

smilepepper

A storefront for every merchant.

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[1] Introduction

Food and Beverage (F&B) Home-based businesses (HBBs) do not have a dedicated platform to manage and showcase their business. With little capital and usually nonexistent certification, their current options involve using common marketplaces that are more suited to single-item sales (Carousell, Facebook Marketplace, Direct selling on social media) as they are usually ineligible for traditional food delivery platforms (Grab, FoodPanda, Deliveroo). These home-based businesses lose efficiency and spend extra time on non-core operations such as managing orders by hand, because they lack a solution that is optimised for F&B sales.

On the other hand, customers looking for HBB merchants do not have a centralised marketplace to visit, and most of the general public are unaware of the existence of most HBBs to begin with. For example, it is extraordinarily difficult for a new customer to easily search for and find an HBB selling Peranakan-style chilli crab. Most people would not have considered HBBs as an option to begin with.

SmilePepper offers a research-backed and thoroughly refined business management solution (merchant mode) that gives HBBs the freedom to dictate and automate the most important aspects of their business operations, such as being able to manage all current and previous orders, set delivery dates and times, blackout dates, and delivery fees by location. Our merchant mode aims to deliver these options and more, in a concise, easy-to-use and understandable way for sellers of all technological abilities. Our platform also aims to provide value-added services such as marketing with well-written reviews and videography, to legitimise and popularise our seller's offerings.

Our team has roots in F&B, and we acutely understand the issues involved in operating a small F&B business. We aim to keep our product up-to-date to deal with current issues by continuously refining and improving our product with input from the actual merchants and customers who use our product. Our founders are also passionate about the industry and are keen to create an established community where Singaporeans can visit when they're looking to support local HBBs.

[2] Business Environment

Opportunity

Due to the COVID-19 pandemic, there has been an influx of HBBs arising from people looking to bolster their incomes. Consumers stuck at home had more disposable income. With the proliferation of food interest groups on social media, this market has grown over time and continues to persist even in a post Covid-19 world. In 2021 alone, there were 65,438 new businesses in Singapore (Go Business, 2022), with a significant proportion of them selling home-based F&B . There is a distinct lack of value-added services that cater to this market.

Merchants would greatly benefit from a low barrier-to-entry solution that abstracts away operations that do not involve the core food preparation process (e.g. having to manually arrange delivery dates and other forms of pre-sale arrangements). Other value-added service providers that would normally work with brick-and-mortar F&B businesses, such as professional marketing, are also out of reach for the average HBB.

Already aware HBB customers and prospective customers will benefit from having a specific go-to marketplace instead of having to sift through social media posts, or other marketplaces that are not designed for F&B sales. Aggregated advertising and marketing for a single go-to marketplace would benefit the industry as a whole.

Merchants

While conventional merchants can rely on common marketplace platforms (Etsy, Cococart, Ebay, Shopify etc), F&B merchants have specific requirements for managing the actual sale.

For example, a conventional merchant that sells readily available non-perishables can process and finalise the sale in a few minutes, and move on to delivery arrangements in a flexible fashion. An F&B HBB on the other hand has many limitations, not limited to:

- HBBs are not usually stocked or structured to fulfill same-day orders like restaurants, instead relying on advance orders to be able to procure sufficient ingredients with minimal wastage and ensure freshness of the product.
- HBBs are usually small operations and are less elastic in handling large order numbers. They need to be able to control the maximum number of orders they can reasonably fulfil per day without compromising product quality and be able to limit or control the number of deliveries during timeslots.
- HBBs are often pen and paper or low-tech and would benefit from having a digital, but still user-friendly way of performing or automating menial operational tasks.

- HBBs are usually starting from scratch, built from small budgets and have thin operating margins. They need to find ways to market their product and build their customer base on a budget much smaller than their retail sized counterparts. Sharing marketing costs across an entire marketplace will shrink costs to manageable levels.

These are some of the very specific requirements that F&B merchants have to deal with. We discover more and more as we speak to more and more prospective merchants and users, as well as targeted case studies into specific problem scenarios for merchants.

Outside of these back-end issues, there has also been a noticeable rise in rental rates for brick-and-mortar locations in food centres, eating into the bottom line of food merchants. There have been multiple instances of hawkers leaving behind expensive units and hawking out of their own homes (Jieying 2022). In combination with rising food prices from international instability, we also expect an exodus of such businesses exploring new options.

By keeping the costs of our services low, we want to incentivise new merchants by showing them how easy it is to manage the backend of a home-based food business. For existing larger merchants, we also offer the chance to spend less time on their backend services and allow them to focus more on what brings additional sales, like being able to service more orders in a day or focusing on new ways to improve the quality of their offerings.

Customers

Despite significant media coverage and novelty during the COVID-19 pandemic, HBBs are not universally successful, and our research shows a significant proportion of HBBs ceasing operations over time, likely because they are not pulling in the customers needed to replace consistent employment.

Currently, the only consistent places for potential customers to find HBBs without prior knowledge are special interest groups on social media. These groups are spread far and wide, and a certain HBB might only exist within a certain group. The process of accessing a known HBB, much less “window shopping” for a new HBB is complex and difficult. To increase reach and allow for easier navigation and discovery, F&B HBBs need to be banded together under one common marketplace that can facilitate easy searching and sorting for new customers.

For new customers, the idea of buying from an HBB might also raise notions of questionable food cleanliness, poor credibility, and inconsistent food quality, a fact backed up by our survey results. For a registered brick-and-mortar F&B business, the scrutiny from reviews authored by other food enthusiasts and the assurance from the backing of a credible brand alleviates most of the uncertainty. By giving F&B HBBs a platform where their customers can review their purchases, and the extended credibility of SmilePepper Private Limited, we can similarly alleviate such concerns.

Competition

SmilePepper's competitors are primarily made up of ad-hoc transactions done on Social Media channels and other sales-facilitating applications.

Social Media Marketplaces (Facebook Marketplace, Instagram, Tiktok)

Social media marketplaces (especially Facebook Marketplace), are where the majority of F&B HBBs hawk their products, and a majority of fresh leads are created here. They are mostly active on their pages and in food interest groups that were created during the pandemic and have continued to be active till this day. Transactions are completed by direct messaging the seller's business or personal accounts or responding to sales posts.

The issue with these platforms is that they only serve as a means to market their product, and then the transaction process is taken off the platform to a communication app to be manually fulfilled. The backend and other supportive processes still have to be done somewhere else, introducing complexity and interrupting an otherwise streamlined process.

The strength of this platform is its familiarity with its audience and reach, and its low (or lack of) cost.

Take.app

Take.app is the most common order management service used by HBBs at the moment. They provide an easy-to-use way of listing one's products and managing subsequent orders that come through. It is simple to use and is free up till a certain point, and they were first to market during the pandemic which gave them a headstart in terms of user base.

However, they also do not have a combined marketplace where customers and merchants can gather, instead opting to provide individual websites/storefronts that are isolated from one another. While this is adequate for storefronts that can stand on their own, customers still need to be specifically directed to their storefront, thereby making new leads from organic discovery and "shopping around" very limited.

The strength of this platform is their free tier, as well as how inexpensive the premium tier is as compared to their offerings.

Cococart, Carousell, and other miscellaneous marketplaces

Cococart and other marketplaces make up a fractional amount of the market share, and are rarely used by F&B HBBs. They suffer similar problems of only handling small parts of the F&B sale process instead of being a complete solution.

[3] The SmilePepper Application

Our solution encompasses an all-in-one platform, with a marketplace where merchants can set up their storefronts, a well-developed and easy-to-use backend for merchants to manage their orders, as well as a publication platform to allow prospective customers to learn more about merchants.

This will cover most of the transaction pipeline: from acquiring new leads up till delivery management and the payment process.

Customer Facing Marketplace





Our marketplace is the first of its kind for home-based food sales, giving merchants a platform to showcase their wares to potential customers from all over. Customers will be given ample tools to discover, purchase and rate a variety of novel foods from an even bigger variety of home chefs.

Our marketplace will operate similarly to other local marketplaces (sgCarMart, Propertyguru, Carousell). Customers will be able to search, filter and look for precisely what they want, and can discover new merchants in a way that is more user friendly and returns more concise results than on social media. Customers will also be able to rate and make comments on their purchased items to help other prospective customers make educated decisions on their next purchase, as well as provide valuable feedback to merchants on the quality of their experience.





The marketplace brings together many different businesses into a one-stop-shop for all things related to home based food. This allows customers to browse and “window shop” (Southern 2021), facilitating more sales and helping businesses. This concept is similar to how shopping malls work, where merchants will benefit from agglomeration economies from having many storefronts arranged in a format built for browsing and discovery. With a few high-profile businesses on board, we expect smaller businesses to enjoy a beneficial halo effect from simply being in the same marketplace.

smilepepper Marketplace Reviews [List with us](#)

Full Meals All full meals >

 <p>魯肉飯 Braised Pork Rice SS\$7.90 Lu-Natic "魯Natic"</p>	 <p>Black Pepper Crab. Each Crab Comes... From SS\$55.00 Rumah Kitchen & Spice</p>	 <p>Braised Pork Belly Buns (Kong Bak Pa... SS\$24.90 Rumbling Bellies SG</p>	 <p>Dakdoritang (Spicy Chicken Stew) Wit... SS\$7.90 Niuniutea Dudurice</p>
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Dishes All dishes >

 <p>Premium Black Pig Belly Char Siew From SS\$25.00 Charlicious</p>	 <p>Halry Hums SS\$38.00 Eat Hum</p>	 <p>Authentic Taiwanese Salted Fried... From SS\$7.80 JT Joe's Fried Chicken</p>	 <p>Green Chili Kimchi From SS\$15.90 Jenny's Kimchi</p>
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The marketplace page of SmilePepper allows for "window shopping".

smilepepper Marketplace Reviews [List with us](#)

Dishes

 <p>Charlicious Drumlets From SS\$7.90 Charlicious</p>	 <p>Oyster Cake SS\$17.50 Lily's Kitchen</p>	 <p>Ngho Hiang Meat Roll SS\$24.00 Lily's Kitchen</p>	 <p>"Must Try" Aunty Lily Homemade Ngo... SS\$2.50 Ah Wee Nyonya Foods</p>
 <p>Sayur Lodeh SS\$9.80 Ah Wee Nyonya Foods</p>	 <p>Sambal Goreng SS\$8.80 Ah Wee Nyonya Foods</p>	 <p>"Best Selling" Itek Tim SS\$13.80 Ah Wee Nyonya Foods</p>	 <p>Hee Peow Soup SS\$15.80 Ah Wee Nyonya Foods</p>

An example of a search category result page.



Rumah Kitchen & Spice



Wanna Enjoy Delicious East Coast Seafood Singapore Style Chilli & Black Pepper Crabs in the Comfort and Safety of your own Home with your love ones? How about Mouth Watering & Spicy Crabs on a weekend with your friends & favourite ice cold beverages! Then Order Now from Rumah Kitchen & Spice!

No Pork. No Lard.

Listing

Singaporean food



Chilli Crab comes with x 2 free Mantou



Black Pepper Crab. Each Crab comes with x 2 free Mantou



White Pepper Crab comes with x2 free Mantou



How to order

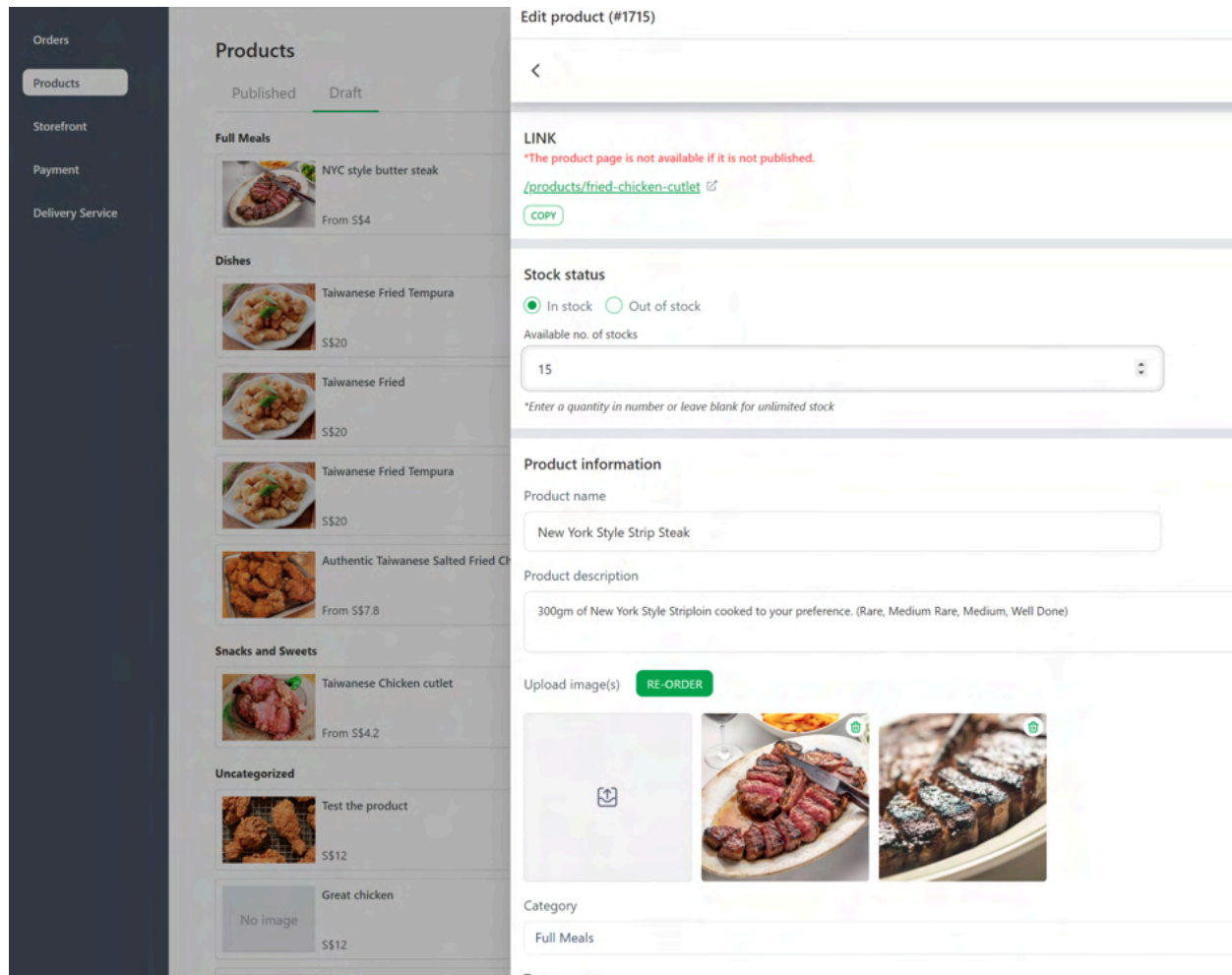
- Pre-Order 2 to 3 days if possible before date of delivery as Live Stocks have to be indented. Next day orders will be subjected to availability.
- Preorders from Sunday to Friday.
- Operations between Friday to Sunday.

An example of a seller's (Rumah Kitchen and Spice) storefront.

Merchant Mode Backend

The backbone of our platform is its merchant mode, which is specifically tailored to the needs of home-based F&B.

Users of similar systems from other food delivery management applications will find the interface familiar, with simple and intuitive ways to add new products quickly on any platform, be it mobile, tablet or desktop.



Creating entries for new products is simple, intuitive and familiar to those who have used other food delivery platforms.

Merchants will also have access to a detailed order management system that is easy to understand and navigate, removing the need for any pen and paper systems. Orders automatically progress and update their status throughout the ordering process, allowing merchants to see all their pending orders in different stages at a glance. Merchants are also able to export orders as CSV files as needed for their bookkeeping.

Orders

Products

Storefront

Payment

Delivery Service

Orders

All
New orders
Pending payment
Paid
Completed
Cancelled
EXPORT CSV

Order #	Date/time ordered	Customer	Item(s)	Collection method	Status
#1680	30/10/2023 12:55PM	Mike Tsai	Authentic Taiwanese Salted Fried Chicken		New order ▼

Item(s)	Qty	Price	Total
Authentic Taiwanese Salted Fried Chicken	1	S\$	S\$10.40
			S\$10.40

Customer: Mike Tsai

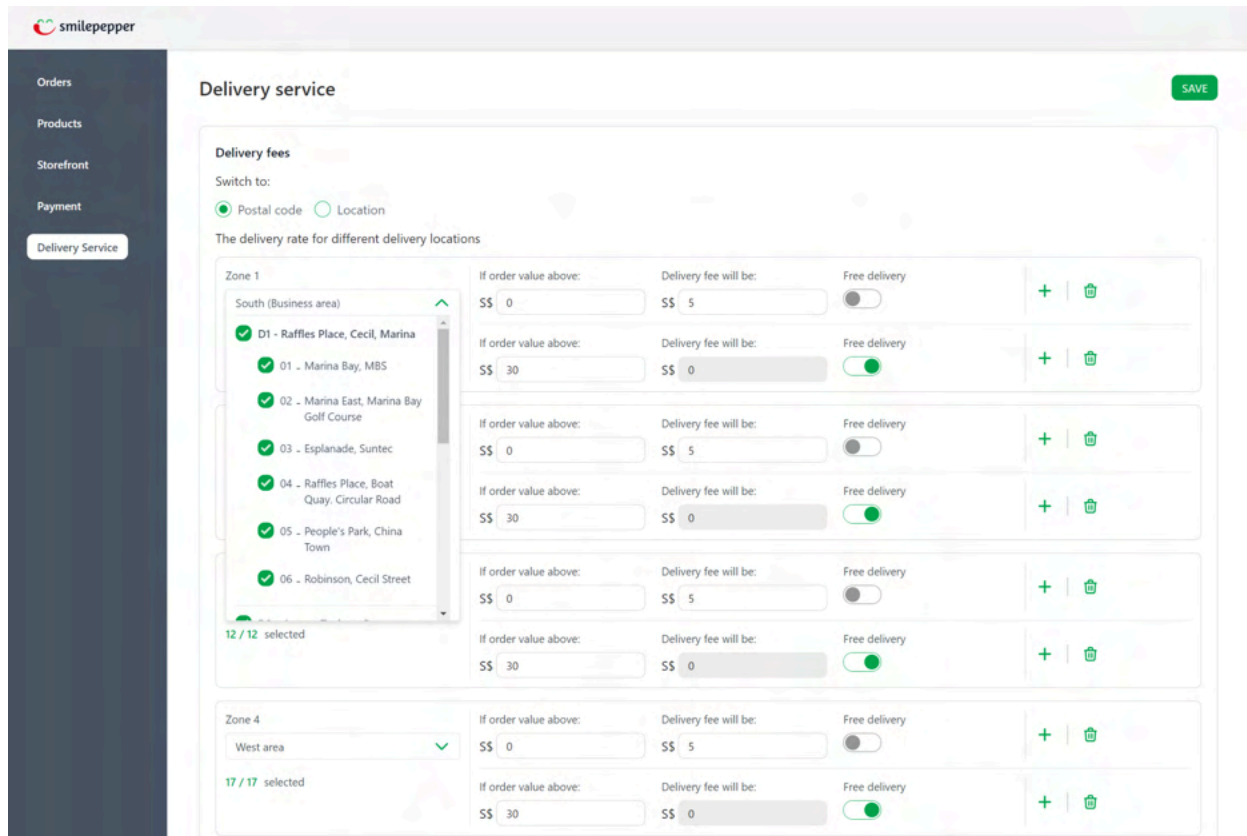
Delivery address: 747A Bedok reservoir Crescent, #02-03, SG 471747

Contact no. 97994245

ACCEPT THIS ORDER

SmilePepper's order dashboard allows merchants to monitor the status of all their orders at a glance.

Where SmilePepper aims to stand out as a platform is allowing merchants to do more than just see their orders. Our merchant mode allows merchants to make a fulfilment schedule that suits them perfectly and have our system automatically reflect this on their storefront. With the ability to customise delivery or self-collection schedules down to the hour, or to only accept orders in a specific part of Singapore, our merchant mode aims to empower merchants to run their business the way they want to.



SmilePepper's in-depth merchant mode allows merchants to customise many aspects of their delivery fulfilment.

Our goal for the merchant mode is to accommodate the needs of every type of F&B merchant. As such, we continuously consult with new types of merchants and build and refine new features accordingly. This will minimise the amount of time merchants have to spend managing their backend by hand, and give them more time to do what makes them money.

The Publication Platform

To supplement our marketing efforts, SmilePepper will also have its curated content platform in the form of food reviews and merchant features.

Content creation in the form of food previews will help drive new traffic to SmilePepper from social media. Our content will be distributed full-length through our YouTube channel, and in easily digestible yet engaging short-form content through social media shorts (Instagram Reels, TikTok, YouTube Shorts). From educating prospective customers on the benefits of ordering from small home-based businesses to spotlighting and reviewing the offerings of an up-and-coming merchant, we aim to provide content that is both educational and entertaining.

We want to have a unique style of presentation on a rarely covered subject, with a higher quality of writing and criticism that will be beneficial to both merchants and prospective customers.

For existing and new customers, such content will also help steer them towards discovering new foods and merchants. It will also help them make more educated purchasing decisions and reduce the likelihood of a poor experience.

We aim to expand the breadth of our content in the future. As our following grows and expands, we expect to be able to offer this as a value-added service under assisted marketing for our merchants.



Radish And Yam Bites

Adding new dimensions to both the flavour and texture profiles by frying them...



Stuffed Blackout Brownies

It really does feel like high quality ingredients have been used, and eating the...



DuDu Lu Rou Fan

The bits of pork skin have a pleasurable soft crispness to them and I liked eating them ...



Ugly Crackling

The meat itself didn't have that excessive porkyness which meant great care was...



Chilli Crab

Spicy Crab by a Peranakan Spice Master.



Kimchi Trio Bundle

It lingers on your tongue with a gentle tingle that reminds you that it's time to take...



The review page of SmilePepper



The Dipping Sauce

The surprise standout of this set was the sauce. The meat itself was good but the sauce just brought it to another level. With little bits of spring onion, chillies, garlic and who knows what other spices floating in the sauce, you can already tell you're in for a flavour roller coaster. While the meat itself was slightly under-seasoned for my liking, the sweet, spicy and tangy sauce added so much flavour and made my day. The skin remained crisp after dipping, which only added to the amazing mouthfeel. The meat just became a delivery vehicle for this heavenly sauce, one day prime delivery straight into my mouth. What was supposed to be a dipping sauce ended up being poured over entirely. My only complaint was that there wasn't nearly enough for how much I was loving it. Give me plain white rice, the meat, enough of this sauce and I'd be set every day for life.

A partial example of one of our reviews of "Ugly Crackling" by a merchant called "Crispy Dippers"

[4] Business Execution

Marketing Plan

Initially, SmilePepper will rely on relatively large amounts of paid advertising on social media platforms and partnerships to create as much reach as possible. We aim to make an explosive entrance onto the F&B scene to drown out as much competition as possible, and be socially relevant enough to be picked up by other content creators looking to capitalise on SmilePepper being the “flavour of the month”. We aim to become sustainable through our operations as soon as possible through this explosive start to minimise marketing spend.

SmilePepper’s long-term marketing plan will continue to revolve around the novelty factor of trying new food cooked by home-based businesses.

Our social media channels

To capitalise on Singapore's love of food, we will be creating and marketing with our own videos and written reviews on our social media pages. SmilePepper’s style of writing is more in depth and sophisticated, standing as a unique and stark contrast to other popular publications. Combined with an unfiltered and natural videographic style, our content will have sufficient differentiation from other offerings on social media in order to stand in its own niche.

On top of consistent content creation, we will also conduct attractive and interactive promotions (free food given out to random winners etc.) to increase reach and follower metrics.

To ensure our content reaches as wide of an audience as possible, we will do our own paid promotions in terms of boosted content and paid placements.

News pickup and promotion

We can also reasonably expect news outlets and other media to pick up on our initiative naturally as we make our presence known. By leveraging our social responsibility angle we have reporting potential that will make us attractive to report on.

Early discounts and incentives

By partnering with well-known home-based businesses, we can leverage their popularity to expand our reach to our ideal target audience. We can tap on big players in the home-based F&B market and offer discounts in exchange for having their customers using and reviewing our platform. This mutually benefits both our platform and the HBB merchants themselves and gives them a valid reason to cooperate with us.

Scarcity marketing

We can spin the inherent limitations of how much a home kitchen can produce in a day as a marketing initiative, where only limited quantities of a certain item are available over a period of time. Unplanned limited releases of popular items will give reasons for customers to return to the site periodically for opportunities to purchase "drops" from popular merchants. These work similarly to Amazon "lightning deals" or Shopee "flash deals".

Sales Plan

Our sales plan will take either a fixed amount or a percentage cut of all sales, whichever is higher. These numbers are applicable for the Singaporean market and are adjustable as needed to fit SmilePepper's business goals.

Fixed amount: \$20

Cut percentage: 8% of all revenue generated via SmilePepper

This pricing model allows us to minimally cover costs of usage (servers, bandwidth, labour, etc) for smaller businesses with low revenue, while still being able to generate proportional revenue from merchants on our platform. As such, SmilePepper can remain as an accessible and attractive starting platform for new businesses, while still being a profitable endeavour for its investors and owners.

Most HBBs are flexible on cut percentage (within reason) as they view their inclusion on SmilePepper as an additional revenue stream that will not harm their quality of service. Merchants of all sizes can see our value proposition as an easy-to-use sales platform and marketing tool.

Alternatively, the increased costs can be passed on to the customer via a silent markup (as is usually the case with other food delivery services) to retain profit parity with other platforms.

Operations

Locations & Facilities

Pre - launch / funding:

No facilities or locations are needed early on. Equipment and locations are founder-sourced, and employees do not need an office to work on-site and can work fully remote.

Post - funding:

Office space as a studio and work environment. Due to space and living constraints, it will be easier to have a centralised location for both filming and content creation purposes. The office acts as a storage of filming equipment and props.

Employees can also use this space for other work-related activities.

Technology

User Experience Strategy

SmilePepper employs a mix of established quantitative and qualitative research methodologies to accurately define our UX direction to suit our client base.

Quantitative data provides measurable metrics that help us shape our broader design and feature decisions. For example, we conduct surveys with both groups of current and prospective clients to gather insights and commentary about our business model. We also delve into social media forums and other preexisting marketplace fronts to gather up-to-date data about our merchant clients and their transaction process with purchasers (posting frequency, average product counts per user, and user age etc.). These hard metrics help us define common denominators (average age group of our clients, buying and selling patterns etc.) that act as general overarching guides to SmilePepper's direction.

Qualitative data shapes the finer points of the SmilePepper application, enabling widespread accessibility and accounting for pertinent but otherwise hidden pain points. In addition to our large-scale surveys, we also conduct targeted interviews to explore client pain points and identify opportunities that are difficult to express numerically. Furthermore, we engage in user testing with prototypes, allowing us to identify and address issues before entering the actual development phase.

SmilePepper's primary goal for our merchant clients is to streamline their experience, allowing them to spend more time in the kitchen and minimising interactions within our app. For our buying clients, our focus is on facilitating smooth communication and transaction processes in the platform. Thus, it is paramount to ensure that our user interface accommodates diverse user experiences. SmilePepper's feature sets are built to be both customizable and scalable, while still providing clear navigation cues, in order to remain easily accessible for people from all walks of life.

Architecture

SmilePepper relies on a close integration with cloud service providers to provide both a seamless and scalable solution for our clients. This comes with a tradeoff where some

additional monthly operating costs are incurred as compared to a solution that we host and manage ourselves. this is the currently most cost effective and reliable solution which can guarantee consistent uptime, rapid scalability to ensure service quality in times of abnormal usage, and fast response times during service issues. By offloading most of the provisioning and management work, we are able to keep our team slim and focused on SmilePepper's core goals.

Our codebase is kept slim and feature development is prioritised by client needs to minimise code bloat. SmilePepper follows Agile methodologies in its development workflows. Within this framework, we consistently gather feedback and prioritise feature implementations.

Our devops pipeline is straightforward with minimal red tape to ensure swift, continuous implementation. We aim to minimise time-to-market for client requested solutions, pushing out a live solution as fast as possible and then refining afterwards with client feedback.

[5] Future Plans

Regional Expansion

SmilePepper will look to either expand regionally in neighbouring South East Asian countries or to Australia, where one of our co-founders is located.

Australia

In Australia, regulations for HBBs exist, helping to remove some of the ambiguity around purchasing from HBBs as a customer. Australian HBBs are required to have the same level of food safety standards as any other F&B business (Foodstandard.gov.au, 2023).

Our research has also revealed the presence of many unique racial groups that have formed their own small-scale communities that buy and sell homemade F&B to one another through “group-buy”-esque Facebook posts. These isolated groups exist because Australia is not as cosmopolitan as compared to Singapore, and has extraordinarily strict laws about food importation. We’ve identified this as a core market that would appreciate a slightly modified version of the SmilePepper application to account for subroutines specific to these F&B HBBs.

Alongside this, research shows that many restaurants in Australia are closing down due to 3 main factors - Visionary shortcomings, lack of industry experience, and insufficient operating capital (Chefcollective, 2023). SmilePepper could be a great platform for new restaurateurs to kickstart or validate their F&B business ideas.

SEA Region

Nearby South East Asian regions have similar environments to Singapore and are easy to travel to for research purposes, making them viable candidates for expansion. There are many HBBs selling much more varied goods in these areas, making them prime candidates that could benefit from a service such as ours.

Content Creation

SmilePepper will also have to keep up with the latest trends in content creation in order to stay relevant. Livestreaming sales in particular are very popular amongst the Chinese market but is still in its infancy in Singapore (Tan 2023), but may be an untapped opportunity for HBBs with no retail stores to advertise and market their food. “Mukbangs”, or eating shows, are also a relatively new phenomenon that can also be used as a business tool to advertise food or merchants.

Service Improvement

In order to retain customers, a platform-wide loyalty program, offering incentives in the form of discounts and exclusive offerings, can keep customers coming back for more. Giving customers rewards when they post reviews, photos and for other meaningful community interactions can also lead to a much more active community that markets itself.

Value-Added Services

With enough size and volume, SmilePepper also hopes to expand its service offerings to include delivery services as well. As of now, maintaining a consistent delivery workforce to service merchants is expensive and logistically challenging, and utilising ad hoc delivery men can result in service delays or further complications when it comes to scheduling. Another viable alternative would be to partner with a local delivery service to provide corporate or preferential rates to customers, instead of building our own delivery fleet.

Another service offered would be to offer our own food safety guarantees for HBBs in lieu of a government rating. Whilst there are no compulsory government regulations in Singapore for food safety for HBBs, we hope to offer a private inspection service that operates along the same guidelines that government inspectors use for commercial food entities. This will hopefully bridge the gap of food safety concerns that potential customers have when ordering from HBBs.

Domain Expansion

We hope to eventually expand the range of our services beyond just F&B HBBs. With the domain of F&B HBB being only a part of the market, we can look into expanding our services to other types of HBBs. There are plenty of local merchants who are renowned locally, and some even internationally, for selling a variety of products from their homes. From beautifully handmade resin art pieces that resemble the ocean, to custom Nerf blasters that perform better than their commercial counterparts, there's a world of HBBs out there who could benefit from our platform.

Integration of Artificial Intelligence (AI)

As AI continues to become more and more groundbreaking each day, we aim to eventually include it into our SmilePepper offerings.

On the consumer end, AI based recommendation engines can deliver more precise recommendations to our customers based on their browsing habits and past purchases. Trained chatbots can help enlighten interested consumers about the origins of a specific foreign food

being offered by a merchant or answer general questions about a merchant's operations (Allen 2024). AI can be a prospective consumer's friendly guide into a world of novel cuisine and pave the way for many new consumers.

For merchants, AI can play a key role in analysing reports and data, and offering recommendations to them to help them achieve their own business goals (Reilly, 2024). Complex data analysis is now within reach of the average merchant, and AI can help them see patterns and anomalies in their sales data which can translate into more sales and more profit. As mentioned earlier, AI chatbots can also do the heavy lifting when it comes to answering simple questions to assuage an unsure consumer. AI can also assist in basic copywriting for merchants who are unable to produce their own.

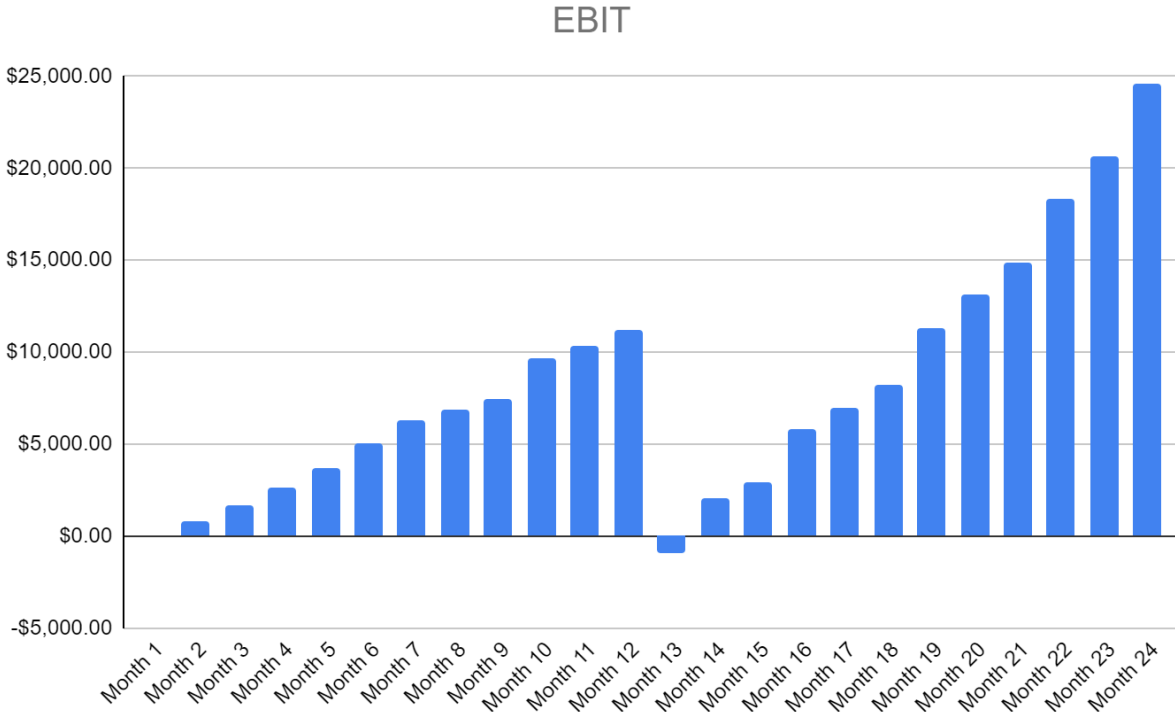
AI can also aid SmilePepper itself in improving its services through big data analysis, helping us identify ways to improve our own service offerings to our clients, whether it be more ideal times to post our reviews, more attractive ways of doing our copywriting, and so on and so forth.

We are excited for the future of AI, and we will continue to evaluate its potential impact on our operations.

[6] Projected Finances

Overview

The company is reasonably expected to be profit-generating from day one with almost negligible fixed costs and most variable costs being tied to revenue. All estimated numbers to come to this projection can be found in the linked spreadsheet.



Revenue

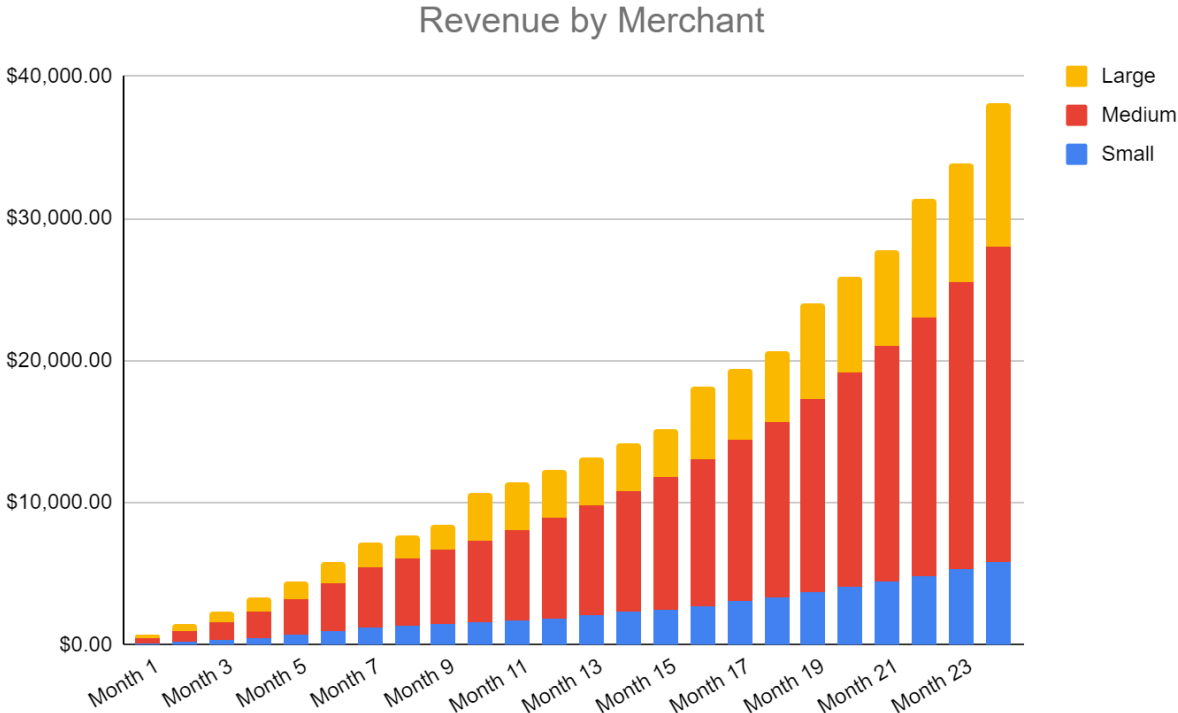
The bulk of SmilePepper’s revenue will come from a commission rate of 8% levied on every transaction.

We have categorised our merchant client base by gathering sales numbers from various merchants with different popularity levels. From there, we established three distinct groups (small, medium and large) and categorised merchants by their actual or estimated sales numbers into these groups. Medium-sized merchants are expected to produce more than 50% of our revenue.

Revenue is expected to rise month on month continuously from 2 growth factors: an increase in merchants from natural pull and business development efforts, and increase in platform utilisation of existing merchants.

Year 1 revenue is projected to be \$75,746.40 and year 2 revenue is projected to be \$281,954.40. The dip in month 1 of year 2 is due to an expected one-time equipment purchase to improve the quality of our content creation as well as the start of salary disbursement.

To support revenue growth after reaching an eventual natural plateau, We aim to expand SmilePepper’s services regionally to territories in which we are familiar with the business environment and F&B scene, such as Australia. We also aim to expand SmilePepper’s service offerings to non Home-Based Businesses through other forms of non-traditional sales (group buys for F&B etc.).



Costs

Development Period Sunk Costs

The founders have contributed a small amount of capital in the form of running costs during the development phase of SmilePepper amounting to S\$6341.63 (as of Jan 2024). This was spent on research and developing the product, consisting of cloud service payments, subscriptions for supportive tools such as Figma and Liveplan, and subsidies for merchants for marketing and research purposes. The breakdown is provided in the linked spreadsheet.

Fixed Costs

SmilePepper's early fixed costs are expected to come in the form of the following:

1. Basic cloud service cost (Cloud Provisioning, Repository Services)
2. Development Tools/Software
3. Salaries

In terms of month-to-month fixed costs within the first year, SmilePepper only needs to pay for the costs of cloud services to keep the application online.

Development tools such as Figma and Liveplan are needed for further development on the SmilePepper product but can be subscribed to on an on-demand basis. Development tools are expected to have the smallest fixed costs.

With an increase in traffic to the SmilePepper application, costs for the cloud services are expected to increase linearly to maintain a high standard of user experience. Estimated calculations expect initial cloud service costs to start at 134.00 SGD monthly, rising to an estimated 441.00 SGD to service a significant increase in traffic. There may also be a need for other cloud services such as paid security features to help protect service quality and sensitive customer data in the future.

Beyond the first year, employee salaries will comprise the biggest part of fixed costs. Salaries for additional employees beyond the founders are dependent on the success of the service, and whether it has been collectively decided that additional employees are necessary for maintenance and further expansion. An estimate of employee salaries can be found in the linked spreadsheet.

Other possible fixed costs in the future may come in the form of working space (offices) or equipment rental for the expansion of the media portion of SmilePepper.

Variable Costs

SmilePepper's early variable costs are expected to come in the form of the following:

1. Marketing & Sales Expenses (Advertising)
2. Merchant Subsidies from Promotions
3. Payment Fees
4. Goodwill/Write-offs/Customer Service
5. One-time equipment purchases
6. Miscellaneous tech expenses

Marketing & Sales Expenses

In order to grow the business, significant funds need to be spent on expansionary advertising practices. This may include working with local influencers and content creators (food bloggers, food micro-influencers) to get as much reach as possible. Content creation for the review portion of SmilePepper also requires payments to merchants for their food. We also believe expenditure on social media paid advertising on Facebook, Instagram and Tiktok is beneficial for early growth. There will also be expenditure on physical advertising, with paid flyer distributors and dedicated cold callers to find new merchants.

Promotion Expenses

As an incentive for more established businesses to use our platform, we have also been subsidising merchant promotions for new merchants. We expect this to be an early-stage expenditure that will peter out over time as our size and community of buyers will naturally incentivise new sellers to onboard on their own.

Payment Gateway Expenses

SmilePepper is also intending to use Stripe as a payment processing partner upon monetisation, encompassing a 1.3% payment fee to support transactions through PayNow. We will consider including credit card payments at a higher fee later on if there is sufficient demand. This will lead to a fixed 1.3% of revenue being used to support digital payments in the early stages of the business, which will simplify the payment process substantially and abstract out complications from security and regulation to Stripe.

Goodwill Expenses

We also expect some write-offs from having to support early goodwill. Similar to food delivery services, some money will have to be spent on customer and merchant retention practices, such as giving refunds for unsatisfactory transactions. This number is likely to rise as more and more transactions are made on the platform.

Equipment Expenses

In order to keep up the quality of the content we produce for advertising and our website, we will occasionally need to purchase up-to-date equipment (cameras, props, accessories etc.). These are one-time purchases that will last SmilePepper for years.

Misc. Tech Expenses

Some miscellaneous tech expenses related to research and development will be necessary to improve the quality of our application. These can include subscriptions to new development tools, temporarily catering extra cloud services for traffic influxes, or new services for our clients. Over time, these may convert to fixed expenses to upkeep new, higher standards.

[7] Founding Team

Smilepepper Pte Ltd has 4 co-founders:

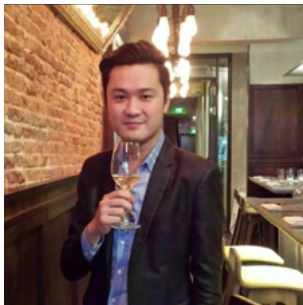


Joe Tsai

Joe Tsai leads the user experience design and research for Smilepepper while acting as the team's project lead.

He is SmilePepper's UI/UX developer and is dedicated to understanding user problems, solving issues, and aligning the application with SmilePepper's business vision. His responsibilities involve deriving insights from customer flows and feedback, maximising system usability and working with development teams to create an optimal application experience.

Joe has an M.Sc. in Interactive Multimedia from the University of Technology, Sydney. Prior to joining Smilepepper, he served as a technology consultant at a major IT company, concentrating on UX/UI and QA. He has also worked extensively in the public sector as a UX researcher.



Leonard Koh

Leonard Koh focuses on SmilePepper's business development, sales, and customer service, ensuring client satisfaction on both consumer and merchant fronts.

He is SmilePepper's main business liaison between SmilePepper's merchant partners and customer base. His responsibilities include ensuring SmilePepper's growth by developing long-term relationships with potential merchants, as well as maintaining SmilePepper's usefulness to its community by predicting and conveying developing issues and trends to our development teams.

Leonard possesses a B.Sc. in Accounting and Finance from Singapore Institute of Management (University of London). He has over a decade of experience in the financial services industry, with a deeply developed skillset in wealth management and expertise in identifying and serving the needs of varied clientele. Before SmilePepper, Leonard built "Chunky Lobsters", a successful multi-outlet F&B brand that kickstarted the lobster shack concept in Singapore.



Alexander Bhojwani

Alexander Bhojwani handles the creative side of SmilePepper, with over a decade of experience in corporate design, marketing and branding for companies in F&B, healthcare, education, and sports events.

He serves SmilePepper as their corporate designer, marketer, content creator, and provides full-stack development support when needed.

His responsibilities include creating and implementing a consistent brand across all platforms, writing and building the content that drives SmilePepper's community engagement, developing and monitoring strategies to hit our social media KPIs, and other directorial duties as needed.

Alexander possesses a B.Sc. (Hons) in Economics from Singapore Management University and holds professional certifications from AWS. Previously, Alexander worked for Foodalicious Concepts Pte Ltd as their marketing director, helping build a breakout pioneer in the seafood shack concept alongside Leonard.



Mike Tsai

Mike Tsai is responsible for development of the SmilePepper application. As a budding home chef himself, he has a keen understanding of the needs of SmilePepper's merchants and is constantly reshaping SmilePepper for the betterment of our user base.

Mike is SmilePepper's main Full-stack developer. His responsibilities include building the SmilePepper application with strong programming foundations and providing tech insights to drive application innovation. He ensures the smooth operation of SmilePepper's tech stack and ensures SmilePepper's continued compliance with applicable tech rules and regulations.

Mike possesses a M.Sc. in Interactive Multimedia from University of Technology, Sydney. Prior to joining Smilepepper, Mike was a software engineer with more than a decade of deep technical experience in developing, implementing and supporting complex infrastructures for organisations in the recruitment and finance industry.

[8] Appendix

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