

TONY!

TONY'S CHOCOLONELY

DAB200 - ASSIGNMENT 3

TEAM 1

31-03-2022

ANALYZE

Tony’s Chocolonely presents their process and their story in their chocolate bar wrappers (Tony’s Chocolonely, 2021-a). This way, the consumer can easily read their goals and process after unwrapping the chocolate. Although, unwrapping the chocolate bar with its secure wrapping can be tough (M., 2014). For further information, the consumer can go to their website, which explains more about their mission (Tony’s Chocolonely, 2021-a). There is also an extra website with a bit more information about Tony’s open chain business model concept (Tony’s Chocolonely, 2021-b). In an interview with Tony’s Chocolonely, they elaborate on their vision of changing the cocoa industry (Youtube, 2021). Therefore, Tony Cholonely’s biggest features are explaining the process and purpose of their company via their wrapper, see appendix A for the value laddering.

By buying the chocolate bars of Tony’s Chocolonely, you help the cocoa farmers, as explained on the website (Tony’s Chocolonely, 2021-a). Tony’s tries to help farmers during their chocolate process, by giving them a good salary and by making the working circumstances and their living circumstances better. The social initiatives that are taken by Tony’s give the consumer a positive feeling (Trustpilot, 2022-a).

Tony’s Chocolonely has the value of being a bit quirky and critical. With these values they ensure their slave-free chocolate bars and make them special in comparison with other chocolate bar brands (Youtube, 2022). Their slave-free chocolate promise assures that people spread the word about their initiatives to change the industry. Additionally, they spread the word of how they produce their slave-free chocolate. As equality is an important value of Tony’s, they make sure to give all of their stakeholders equal say in the company.

Now let’s take a look at the users and their demands. When looking at the value proposition (see appendix B), it is clear that the user wants to feel good about the chocolate that they are eating. This can be seen in reviews as writer Amanda McArthur (2021) put it. She was shocked about the delicious taste of Tony’s chocolates and the painful truth of slavery and child labor in the cocoa industry. Another review of the youtube channel Maverick Baking (2019), calls the bars sexy and funky. Looking at reviews from Facebook (n.d.) and Google (n.d.), many consumers are satisfied with this product. The main arguments that they provide within their reviews are their love for the quality of the chocolate, the different and creative flavors Tony’s Chocolonely provides, and their appreciation of the goal of the company of making the chocolate as slave-free as possible. As can be seen in the review of Bribri in Figure 1.

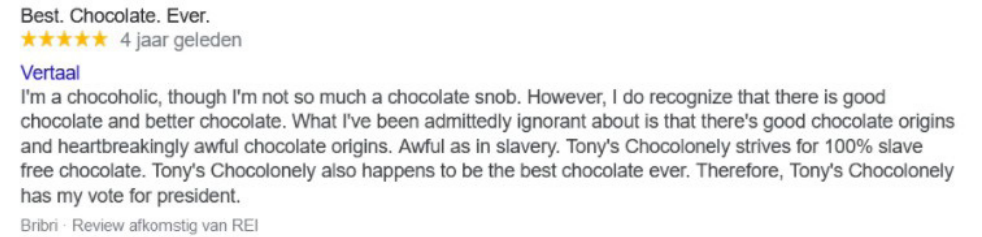


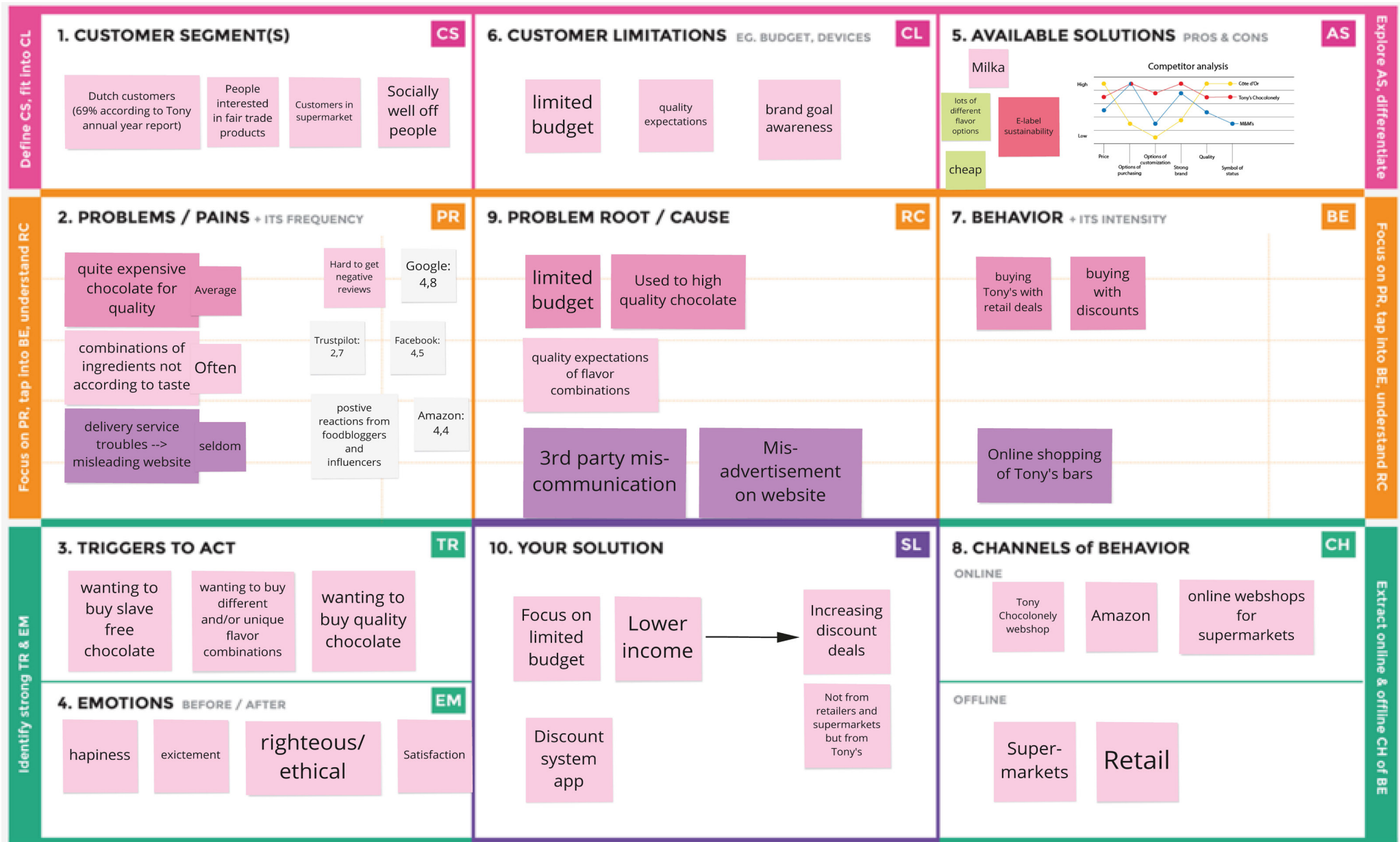
Figure 1: Review of customer Bribri of Tony Chocolonely on Google Reviews (Google, n.d.)

Tony’s reflects this sentiment, as economist and Chief evangelist at Tony’s Chocolonely said in his TED talk that Tony’s is all about making the customer feel good (van Zanten, 2017).

EVALUATE

Problem-Solution Fit canvas

Figure 2: Problem solution fit canvas filled in by group 1 for Tony's Choclonely. Team 1: Tony's Choclonely. (2022). Assignment 3: Design and Prototyping. Unpublished manuscript, TU/e Eindhoven University of Technology.



Customer Segment (1-6-5)

Current customers of Tony's Chocolonely are found most among the Dutch. While Tony's has a worldwide market, spreading towards countries such as Belgium, Sweden, Finland, the U.S., the U.K., ... (Tony's Chocolonely, 2020), their biggest market share is still the Netherlands. Namely 88% of sales were generated in the Netherlands (Tony's Chocolonely, 2020), and with 69% the main source of income was still the Dutch market (Tony's Chocolonely, 2020, p. 80).

Furthermore, the biggest market share for Tony's is still in supermarket chains and other retailers. This means that we mainly have to look for our customers within Dutch supermarket chains. The price of Tony's is significantly higher than other brands such as Milka and Albert Heijn's own brand. The brand even admits that, while in the Netherlands they are considered an A-brand, in other countries they lose significantly against the Milka brand (or as they describe it, the big purple cow) (Tony's Chocolonely, 2020, p. 57), showing that people still often choose cheaper options instead of fair trade products.

Lastly, the brand attracts a lot of people who are interested in fair trade products and slave-free chocolate. These can be seen in a lot of different reviews (Google, n.d.), (Facebook, n.d.) in which customers praise the brand for creating awareness and their social policies. Looking at these reviews and customer information, the following customer limitations can be defined: limited budget, quality expectations, and brand goal awareness.

Looking at competitors of Tony's, we do see that the brand has their unique selling points that cannot completely be recreated by other brands. If we look at our earlier made competitor analysis (see figure 3) (Team 1: Tony's Chocolonely, 2022) in regards to the 3 defined categories budget, quality expectations, and brand goal, we can see that none have the same quality combination as Tony's.

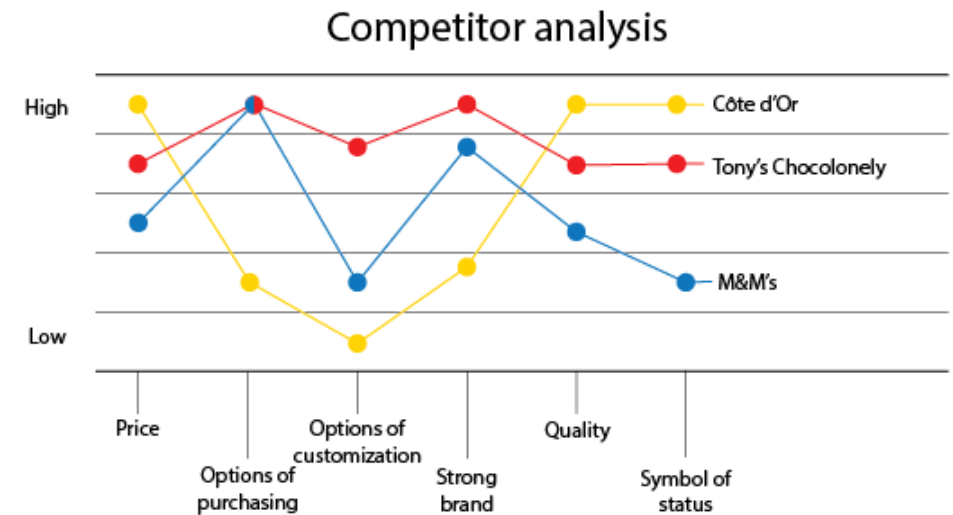


Figure 3: Competitor analysis made in previous assignment. Team 1: Tony's Chocolonely. (2022). Assignment 2: Technology, Patent, and IP. Unpublished manuscript, TU/e Eindhoven University of Technology.

Looking more specifically at a brand that goes in direct competition with Tony's, such as Milka, we see that they do have a much cheaper price and a lot of flavor options. However, looking at their sustainability and fair-trade realizations, we can see that they have an E-label (van der Molen, 2016). The same holds for M&M's, except they have even less flavor options. Looking at these brands, it is clear that Tony's has an unique combination of price, quality, flavor options, and sustainability.

Problems / Pains (2-9-7)

Looking at customer reviews and online reviews of both food bloggers and influencers, finding a lot of negative reactions proved to be a more difficult point. Most websites such as Google, Facebook, and Amazon showed high results ranging from 4,4/5 to 4,8/5 with high sample sizes (above 100 for Amazon and around 400 each for Facebook and Google) (Facebook, n.d.), (Google, n.d.). Furthermore, reactions from food bloggers such as Chococheck (Check, 2018), Snackgator (Jeni, 2019), Sweet High (Sweet High, 2021), and many others, were overwhelmingly positive, praising the unique flavor combinations, quality, and social purpose of Tony's greatly. Only Trustpilot, with a sample size of 31 reviews, scored significantly lower with a 2,7/5 (Trustpilot, 2022-b).

Looking at the less than 3/5 star reviews of all websites, 3 main problems were identified, ranked from most to least frequent: combinations of ingredients were not to taste, the chocolate was too expensive for the quality it had, and lastly, false advertisement problems on the delivery trajectory or amount of chocolate provided.

Roots and causes for these reviews could be attributed to different factors. A limited budget or being used to very high quality chocolate could lead to the problem of the chocolate being too expensive for the quality it provides. People could be feeling like they are paying way too much for the chocolate they are getting. A solution for this can be retail deals and discounts provided within supermarkets. By using these discounts, the Tony's products can be a lot more attainable for lower incomes.

However, another problem that could be attributed to this high need for quality could be the combination of ingredients that is not up to taste. When expecting high quality, the user might not like unusual combinations of flavors that do not work together as well as other combinations. Furthermore, might the distribution of certain ingredients such as salt be not as wished or not up to standard with much higher quality brands.

A last root problem could be identified within the online shopping of Tony's Choclonely products. While most reviews stay positive about their experience, the main low reviews talk about miscommunication of the product or misadvertisement regarding the delivery of the products (Facebook, n.d.), (Google, n.d.), (Trustpilot, 2022-b). However, the amount of reviews regarding this topic is in line with other brands and their delivery services as well as due to most of their income and customers buying from supermarket chains (Tony's Choclonely, 2020), this topic is less relevant.

Solutions (3-4-10-8)

When reviewing the problem-solution fit canvas, we want to focus on one particular problem, which is a limited budget. Looking at previous market trends analysis, we saw that there is a consumer's increased sense of righteousness and preference of sustainability, according to a survey from Monitor Merk en Maatschappij 2020 (Monitor Merk & Maatschappij, 2020). Furthermore, ethical sense has increased within consumerism (van der Molen, 2021), making Tony's a perfect brand for these trends. However, for people with a limited budget, the options for buying are limited as well. Looking at the behavior of customers, we can see that people are often buying with retail offered discounts.

A solution to provide lower income/limited budget customers is to provide a system in which Tony's Choclonely offers discounts or a point system in which the customer gets rewarded. By creating an app that scans QR-codes provided on the wrapper of the chocolate, the system can work independently from other stores and work offline and online, thus using all current channels that Tony's has. In the create segment, the app and its benefits will be described.

CREATE

As can be seen in the problem-solution fit canvas (see figure 2) Tony's Chocolonely could try to sell their products to people with a lower income. As for now, these people might find Tony's too expensive although they do value fairtrade and slave-free chocolate. Therefore, Tony's should try to develop a strategy that helps sell its products in this market.

In the MVP canvas (see figure 4), a possible solution is described. Tony's could recruit people with a lower income via organizations and offer them an app that allows them to collect points every time that they buy Tony's chocolate. These points can be used to get a discount on Tony's products. This way, there is a product-market fit, because in the analysis it has become clear that this is indeed a problem in Tony's business. An experiment with this app would show if this is then the right solution for this problem.

To verify this solution, the app could ask the user after a month of using the app if the user is satisfied with the app. This would only take the user a few minutes, but it gives Tony's a great insight into the users' preferences and also if their consumer behavior has changed. The experiment could be considered successful when a larger amount of people with low income buy Tony's in comparison to the sales figures of before the implementation of the app.

The app has social benefits, as it aims at bridging the gap between people with a lower income and people with an average/high income. Also on environmental aspects, the app scores well, because no paper stamp card is needed as the points are collected in the app itself.

Minimum Viable Product canvas

Figure 4: MVP Canvas filled in by group 1 for Tony's Chocolonely. Team 1: Tony's Chocolonely. (2022). Assignment 3: Design and Prototyping. Unpublished manuscript, TU/e Eindhoven University of Technology.

4. Customer Engagement

Customers can **give feedback** at any moment. They can give this directly through the app, or by filling in the survey. The customers will also be interviewed about their experiences.

1. Your Customer Segment

The app will target **customers with a lower income**, who are also willing to use the app that will be developed for this MVP. As the price was found to cause a low point in the user experience, targeting customers with less income can give them more purchasing power when it comes to Tony's Chocolonely's chocolate.

2. Value Proposition

My company, Tony's Chocolonely, is developing a **discount system**, to offer people with a lower income the opportunity to buy Tony's Chocolonely's chocolate with an app in which the customer can save points and buy products at a discount.

3. Channel(s)

The app will reach the users via **organisations** that recruit people with a lower income, and that would like to participate in this user test. It will not be publically available.

5. Riskiest Assumption(s)

Most risky assumptions concern **the users' interaction with the app**: whether all users have a phone to download it, if they will understand the app (correctly), and if they will use the app. Next to that, there is also the assumption that the discount system will be beneficial enough for the user.

6. Experiment Format

After using the app for a certain amount of time, the users will be asked to fill in a **questionnaire**. This questionnaire will contain both qualitative and quantitative questions. It will be filled in online, and the participants will remain anonymous.

7. Experiment Scenario

First the organisation introduces the app to the potential users, after which they can download it on their phone. To use it, they will have to create an account and give consent for their answers to be used for the experiment. The next time they buy a chocolate bar, they can scan the app and save up points. Once the user has gathered enough points, they can scan the app to get a discount at the next purchase. After the process, they can give feedback and fill in the questionnaire.

8. Metrics

The first thing to be measured are the sales with and without usage of the app. Additionally, frequency of usage and customer satisfaction will be measured, both for the app and the product.

9. Success Criteria

Based on the feedback from users, a conclusion can be made whether the experiment was successful. The experiment will be successful if the app shows to **encourage and enable people of lower income to buy more chocolate** from Tony's Chocolonely. For this, users should also be happy with the app and willing to use it.

10. Results

The quantitative results that will be gathered are the amount of app users, frequency of usage, and the amount of chocolate bought. Qualitative results regard customer satisfaction with the app and the chocolate.

11. Learnings & Insights

The key learnings would be whether the app works for the target group (people with a lower income), and is effective in reaching its goal. A surprising result would be the app not helping or encouraging this new market to buy chocolate at all. With enough app users, the results will be reliable. The results could also confirm or deny the earlier assumptions, and show whether the users can or want to use the app, and if the app and its strategy of offering discounts is useful.

12. Next Steps

The results will be able to show **whether the app is effective** in targeting this new market. If it is, then the app can continue to be developed, and if it is not, a different approach should be considered. Depending on the feedback from users, adjustments can be made to the app to ensure it works optimally.

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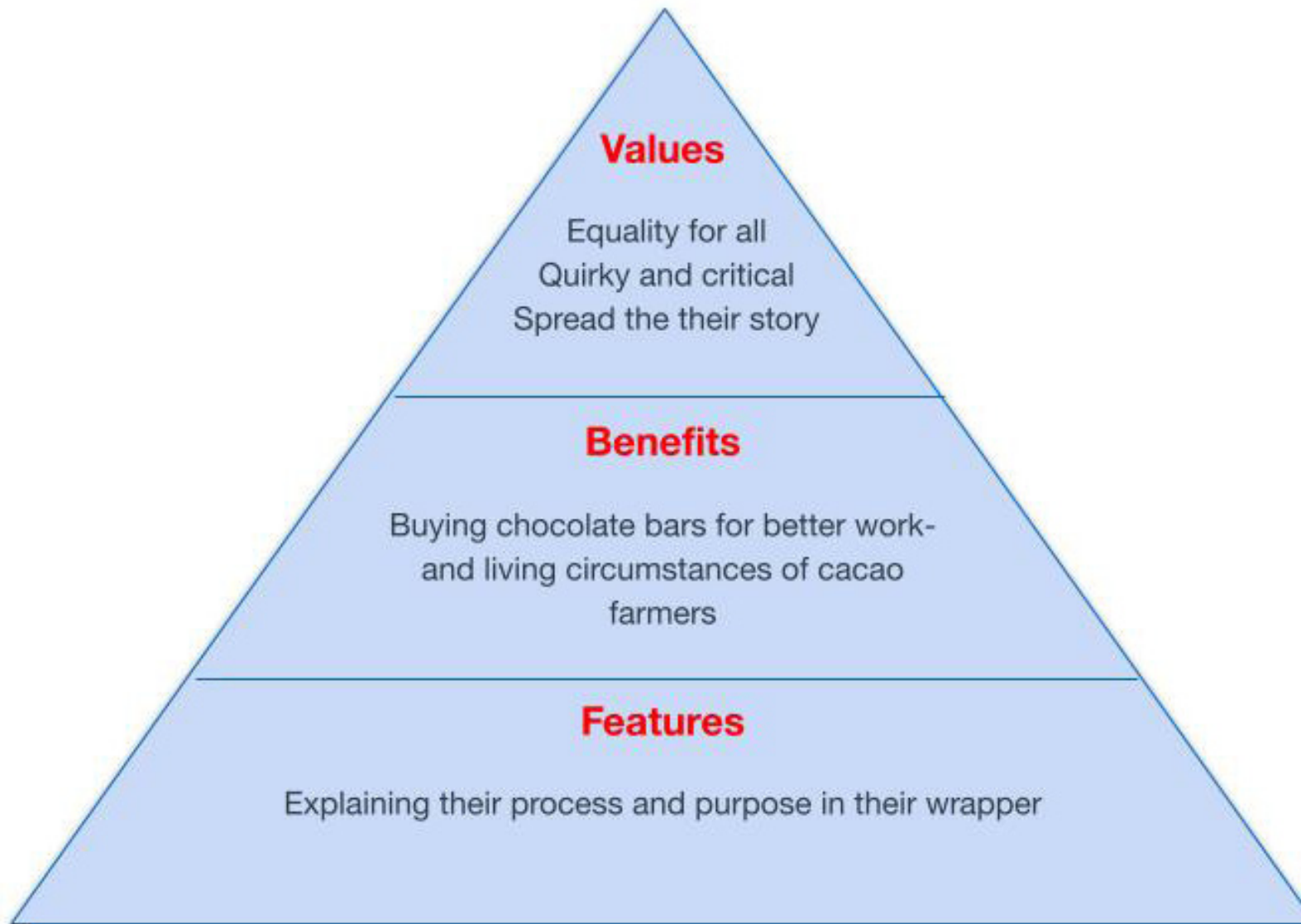
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APPENDIX A - VALUE LADDERING



APPENDIX B - VALUE PROPOSITION

The Value Proposition Canvas

