

TONY!

TONY'S CHOCOLONELY

DAB200 - ASSIGNMENT 2

TEAM 1

17-03-2022

ANALYZE

Tony's Chocolonely's production

The standard technology of a company is protected with a patent. However, Tony's doesn't have many patents, mostly focused on brand trademarks, but they do still use technology (Justia Trademarks, n.d.). So, for their technology (and their competitors in the next sections) this part mostly focuses on the production and the customization of their product.

When looking at the start of the production process, Tony's already implemented technologies in the form of programs. These are CLMRS (child labor monitoring and remediation system), LID (living income), and Co-ops partners. CLMRS is a program that helps to identify and solve child labor and it has been developed by ICI and Nestlé (International Cacao Initiative, 2018). Tony's pays their farmers in addition to the Fairtrade price a living income reference price, which brings their farmers to a living income (Tony's Chocolonely, 2021). The final program Tony's makes use of is the Co-ops partnership, which partners with local farms. With these Co-ops, Tony's helps their partners gain knowledge, equipment and grow cocoa and other crops on their farm (Tony's Chocolonely, 2021).

Logistics-wise, the company works together with Müller, Sallcan, and KonnecteD (Tony's Chocolonely, 2018). These companies have their own social missions like work reintegration and fair-trade business, which is why Tony's works together with these companies. To transport their cacao to their factory, Tony's joined the GoodShipping initiative which promotes the use of biofuel, which is better for the environment (Tony's Chocolonely, 2021). To offset the CO2 emissions, Tony's works together with JustDiggIt, who plant vegetation that captures 51,656 tons of CO2, re-greening land in Africa (Tony's Chocolonely, 2021).

Competitors' production

Tony's Chocolonely's competitors are brands like M&M's, Milka, Toblerone, and Nestlé. Unlike Tony's, Nestlé has patented a process where the pulp of a cocoa bean is used instead of refined sugar in 2019, however, this is not yet in use. This process could be more sustainable, as it uses raw ingredients instead of added sugar (Cooper, B., 2019).

Mondelēz International is a snack company that produces chocolate for multiple brands, including Côte d'Or, Cadbury, Milka, and Toblerone (Mondelēz International, n.d.-a). Milka's, and therefore Mondelēz International, the current goal is to get their cocoa Fair Trade certified, in cooperation with Cocoa Life (Milka, n.d.). Employees of Cocoa Life are helping the farmers directly in the production on the farmers' lands. Mondelēz International aims to develop their production process in a sustainable way so that they use less energy and water (Mondelēz International, n.d.-c). Another company that produces chocolate for multiple brands is MARS. M&M's is part of MARS (Mars, Incorporated, 2022), their goal is to give every individual the feeling that they count. Creating more gender-neutrality for example (MARS, n.d.). MARS cares about the sustainability of their production process, aiming to reduce waste, energy usage, and water usage, like Mondelēz International (Mars, Incorporated, n.d.-b). They also aim to make their packaging for products 100% recyclable by 2025 and are planning to change the system of their production (Mars, Incorporated, n.d.-c).

Overall, Tony's production technologies and its competitors' technologies are quite different. Tony's seems to be further ahead in the process of becoming sustainable, than MARS and Mondelēz International, as Tony's wrappers are already plastic-free and recyclable (Tony's Chocolonely, 2021). As for Transport, there are some notable differences; where Mondelēz International tries to reduce it by optimizing their production (Mondelēz International, n.d.-b) and MARS has no control over the transport as they use other businesses to ship their product (Mars, Incorporated, n.d.-a).

Tony's approach of using social and Fair Trade companies, offsetting their CO2 emissions, and using biofuel are quite different (foodnavigator.com, 2021) (Tony's Chocolonely, 2021). However, the main difference between the technologies, is the social programs Tony's make use of, such as the Co-ops partnerships (Tony's Chocolonely, 2021).

Customization and online platforms

Customizing your products online has become more popular over the years (Page Moreau, C., Bonney, L., & Herd, K. B., 2011). Also, chocolate brands are offering their clients to give a personal twist to their chocolate bars. For example, Côte d'Or and Merci offer their clients to personalize the wrapper by adding photos and/or text (Côte d'Or, n.d.) (Merci, n.d.). Toblerone even lets the customers choose between different wrapper styles and different flavors (Toblerone, n.d.). Tony's seems to stand out as they offer their customers to also create endless combinations of ingredients that can be added to the chocolate bars (Tony's Chocolonely, n.d.-b). Besides the customization option, Tony's website contains a lot of information about their mission and their goals. With their slogan "Crazy about chocolate, serious about people" the website attracts attention, and Tony's gains appreciation by telling their story, rather than pushing their products (Huting, R., 2018). Tony's Chocolonely's Instagram account has clearly more followers than accounts owned by M&M's, Toblerone, and Milka, with almost 70k followers. Tony's makes good use of different channels, such as Facebook and Youtube, to tell their story and helps to reach more people (Tony's Chocolonely, n.d.- d).

It can be concluded that Tony's is ahead of its competitors regarding the customization option and their Instagram promotion. Yet, their product remains a fairly expensive product when compared to other brands like M&M's or Milka. A competitor analysis of Côte d'Or and M&M's can be found in figure 1.

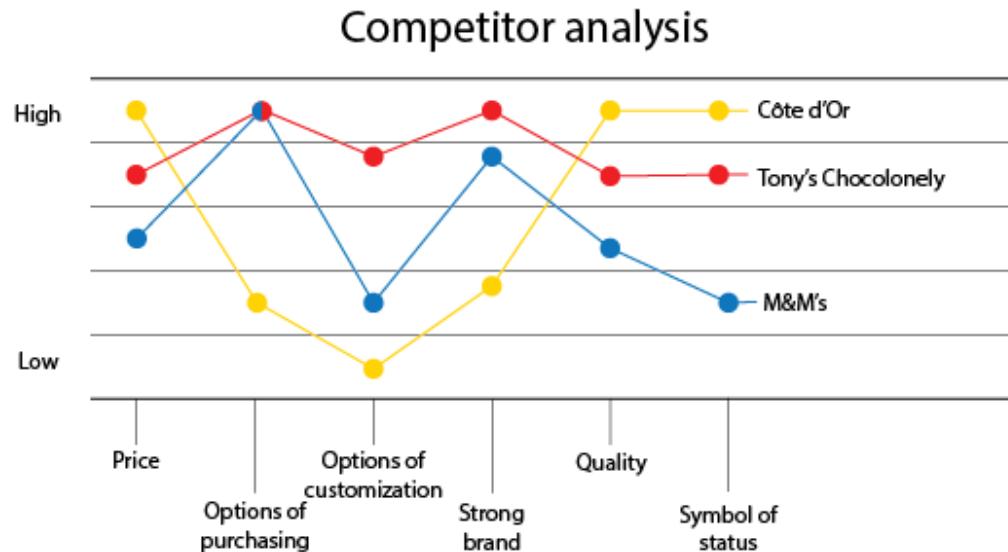


Figure 1: Competitor Analysis. (See references at the end of the References list, on page 8).

EVALUATE

Two technologies of Tony's stand out when compared to their competitors. Namely the customization and the slave-free concept. This is also explained in the value proposition (appendix A). Most of Tony's competitors do not have the customization and the slave-free chocolate process as their selling point. This makes Tony's unique compared to others. People are willing to pay more for a customized chocolate bar, because they like the idea of a product that is specifically made for them, which results in higher customer satisfaction (M., 2022). Therefore, offering customers the option to personalize their chocolate bars is a good feature of Tony's Chocolonely. It creates more sales, leading to a larger profit margin (Roland Website, 2018). By doing the customization online, especially millennials are attracted, as they make most purchases online (M, A., 2019). The service of online customization is offered directly to the customer and allows Tony's to use the data that is collected via this service to see trends in what types of chocolate bars people like.

The process of producing slave-free chocolate requires innovative technologies and also requires the company to be transparent about its processes to its partners and customers. In the service blueprint, Tony's Chocolonely is analyzed in a detailed way. Not only the processes that are visible for the customer are explained, but also everything below the line of visibility. It is noticeable that this line is quite low, as the customer can find a lot of information about the processes within Tony's. So, the company is very transparent about everything they do. For example, on their website, they explain about their trackable beans for which they use a software system that is built with ChainPoint technology, called BeanTracker (Tony's Chocolonely, 2021).

The main value that Tony's offers, the slave-free chocolate, is also used as a form of promotion for their company. When looking at their Instagram page, their feed is filled with not only colorful pictures of chocolate but also informative posts on child labor and slavery. As can be read from the service blueprint, Tony's Chocolonely focuses a lot on their social media platforms and their website on which the customer can personalize their products.

For the service blueprint, see figure 2 on the next page.

	Awareness	Customization	Purchasing	Unwrapping	Consuming
Touchpoints	Awareness is generated both on- and offline. Online, Tony's Chocolonely shares their mission and their products via social media, making it easily available for the user. They also have a website. Offline, the chocolate bars can be found in stores.	In order to customise the chocolate bar and/or the wrapper it comes in, the user interacts with the website of Tony's. Specifically, the page of the webshop that allows for this customisation.	In general, Tony's chocolate can be purchased either on- or offline. If the user buys the chocolate online, they will have to interact with the webshop. If the user buys the chocolate in person, then they will have to visit a supermarket or Tony's store.	The wrapper is customised as it was ordered and has information about the chocolate. It also has Tony's vision for slave-free chocolate. When bought in a store, the wrapper will not be customised but will have the same information about Tony's and their vision.	Inside of the wrapper is the product: slave-free chocolate. The flavor is as the user desires: either customised, or one of the flavors that can be bought in stores.
Actions	When encountering Tony's Chocolonely on social media, the user can click on their account and look at the posts. This can also lead them to the website, where they can scroll through the pages with information and the webshop. In another situation, a user could be walking through a store and encounter the chocolate bars stocked there.	The user selects the type of chocolate and ingredients, before designing their own wrapper. While doing this, the options for customisation are adjusted and recommendations are shown.	When ordering via the webshop, the user has to select the products they want to buy and place the order. When buying the chocolate in a store, they have to select their products and pay there.	When having ordered online, the chocolate will be delivered. The user looks at the wrapper they designed and reads the information. When having bought the chocolate in a store, the user will look at the wrapper and read the information on it.	The user sees the unique distribution of the chocolate bar. The chocolate is broken off into smaller pieces, and then eaten by the customer.
<i>Line of interaction</i>					
Front stage actions	For the online options, there are no employees directly interacting with the users. In the store, there are employees who can inform the customer about the company's mission, and offer samples to let them taste the chocolate.	As this stage takes place on the webshop only, there are no employees directly interacting with the user.	For the webshop, there are no employees interacting with the user. When buying the chocolate in a Tony's store, the user interacts with the cashier, as they have to pay for their products.	The user has no contact with an employee during this stage.	The user has no contact with an employee during this stage.
Technology	The technology in place mainly applies to the online awareness. In that case, the social media platforms that Tony's Chocolonely is active on and the website are the technology the user interacts with. In the store there is not technology the user directly interacts with.	The technology that the user interacts with is Tony's Chocolonely's website, and the software that has been developed to enable the customisation.	The user interacts with Tony's website to order the chocolate, and the software that has been developed to support the action. In the store, there is no technology the user interacts with other than the cash register.	No technology is needed for this stage.	No technology is needed for this stage.
<i>Line of visibility</i>					
Backstage actions	The social media posts are curated by a social media management team, and created by content creators. The website is made by website developers. For both of these, data collection will also be done.	In order for the customisation options to be available, a web developer needs to make sure the function is there. There's also UX/UI designers needed to make the interaction clear and understandable. Additionally, a person with knowledge of what ingredients can be combined is needed.	A web developer and UX/UI designer are needed to build the website, and accomodate the right functions to place an order. There also needs to be software that processes the orders so that it can be shipped.	In order for the chocolate to end up in the user's hands, the product will have to be transported. Either to the store, or to a warehouse and then to the customer's address.	In order for the chocolate bar to be produced, the ingredients need to be available, and so cooperation with the cocoa farmers is needed. Then the chocolate needs to be produced in a factory, after which it will have to be transported and distributed to the right locations.
Support processes	The social media management keeps track of what is to be posted, and what the engagement with each platforms is. For this, there is also an employee of Tony's Chocolonely who reports the production process of the chocolate.	People with IT knowledge are needed to support the website development and the software that is required. There is also trend analysis to be done, to know what popular options are and how the customisation can be catered to the users.	For the order to be processed correctly by the software, an IT team is needed. Order logs are needed to keep track of orders and to send out packages. The packages will then be delivered by delivery companies.	A (graphic) designer is needed to design the wrapper and make sure all the necessary information is visible. The packaging then also has to be produced.	In order to create the chocolate, the ingredients are needed. There also need to be factories where the chocolate is produced, and a delivery company to transport the ingredients and finished chocolate bars.

Figure 2: Service blueprint.

CREATE

In assignment 1, the suggestion for the create-section is to set up an app for Tony's Chocolonely. The goal of the app was to collect points with every Tony's purchase with which the customer can get a discount on Tony's products. Making it a bit less expensive and more attractive to the customer. This generates a bigger market and thus a higher profit margin. If Tony's uses this sales strategy, they can boost customer satisfaction, the confidence in Tony's as a brand, and it increases fame and draws attention (Appointment, S., 2021). This strategy can make them a better competitor against other high price chocolate brands, like Côte d'Or (Albert Heijn, n.d.). With the implementation of this app, Tony's allows people with a lower income to also buy their products more often, and thus creates a bigger target group. Another feature the app could have is the Beantracker (Tony's Chocolonely, 2021), as explained earlier. This could show the customer how their purchases contribute to the world. By tracking the user's purchases, the app can make suggestions for new chocolate bar flavors to try, or give options for customized chocolate bars. Customizing and ordering via the app would be easier and faster than via the website.

With an app, there is no need for paper stamp cards, which saves paper and keeps the environmental packaging image Tony's has created (Tony's Chocolonely, 2021). This is more sustainable for the environment and the app gives people with a lower income a chance to buy Tony's Chocolonely's chocolate bars as well. This creates more equality between people. On the front page of the app, societal issues can be shown, as well as the goals and new findings of Tony's processes. For example, they can report on how they help improve the work and living environment of farmers in Africa, or on the increased cacao prices due to outside circumstances.

This would create sympathy for Tony's Chocolonely as a company, as sympathy is defined as the capability to get to know other people's emotions and to get an understanding of what someone is feeling or thinking (Mitranescu, M., 2019). This will improve customer loyalty.

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APPENDIX A - VALUE PROPOSITION

The Value Proposition Canvas

