# Signature parfumes

# index

01

Technology O5

02

Value proposition 11

03

Characteristics 15

04

Market 25

O5
Business model 37



# S

01

## Technology

Digitalising perfume, placing it in the hands of the most demanding "users" with complete control by the "manufacturer".



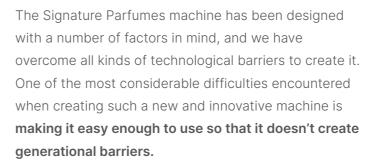
Signature Parfumes aims to disrupt the market by introducing a unique solution for **layering perfumes that functions in two different ways:** by spraying it directly onto the skin and by refilling an empty pocket-sized bottle.

One of the main advantages of **Signature Parfumes** is that the bottles can be sold separately from the machine. So, unlike the other options available on the market, **the bottle can be adjusted manually.** 



Layer perfumes with proportions that cannot be achieved with commercial bottles.

A major drawback when incorporating active technologies into consumables for electronic devices, or into a bottle as in our case, is that they must be fitted with digital parts or even batteries. However, the Signature Parfumes bottle doesn't need any extra parts; its innovative mechanical design means that it costs much the same as conventional bottles.



Until now, it has never been so easy to layer perfumes.

All you have to do is adjust the proportions in the tailormade **app** and test the results right there and then. If the result is not quite what you were looking for, simply tweak the formula and try it again.









The functional design offers plenty of benefits, and combining this with technology that is more compact than ever before allows you to place the machine in any space, however small it From the outset, **Signature Parfumes'** aim was to create a

product that can layer perfume by spraying it directly onto the skin while also giving users the possibility of filling a bottle with their own personal scent and taking it with them wherever they go. We have both the technical know-how and experience needed to deliver a product that is in high demand in an evergrowing market.

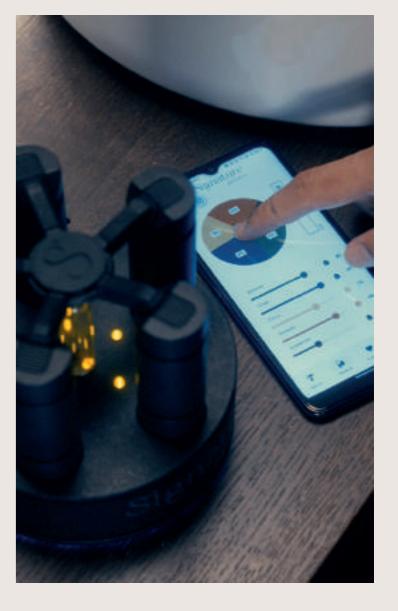


User experience is synonymous with success; Signature Parfumes' magic and minimalism will win over all types of users.

For any company wishing to grow in its own sector, attracting new customers and finding niches in the market has always been an incessant task. In addition to traditional customers, Signature Parfumes will disrupt the market by directly targeting users who are disinterested in the world of perfume, but who are clearly passionate about the use of technology.

**Sustainability** is key, and Signature Parfumes has been carefully designed to meet all standards that may be implemented regarding its use, from filling its bottles to recycling them, thanks in great part to the battery- and digital component-free design of its products.





Signature parfumes | Business plan Signature parfumes | Business plan

## S

02

## Value proposition

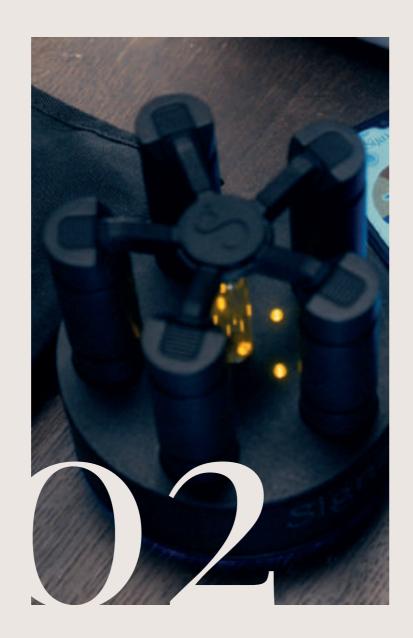
A fully personalisable and globally scalable smart dispenser.



Signature Parfumes is a smart dispenser featuring a digital system that enables you to **customise every last aspect of your perfume**. The app allows users to create their own perfume, with infinite possibilities, and then share it, manage it, prepare a bottle to use later, recommend it and check their refill levels. They can even set up automated replenishment via the app or another chosen method to make sure they never run out.

Signature Parfumes takes a giant leap forward by employing technology that interacts with the world of perfume, consumers, influencers and manufacturers alike. It is the crossroads between the essence of tradition and luxury and boasts an extensive background in the concept of perfume, creating niche brands and digitisation.

The perfume sector is very traditional, and although there are a few notable exceptions, most new products are either based on designing formulae, packaging and concepts that aim to bridge the gap between perfume and cosmetics, or on organic and sustainable products. A few feeble attempts have been made to introduce new, cutting-edge technologies into the world of perfumes—such as the metaverse, neuroscience and fragrance testing devices—but these have never come close to being a concept that



personalisable to the highest degree. The Signature Parfumes system allows users to take into consideration not just their personal preferences when it comes to creating a fragrance, but also their specific circumstances, such as the pH of their skin, the time of day and the occasion, among many more. They can adjust the formula as many times as they wish and then share their creation with others, who can then reproduce it in any part of the world, all with the Signature Parfumes system.

Thanks to advances in digitisation, not only do we have a technology that lets users design their own perfumes, share their choices, receive recommendations and increase use and consumption, but also that gives us access to a plethora of

data—on the users themselves and their profiles, preferences and consumption habits—which we can leverage to perform ultra segmentation, make predictions on their consumption, anticipate purchases based on the level of their refills, advise them on new formulae and promote customer loyalty by extending customer lifetime value (CLV). What's more, these data open the door to **new purchasing scenarios**, such as the metaverse, and technologies that allow users to protect their uniquely created perfume with a non-fungible token (NFT) or blockchain technology, providing them with a greater degree of **exclusivity**.

# selecte

13

## S

Characteristics

Design your own fragrance with limitless combinations and share them with other users.



Signature Parfumes is characterised by its smart dispenser system and its digital, scalable and sales-boosting solution that generates large amounts of data.

## **Smart dispenser**

Signature Parfumes is a system featuring a smart dispenser that provides users with a perfume that is fully tailored to their tastes, requirements and situation. They can also use it to **design their very own fragrances** by trying endless combinations, which they can either use at that moment or produce a larger quantity to either store or bottle.

Signature Parfumes automatically dispenses the required amount of fragrance designed by the user without the need to touch the machine, thanks to its built-in motion sensor that dispenses the perfume when it detects the user. What's more, users can even **share the machine with another person** in their household through the app, even with different fragrances.

Each person can make their personal choices in the app and then dispense the perfume via the smart dispenser. This system offers a range of possibilities, as the versatility of designing a highly personalised fragrance combined with the fact that multiple people can use it in one household—people who previously used perfume from conventional brands but now use Signature Parfumes thanks to being able to create their own fragrances—makes this a **one-of-a-kind product on the market**.

In addition, Signature Parfumes enhances the entire perfume experience by simplifying the process of searching for the perfect combination and allowing the machine to be used by different people as it permits multiple combinations to be applied in the same day.

## Factors that can come into play when personalising the fragrance:

- Gender
- Age
- Financial situation
- Cultural roots
- Season
- Time of day
   Morning / Afternoon / Night
- Activity

Sport / Party / Work / Leisure / Travel ...

- Type of person
   pH / Skin / Other personal characteristics
- Mood

Happy / Sad / Euphoric / Celebratory / ...

This means that the perfume is not only tailored to the individual, but it also allows you to **create different combinations for the same user** by adjusting the parameters detailed above. As it is a smart device, it is capable of making recommendations, saving formulae with the different parameters chosen by the user, controlling the levels of the components and even placing an order so that the user never goes without perfume, among many other features.

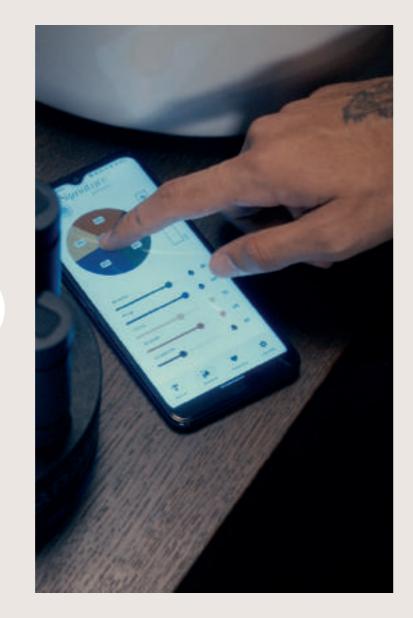


## Digital

Signature Parfumes is a personal system comprising a physical device and a digital aspect, which controls and enables all of the machine's features, from creating a formula for a perfume and integrating it into a manufacturer's system to scaling up production in a simple and cost-effective manner.

As explained above, **Signature Parfumes is controlled via an app**. This allows the user to design and save all the perfumes they create in their profile, which they can then use at any moment by activating the smart dispenser.

The machine's digital aspect also permits interaction with the user through sending them recommendations, allowing them to share their preferences with another person, recommending fragrances, receiving recommendations from their circle of influence and ordering refills, to name a few.



The main advantages of the Signature Parfumes digital ecosystem are:

#### General

- The mobile app enables connectivity and interaction between the manufacturer and users.
- Provides real-time information on consumption, formulae, use, etc.
- Allows you to share data and information with other users.
- Makes marketing and using the system scalable
- A powerful marketing tool.
  - Extracts information on users and their consumption.
  - Helps anticipate sales.
  - Customer Share gives you access to potential consumers.

- You can launch new products and versions.
- Products can be fully personalised.
- Allows you to create a community and reap all the potential benefits associated with it.
- Provides product education and helps enrich perfume culture.
- Periodic information channel.
- You can introduce other categories of products.
- Ultra segmentation.
- Provides the ability to develop very niche brands.

19

#### **Advanced digital capabilities**

- Can be integrated into the metaverse.
- Uses blockchain technology.
- Ability to create NFTs with your own unique perfume. This allows users to protect their creation and grants them a greater degree of exclusivity.
- Can be combined with other digital devices and proposals.

### Scalable

Signature Parfumes is a new concept of use that, as a result of its digital capabilities, allows users to create their ideal perfume by combining different fragrances. As it enables users to share their experience and perfumes with other people, who can be located in any corner of the world, Signature Parfumes has the potential to quickly expand on a global scale. This means that with a little impetus we can create significant demand which, once it spreads to new circles of influence and new combinations are created, will feed back to the system and further boost growth.

This concept gives perfumes the ability to go **viral** very easily and creates demand in different places and countries. Just imagine what would happen if your combination became the favourite perfume of a celebrity or a particular community. And combining this with a high-value strategy and a product "scarcity" would result in a **Blue Ocean without precedent in this sector**. This strategy is used by companies like Apple for their product launches, causing high demand regardless of the price.

The digital possibilities of Signature Parfumes are endless, and its placement in new locations, such as the metaverse, would give it access to practically every potential customer on the planet.

## **Consumption Boost**

**Signature Parfumes**is the best tool for boosting the consumption of perfume as it:

- Allows people to change the fragrance they use several times a day depending on the circumstances.
- Enables them to easily search for new fragrances.
- Gives people the chance to share their personal choice, which could encourage others to post their own perfumes, which in turn leads to their network of influence trying them and experimenting, an effect that is similar to the impact of social media.
- Its digital connectivity enables it to notify you when the component levels are low for your fragrance, replenish stock automatically and recommend new versions or formats.

- A single machine can be shared by numerous users, which boosts the **number of users** and increases consumption.
- When the season changes, it makes suggestions based on combinations that are more suited to the weather of the new season.
- The ability to experiment with combinations, the ease of use and the fact that a single machine can be shared by several users in the household mean that consumption may be up to 50% more than conventional perfumes.

21

## **Outstanding data collection tool**

Additionally, **Signature Parfumes** is a powerful tool for collecting data as it provides highly valuable information on many aspects of **users' usage and preferences in real time**. Through the use of AI, you can generate more effective interactions with users in order to obtain more information or leverage the data that you have already gathered.

Data is an extremely precious asset since it can be used by diverse companies for countless reasons:

- Companies in the fragrances sector. They can use these
  data to monitor their consumers and stay ahead of the
  curve regarding offers and preferences, as well as for
  marketing purposes.
- Other types of companies, such as those in the luxury goods sector, can combine the information extracted from the data with other attributes to find out much more information about their customers and personalise their products.
- The use of artificial intelligence and big data present endless possibilities when it comes to customer data.
- They can be integrated into new scenarios including virtual reality, augmented reality and the metaverse.
- As a result, the company using the data does not necessarily have to belong to the perfume sector as the data can be used by purely digital businesses who are active in these new frontiers.

With this in mind, it is worth asking what the value of this information is given the almost infinite possibilities it offers, as not only are we gathering information on the user themselves, but also on their **network of connections, their habits and preferences, the channels they use and their location, among many other things**. The potential is immeasurable, and it is an avenue that must definitely be pursued, especially for companies whose marketing strategy is based on using Al to process this data, as is the case with Amazon and other similar companies.

In order to estimate how valuable it is, you would first have to calculate the total number of users of the app, their connections and their capacity to share information. By way of example, let's have a look at X, formerly known as Twitter, which was sold for \$29 billion. Considering that it has 330 million users and had

a turnover of \$4.4 billion in 2022, this means that each user is worth \$13.30. In five years, these users would have earned the company \$22 billion, or \$66.70 per user (although a large amount of them are fake). This network is where data is least valued, and according to The Drum, a website specialising in marketing, a verified email address can be worth up to £84.50, or €96.91, and that's just for the email address. The value of the rest of the information depends on how it is used. If we have a deep understanding of the user, their profile and behaviour patterns, this provides us with infinite options when it comes to performing all kinds of actions—whether marketing, crossselling, upselling, new offers, uses, surveys, promotions, capturing new customers, etc. Until now, there has been no way to monitor customers in the perfume sector to such a degree, so it is clear that this is a **watershed moment** for the sector.



## S

04

## Market

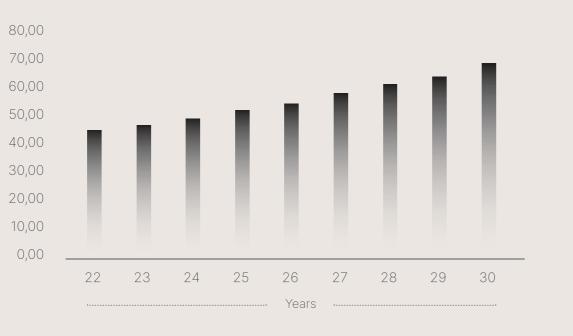
Sharing experiences, gathering real-time information, a powerful marketing tool.



The global perfume market is enormous and constantly growing. In 2022, it was valued at an estimated \$45.85 billion and is **expected to reach \$48.5 billion in 2023**, with a compound annual growth rate (CAGR) of 4.2%. What's more, it is predicted to be worth \$69.25 billion by 2030, with a **CAGR of 5.36%** (1).

The growth of the global perfume market is being propelled by a series of factors, such as the increase in available income, the growth of the middle class in emerging markets and growing awareness regarding beauty and personal care.

## Growth of the perfume market



## Key market trends

R&D and advertising are driving growth in the European and US markets. Key players are investing in these two aspects in an effort to influence consumers' purchasing decisions.

Additionally, the increased influence exerted by social media and celebrity backing are having an impact on the advertising strategies that the sector's main stakeholders are opting for.

The boom in online sales has led to cosmetics and perfume wholesalers adding more and more images and videos in order to improve their sales. Some online wholesalers also offer the possibility of customising your perfumes and fragrances.

Therefore, the market's key players are investing heavily in advertising and promotional activities in order to attract consumers to their digital platforms.

The increased demand for beauty products all over the world is spurring on the beauty industry. In turn, this is expected to encourage the growth of the perfume market. Aromatic essential oils have started to play an important role in personal care and hygiene. Efforts are being made across the globe to come up with new innovations and developments to keep up

with consumers' demands. The longevity of aromatic essential oils is one of their key requirements.

As such, the availability of long-lasting aromatic essential oils is essential to the expansion of the market.

For example, in June 2020, Givaudan, a leading company in the fragrances and aromas industry, unveiled VivaScentz, a scent-based technology that enables it to create different smells and devise fragrances with wellbeing benefits across all categories of perfume, including fine fragrance, personal, home and fabric care, as well as oral care flavours.

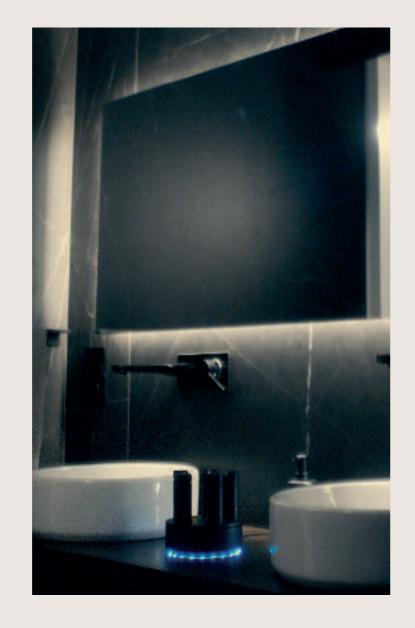
These cutting-edge technological inventions from some of the industry's giants will only further increase calls for new, innovative products.

27

#### Market drivers:

- Companies are constantly looking for innovations in the fragrance market:
  - Innovative contactless aroma diffusers
  - Al-based solutions
  - New ranges of dispensers and packaging
  - Eco-friendly packaging
  - Presence in the metaverse
  - Virtual reality
- Increased preference for online shopping
- Launch of personalised niche fragrances
- Increased purchasing power and growing focus on factors of personal care are driving growth in Asia-Pacific markets.

Hay una evolución de la pirámide generacional, que facilitará que los aspectos tecnológicos sean especialmente valorados.



## Advantages of the signature parfumes digital ecosystem

#### General

The mobile app enables connectivity and interaction between the manufacturer and users.

Creating an app to connect to the machine and using the app as a basis for developing further features will allow us to:

- Obtain real-time information on consumption, formulae, use, etc., which can be used to create interactions for ordering refills, trying new formulae, and predicting and monitoring behaviour and use patterns.
- Share experiences, fragrance formulae, data and information with other users. This is especially important as the same tool can be used to make knowledge and use of the machine go viral. A person can share their favourite fragrances, create a survey asking their circle of contacts about them and make recommendations, among other things. All of these actions are designed to expand

the concept and, as a result, consumption, both through encouraging increased use and attracting new users.

• Makes marketing and using the system scalable. As it is a digital system, it allows us to transcend the physical world and continue to grow, as each user is able to create their own fragrance by simply selecting a series of options. Digitisation is not a question of borders or markets; it means that our product is capable of reaching all potential users, regardless of where they are. The users themselves will promote the product and influence others. There is no limit, but if we imagine that the market grows at a rate of 5.36% each year, it should be reasonably easy for us to take advantage of that growth.

29

#### A powerful marketing tool:

- Level of acceptance of launched products. We can find out the results of launches, concept tests, minimum viable products (MVPs), etc. in real time and interact with the processes.
- Extract information on users, consumption, habits, socioeconomic indicators, contact networks, usage profiles for
  different individuals in a single household, geolocation,
  hourly consumption, preferences, potential for cross-selling
  and upselling actions, etc. In addition, we can perform
  automated super segmentation, which enables us to stay
  ahead of new trends in terms of tastes and consumption.
- Anticipate sales. We can see the exact level of the refills, allowing us to create a subscription-as-a-service (SaaS) model, recommend different options for new refills and complementary products and tips for using the machine, etc.
- Capture new customers through Customer Share. This
  amazing marketing tool, when properly used, allows us to
  expand our market, attract new customers and increase
  consumption practically automatically. A user can share

- their own perfume with a community or another user, who will then be tempted to try it, and then they may choose to use that combination and share it again, creating a kind of social network for perfume. Alternatively, they can post it on an existing social media network and share a code for their chosen combination. Imagine that a person with a rather large following on social media shares their selection; it is immediately shared and tested by all of their followers, and then in turn by their own followers. This is the first time that the capacity to quickly share information has existed in this sector. What's more, people often change their minds and tastes, which means that by releasing more combinations, the chance of going viral exponentially increases.
- Create a community. One of the greatest aspirations of all marketing professionals is to have a community of users and fans of their products, as this guarantees consumption, while the community provides its members with feedback, training and different ways in which the product can be used. This exact phenomenon has occurred for many brands, such as Harley-Davidson, Nespresso, Apple, Coca-Cola and Nike, all thanks to digitisation. This, combined with the previous point, would be a truly mighty marketing strategy.

- Launch new products and versions. Launching a new product would be so much easier, whether preparing for the MVP stage, as it would allow us to gain a real and complete validation at a low cost and in a short space of time; or following the go-to-market strategy, as the process would be much quicker and cheaper as a result of the built ecosystem, which we can use to help us reach our target audience.
- Personalise products. A number of brands have started to release personalisation options using an array of techniques, from neuroscience, as in the case of YSL Beauty, which runs a test in order to identify a customer's fragrance preferences and then uses this information to create a "personalised" scent; to combining different options directly at the point of sale, like Maison 21G. In these alternatives, the user is unable to monitor the process in real time and make changes or variations as they see fit at any point in the process as they can with our product.
- Ultra segmentation. The Signature Parfumes ecosystem gives customers complete control over every last detail of their perfume, as it segments, or even super segments, them based on what they are looking for and offers countless possibilities. This allows us to gain a better understanding of the customer and carry out launches and

- actions that are highly accurate and suited to the target audience, all at a low cost.
- Ability to develop very niche brands. Related to the
  previous point, thanks to our in-depth knowledge of the
  customer and personalised responses, we can create
  very specific niches that may contain extremely valuable
  proposals.
- Product education and enriching the perfume culture.

  This helps grow the market and attract more users, who probably wouldn't have bought anything if there was no digital framework in place. Product education may be the first experience that lots of youngsters have in the world of perfume, and it allows them to try different fragrances and sensations. The subscription culture is widespread among younger generations—everything from their TV shows to their cars and plenty more are consumed via a subscription model. As such, this is a good way to get them started and train them in the intensive use of our products.
- Ability to introduce other categories of products.

  Giving our customers access to an app, which they will use on a frequent basis, provides us with an interesting communication-influencer channel that we can develop to then undertake cross-selling and upselling actions. Since

31

we know who our customers are, it is easy to recommend certain cosmetic products, accessories, publications and other relevant items to them.

- Periodic information channel. This goes hand-in-hand
  with the previous point. A channel with which we can share
  information with the customer and keep them interested, tell
  them about new products and experiences and give them
  tips, etc., is a powerful communication tool.
- Anticipating the customer lifecycle. By knowing everything
  about our users, we can programme their customer
  experience depending on the stage of their life. For
  example, if we have a household containing two middleaged adults, their preferences may change as they get
  older and their social situation changes. If we add into the

- mix younger profiles such as teenagers, we can impact each and every stage of growth by recommending more penetrating fragrances, rather than light and airy ones, based on their age. Access to this information—regarding both our users and their community—means that we can make more specific recommendations for combinations.
- Excellent customer experience. All of the points described above enable us to achieve an outstanding customer experience during all stages of its life cycle. Users tell us what they want and they get it easily. In addition, we can monitor their experience in real time and interact with them at any point.

## Advanced digital capabilities:

The fact that it is based on a digital ecosystem allows us to perform a plethora of actions, from the ones described above to more ambitious and advanced ones in the digital universe, such as:

- Integration in the metaverse. A number of sector companies are already leveraging this virtual world to display, sell and promote their products. LVMH has released "Louis: The Game", which uses NFTs to attract customers to the brand, while luxury brands Givenchy and Gucci have entered the Roblox metaverse, with Givenchy Beauty House and Gucci Town, respectively. In the case of Signature Parfumes, we don't only aim to merely exist in the virtual world, but we want what happens there to materialise in the real world.
- Use of blockchain technology. This is doubly exciting for our product thanks to its ability to use blockchain technology to both trace components and protect a user's chosen combination, if they wish to. This is something that we are going to see happen more and more with all kinds of products.
- NFT of a given perfume. Through the use of blockchain technology we can create NFTs and sell them, along with a certificate and a guarantee of its uniqueness. This allows the user to protect their creation and grants them a greater degree of exclusivity, and it even means that they can assign a price to it and share or gift it. This opens the door to unexplored territory that is only continuing to grow exponentially and which proves to be an intriguing line of business for many sectors. Many brands, including L'Oréal, YSL Beauty and Mugler, have already created their own NFTs, with the latter company releasing one for its Angel perfume. NFTs are highly valuable for Signature Parfumes, as this is what enables us to guarantee super-exclusivity.
- When we consider the digital capabilities of some of the sector's main players, we are faced with a great number of opportunities, as our machine can complement a wide range of products, such as certain items of clothing, cosmetics, soaps and wearables. A player that is strictly digital could add it to their ecosystem and combine it with other digital solutions, and not only in the metaverse, but also in the real-world proposals they offer their customers.

33

Combinable with other digital devices and proposals.

## Tool for boosting consumption by up to 50%

**Signature Parfumes** is a powerful tool that is capable of increasing consumption as it simplifies the process of using the machine, leading to a 50% growth in consumption over traditional methods as a result of:

- Users constantly searching to find the perfect fragrance.
- The ability to **share fragrances** and make variations of fragrances received from others.
- The machine's capacity to be used by several people and users being able to try other peoples' combinations.
- The possibility of adapting fragrances depending on the activity, season and time of day, among other things, and

having access to an app that encourages experimentation and increases consumption due to greater use in a wider range of daily situations.

- Being able to refill ready-to-use bottles to take with you in your handbag and on journeys and travels. Travel bottles add value and allow the perfume to be transported at critical moments, such as in concerts and at airports.
- As refills can be dispensed automatically via the app, this
  increases continuity of the use of the product and prevents
  it from being interrupted, as the components can be easily
  scheduled for replenishment, thus preventing customers
  from being tempted to try new brands.



# S. S Business model

Scalability with different usage models.



Signature Parfumes represents an unprecedented business opportunity at a time when consumers are more demanding and sophisticated than ever before.

The perfume sector has been incapable of adapting to a world in which technology has taken over, and the solution proposed by Signature Parfumes would **require little investment while generating incredible profits.** 

Signature Parfumes' versatility makes it possible to develop different ways of operating, aside from the sale of machines, perfumes and consumables, some of which include:

- Selling the data extracted from users and their behaviour.
- Income from the app, advertising, additional content, maintenance and fees.
- Selling complementary products via a dedicated marketing channel.
- Selling NFTs and usage licences to other brands in the sector or complementary companies.
- Licensing fees for bespoke perfumes.
- Licensing fees for brands outside of the perfume sector.
- Integration in purely digital systems.
- The metaverse.
- Selling leading combinations.
- Pay per selection.
- Usage subscription models.

#### Report prepared by:

Alto Valor Añadido Consultores

Herrera el Viejo, 7. 41001 SEVILLA +34 954 964 437

infor@avaconsultores.es

