

XYZ PERFUMES LTD

AI Swarm Intelligence — Market Simulation Report

Scenario	Scenario 2 — Sales Channel Strategy
Business	XYZ Perfumes Ltd · xyz-perfumes.co.uk · UK
Prepared by	SimpluTech — AI Simulation Consultancy
Client	XYZ Perfumes Ltd — Business Partners
Date	June 2026
Simulation	MiroFish AI · 100 Agents · 40 Rounds
Status	Phase 1 — Scenario 2 of 3

SCENARIO QUESTION

Should XYZ Perfumes Ltd prioritise growing their Amazon presence, invest in driving direct website traffic, or explore new channels entirely — and which channel mix will deliver the best balance of volume and margin over the next 6 months?

01 EXECUTIVE SUMMARY

This report presents the findings of the second MiroFish AI swarm intelligence simulation commissioned for XYZ Perfumes Ltd and delivered by SimpluTech. Scenario 2 examined sales channel strategy — specifically whether XYZ Perfumes Ltd should double down on Amazon, invest in driving direct website traffic, or explore new channels such as TikTok Shop, Etsy, independent retailers, and market stalls.

100 autonomous AI agents were deployed over 40 interaction rounds, representing UK fragrance buyers, e-commerce shoppers, independent retailer representatives, TikTok users, Amazon marketplace experts, and brand strategists. Agents debated channel preferences, pricing perceptions, and the trade-offs between volume and margin across each channel.

KEY FINDING

Diversify away from Amazon dependency. TikTok Shop and direct website sales are the highest-priority new channels. Independent retailers offer a valuable margin-preserving route to new audiences. Amazon remains important for volume but should be managed strategically — not grown further at the expense of brand equity.

02 SIMULATION PARAMETERS

SimpluTech configured the following parameters for this simulation, consistent with the Phase 1 configuration across all three XYZ Perfumes Ltd scenarios.

Parameter	Detail
Engine	MiroFish (OASIS · CAMEL-AI) — GraphRAG Knowledge Graph
Agents	100 autonomous agents (unique personalities, backstories, long-term memory)
Rounds	40 rounds (55% of standard 72-round run — Phase 1 configuration)
Seed Material	Client-provided brief: channels, pricing, Amazon Prime costs, margins, competition
Prediction Question	Optimal channel mix for volume and margin balance over 6 months

03 SIMULATION FINDINGS

3.1 Reduce Amazon Dependency — Build Direct Channels in Parallel

The simulation produced a clear strategic direction: XYZ Perfumes Ltd should not continue to grow Amazon as its primary channel without simultaneously building direct channels. While Amazon provides valuable volume and visibility in the short term, agents consistently flagged that over-reliance on Amazon creates long-term risks — thin margins, lack of brand control, and vulnerability to algorithm and fee changes.

Increasing direct website traffic is more beneficial for XYZ Perfumes Ltd's long-term development. By building its own brand image and customer relationships, XYZ Perfumes Ltd can reduce reliance on third-party platforms, thereby increasing customer loyalty and sustained profit growth.

Amazon's role should shift from primary revenue driver to brand awareness and acquisition channel — a place where new customers discover XYZ Perfumes Ltd, then migrate to direct purchasing over time. This is a strategic reframe rather than an exit from Amazon.

3.2 TikTok Shop — Highest Priority New Channel

The simulation identified TikTok Shop as the single most important new channel for XYZ Perfumes Ltd to activate immediately. Agents representing younger UK consumers were unanimous: TikTok is where they discover fragrance products, and TikTok Shop removes the friction between discovery and purchase that is currently costing XYZ Perfumes Ltd sales.

TikTok Shop has great potential for market expansion. The platform's user base is young and actively seeks out fashion and luxury items — and the in-app purchase mechanic means discovery converts directly to sale without leaving the platform.

XYZ Perfumes Ltd is already generating views on TikTok. Activating TikTok Shop converts that existing audience into a revenue channel with no additional content investment required. This is the fastest available win and should be implemented this week.

3.3 Direct Website — Long-Term Priority, Needs Traffic Investment

The simulation strongly endorsed direct website sales as the long-term priority channel — highest margin, full brand control, customer relationship ownership, and no platform dependency. However, agents were clear that the website will not grow without deliberate traffic investment. Currently the site gets low organic traffic because it has no SEO strategy, no content marketing, and no paid advertising driving visitors to it.

By directly engaging with consumers through the website, XYZ Perfumes Ltd can better collect feedback, build brand loyalty, and continuously improve products and services — but this requires active investment in traffic generation, not a passive wait for customers to find them.

The recommended approach is a three-pronged website traffic strategy: SEO optimisation for fragrance-related search terms, social media content that links directly to product pages, and a simple email capture and newsletter to build a repeat purchase audience. None of these require significant budget — they require consistent execution.

3.4 Independent Retailers — Underexplored, High-Value Channel

A strong theme across agent groups was the untapped potential of independent retailers — gift shops, beauty boutiques, independent pharmacies, and lifestyle stores. Agents representing retail buyers noted that a well-presented, competitively priced fragrance range with a clear brand story is exactly what independent retailers are looking for as an alternative to mass-market brands.

Independent retailers can offer a more personalised shopping experience and deeper market insights — and partnerships with them can significantly strengthen brand loyalty and provide access to customer segments that online channels alone cannot reach.

This channel also addresses a key gap: physical trial. Fragrance is a product people want to smell before buying. Independent retailers provide the sampling environment that online channels cannot. A single well-placed stockist in a relevant location — a gift shop, a beauty boutique, a halal lifestyle store — could drive meaningful volume and brand credibility.

3.5 Amazon Pricing — The Prime Dilemma

The simulation surfaced an important nuance around Amazon Prime pricing. XYZ Perfumes Ltd's Amazon prices are higher than their website prices due to Prime fulfilment costs — which creates a perception problem. Agents representing price-conscious buyers flagged that discovering a lower price on the website after seeing the Amazon listing undermines trust in both channels.

If prices are set too high on Amazon, it may alienate budget-conscious consumers. Conversely, setting them too low could undermine the brand's premium perception. The key is consistent pricing with transparent communication of what the premium covers.

The recommended approach is to make the Amazon Prime premium explicit and justified — communicate it as 'next-day Prime delivery included' rather than simply a higher price. Simultaneously, incentivise direct website purchasing with a small exclusive benefit such as a free perfume oil sample with every website order, rather than a lower price that directly undercuts Amazon.

3.6 Etsy — Worth Testing for Gift Market

Agents representing gift buyers and lifestyle shoppers flagged Etsy as a channel worth testing, particularly for the gift occasion market — birthdays, Eid, Christmas, and Mother's Day. Etsy's audience actively searches for unique, artisan, and culturally distinctive gifts, and XYZ Perfumes Ltd's oriental fragrance range with its heritage story fits that positioning well. The cost to list on Etsy is minimal and the audience is different from Amazon and eBay.

04 CHANNEL STRATEGY RECOMMENDATION

Based on the simulation findings, SimpluTech recommends the following channel prioritisation framework for XYZ Perfumes Ltd over the next 6 months.

Channel	Priority	Volume Potential	Margin	Action
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TikTok Shop	IMMEDIATE	High — existing audience	Good — no fulfilment fee	Activate this week. Link all videos to products.
Direct Website	SHORT-TERM	Medium — needs traffic work	Highest — full margin retained	SEO, social links, email capture. 3-month build.
Amazon.co.uk	MAINTAIN	High — existing visibility	Low — fees + Prime costs	Hold current presence. Do not invest further budget. Reframe as acquisition channel.
Independent Retailers	SHORT-TERM	Medium — selective placement	Good — wholesale margin	Approach 5–10 gift shops and lifestyle boutiques. Provide sample kit and sell sheet.
Etsy	TEST	Low-medium — gift market	Good — low listing cost	Set up basic shop. Focus on Eid, gifting, and bundle listings.
Instagram Shop	SHORT-TERM	Medium — builds with content	Good — drives to website	Activate product tags on all posts. Link Stories to product pages.
eBay	DEPRIORITISE	Low — slow and declining	Low — competitive pricing pressure	Maintain basic listing only. No further investment.

05 WEBSITE TRAFFIC — 90-DAY ACTION PLAN

The website is the highest-margin channel and must be actively grown. The following 90-day action plan is recommended to begin generating meaningful direct traffic.

Phase	Action	Cost	Expected Impact
Month 1 — Foundation	Install Google Search Console and Analytics. Identify top 20 fragrance search terms. Optimise product page titles, descriptions, and meta tags for SEO.	Free	Baseline measurement + SEO groundwork
Month 1 — Foundation	Add a simple email signup to the website homepage. Offer 10% off first order as incentive.	Free	Begin building direct customer list
Month 2 — Traffic	Every Instagram and TikTok post links directly to the relevant product page — not the homepage.	Free	Social traffic converted to website visits
Month 2 — Traffic	Write 2–3 short blog posts targeting search terms: 'best oud perfume UK', 'affordable dupe fragrances', 'oriental perfume gifts UK'.	Free	Organic search traffic over 60–90 days
Month 3 — Convert	Launch a simple email sequence to the captured list: welcome email + featured fragrance + bundle offer.	Low cost	Repeat purchases from captured audience
Month 3 — Convert	Test a small paid social campaign (£5–10/day on Instagram) targeting UK fragrance buyers. Link to best-selling product page.	£150–£300	Paid traffic test — measure cost per sale

06 RISKS AND MITIGATIONS

The simulation surfaced the following risks specific to XYZ Perfumes Ltd's channel diversification strategy.

Risk	Potential Impact	Mitigation
Amazon algorithm change or fee increase	Revenue drop if Amazon deprioritises XYZ Perfumes Ltd listings	Build direct channels now — before dependency becomes critical
TikTok Shop setup complexity	Delay in activating highest-priority new channel	Follow TikTok Shop UK seller onboarding guide — straightforward process
Website price vs Amazon price confusion	Customer trust eroded by price inconsistency	Add 'Prime delivery included' messaging to Amazon listings. Offer website-exclusive sample gift not lower price.
Independent retailer approach rejected	Time investment with no return	Prepare a professional one-page sell sheet with pricing, margins, and brand story before approaching
Over-stretching across too many channels	Inconsistent presence everywhere, strong presence nowhere	Phase the rollout — TikTok Shop first, then website, then retailers. Do not open all channels simultaneously.
Etsy not gaining traction	Wasted listing time	Test with 5–10 listings only. Review after 60 days before investing further.

07 NEXT STEPS

The following priority actions are recommended following the Scenario 2 findings.

#	Action	Timing	Owner
1	Activate TikTok Shop — link all existing videos to purchasable products	This week	Client · XYZ Perfumes Ltd
2	Activate Instagram Shopping — product tags on all posts and Stories	This week	Client · XYZ Perfumes Ltd
3	Add 'Prime delivery included' messaging to all Amazon listings	This week	Client · XYZ Perfumes Ltd
4	Add email signup with 10% discount offer to website homepage	Week 1–2	Client · XYZ Perfumes Ltd
5	Optimise top 10 product page titles and descriptions for SEO	Week 2	Client · XYZ Perfumes Ltd
6	Prepare a one-page independent retailer sell sheet — product range, pricing, and brand story	Week 2–3	Client · XYZ Perfumes Ltd
7	Approach 5 local independent gift shops or lifestyle boutiques with sample kit	Week 3–4	Client · XYZ Perfumes Ltd
8	Set up Etsy shop with 5–10 gift-focused and bundle listings	Week 3–4	Client · XYZ Perfumes Ltd
9	SimpluTech — run Scenario 3: Brand Positioning — dupe vs independent identity	This week	SimpluTech · AI Simulation

Important: MiroFish simulates emergent human behaviour based on client-provided seed data. Outputs represent plausible scenarios and directional insights — not guaranteed outcomes. All recommendations should be validated against real-world performance data. SimpluTech reports are strategic decision-support tools, not operational guarantees.