



Creating a Sweet and Mess-Free Value Proposition

How Honey Twigs disrupt the Honey market through thoughtful packaging

Next Generation Entrepreneurship Fellowship
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Creating a Sweet and Mess-Free Value Proposition | How Honey Twigs disrupt the Honey market through thoughtful packaging.

Sugar, Salt and Pepper are all available in Sachets. But why do you get Honey in Jars? It was time to make healthy sweets portable - Paras Fatnani | Co-founder of Honey Twigs

Background

In 2008, at the University of Westminster, two friends, Jigar and Paras, met over a common liking of honey. Jigar was passionate about honey, so much so that his Master's dissertation was about the concept of Honey. Paras was also intrigued with this sweet delicacy on account of his family which was already in the beeswax business. They both exchanged notes, thought it was an excellent idea to pursue and then left it as an idea to follow in their journals. After a couple of years, Jigar decided to come back to India, whereas Paras continued to work in England. Both of them were fitness enthusiasts and always preferred honey to sugar. But yet, they were wondering why the majority of the population was unable to do so! They realised that honey isn't portable and not readily available, and that is why so many people still consume sugar as opposed to honey, a healthier alternative and decided to explore it further. They believed that if given a choice, people would choose honey over sugar to satisfy their need to sweeten their beverage. They left their jobs and took over a mission to make honey portable.

(Teacher's Note: Ask the students about their at every stage sugar consumption habits. Would they switch over to honey if it is placed next to sugar)

Watch :  How Package Design Affects Sales

Discussion: Can packaging be a differentiator? Packaging of which products do students admire?

Industry Background and Strong Tailwinds

The Global Honey Market has seen a significant rise as the pandemic has

worked strongly towards the demand for honey. The global honey market was a total of 7.84 Billion US Dollars in 2020. But with the strong tailwinds of the Covid 19 Pandemic, the market size grew significantly to 11.88 Billion US Dollar Market by 2021.

Over the past few decades, sugar and artificial sweeteners have become undesirable ingredients in food products due to their health-damaging properties. Consumer inclination towards sugar substitutes, especially natural sweeteners, has increased for several reasons. One of the prominent reasons is an escalation in diabetic patients and patients suffering from obesity and high cholesterol who are constantly searching for healthier alternatives to sugar. The easy availability of a wide range of products, coupled with its ability to impart a desirable taste in food & beverage products, is aiding market demand.

The sudden COVID-19 pandemic outbreak has impacted the business of several industries across the globe as governments have undertaken lockdown measures and restricted the movement of people to contain the contagion. The closure of processing plants/units significantly affected the production of various food products in the initial months. Moreover, labor shortages, supply chain disruptions, trade restrictions, fluctuating logistics, transportation shortages, and others were observed in the lockdown period. With the re-opening of production facilities across several economies and continuous efforts by beekeepers to restore the disrupted supply chain, the economic condition of the natural sweetener industry is likely to improve. As it is considered a health-enhancing product, its sales across several countries have witnessed an incredible rise and have resulted in a remarkable amplification of quarterly revenues of companies.

Honey in, Sugar Out

The demand for immunity-boosting products even after the end of the pandemic is expected to remain strong, which can add to the market's profits. Due to its antiviral, anti-fungal, and antibacterial properties, this product is receiving a wider acceptance across regions. It acts as an effective medicine for treating acute throat infection and cough, especially in corona-infected patients.

The Public Health England (PHE) and the National Institute for Health and Care Excellence (NICE) guidelines have recommended that honey as a prominent first line of treatment in treating acute cough caused due to respiratory tract infection, which is one of the noteworthy symptoms in patients suffering from COVID-19 disease.

The demand for organic honey has increased at a notable pace in the last few years, especially in the developed markets of Europe, the U.S., and Japan. The high profits associated with organic products and their high demand across environment-friendly and health-conscious consumers drive the growth of the natural honey industry. The application of the product, as mentioned earlier, in innovative health drinks and supplements is emerging as one of the popular market trends across several economies.

Honey is being progressively advocated as an ideal substitute for conventional sugar due to its various health-benefiting properties. The rising health consciousness among consumers has motivated them to include natural sweeteners in their diets and reduce white sugar usage. The antioxidant and antibacterial properties of natural sweeteners and the presence of several crucial minerals and vitamins within them have made them an ideal sweetener choice. Furthermore, the longer shelf-life of the product, coupled with high affordability, are other prominent factors that positively impact the market's growth rate.

Building a Value Proposition

The Indian honey market was crowded with big corporations like Dabur, Baidyanath, Zandu, Hitkari and Apis Himalaya. Most of these companies sold in jars with quantities ranging from 100gms to 1 Kilo. The price range also varied from 60 Rupees for small jars to more than 600 Rupees for a big jar. But the problem wasn't the consumption of honey, but the way was consumed. There was no denying that honey has a stable demand, but its confusing mannerisms had some flaws. This became a big thinking point for Paras and Jigar.

They started pondering the question, 'If I had to use honey in my tea, I have to take so many steps! First, I had to open the jar, which mostly was tightly bound. Secondly, I had to take a fresh spoon, dip it in the jar and then stir the same spoon in my tea. While doing all this, I had to make sure that I didn't spill the honey. After stirring my spoon, just in case I want one more serving, I have to take a fresh spoon; otherwise, the used spoon will take the liquid back to the honey and spoil the taste. After this is done, I have to clean the spoon, put it back. Also, I had to close the honey jar tightly and store it in a dry place so no ants could come near it. Then I can peacefully enjoy my tea!'

This entire user experience of having honey in your tea might be why people prefer having sugar. Sugar can be easily stored in sachets and the correct quantity. I can use as many sachets as I need according to my liking. It is easy to tear, use and dispose of. The eureka moment came in when Paras thought they could deliver the same

experience but with honey, a much healthier alternative.

And thus started the research and development to see how honey is made portable and found next to sugar sachets. The value proposition also became a starting point for honey twigs. Honey needed to be portable and easy to use and dispose of. This thought soon transformed into a full-blown Honey business with a cutting edge differentiator and superior quality.

Teacher's Note: Discuss their experiences of using Honey at home in class. How much would they rate their experience?

Pre Class Watch :  Designing your Value Proposition by Alex Osterwalder at Mind t...

Discussion: If the students can ascertain Paras's role, what packaging would they come out with. For fun, draw the packaging of the honey without looking.

The Three Edged Value Sword

Paras and Jigar asked themselves a very important question, 'How would they like to have their honey?' They made an exhaustive list of all the answers and rounded off their top three responses. These answers were that the honey should be high quality, portable, and, most importantly, mess-free. Now they took these questions to about 3000 Honey lovers across India. Without influencing the respondents with the solution they were thinking, they observed and understood the challenges of these honey lovers. All roads were coincidentally leading to what they had thought initially. They started focussing on their value proposition. The honey they would sell would be portable, mess-free, and highest quality.

This derivation of the value proposition was the most important point in their startup journey. And fortunately, this was not only an outcome of their ideas but also of sizeable respondents. Their position in the market started getting determined by their value proposition. They were selling honey that was of high quality, was portable and was mess-free.

Sourcing the best quality honey wasn't a big challenge. Paras's father was in the business of beeswax for a long time. Due to that, Paras had access to knowledgeable people within the honey industry. He started getting deeply acquainted with the honey-making process and soon realised that most of the leading players in the market did not even pass the CSE purity test. In a report of 2020, 10 out of the leading 13 brands of India were found to be adulterated with cane sugar. Through nuclear

magnetic resonance (NMR) testing in Germany, leading brands were found guilty of adulteration. This reinforced Paras' belief that the honey he will produce should be of the highest quality and pass any adulteration test. Moreover, top brands' revelation of adulterated honey was an excellent opportunity to market themselves as pure honey.

1. High Quality as a value proposition :

Paras took on himself to ensure quality becomes a top differentiator and a value proposition to its customers. They started working closely with beekeepers in the Himachali region around the Himalayan foothills and in Muzaffarpur, where they encourage ethical beekeeping. Ethical beekeeping is a format where a hundred per cent of the honey is harvested at no point. Only 60% will be taken out of the hives that, or through that process, at any point, 40% will be left back for the bees.

Also, through the exploration and pursuit of pure honey, Paras came across multiflora honey, which is most commonly used as a source of honey. But unfortunately, adulteration happens when a blend of multiflora honey is packaged and sold. Paras ensured that the lab tested the source from which they collected the honey to ensure the promise of purity was kept at every stage. Moreover, while sourcing the honey, the honey twig ensured that it was entirely antibiotic-free.

2. Portability as a Value Proposition :

While researching with these 3000 respondents, one of the biggest revelations is that one of the biggest reasons they are not consuming honey and are consuming sugar is accessibility and availability. Sugar is available everywhere and is well packaged in varying quantities, but that is not the same as honey. Honey is available in jars, which always needs a spoon to be served from. That becomes challenging to carry around. Most sweeteners are required on the go and holding a glass jar and a spoon is as inconvenient as possible. But the moment a similar packaging is provided of honey in the right quantity, the purpose is fulfilled.

Honey could be carried in pockets, bags without the fear of spilling or occupying too much space. Paras invested significant time in identifying the optimal quantity of honey people would prefer to carry. The answer post research and a lot of trial and error with internal testing groups came to be eight grams of honey. The packaging was a transparent, eco-friendly plastic tube through which the users could see the yellow liquid.


3. Mess-Free as a Value Proposition:

One of Paras' most significant observations was that honey serving was messy. While dipping the spoon in the jar and cleaning was overall a messy affair. He understood the psyche of the consumer and their resistance to honey and the easy reach out sugar. As Paras explains, ' Humans are cognitive misers. We are programmed to take a shortcut and do the easier things. Using Honey instead of sugar increases our cognitive load. The steps involved in using honey include an element of mess, whereas sugar doesn't. This makes us reach out to sugar as compared to honey.'

Paras wanted to solve the problem of Honey serving can be messy. And the value proposition again lay in making it easy to use. The packaging included a simple tear, squeeze and dispose of method. Honey twigs were plastic tubes that could be easily torn off with hands, the honey could be squeezed out and used, and after that, the plastic tube could be easily disposed of. As one tube has eight grams of honey, it was optimal for single use.

This solution was mess-free and created a unique value proposition in the domain of product and product serving. This value proposition was able to create great loyalty amongst its customers.

(Teacher's Note: Ask the students to question why other brands might not have thought of a similar packaging of honey? What kind of entry barriers Honey twigs may have against its competitors)

Watch :  Value proposition canvas

(Discussion: Which products we consume daily can be repositioned to us through an exciting value proposition?)

Creating Personas and delivering Value

Even though Honey was a mass consumption product, Paras wanted to find a niche to leverage. The honey twigs team started creating personas to identify a niche segment of the customers. They divided their audiences into two primary personas: 'Healthy Moms' and 'Health Enthusiasts'

The Healthy mom's segment helped them innovate and introduce fun flavours to their

offerings. This segment wanted their children to consume healthily and ensure that their sweet cravings are satisfied through healthier alternatives. But one of the challenges was that honey is looked at as a medicinal product. So to make honey more consumable to younger audiences, they started introducing flavours. Honey twigs started offering litchi, vanilla and lemon-infused flavours. So along with their three core value proposition, the addition of flavours made them serve their niche effectively.

The other segment they identified was of Health Enthusiasts. Health enthusiasts are conscious about what they are consuming. Honey becomes a natural choice, and they are willing to go the extra mile to get honey for themselves. So portability and mess-free value proposition did not matter to them. Honey twigs came out with the proposition of flavours such as turmeric and lemon. This could help the Health Enthusiasts sip their green tea with much delight.

Introducing flavours and identifying niches helped Honey twig to enhance their value proposition and serve their audiences and build loyalty around the product simultaneously.

Watch : [▶ Creating Personas for User Experience Research](#)
[▶ How To Create a Buyer Persona](#)

Value Proposition in the B2B Space :

As the popularity of honey twigs started increasing, many restaurants and catering houses started approaching them. Through their value proposition, Honey twigs were solving one of the biggest problems of business houses; Wastage. If a passenger requests honey on an international flight, the crew hands typically over a small jar of honey about 30 grams. This again, by using a tablespoon is used to devour the honey. But in this process, anywhere between 25 to 30 per cent of the honey is wasted. The same incidents happen at coffee shops, restaurants and hotels.

But Honey twigs started becoming a go-to product for airlines, coffee shops and hotel chains as they held the promise of reducing wastage and reducing the efforts of cleaning cutlery. Honey twig provided honey in an easy to use packaging that was portable and required less place to store than other honey that came in large jars. Moreover, the hospitality staff doesn't have to worry about ants spoiling the honey. This opened up big revenue gates for honey twigs. They had not only created a substantial brand value in the direct to the consumer market, but now they had also been able to capture niche segments by serving businesses.

Honey Twigs Today :

The Covid 19 Pandemic provided a significant boost to the sales and awareness of Honey twigs. Currently, Honey twigs are being sold in more than 5000 outlets across India and have started exporting their honey in the middle east and western Europe. Honey twigs have revolutionised the honey market with their simple yet effective packaging, the promise of purity and innovative flavours.

Additional Reads :

▶ HI Honey, Bye Sugar! ft. Honey Twigs!

▶ Fitbee Foodies ft. Honey Twigs | Food review | Honey

<https://www.indiaretailng.com/2016/07/12/food/food-grocery/honey-twigs-targets-5000-stores-over-18-months/>

<https://www.dnaindia.com/lifestyle/report-honey-twigs-go-big-2090021>

<https://anchor.fm/blitzbusiness/episodes/Honey-Twigss-Paras-Fatnani-Understanding-the-honey-market--retail-customer-acquisition-strategies-and-on-how-to-build-B2B-partnerships-with-big-brands-epctcs>

<https://bp-guide.in/AXyaLMXx>

<https://yourstory.com/2016/04/honey-beekeeping-startups/amp>

