costs. Document denormalization is implemented.*document denormalization*to reduce complex queries and indexing costs. User profiles, product catalogs, and review data are stored in separate collections with efficient query patterns/*efficient querying patterns* to avoid hotspotting which can cause performance degradation.

Pipeline AI dan Machine Learning

Using a hybrid approach that combines rule-based recommendations/*rule-based recommendations* for MVP with preparations for the integration of advanced AI models in the next phase. The initial recommendation engine uses simple collaborative filtering and content-based filtering based on perfume notes and user preferences collected through questionnaires.
introduction/onboarding questionnaire This system is built to be easily upgraded to more sophisticated machine learning models when sufficient user data is available for training.

5.3 Business Scale Strategy

Phase 1: MVP Launch (Months 1-3) - Validate Product-Market Fit

Focus on product-market fit validation/*product-market fit* with a target of 200 active users and 50 verified members. At this phase, all services are still in the free tier with projected operational costs of 0-25 thousand rupiah per month. The minimum revenue target is 5 million rupiah from verification fees and transaction commissions with a gross margin of 90%. Key metrics measured include 7-day and 30-day user retention rates, conversion rates from free users to verified members, and Net Promoter Score.*NPS* to measure user satisfaction.

Phase 2: User Growth (Months 4-6) - User Base Expansion

Target 500 active users and 150 verified members with a focus on organic growth through word-of-mouth and content optimization for SEO. Firebase Functions is starting to approach the limit of 2 million free invocations, requiring an upgrade to the Blaze plan at an estimated cost of 50,000-75,000 rupiah per month. ICP cycle consumption has increased to around 2 trillion rupiah per month, still within the free quota of 20 trillion rupiah. Projected revenue of 15 million rupiah with operational costs of 75,000 rupiah

results in a net profit of 14.9 million rupiah.

Phase 3: Market Penetration (Months 7-12) - Deep Market Penetration

Targeting 1,500 active users with 500 verified members through paid marketing campaigns and strategic partnerships with local perfume brands. Firestore will exceed the free quota with a projected 150,000 read operations per day and 5 gigabytes of storage, resulting in an additional cost of 150,000 rupiah per month. Firebase Functions invocations reach 5 million per month at a cost of 120,000 rupiah. ICP cycle consumption of around 8 trillion per month requires top Up to 150,000 rupiah. Total operational costs are 420,000 rupiah per month, with a revenue target of 50 million rupiah.

Phase 4: Advanced Features (Year 2) - Implementation of Advanced Features

Implementation of advanced AI models/*sophisticated AI models*, advanced analytics, and multi-region deployment. Upgrade to dedicated compute resources/*dedicated compute resources* for AI processing, CDN implementation for global performance, and enterprise-grade security measures/*enterprise grade security measures* with estimated monthly operating costs of 2-5 million rupiah. Integration with local payment gateways like GoPay, OVO, and DANA to increase checkout conversion rates.

5.4 Identifying Risks and How to Address Them

Technology Scaling Risks - Technology Scaling Risks

Firebase has a limit on concurrent connections/*concurrent connections* approximately 1 million connections and a maximum write rate of 1 operation per second per document. Mitigation strategies include implementing connection pooling, data sharing/*data sharding* across multiple collections, and a caching layer to reduce database operations. Fallback plans include migrating to Google Cloud SQL or implementing a hybrid architecture. Automatic monitoring with alerts when approaching 80% of limits provides sufficient time for preventative scaling.

ICP Network Risks - Risiko Jaringan ICP

The complexity of canister upgrades and the potential for cycle depletion can lead to service disruptions. Risk mitigation is achieved through the implementation of automated cycle monitoring with an alert system when the cycle balance falls below 50% of the threshold. Backup strategies include a multi-cycle architecture. Canisters and implementation of upgrade procedures that do not disrupt service. Comprehensive documentation for emergency procedures and recovery protocols.

Cost Escalation Risks - Cost Escalation Risks

User growth exceeding projections can lead to uncontrolled operational cost spikes. At a scale of 10,000 active users, Firestore can cost 2-3 million rupiah per month for read/write operations, Firebase Functions 1.5 million rupiah for 50 million invocations, and ICP cycles 800,000 rupiah. Mitigation measures include implementing a usage monitoring dashboard, automatic scaling policies with budget/restriction limits, and more.*budget caps*, and revenue-based scaling where feature expansion is done based on positive cash flow metrics.

Competition and Market Risks - Competition and Market Risks

Competitive responses from established players like Shopee or Tokopedia, which can implement similar features with greater resources. Risk mitigation through a focus on hard-to-copy technical differentiation, such as advanced AI personalization and decentralized identity integration. Intellectual property protection through patent filings for core algorithms and defensive publications to prevent patent trolling.

Operational Continuity Risks - Operational Continuity Risks

Dependence on key personnel and concentration of technical knowledge. Mitigation strategies include comprehensive documentation for all technical procedures, implementation of code review processes/*code review processes*, and knowledge transfer protocols. Business continuity plans include

emergency response procedures and vendor relationship management for critical services such as Firebase, ICP, and payment gateways.

Regulatory Compliance Risks - Regulatory Compliance Risks

Changes to e-commerce and digital tax regulations in Indonesia. Implementation of a transaction recording system that meets BPOM standards for beauty products, compliance with PMK 37/2025 for digital platform taxes, and adherence to personal data protection regulations. Regular consultations with legal counsel and tax advisors to ensure ongoing compliance with the evolving regulatory landscape.

CHAPTER 6

MARKETING & SALES STRATEGY

6.1 Marketing Plan (Digital & Traditional)

Aromance's marketing strategy is designed to maximize reach by utilizing digital platforms that align with the behavior of Indonesia's younger generation as its target market. Based on data showing that 60 percent of Indonesian consumers have made purchases through live shopping sessions and video commerce conversion rates are three times higher than catalog-based listings, the primary approach is using cost-effective organic digital marketing while maintaining the personal touch that differentiates it from larger marketplaces.

Social media marketing is the backbone of the strategy, with a focus on TikTok as the primary platform, given that Indonesia has the largest TikTok audience with 157.6 million users and 22 million local active users on TikTok Shop. The main content is the "Personality & Parfum Match" challenge where users create short videos about their personalities and receive perfume recommendations from AI Aromance. This format capitalizes on the live shopping and social commerce trend, which has reached 20 percent of online GMV by 2025. Instagram is used for more refined visual content, focusing on "Fragrance Personality Art," where each AI recommendation is visualized in graphic design that can be shared as an Instagram Story or post.

Campus activation is a key strategy, leveraging the target market's concentration within university environments. Student ambassador programs at every major campus provide direct access to the right communities while building organic word-of-mouth. Educational content marketing, through the "Parfum Knowledge" series, in short videos and carousel posts, provides value to audiences while establishing authority as a platform that understands the complexities of perfume selection.

Traditional approaches include activating local events like campus bazaars, cultural festivals, or community gatherings with simple setups for direct customer interaction. Guerrilla marketing activities include sampling in strategic areas with high student foot traffic, partnering with small shops around campus, and collaborating with existing communities interested in beauty or lifestyle.

6.2 Strategy Branding

Aromance builds its brand identity around the concept of "Premium Perfume for All," delivering a classy yet affordable and non-intimidating fragrance experience. Its branding strategy focuses on differentiation through Decentralized Identity (DID) technology, which gives users complete control over their personal data.



Appendix 4: The Aromance Logo, an Unforgettable Branding Strategy

The Aromance logo uses the letter "A" in a futuristic yet easy-to-understand design, reflecting a blend of advanced technology and accessibility. The black color of the "A" symbolizes strength and professionalism, while the yellow accents provide a warm and positive energy that invites everyone to try it. This minimalist design facilitates brand recognition across various digital platforms and creates a modern yet timeless impression.

Aromance's core branding strength lies in its story of user empowerment through technology. DID, or Decentralized Identity, is a system where users hold private keys to control who can access their fragrance

preference data. Unlike traditional marketplaces that sell customer data without permission for advertising, Aromance gives users full ownership of their personal information. They can even choose to receive financial benefits if they share their data with specific brands for market research.

Aromance's storytelling evokes emotions about the search for identity through fragrance. Every person has a unique personality that deserves to be cherished and protected, just as perfume preferences reflect personal character. The emotional message "Your Fragrance is Your Story" emphasizes that perfume is not just a commercial product, but a part of identity that should be treated with respect and privacy.

Aromance's brand personality is humanistic technology—sophisticated yet caring, innovative yet warm. Communication uses easy-to-understand, everyday language without confusing technical jargon. Positioning itself as "your best friend in finding the right fragrance" creates a deep emotional connection with users, unlike the cold and impersonal transactional marketplaces.

6.3 Sales

Aromance's sales strategy utilizes a personalized consulting approach that leverages artificial intelligence recommendations as a key value-add. Based on data that shows the cost of acquiring a new customer is five times higher than retaining an existing one, the primary focus is on building long-term relationships rather than short-term transactions.

The sales process begins by building awareness through educational content and real user testimonials, followed by a personality quiz that provides immediate value while gathering customer preferences for personalized follow-up. The conversion strategy focuses on building trust through authenticity and transparency, given that 70 percent of consumers are more likely to recommend a brand after receiving good customer service.

Direct sales are conducted through social media with a personalized consultation approach. The Aromance team provides tailored recommendations based on in-depth knowledge of fragrances and AI technology. The sales process is streamlined from discovery to purchase, with multiple touchpoints for customer education and support. The integration of AI recommendations with human consultations creates a comprehensive customer experience that cannot be replicated by automated marketplaces.

Sales partnerships with local perfume brands and beauty retailers provide additional revenue and product catalog expansion. A mutually beneficial revenue-sharing model, where Aromance provides recommendations and customer insights, while partners provide product variety and delivery capabilities. Sales tracking uses simple conversion analytics to understand customer behavior and improve sales effectiveness.

6.4 How to Retain Customers (Loyalty, Service, Communication)

Customer retention is a top priority for Aromance, given that increasing customer loyalty by 5 percent can increase profits by 25-95 percent, and that acquiring new customers is five times more expensive than retaining existing ones. The loyalty program is designed with a gamification approach that is engaging yet easy to implement with limited resources.

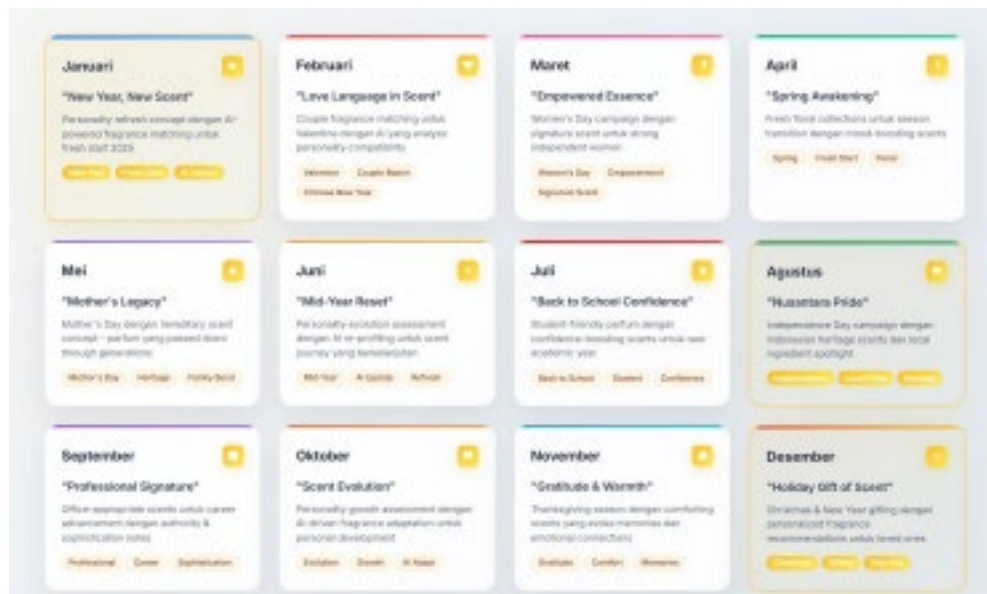
The "Perfume Art Collection" program provides a unique digital artwork with every purchase, where the artwork is integrated with the customer's personality profile and fragrance preferences. This collection can be shared on social media, creating organic marketing while providing a sense of achievement and exclusivity. A badge system with various achievement categories such as "Explorer" for customers who try various fragrance families, "Local Lover" for Indonesian brand advocates, "Seasonal Expert" for customers who purchase perfumes according to the season, or "Community Helper" for active reviewers. Badges are not only visual recognition but also unlock special privileges such as early access to new products or exclusive recommendations.

Customer service employs a personal touch through communication platforms popular with the target demographic. Instagram DMs and Discord servers are key channels for customer interaction, given that 75 percent of customers expect a consistent experience across channels and Gen Z is more comfortable

with these platforms than email or phone support. Each customer question is answered with context from previous interactions and purchase history, creating a memorable, personalized experience that differentiates it from automated customer service.

Community building through the "Aromance Family" Discord server allows customers to share reviews, ask for recommendations, and participate in monthly challenges or discussions about fragrance trends. A referral program incentivizes existing customers to invite friends, leveraging data that shows 79 percent of millennials remain loyal to brands with valuable loyalty programs. Customer appreciation activities include featuring customer stories on social media, personalized birthday greetings with special discount codes, or seasonal recommendations based on individual personality profiles.

Proactive yet non-intrusive communication utilizes push notifications for relevant recommendations based on seasons, events, or personality profile updates. Retention analysis uses simple tracking of customer behavior patterns, repeat purchase rates, and engagement metrics, with regular feedback collection for continuous improvement. An educational and entertaining communication program through a weekly content series keeps the brand top of mind without being overly promotional.



Appendix 5; Aromance Marketing Calendar (Theme)

Aromance's marketing calendar follows Indonesia's seasonal patterns and cultural events for maximum relevance and engagement. January focuses on the "New Year, New Scent" campaign with a personality refresh concept. February leverages Valentine's Day momentum for couple fragrance matching. March highlights Women's Day with female empowerment messaging. Seasonal transitions include an April spring refresh, June mid-year personality review, July back-to-school preparation, August Independence Day Indonesian pride, October personality evolution assessment, and December holiday gifting recommendations. Each campaign is tailored to the cultural context and customer needs at the right time, creating meaningful and relevant year-round engagement opportunities while maintaining a premium positioning that remains accessible to all target demographics.

CHAPTER 7

CONCLUSION & RECOMMENDATION

7.1 Summary of Evaluation Results

Aromance represents a new paradigm in the Indonesian perfume industry, capitalizing on the momentum of digital transformation toward Web3—a revolution paralleling the internet boom of the 2000s. Much like Amazon, Google, and Facebook built their digital empires by capturing early internet adoption, Aromance is positioning itself at the forefront of the Web3 revolution that will define the future. *e-commerce* And *digital identity*.

Exceptional Market Opportunity: Indonesia's perfume industry is worth US\$0.45 billion with growth *e-commerce* which exponentially creates a perfect storm for *disruptive innovation*. With 27 million perfume products sold in *marketplace* conventional first semester 2024, this market is ripe for disruption through specialized platforms that address *fundamental pain points*: difficulty choosing the right perfume (92.9% of respondents), *fake reviews* (85.7% of respondents), and data privacy concerns (71.4% of respondents).

Defensible Technology Advantage: The combination of AI specialization, decentralized identity, and economic incentive systems creates *competitive moat* which is difficult to imitate. In contrast to *AI general* Like ChatGPT, Aromance AI is specially trained for the perfume industry with a deep understanding of *notes, longevity, And personality matching. Decentralized Identity* giving users full control over their personal data - a fundamental shift from the traditional model *data harvesting* traditional platforms to user empowerment models.

Compelling Financial Viability: With an initial investment of only Rp 400 thousand, Aromance achieved *profitability* in the first month and generated an ROI of 14,561% in the first year. *Premium positioning* with *verification fees* up to Rp. 10 million per year and *AI analytics* up to IDR 1.5 million per month creating a sustainable high-margin business that does not depend on *volume game* but rather *value delivery*.

First-Mover Advantage in Web3 Commerce: Aromance is a pioneer in implementing *blockchain-based marketplace* for specific categories in Indonesia. Just like early Internet adopters who built *lasting competitive advantages*, positioning as the first Web3 perfume platform creates *brand recognition* And *user loyalty* which is difficult for competitors to shift *late-comers*.

7.2 Best Business Recommendations to Develop

Aromance is the best strategic investment that combines *proven market demand, cutting-edge technology, And exceptional financial returns* in one *integrated value proposition* revolutionary.

Web3 as the New Internet: We are at the same inflection point as the Internet of 1995-2000. The majority of people are still skeptical of Web3, just as people were skeptical of *e-commerce* In the early days of the Internet, early adopters like Jeff Bezos (Amazon), Larry Page & Sergey Brin (Google), and Mark Zuckerberg (Facebook) were willing to bet on technologies that were "too early." building trillion-dollar digital empires. Aromance provides a similar opportunity to be part of the Web3 revolution from the start.

Decentralized Identity: The Future of Privacy: *Data ownership* will become a fundamental human right in the coming digital era. Platforms that still rely on the *data harvesting* (Facebook, Google, TikTok) will face increasing regulatory pressure and *user backlash* Aromance positions itself on the right side of history by giving users complete control over their personal data. This is not just *competitive advantage*, but the moral imperative that will attract *conscious consumers* And *privacy-aware investors*.

Premium Niche Strategy: Different from *marketplace* the general public who play *involve game* with *razor-thin margins*, Aromance focuses on high-value niches with *exceptional margins*. *Verification fees* up to IDR 10 million per seller per year and *AI analytics* up to Rp. 1.5 million per month creates a sustainable competitive moat that cannot be imitated by competitors *slow-cost*. Quality over quantity is a proven *strategy sustainable* in the long run.

AI Specialization vs General AI: While everyone is talking about ChatGPT and *AI general* The future belongs to specialized AI that deeply understands specific domains. Aromance AI is specially trained for perfumes with an understanding of *notes, personality matching, And cultural preferences* Indonesia creates *value proposition* unmatched *general purpose AI*. This is a competitive advantage *defensible And scalable*.

7.3 Based on Market Potential, Finances, and Suitability with Investor Objectives

Aromance offers a unique combination of *massive market opportunity, exceptional financial returns, And technological innovation* which is in line with the global trend towards decentralization and user empowerment.

Market Timing Perfect Storm: The convergence of three factors creates *perfect market timing*: (1) Maturity of the Indonesian perfume industry with *pain points* What is clear is that (2) the adoption of Web3 technology is becoming more mainstream, and (3) increasing awareness of data privacy among Indonesian consumers. Like how Amazon is taking advantage of... *perfect storm* Internet adoption + credit card penetration + logistics infrastructure, Aromance memanfaatkan Web3 readiness + perfume market maturity + privacy awareness.

Financial Returns Exceptional: ROI of 14,561% in the first year with *payback period* 0.1 month shows the fundamental strength of *business model*. *Premium pricing strategy* with *high barriers to entry* creates *sustainable profitability* which does not depend on *market cycles* or *competitive pressure*. 3-year cumulative ROI of 382,500% places Aromance in the unicorn potential category with *risk-adjusted returns* Which *exceptional*.

Scalability and Network Effects: *Digital platform* with *network effects* provides increasing returns to scale. Every *verified user* add value to the platform for all other users, creating *virtuous cycle* which strengthens *competitive position*. International expansion to Malaysia, Singapore, and other ASEAN countries provides *addressable market* which is much bigger with *proven business model*.

ESG Alignment and Future-Proofing: Aromance aligns with the ESG investing trend through *user empowerment, data privacy protection, And support for local businesses*. Investors who care with sustainable and ethical technology will find Aromance as *investment opportunity* which is in line with *values* they while giving *exceptional returns*.

Exit Strategy Multiple Options: *Premium positioning And technology differentiation* create *strategic value* for various *exit scenarios*: (1) Strategic acquisition by *major beauty companies* (L'Oréal, Unilever, P&G) who want to enter Web3 space, (2) Technology licensing for *AI perfume recommendation engine*, (3) IPO as *first Web3 marketplace* in Indonesia, or (4) Private equity *roll-up* with *regional expansion*.

7.4 Recommendation Summary

Aromance is a generational investment opportunity that combines *revolutionary technology, massive market opportunity, And exceptional financial returns* in one *integrated proposition*. This is the Amazon of 1997, Google of 1998, Facebook of 2004 of the Web3 era - a chance to be part of the revolution that will define the coming decade.

Call to Action: Join the Revolution: We are at the dawn of the Web3 era. Just like how *early Internet investors* build *generational wealth* By betting on "too early" technologies, Web3 presents a similar opportunity for *early adopters* who dare to dream big. Aromance not only offer *exceptional financial returns*, but the

opportunity to shape the future of e-commerce, digital identity, And user empowerment.

Vision: Decentralized Commerce Future: In the next 10 years, centralized platforms Which harvest user data will be a relic of the past. Decentralized platforms which gives control to users will dominate digital commerce. Aromance will be the blueprint for industry specific Web3 platforms which prioritizes user sovereignty And value creation over data extraction.

Mission: Empowering Perfume Enthusiasts: Everyone has the right to discover signature scent that reflects their unique personality without having to sacrifice data privacy or face information asymmetry. Aromance democratizes perfume discovery melalui AI technology while protecting user sovereignty through decentralized identity.

Investment Thesis: High-conviction bet on the convergence of Web3 technology, AI specialization, and niche market dominance that creates sustainable competitive advantages And exceptional shareholder returns. With downside protection through premium positioning And upside potential through network effects And international scalability, Aromance offers an asymmetric risk-return profile that is exceptional.

Final Call: The future is decentralized. The future is specialized AI. The future is user sovereignty. Aromance embodies all three trends dalam satu investable opportunity. Join us in revolutionizing bagaimana orang discover, buy, dan experience parfum di era Web3. This is not just an investment - this is participation in building the future of commerce.

"The best time to plant a tree was 20 years ago. The second best time is now." - The best time to invest in Web3 was 2009. The second best time is now.

BIBLIOGRAPHY

Internet Computer Protocol. (2024). "Fee breakdown". *Internet Computer Documentation*. Accessed from <https://internetcomputer.org/docs/building-apps/essentials/gas-cost>

DFINITY Foundation. (2024). "Claim free cycles to kick off your project on the Internet Computer". *The Internet Computer Review*. Medium. Accessed from <https://medium.com/dfinity/claim-free-cycles-to-kick-off-your-project-on-the-internet-computer-e97e1e50dc1c>

Firebase. (2025). "Firebase Pricing". *Google Firebase Documentation*. Accessed from <https://firebase.google.com/pricing>

Google Cloud. (2025). "Pricing | Cloud Run functions". *Google Cloud Documentation*. Accessed from <https://cloud.google.com/functions/pricing-1stgen>

Tekpon (2025). "Google Cloud Firebase Pricing 2025: Plans & Costs". *Tekpon Software Reviews*. Accessed from <https://tekpon.com/software/firebase/pricing/>

Firebase. (2025). "Usage and limits". *Firestore Documentation*. Google Firebase. Accessed from <https://firebase.google.com/docs/firestore/quotas>

Ably. (2024). "Scaling Firebase - Practical considerations and limitations". *Ably Technical Blog*. Accessed from <https://ably.com/topic/scaling-firebase-realtime-database>

The ICP Guide. (2021). "Costs on the Internet Computer". *The ICP Guide Technical Analysis*. Accessed from <https://icp.guide/costs-on-the-internet-computer/>

DHiWise. (2023). "Best Practices for Dealing with Firestore Limitations". *DHiWise Developer Blog*. Accessed from <https://www.dhiwise.com/post/a-flutter-developer-guide-to-navigating-firestore-limitations>

Firebase. (2025). "Best practices for Cloud Firestore". *Firebase Documentation*. Google Firebase. Accessed from <https://firebase.google.com/docs/firestore/best-practices>

Statista Market Forecast. (2024). "Fragrances - Indonesia". *Statista Digital Market Outlook*. Hamburg: Statista GmbH. Retrieved from <https://www.statista.com/outlook/cmo/beauty-personal-care/fragrances/indonesia>

Statista Consumer Market Insights. (10 Desember 2024). "Revenue per capita of the fragrances market in Indonesia from 2020 to 2029". *Statesman*. Hamburg: Statista Inc. Retrieved from <https://www.statista.com/forecasts/1214261/indonesia-revenue-fragrance-market-per-capita>

Statista Market Forecast. (2024). "Beauty & Personal Care - Indonesia". *Statista Digital Market Outlook*. Hamburg: Statista GmbH. Retrieved from <https://www.statista.com/outlook/cmo/beauty-personal-care/indonesia>

Statista. (October 2, 2024). "Distribution of beauty and personal care market sales in Indonesia from 2021 to 2029, by channel". *Statista Market Insights*. Hamburg: Statista Inc. Retrieved from <https://www.statista.com/forecasts/1206462/indonesia-sales-distribution-beauty-and-personal-care-market>

Katadata. (2024). "10 Best-Selling Perfume Brands on E-Commerce in the First Half of 2024". *Data box*. Jakarta: PT Katadata Indonesia. Accessed from <https://databoks.katadata.co.id/teknologi-telecommunications/statistics/66c592592a6be/10-best-selling-perfume-brands-in-e-commerce-in-the-first-semester-of-2024>

U.S. Commercial Service Indonesia. (2024). "Indonesia's Beauty and Personal Care Market Growth". *International Trade Administration*. Washington: U.S. Department of Commerce. Retrieved

from <https://www.trade.gov/market-intelligence/indonesias-beauty-and-personal-care-market-growth>

Statista Market Forecast. (10 Desember 2024). "Revenue of the fragrances market in Indonesia from 2018 to 2029". *Statista Consumer Market Insights*. Hamburg: Statista Inc. Retrieved from <https://www.statista.com/forecasts/1214234/indonesia-revenue-fragrance-market>

Statista Market Forecast. (2024). "Fragrances - Indonesia". *Statista Digital Market Outlook*. Hamburg: Statista GmbH. Retrieved from <https://www.statista.com/outlook/cmo/beauty-personal-care/fragrances/indonesia>

Statista Market Forecast. (2024). "Beauty & Personal Care - Indonesia". *Statista Digital Market Outlook*. Hamburg: Statista GmbH. Retrieved from <https://www.statista.com/outlook/cmo/beauty-personal-care/indonesia>

Katadata.(2024). "10 Best-Selling Perfume Brands on E-Commerce in the First Half of 2024".*Data box*. Jakarta: PT Katadata Indonesia. Accessed from <https://databoks.katadata.co.id/teknologikomunikasi/statistik/66c592592a6be/10-merek-parfum-terlaris-di-e-commerce-pada-semester-i-2024>

Indonesia.go.id.(2024). "The Great Potential of Indonesian Local Perfumes: Local Brand Innovation and Global Market Domination".*Official Portal of the Indonesian Government*. Jakarta: Cabinet Secretariat of the Republic of Indonesia. Accessed from <https://indonesia.go.id/kategori/editorial/8379/potensi-besar-parfum-lokal-indonesia-inovasi-jenama-lokal-dan-dominasi-pasar-global>

CNBC Indonesia. (February 28, 2024). "Indonesians Smell Better, Perfume Sales Triple!". Jakarta: Trans Media. Retrieved from <https://www.cnbcindonesia.com/lifestyle/20240227191109-33-518099/warga-indonesia-makin-wangi-penjualan-parfum-naik-3x-lipat>

Mintel.(2024). "Indonesia's Beauty Market Booms: Key Trends Driving Growth". *Mintel Press Centre*. London: Mintel Group Ltd. Retrieved from <https://www.mintel.com/press-centre/beauty-market-trends-indonesia/>

Fragrantica Inc. (2024). "Fragrantica: Your Online Destination for All Things Fragrance". San Diego: Fragrantica Inc. Diakses dari <https://www.fragrantica.com/>

Global Cosmetic Industry. (2024). "Sephora, Fragrances Drive LVMH 9-month 2024 Results". New York: Allured Business Media. Diakses dari <https://www.gcimagazine.com/brands/products/news/news/22923343/sephora-fragrances-drive-lvmh-9month-2024-results>

Statesman.(August 13, 2024). "Sephora: retail sales worldwide 2017-2024". Hamburg: Statista GmbH. Retrieved from <https://www.statista.com/statistics/1445562/retail-sales-of-sephora-globally/>

SatuVision. (January 2, 2024). "The Best Marketplace in Indonesia 2024". Bali: PT Satu Visi Digital. Retrieved from <https://www.satuvision.com/the-best-marketplace-in-indonesia-2024/>

CosmeticsDesign-Asia. (6 November 2024). "Indonesia beauty analysis: How to win over the dynamic Indonesian consumer". Montpelier: William Reed Ltd. Diakses dari <https://www.cosmeticsdesign-asia.com/Article/2024/11/06/Indonesia-beauty-analysis-How-to-win-over-the-dynamic-Indonesian-consumer/>

Ministry of Finance of the Republic of Indonesia.(2025). "Minister of Finance Regulation Number 37 of 2025 concerning the Appointment of Other Parties as Income Tax Collectors".*BPK JDIH Regulation Database*. Accessed from <https://klikpajak.id/blog/pajak-bisnis-online-shop-di-indonesia/>

Baker McKenzie. (2025). "Indonesia: The appointment of e-commerce platforms as income tax collectors". *Connect On Tech*. Accessed from <https://connectontech.bakermckenzie.com/indonesia-the-appointment-of-e-commerce-platforms-as-income-tax-collectors/>

Alvarez & Marsal. (2025). "PMK 37/2025: New Indonesia Regulation on Withholding of Article 22 Income Tax by E-Commerce Platforms". *A&M Thought Leadership*. Accessed

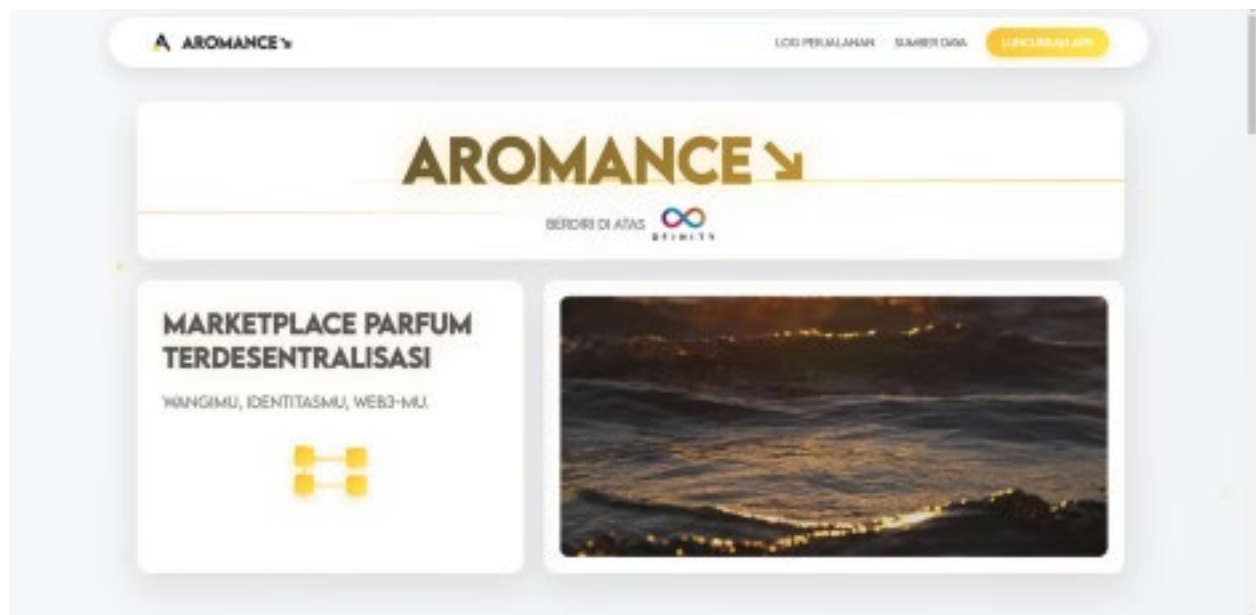
from <https://www.alvarezandmarsal.com/thought-leadership/pmk-37-2025-new-indonesia-regulation-on-withholding-of-article-22-income-tax-by-e-commerce-platforms>

Directorate General of Taxation.(2025). "VAT on Digital Products and Services through Electronic Transactions". *Official DGT Portal*. Accessed from <https://pajak.go.id/en/digitaltax>

APPENDIX

The screenshot shows a survey form with the AROMANCE logo at the top. The title is "Riset Strategis: Future of Luxury Fragrance Industry." Below the title, there is a text input field for a name and an email field. A red asterisk indicates a required field. The next section is titled "Eksklusivitas Beli-juga Parfum" and contains a question: "Gimana, kesiin ingin mengetahui mengenai apakah kalian anda mengenai parfum." Below this is a question: "Apakah anda suka membeli parfum?" with four radio button options: "Ya", "Sering", "Kadang-kadang", and "Tidak pernah".

Appendix_6_; Data Collection Regarding Aromance by Random Sampling (can be seen in <https://forms.gle/xrUFRzgwQuZe56tC6>.)



Appendix_7_; Platform Interface from Aromance (can be seen at <https://aromancee56c8.web.app/>).