

The Marketing of Women's Argan Cooperatives: Challenges and Opportunities

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Abstract

Products containing argan is a lever for sustainable development in the Souss-Massa-Drâa region of Morocco. Indeed, the argan cooperatives have achieved positive results on social, economic and environmental levels in the region, particularly for women of rural origin. But behind this apparent success, there are difficulties that impede the achievement of the objectives of the cooperatives, namely the failure of management and marketing, the scarcity of the raw material and its high price, the existence of a fragmented market, and illiteracy of the majority of women who are members of a cooperative. Within the framework of our research, we focused on the marketing practices of these cooperatives on the basis of the data and information collected during a survey of these socio-economic organizations. The aim of our article is to highlight the role and potential impact of the adoption of management practices in line with the sustainable development on the community, the environment, the competitiveness and prosperity of women's argan cooperatives.

Keywords: argan cooperatives, marketing, sustainable development, local products.

1. Introduction

Argan cooperatives constitute one of women's cooperatives in Morocco given that 93% of these cooperatives were created by women. The activity of these Argan cooperatives is a lever for socio-economic development in the Souss-Massa-Drâa region. This is mainly related to the fact that argan represents 11% of sales in the region. In addition, the Souss-Massa-Drâa region represents 86% of argan production in Morocco (Ouraiss, 2007). If today there is a better organization at the level of production units which are set up by the cooperatives, it is also imperative to have a better organization in marketing. This organization in marketing is a crucial step not only to value the women's work in these cooperatives, but also to deal with competition which is becoming increasingly fierce. Our research focuses on the following questions:

- a. What are the marketing practices used in these cooperatives?
- b. What are the actions that can make these cooperatives more efficient?

To answer these questions, we organize our work as follows. We first discuss the conceptual framework within which our research is conducted. We then present the results of our empirical study through external and internal analyses of the cooperatives that have been the subject of our research.

2. The conceptual framework of marketing of cooperatives

2.1. The challenge of cooperatives management

The cooperative is a hybrid organization between the association which is constituted of members who share ownership and results, and the company which combines the resources and technology to produce goods and services. This organization has defined values that constitute the cooperative ideology (Prévost, 2001).

These core values are defined by the International Cooperative Alliance (ICA) as follows: the care and the personal and mutual responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and altruism. However, the hybrid structure of the cooperative between company and association creates some problems in its management. Indeed, the cooperative has a double challenge. By its social dimension, it seeks to protect the identity of members. By its company dimension, it tries to adapt to economic requirements set out from the outside. The aim of the association is to keep alive the community while the company aims to align the activities of the latter to a foreign economic logic (Malabou, 1998).

Faced with this situation, some measures have been adopted in the dynamism of the minimization of the cooperative law to adapt to market demands as well as in the maximization of the law that aims to translate into positive law the cooperative values and principles promoting in the first place the interest of the whole society (Zevi, 1995). In this context, there are three different approaches to the management of the cooperative (Lafleur, 2004). The mainstream adopts the traditional concepts of the cooperative formula, i.e. the cooperative must adapt to the demands of the external environment. The second approach, unlike the first, is the internal environment of the cooperative which affects its external environment. The third approach is based on the analysis of the cooperative in its hybrid form between the association and the company.

2. 2. The marketing of cooperatives: towards a sustainable social marketing

Marketing is the social process by which individuals and groups obtain what they need and want; this process is to create, provide and share with others products and services of value (Kotler, 2009). Applied to the field of cooperatives, marketing should be adequate with the hybrid form as a company and an association by respecting their values and principles. As such, the cooperatives face the challenge to satisfy their members who are the reason for their existence and, at the same time, satisfy the customer who is a guarantee of their continuity. It is, therefore, relevant here to define marketing cooperatives as a current balancing two objectives, namely specific social marketing objectives that are the *raison d'être* of cooperatives (i.e. training, education, satisfaction and well beings of members) and economic objectives which are primarily market share, sales, customers and profitability (Boisvert, 1981). Since the role of the cooperative is not only to satisfy its members but also to contribute to the economic, social, environmental and political development of the community, the cooperative must adopt a coherent marketing mix that integrates economic, social and environmental dimension.

2.2.1. Product policy: enhancing the environmental and social aspects of the cooperative's products

The integration of products in an eco-sustainable design requires an analysis of the effects of this product on the environment throughout its life cycle. The challenge for cooperatives is to design better products using less energy and reducing its harmful effects on the environment. This involves a thorough study of each stage of the product life upstream and downstream: the raw material, energy consumption in the production, transportation, product use, recycling. While the company does not assume all these tasks in the chain of production, it must work with subcontractors (production of raw material, transport, waste treatment) (Pastore-Reiss, 2007). In addition to the respect for the environment, product design must take into consideration the social aspect of 'socio-eco-conception' so as to be consistent with the principles of sustainable development and with those of cooperatives. This involves the marketing of ethical and fair trade products (Bellini, Lavigne, 2006). The product must meet stakeholders including members and consumers. The consumer needs more information about the origin of products, the production process, and traceability (Rastoin, 2004).

2.2.2. The price and distribution policy: integrating the principles of fair trade

The cooperative must adapt to the principle of fair trade (Grandval Soparnot, 2005). It is therefore appropriate to apply a price that allows a correct and satisfactory remuneration of local producers. Its prices are intended to help improve the living conditions of producers (Capron, Quairel, 2002). In addition, fair trade offers consumers a way to fight against poverty by shopping. To achieve the objectives of fair trade, five principles must be fulfilled (Wolf, Mauleon, 2005):

- a. Ensure adequate income for disadvantaged producers in order to meet their basic needs such as health, education, housing and social security.
- b. Respect for labor rights, such as prohibition of child labor, slavery, and the guarantee of the right to freedom of association.

- c. Communicate the role of fair trade to the various partners.
- d. Protect the environment in order to preserve the health of producers.
- e. Ensure the quality and traceability of products of fair trade by strict control of these products.

The FLO/Max Havelaar label includes three certifications of fair trade : Max Havelaar, TransFair and Fairtraide. The FLO/Max Havelaar label is a guarantee of quality, respect for proper working condition and a proper income for producers (Audigier, 2003). This label is also a guarantee of respect for human rights and the environment, e.g. no forced labor, no child labor, no discrimination, freedom of association (Fray, 2005). Argan oil has recently been labeled Fairtrade. The first Moroccan Argan cooperative that has this label is Tighanimine cooperative. Besides the traditional distribution channels, fair trade products have other specialized circuits. This is the case of stores that sell fair trade products, via mail and internet (Diaz Pedregal, 2007). In specialized stores, the information is transmitted mainly by vendors; however, in large and medium-sized distribution the information is conveyed by the signs of quality of fair trade (Ballet Carimentrand, 2006).

2.2.3. The communication policy: towards a social and responsible communication in the cooperative

The social communication is the set of communication actions which aims to provide information on environmental and social commitments of an organization (company, brand, etc..) (Parguel, 2010). The cooperative must use this social communication in order to enhance its image among its external stakeholders such as customers and suppliers or internal stakeholders such employees, officers and members. This type of communication involves other stakeholders, namely the world of politics, media, environmental groups, professional associations, and consumer associations (Benoit Moreau, al, 2010). In addition to a communication on the commitment to sustainable development, the company must communicate its values. The advertisements should apply not only to consumers but also to all its stakeholders (Reynaud, al, 2011). Communication in the cooperative which specializes in the production of local products should focus on identity (origin, quality) by relying on the following (Gouin, Perraud, 2008):

- a. Authenticity, ethics, societal
- b. Origin: cooperative
- c. The craftsmanship
- d. Positioning Products: label, organic, IG
- e. Local Products
- f. Natural or nutritional qualities

The cooperatives are increasingly aware of the need to integrate the principles of sustainable development in the mix marketing. Alongside an eco-product design, the cooperative must communicate the benefits of their products to targeted customers. In addition, they need to strengthen their relationships with various internal and external stakeholders (Loupe, 2006).

3. An empirical study of cooperative marketing actions of the women's argan cooperatives Union (WACU)

To establish a diagnosis of the internal and external environment of cooperatives we have provided:

- a. an external analysis of cooperatives at the macro and micro-environmental levels based on articles and Web sites within the scope of our study. This analysis allowed us to detect the threats as well as opportunities that are offered to cooperatives.
- b. a qualitative study based on the case study with the aim to discover and understand organizational structures (Wacheux, 1996). This study was based on semi directive interviews with officials in the women's argan cooperatives union (WACU).

These interviews were conducted successfully thanks to the development of an interview guide. The theme discussed is the mix marketing applied in cooperatives which are members to WACU. The study of these cases will allow us to make different observations on the conditions and production techniques, pricing sales, marketing of argan products. The WACU was created to supervise its first cooperative group Tissaliwine in the province of Essaouira in 1995. Three other cooperatives were formed between 1997 and 1999, namely the Amalou N'Touyag cooperative (Tiznit 1998), the Doumagdoul cooperative (Tiznit 1999) and the Tamount cooperative (Taroudant 1999). These cooperatives are responsible for producing different products based on argan, and the Union helps them to market them as well as to promote them at the national and international level. The WACU now has 26 cooperatives which are distributed in five provinces of the argan tree (i.e. Agadir, Tiznit, Inzegane-Ait Melloul, Taroudant, Essaouira).

3.1. Analysis of the external and internal environment of the WACU

3.1.1. External Analysis

	Opportunities	Threats
Legal and regulatory environment	<ul style="list-style-type: none"> - The adoption of Law No. 25-06 on the distinctive signs of origin and quality of agricultural products and foodstuffs is a means of protecting local products. -The establishment of a Protected Geographical Indication PGI Argan of argan oil is one of the instruments of rural development. The PGI Argan is officially recognized in 2009 	<ul style="list-style-type: none"> - The corporate tax applied to cooperatives whose turnover exceeds 5 million DH. - The lack of legislation prohibiting the export amendons.
Demographic environment	<ul style="list-style-type: none"> - Morocco has 30 million inhabitants (in 1999). Approximately 55% of the population are less than 20 years old and 35% are less than 15 years old. The action to be undertaken by the cooperatives is to enhance the image of their natural products in line with the DD. 	
Natural environment	<ul style="list-style-type: none"> - UNESCO and the Moroccan state ranked the Moroccan argan tree as "Biosphere Reserve (RBA)" in 1998. 	<ul style="list-style-type: none"> - The deterioration of the argan forest as a result of the development of irrigated agriculture, the removal of wood and overgrazing.
Technological environment	<ul style="list-style-type: none"> - The semi-mechanized mining method is saving time, effort and money. 	
the market	<ul style="list-style-type: none"> - The total production of argan oil in 2005 is from 2000 to 2500 tons (40% goes to family workshops, 40% is provided by the cooperatives, and the rest is produced by private companies). 	<ul style="list-style-type: none"> - The market is fragmented, heterogeneous, opaque and disorganized.
competition		<ul style="list-style-type: none"> - Unfair Competition.

3.1.2. Internal analysais

Strengths	Weaknesses
<p>productive system The process of production of argan oil (traditional or semi-mechanized methods) does not lead to waste (zero waste). The pulp is destined for feeding livestock. The hulls are reserved for combustion. The cooperatives extract oil by two methods:</p> <ul style="list-style-type: none"> - The traditional method: The traditional production for edible oils in the WACU is estimated at 5 tons per month. The majority of this production (2/3) is achieved by Tissalouine Cooperative. - The semi-mechanized method: The cooperatives have acquired machinery for pulping, roasting, grinding and settling; this has allowed the cooperatives to improve production both quantitatively and qualitatively. The only step that remains is manual crushing which is the primary work of women in cooperatives. <p>Human Resources Women are paid according to the number of kilograms of kernels obtained in addition to the annual profit that is shared among all members of cooperatives.</p> <p>The cooperatives allow women to be independent as they provide them a material independence. They also allow them to contribute to family expenses and participate in the management of the budget. In some cases, the income of these women is the only salary from their homes.</p> <p>In addition to autonomy, the cooperatives are a learning environment for the values of solidarity. Through literacy classes, women have realized the value of education for their children, especially for their daughters.</p> <p>- The mix marketing</p> <p><u>The product</u></p> <ul style="list-style-type: none"> - Certified organic and PGI (Protected Geographical Indication) Product/ Diversified product. - Attractive package with the presence of the required information. <p><u>Distribution</u> Enjoy the distribution of the WACU. 80% for export 20% sold at local and national level by brokers, wholesalers</p> <p><u>Communication</u></p> <ul style="list-style-type: none"> - Profit for the communication made by the WACU such as fairs, catalogs. 	<ul style="list-style-type: none"> - The women who are members of cooperatives are mostly illiterate, but they are currently attending literacy classes. - The main task of these women is generally the crushing of argan nuts. - Lack of competence in management and marketing. - Lack of technicians for the maintenance of machines. - Women cooperatives suffer from late payment (which may exceed 120 days). <p><u>The price</u> High compared to companies that have large stocks of raw material.</p> <p><u>Distribution</u> The focus on direct sales, distribution and sale in bulk</p> <p><u>- Communication</u> a low budget for communication. Communication actions very limited (brochures, event ...</p>

3.2 Summary and recommendations

- The internal diagnostics has detected the difficulties faced by these cooperatives. These difficulties are mainly:
- a. The marketing which is affected by the inability of finding enough customers as well as by the insufficient capital. This problem could be overcome if the cooperatives had the right of access to credit.
 - b. The members of cooperatives have gaps in management and marketing.
 - d. The cost of the raw material is high.

To overcome these obstacles, we proposed the following objectives and marketing actions:

3.2.1. In terms of human and financial resources

- a. Provide training for women of cooperatives in the field of management and marketing.
- b. Arrange visits between the cooperatives to enjoy successful experiences.
- c. Accelerate the implementation of an access system for the social security.

3.2.2. In marketing

I. Product policy:

- a. The packaging must be manufactured using recyclable materials to be consistent with the objectives of these cooperatives (i.e. environment protection).
- b. The consumers are sensitive to issues of ecology and sustainable development. They expect more transparency in the quality and origin of the goods they consume. To meet this demand, the cooperatives must establish traceability procedures that aim to save the information which monitors the product stage of "raw material" to that of "finished product" (i.e.consumer protection).

II. Pricing policy:

Sell with higher price to generate profits, cover the cost of the raw material, and ensure fair remuneration for work done by women at different levels of production (fair trade principle).

III. The distribution policy:

The cooperatives must avoid long circuits for better control of the distribution. In the same vein, they must avoid the intervention of several intermediaries. It is also necessary to develop a network of outlets of argan products of cooperatives in major cities of Morocco (solidarity store principle and fair trade as in Europe).

IV. The communication policy:

In order to achieve the target and inform the customers of the existence of the offer of the WACU, we propose to use the following communication techniques: direct marketing (mailing, catalog, brochures), the participation in trade events and sales promotion. In this case, the means of communication must carry information about the various products marketed by the WACU, insisting on compliance with international quality standards and traceability, including the role of these products in the promotion of rural women, preserving the argan tree, and ensuring fair income for cooperators.

4. Conclusion

The difficulties faced by argan cooperatives we have cited in this study can only be overcome if a participatory diagnosis is conducted. It will allow interested parties to reach a new dynamism to optimize the results of many actions of local, national and international partners. It appears to us that the priority is to help cooperatives to integrate efficiently in the market and face competition. The leaders of these cooperatives must consider the conditions for the marketing of their products and services to capitalize on successful experiences in this field including that relating to the support of cooperatives in the Pact of Social Economy and Trade Fair. It is within this perspective that fits the formation of argan cooperatives unions designed to help cooperatives to market and promote their products, particularly to foreign markets.

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