



Research Article

# Initial Confidence: Determining Factors for the Internationalization of the Moroccan Cooperative Brand

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## Abstract

The marketing of much of the Moroccan cooperatives has long been marginalized and undeveloped. However, a lot of researchers have noted the importance of using marketing practices especially in such open market that is characterized by the high rivalry on one side and the consumer exigency in the other side. In this context, cooperatives are necessary to develop an inimitable competitive advantage such as the brand to compete not only in the local market but also in the international one. This research examines how the Moroccan cooperative workings in the field of local products internationalize their brand. The article focuses on two points: (a) Marketing mix of cooperatives; (b) Brand values. The study is based on a sample of 30 cooperatives. The main results suggest that the Moroccan cooperative brand values are part of the trust literature and principally the initial trust as an element of the relationship marketing.

**Keywords:** Cooperative brand, cooperative marketing, initial trust, brand internationalization.

## Introduction

Brands are nowadays considered as an essential reference in a market where the consumer demands intersect with the

strong local and global competition. Given that brand leadership requires a supportive firm structure or orientation (Aaker and Joachimsthaler (2000); Jaffee and Masakure (2005); Keller (2003); Urde

(1999); Yakimova and Beverland (2005)), an examination of the ability of cooperatives to develop and support brand position is timely needed (Beverland, 2007).

Cooperative sector participates positively in the development of the country and contributes to the realization of great societal project. Prévost (2001) presents the cooperative as a hybrid organization between the association that is made up of members who share ownership and results, and the company that combines resources and technologies to produce goods / services.

Cooperatives are as dynamic actors as companies and other structures. They interact in the same environment. In other words; what impacts the company will also impact the cooperative, both on the local and international markets. According to Errasti, Heras, Bakaikoa & Elgoibar (2003), cooperatives are not separated from the phenomenon of globalization of markets and competition.

In this context, and to compete in an international market, the cooperative has to move towards a marketing approach and develop an inimitable competitive advantage such as the brand to ensure a good positioning in the global market.

Also, the culture of meaning-making is starting to become more and more widespread (Ghilane, Elyamani, and Aomari, 2017). In this context, consumers are turning to the consumption of meaning to satisfy their physiological, psychological and sociological needs (Ghilane & Aomari, 2016), and that is by drawing on values and brand messages.

Thus, in the context of brand-consumer relations in an international market, the concept of trust, and especially initial trust, acts as a driving force to guide future relationships that consumers can maintain with a brand. According to Errasti, Heras, Bakaikoa & Elgoibar (2003), the key success factor for the internationalization of services is to convince customers in the local market to trust the new supplier. However, if the literature raises the

importance of the initial trust in internationalizing services, what about internationalizing product; and especially the local products of Moroccan cooperatives?

### **The Cooperative in an Internationalization Context**

In a global perspective, the internationalization process of the cooperative is different from the company. This difference is in reference to the goals divergence. The cooperative is one/element that seeks for the product valuation and the company is the one/element that seeks to maximize profit. This divergence of purpose makes internationalization easier in the case of the enterprise compared to cooperatives.

The motivations and the modes of internationalization are not of the same for the cooperatives and the companies. If the advantage of internationalization at the company is linked to reasons of profitability, of acquisition of markets and for the cooperative, the advantage is to ensure the durability and the increase of its "rights to produce" and of his income (Mauget, 2005).

The subject of the internationalization of cooperatives was discussed by Cook and Iliopoulos (1999) through a study. The main results attest that farmers and their cooperatives first favor the export of members' products as a means of internationalization, then comes the investments in an office or an international commercial subsidiary to export their products. Cooperative also thinks about franchise, the exportation of the 'know-how' in cases where the cooperative has a technological advance, and finally the industrial establishments.

In the same context, according to a study conducted by Frey and Mauget (2010) which focuses on the study of 30 European cooperatives present in foreign markets, the most widely used mode of internationalization relates to the export of members products, investments or the creation of subsidiaries abroad, the establishment of franchises and finally

industrial establishments abroad. In the case of both studies, export is the mode of internationalization most used by the cooperative.

### **The Marketing Approach of the Cooperative**

For many cooperatives, there has been a belated recognition of the need to invest in marketing (Beverland (2005); Edwards and Shultz (2005)). The principle and the objective of marketing remain the same; however an adaptation must be done according to the structure specificities. In this context, Boisvert (1981) gives a definition relative to the marketing of cooperatives, and presents it as a balancing that must be done between two objectives, one about the 'raison d'être' of the cooperative and one about the economic dimension. The cooperative must satisfy not only its internal members but also the consumer and, therefore, the market for survival and durability.

### **Product Policy**

Regarding the cooperative discussed under the hybrid approach, marketing must be consistent with social as well as economic objectives. The product must meet the needs of stakeholders, including members and consumers who express the need for information on product origin, production process and traceability (Rastoin, 2004).

Also, in marketing adapted to the cooperative, the product policy must highlight the originality, typicity, and authenticity of its products (Fort, 2006).

It is therefore a process of reflection that must be done in a global manner, to take into account all the particularities of the cooperative and to keep the coherence and the balance between its two main objectives.

### **Price Policy**

One of the other objectives of the marketing mix is to be able to set the right price that will guarantee profitability for the company and the satisfaction of the market. The price policy as a whole must

be consistent with the positioning of the product and the brand image.

With regard to the cooperative, the principle of the price strategy and the purpose behind remain the same, however, it must be adapted to the principle of fair trade (Grandval & Soparnot, 2005). The price policy will have to meet the social as well as the economic objectives through a correct and satisfactory remuneration of the local producers to improve their living conditions (Capron & Quairel, 2002).

Thus, according to this definition, the respect of the principle of the hybrid system by ensuring the right balance between the economic and social purpose by applying the "fair price", will ensure the good remuneration of the members of the cooperative and also the satisfaction of the customer.

### **Distribution Policy**

The distribution policy consists of identifying the most suitable sales channels. In general, it must reconcile the temporal and geographical factors to get the product to its final destination with the best conditions.

In the case of the cooperative, the management of the distribution of products is quite complex given the particularity of transport and conservation of certain products.

For distribution channels, according to Attouch (2014), the cooperative has the opportunity to sell in its own premises, or sell on trade shows and fair markets, or through an intermediary.

### **Communication Policy**

The cooperative has some peculiarities relating to the respect of the environmental aspect through the organic consumption and the protection of the national inheritance. Therefore, the communication strategy to be adopted must take into account these specificities for homogeneity.

According to Parguel (2010), social communication is all communication actions that aim to provide information on

the environmental and social commitments of an organization (company, brand, etc.). This communication involves several stakeholders, namely; the world of politics, the media, environmental groups, professional associations and consumer associations (Benoit Moreau, al., 2010). In parallel with social communication, the cooperative must personalize its messages to differentiate itself by communicating on its own values.

According to Gouin and Perraud (2008), communication in the cooperative specializing in the production of local products should focus on identity (origin, quality) based on the following elements:

authenticity, ethics, society; origin: cooperative; craftsmanship; positioning products: label; local products; natural or nutritional qualities.

Cooperatives develop fairly specific products from the local area with ecological benefits. As a result, communication must focus on the benefits of the products to the targeted customers. The cooperative enterprise must be ethical and attentive to its market. In addition, they need to strengthen their relationships with various internal (with members) and external (with the target market) stakeholders (Louppe, 2006).

**Table 1: Cooperative marketing mix elements**

	Authors	Findings	Conclusion
MARKETING MIX	Rastoin (2004)	The consumer has more information on the origin of the products, the production process and the traceability.	The product is based on origin, production and traceability
	Fort (2006)	The product policy of the cooperative must highlight the originality, typicity and authenticity of its products.	The product must be original, typical and authentic
	Perraud et Gouin (2008)	Communication in the cooperative specializing in the production of local products should focus on identity (Origin and quality).	Origin and quality are the basis of communication of local products
	Bobot (2010)	The product export strategy is consistent with the purpose of the cooperative, which must sell and value the products of its members.	Export is the most used mode of internationalization

*Source: Authors elaboration*

### Brand Strategy of the Cooperative

Beverland (2007) attests that research on the repositioning of products as a brand remains rare and to this day, research has been silent on the effectiveness of agricultural cooperatives in the development of market-oriented brand program.

Thus, in order to explore the ability of cooperatives to implement branded marketing programs, Beverland (2007) conducted a qualitative study that examined a sample of five co-operatives in the territory of New Zealand. The results of the study asserted that all cases under study moved from the product sales approach to the brand marketing approach as a means of yielding and building a sustainable form of competitive advantage.

The research revealed that there was a latent desire among consumers and business customers for more investment in marketing, including brand development. For consumers, lifestyle changes, health issues, positive country of origin images and environmental concerns have enabled each brand manager to create a brand identity for the cooperative around these attributes (Beverland, 2007). Aaker and Joachimsthaler (2000) suggest that brand leadership can only be achieved through a comprehensive and consistent brand marketing program. Consistency can be achieved through integrated marketing communications that guarantee all the brand's deliberate messages, regardless of the source or medium, effectively delivering a "one voice, one look" approach (Keller, 2003).

**Table 2: The cooperative's branding strategy**

	Authors	Findings	Conclusion
BRAND	Beverland (2007)	Recent efforts are focused on improving quality as a means of differentiating the market.	Quality, means of positioning.
	Beverland (2007)	For consumers, lifestyle changes, health issues, positive country of origin images and environmental concerns have enabled each brand manager to create a brand identity for the cooperative around these attributes.	Brand attributes must address health, environment, and country of origin issues.

Source: Authors elaboration

### Methodology

In the context of qualitative studies, Pirès (1997) chooses to treat the sampling process as an operation in which the researcher first decides on the relevance of working on a single case (actor, place, and event) or from multiple cases. Multiple cases present two options, interviews or case studies (Stake, 1997). Thus, two issues arise: diversification and saturation principles.

In the case of the exploratory study, we opt for the multiple case methods through the establishment of interviews. The sample is determined according to the diversification and saturation approach.

According to Pirès (1997), diversification can take two forms depending on whether it is external / contrast diversification or internal diversification. Based on the principle of external diversification, consisting on the determination of at least one representative or two from each relevant group in terms of the purpose of the survey, we determined our sample by seeking to have representatives from the 12 regions of the Moroccan kingdom. The sample stopped at 30 interviews based on the principle of diversification and semantic saturation.

According to literature, the content analysis of the interviews is done in two

stages, categorization and coding / counting. According to Bardin (1997), categorization consists of setting up headings with a common title under a generic title. For coding, Robert and Bouillaguet (1997) present it as where the categories are applied to the corpus. As a result, and according to this logic, we have identified three categories: Internationalized cooperatives following a reactive strategy; proactive strategy; and non-internationalized cooperatives. The study focused on the analysis of two main areas, one relating to the marketing mix of the cooperative and one relating to brand strategy by analyzing particularly the brands values.

### Results and Discussion

Starting from the Weber (1995) principle, content analysis is a data reduction procedure that consists of classifying a large number of words and expressions into a small number of categories. It is in this context that we have identified three distinct categories of cooperatives to analyze their international marketing mix and brand values. The aim is to arrive at a description of the content of the qualitative data while respecting the character of objectivity, completeness and quantification (Weber, 1985).

**Table 3: Marketing and branding strategy of the Moroccan cooperative in the context of internationalization**

	International Marketing mix				Brand values
	Product	Promotion	Price	Place	Brand values
<b>INTERNATIONAL COOPERATIVE: Reactive Strategy</b>	<p><u>Product types:</u> Saffron, Argan, Lavender, Cactus, Honey Daghmos, Mint and Almond. <u>Strategy:</u> Products standardization respecting the same quality. Some cooperatives apply packaging adaptation. <u>The constraints:</u> the difficulty of obtaining the certificates and labels, the commercial constraints and limited production. <u>Advices:</u> Product Certification, Developing Trust</p>	<p>Some cooperatives do not have any communication support, others make a traditional communication based on the contact of customers to inform about new products, and a minority has web site and Face book pages.</p>	<p>The price is fixed with the importing company, since the majority sells in bulk</p>	<p>The majority of cooperatives use export. Distribution is according to the demand of the international market</p>	<p>The main brand values presented revolve around quality, reputation and made in Morocco</p>
<b>INTERNATIONAL COOPERATIVE: Proactive Strategy</b>	<p><u>Types of products:</u> Honey, Argan, Amelou, Essential Oils. <u>Strategy:</u> Standardization with adaptation on packaging. <u>Constraints:</u> Communication and the majority attest having no constraints. <u>Advice:</u> Good coordination between members, product quality, price, relationship, and labels</p>	<p>The majority have a website and a facebook page where they communicate around their products, events, and news. Communication via e-mail.</p>	<p>Some cooperatives adjust their prices in consideration of packaging costs</p>	<p>The distribution is done by receiving orders, some cooperate with companies.</p>	<p>Brand values: quality, labels, "promote the woman of the region and exploit the wealth of the region"; "The know-how of Berber women"</p>

<b>COOPERATIVE NOT INTERNATIONALIZED</b>	The majority of cooperatives plan to internationalize their products with a standardization strategy. <b>Actions:</b> make efforts on the product and also the packaging, without neglecting the labels.	----	----	----	Cooperatives want to base their brand values on the principle of quality and organic.
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Source: Ghilane & Aomari (2018).

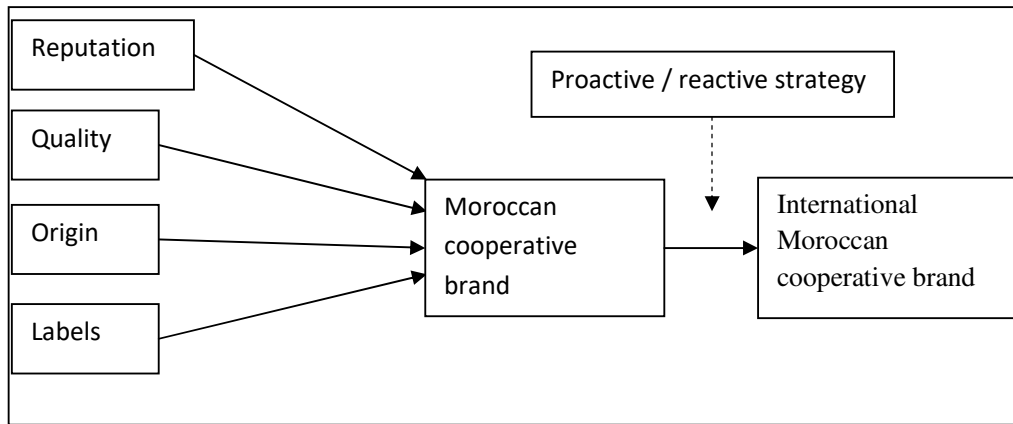
In a general approach, the Moroccan cooperative is moving towards a production and sales approach rather than a marketing approach. This conclusion can be explained by the respondents' responses to the question of the motivations for internationalization, which claim that 53% are internationalizing in response to an existing opportunity, 40% following an internal strategy. The process of internationalization is concretized by the means of the export. That result reinforces the literature finding which presents the export like the means most used by the cooperative (Mauget, (2005); Frey and Mauget (2010); Bobot (2010)).

For product policy, 69% of cooperatives that internationalize their production use a standardization strategy. Pro-active

internationalized cooperatives have a marketing strategy and brand values that are more developed than those of internationalized cooperatives under a reactive approach or non-internationalized cooperatives.

The developed brand values are oriented towards the concepts of quality, reputation, labels, and country of origin. By studying the frequencies of the variables mentioned, the quality and certification are cited at a frequency of 33%, and the quality variable at 33% also.

These conclusions reinforce the reflections on the cooperative's literature that places origin and quality as the basis for the communication of local products (Perraud and Gouin, 2008)



**Figure 1: Strategy for the internationalization of the Moroccan cooperative brand**  
'Exploratory study findings'

Source: Authors elaboration

According to literature, variables such as reputation, country of origin, labels and

quality identified converge towards the concept of trust. In a definition presented

by Gurviez (2002), consumer confidence is a psychological variable that reflects a set of accumulated assumptions about the credibility, integrity and benevolence that the consumer attributes to the brand.

The literature has largely discussed the subject of trust between the consumer and the brand, however the authors have developed the notion of initial trust which is considered of great importance in the context of the confidence building phase and mainly for structures that go to new

markets where consumers have no previous experience with the brand that is considered new.

Initial trust has been addressed in the context of the internationalization of (Michaelis, Woisetschlager, Backhaus and Dieter Ahlert, 2008). Marketing tools such as trademarks or guarantees have been found to be useful in promoting trust (Schurr and Ozanne, 1985). We present in the table below the variables of the initial confidence

**Table 5: The Initial Confidence Literature**

	Authors	Findings	Conclusion
TRUST	Michel (2009)	The guarantee function as a function of trust is linked to the notion of the label and the quality	Trust is linked to quality and the label
	Parasurman (1985)	Trust is a source of credibility and honesty that is at the same time a source of perceived quality	Trust is linked to perceived quality
	Sauvce, Valceschini (2003)	A signal of quality is presented as a contract of trust	Quality is a sign of confidence
INITIAL CONFIDENCE	Gurviez, Ebende kouedi (2013)	Decompose the initial trust towards a mark in two dimensions: the presumption of reliability and the presumption of integrity of the mark	Initial trust components: Reliability and Integrity
	Chouk (2005)	Credibility and integrity dimensions could be predominant in the early phases of the relationship	Initial trust relies on credibility and integrity
	McKnight et al, (2002)	In the initial phase of the relationship, the consumer relies on signals or clues he has to make inferences about the trustworthiness of the other party (the brand)	The initial trust is based on the information collected: reputation
	Zaheer and Zaheer, (2006)	Country of origin influences trust	Country of origin influences trust
	Debruyne (2011)	The surrogate certification of trust in transactional analysis is positioned as a foundation of confidence in the organization's ability to perform well: delivering a trustworthy performance that meets normal performance criteria	Certification impacts trust

Source: Authors elaboration

In reference to the results of the exploratory study, the Moroccan

cooperative internationalizes its brand based on the same variables as those



presented in the framework of the initial trust, namely: reputation, labels, quality and country of origin.

It is in this context we advance that the Moroccan cooperative internationalizes its brand according to the initial confidence principle, which is considered as a preliminary stage of the relationship between the consumer and the brand to decide on internationalization.

### Limitations and Suggestions

The present work has shed light on the reasoning of the Moroccan cooperative on the subject of the internationalization of its brand. The results identified the confidence variable and, above all, the initial confidence as a basis for the internationalization of the brand of the cooperative of local products, and this is to the extent that the cooperative addresses a new market where the mark is not known.

To improve the study, it will be interesting to study the perceptions and expectations that the foreign consumer has with regard to the brand of the Moroccan cooperative. Also, the exploratory study focused mainly on the Moroccan cooperative specialized in local products, an enlargement of the sample and the exploration of cooperatives located beyond the Moroccan territory will bring a better visibility.

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