

Branding and Management Strategies of Argan Oil Cooperatives in Essaouira, Morocco: A Case Study

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Abstract: This study examines how women-led Argan oil cooperatives in the Essaouira region of Morocco use branding and management practices to strengthen competitiveness in a traditional rural SME ecosystem. Drawing on semi-structured interviews with 50 cooperative leaders, document analysis, and field observations, the research explores the role of territorial identity, certifications, and organisational capabilities in shaping differentiation strategies. Findings show that while cooperatives recognise the importance of branding to access premium markets, limited financial resources, capability gaps, and strong intermediary dominance hinder the development of distinctive brand identities. Branding is frequently equated with certification, resulting in weak individual and collective positioning despite the high value of the “Made in Essaouira/Morocco” origin. Nevertheless, cooperatives leverage traditional knowledge, social value, and community embeddedness, which remain central sources of resilience and women’s empowerment. The study contributes to cooperative and SME management literature by offering evidence-based insights into how rural organisations navigate market constraints while promoting inclusive and sustainable development.

Keywords: SME management; cooperatives; territorial branding; certification; women’s empowerment; Argan oil;

I. INTRODUCTION

Argan oil sector in Morocco is unique both in Morocco and globally. Located in a unique ecosystem, the endemic argan forest stretches across south-western Morocco. Highlighted as the Arganeraie Biosphere Reserve by UNESCO in 1998, the region is recognized for its significant ecological and social value. Moreover, the knowledge surrounding the argan tree was included in the UNESCO Intangible Cultural Heritage list in 2014, and the FAO acknowledged the argan agro-sylvo-pastoral system as a global agricultural heritage in 2018. The United Nations celebrated International Argan Day on May 10th in 2021, promoting awareness of this vital cultural resource [24].

The province of Essaouira serves as the central focus in the paper, where traditional production methods meet modern challenges. The rising demand for argan oil, known for its cosmetic and culinary benefits, has positioned women’s cooperatives as critical players in the sector. While these cooperatives aim to empower women and promote sustainable socio-economic development, they face intense competition. Hence, the article explores the development of community-centric branding strategies, such as Made in Essaouira and Made in Morocco, to boost competitiveness.

A qualitative case study methodology was employed, including semi-structured interviews with women cooperative leaders, document analysis, and field observations. The findings point to notable strategic deficiencies in branding practices within the cooperatives, compounded by a lack of customer-focused strategies and a cohesive vision among stakeholders in the argan sector. Ultimately, the study not only highlights the significance of proper branding in advancing the sector but also identifies constraints that impede the small cooperatives from embracing more sophisticated strategies. The unique focus on territorial branding deficiencies offers actionable insights for policymakers and cooperative leaders in enhancing the viability of the argan oil sector.

II. LITERATURE REVIEW: MARKETING, BRANDING, COOPERATIVES,

Cooperatives are widely framed as human and social organisations that enable collective ownership, profit-sharing and coordinated work, even when managerial capabilities are uneven. They facilitate organisation, risk-sharing, negotiation and expansion beyond local markets; [14]. In developing contexts, women's cooperatives are especially important for social inclusion and economic empowerment, improving rural women's access to resources, markets and leadership, and strengthening their capacity for strategic life choices through cooperative income and collective action [15].

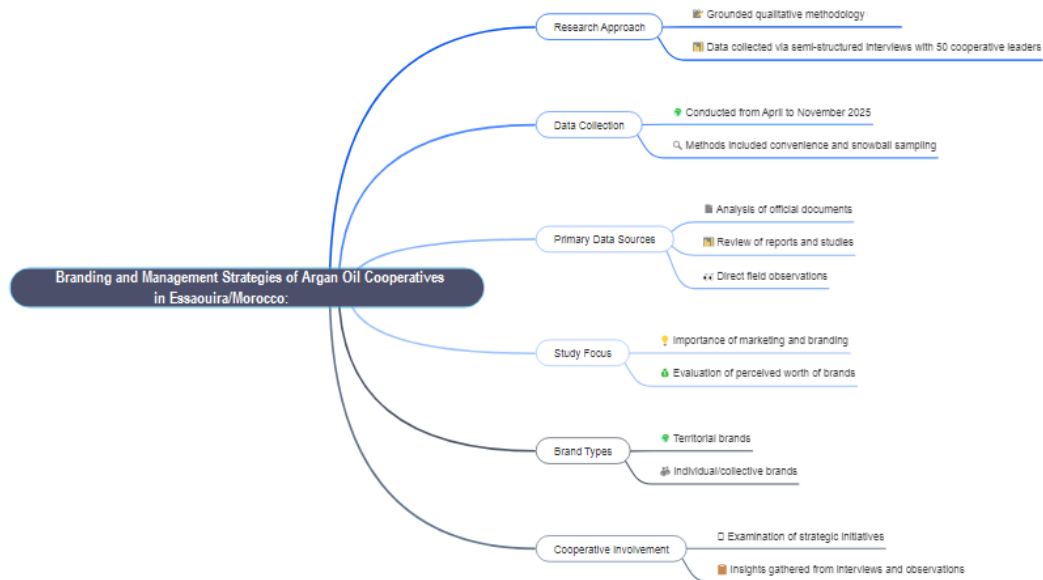
Cooperatives face internal and external pressures tied to their member-based structure and the need to adapt to changing environments [3]. For MSMEs, the main strategic challenges relate to territorial marketing and differentiation, cooperative governance and social value creation, and managing in emerging markets. Since marketing is often collective [4]; [5] and sometimes unconventional [11], branding and geographical indications (GIs) become key tools to meet consumer expectations about origin, quality and ethics. GI-based branding can strengthen competitiveness and traceability; [13], while protecting place-based sectors through quality assurance, sustainability and resistance to unfair competition [10].

Territorial branding also boosts regional competitiveness by shaping positive place images [1]. In agri-food and craft sectors, GIs link quality and reputation to origin, building trust and supporting premium pricing. For cooperatives, social value increasingly matters in international markets, and certifications (e.g., fair trade, organic) act as visible signals of ethical commitment turning social assets into market value within wider processes of "reintegration" in global agriculture. In Morocco, cooperatives play a major role in agriculture and handicrafts, and the argan oil sector has become a flagship of the social economy, largely driven by women holding traditional knowledge. Historically a household activity [8], argan production shifted toward a market economy in the 1990s after scientific recognition of its therapeutic value [7]. Institutional support accelerated with the Social Development Agency's Argan Initiative (2003), followed by ANDZOA (2010) to coordinate preservation, development and marketing. Yet production remains largely traditional and proto-industrial, and small women's cooperatives often face marketing constraints due to limited resources and skill gaps. To access international markets, many pursued labels and certifications, including the Argan Label promoted by AMIGHA across the Arganeraie SIBE, although it does not specifically delimit the Essaouira region.

A key risk is commoditisation: a shared geographic identity (e.g., "Essaouira argan oil") may be recognised by consumers, but it can also reduce differentiation among individual cooperative brands, shifting competition toward price rather than value creation. To escape commoditisation [2], cooperatives need complementary *individual* branding, distinct visuals, packaging and narratives, alongside shared heritage positioning. However, certification costs and administrative complexity strain limited budgets, often crowding out investments in brand development and creative marketing. This creates a strategic dilemma: balancing social mission and compliance with the need to build a competitive brand identity. Effective positioning therefore requires making ethical practices visible in marketing [9], since certification alone is rarely sufficient for sustained advantage.

III. Methodology

A grounded qualitative approach was used to study brand strategy gaps in Essaouira's Argan cooperatives. Data was collected via semi-structured interviews with 50 cooperative leaders in the region (April–November 2025), using convenience and snowball sampling. Primary data also included analysis of official documents, reports, studies, and direct field observations. The study focused on grasping the significance of marketing and branding, evaluating the perceived worth of both territorial and individual/collective brands, and examining cooperative involvement in these strategic initiatives through interviews and observations.



IV. FINDINGS & DISCUSSION

The surveyed cooperatives are primarily led by experienced, middle-aged or older women, averaging 46.5 years old, with 90% over 36. These leaders possess extensive sector knowledge, averaging 15.8 years in the argan industry and 12.5 years as cooperative members. A significant majority (70%) have only a primary school education or are illiterate, fitting the historical profile of rural women, though 10% hold university degrees, suggesting emerging modern skills. (Table. 1)

TABLE I : SAMPLE CHARACTERISTICS

Characteristics	Variable/Measure	N=50	Percentage
Age	Mean age	46.5 years old	-
	25-35 years old	5	10%
Age range	36-50 years old	22	45%
	+51 years old	23	22%
	Marital Status	Married	24
Marital Status	Divorced/Widowed	18	36%
	Single	8	16%
	Number of dependents	1-3	15
4-6		25	50%
+7		10	20%
Educational and Professional Background	Illiterate	19	19%
	Primary school	16	16%
	Secondary school	10	10%
	University/High education	5	10%
Years of Argan Oil Experience	Mean Years	15.8 years	-
	<10 years	7	15%
	10-20 years	30	60%
	>20 years	13	25%
Years as Cooperative President	Mean Years	5.1 years	-
	1-3 years	20	40%
	4-6 years	17	35%
	+7 years	13	25%

Prior employment	Housewife	32	65%
	Salaried	18	35%
Economic and Cooperative Variables			
Year Cooperative Business Started	Mean year	2004	-
Mean year	Established (1996-2005)	25	50%
	Middle (2006-2012)	15	30%
	Newer (2013-present)	20	20%
Work experience in the cooperative	Mean year	12.5	-
	Less than 5 years	5	10%
	5-15 years	30	60%
	Over 15 years	15	30%
Cooperative structure	Mean number of members	38	-
	Small (15-30 members)	17	35%
	Medium (31-50 members)	25	50%
	+ 51 members	8	15%
Contribution household	Less than 25%	5	10%
	25-50%	23	45%
	Over 50% (Primary or equal earner)	22	45%

Cooperatives are crucial for financial well-being; 45% of female presidents cite cooperative activity as over 50% of family income, reinforcing financial independence, especially for the 36% who are divorced or widowed. Most cooperatives were established between 1996 and 2005, indicating maturity and stability. Their success hinges on deep traditional know-how and practical experience rather than formal education, potentially posing a challenge for younger, educated leaders to gain influence over long-tenured elders. Stable leadership often comes from founding or early members, securing institutional memory and contributing to commercial success, emphasizing the need to balance tradition and modern skills for socio-economic empowerment in the Essaouira region.

Regarding digital presence, 10 of the 50 cooperatives have websites (8 with e-commerce) and 10 have Google Business Profiles. Most brand names rely on proper nouns (Yacout, Marjana) or culturally resonant Berber terms related to collaboration rather (Afous, Tamount, Ibachratine, etc.) than explicitly mentioning "Argan" or the Essaouira region. Certifications are common, with most holding Ecocert organic certification and some USDA organic, but only two cooperatives possess a Protected Geographical Indication (PGI).

The Essaouira argan sector exhibits a dual branding reality: strong territorial linkage coupled with weak individual and collective brand identity, creating a significant branding deficit. Qualitative study results highlight this through several themes.

Regarding Brand Importance Perception, 50 cooperative managers understood its necessity for higher prices and stability (cited by 97%), primarily seeking increased revenue and market share. However, their practical understanding was narrow, confusing strategic branding with mere packaging aesthetics and advertising, overlooking the need for a differentiated, persistent message. As one leader noted, they lack expertise, finding packaging costs already burdensome. She said "It's an area where we lack expertise. The cost of the packages is already too high relative to our resources...".

Pertaining to Certification and Branding, 65% often equated branding with organic certification and Geographical Indication (GI). Leaders acknowledged the need for labels to sell internationally but struggled to leverage these for differentiation amongst cooperatives, noting that many now possess similar certifications. One of the president's said: "We know that we need to cultivate our image and obtain the organic label to sell abroad, but we don't know how to use it afterward to differentiate ourselves from other cooperatives. Now, everyone has the Ecocert certificate, some even have labels, but with the competition, it's very difficult to stand out..." Co-op 15 president. This points to a focus on individual rather than collective branding. Some believed the argan oil's inherent recognition negated the need for elaborate branding, suggesting larger cosmetic brands exploit the local resource advantageously. "Since the oil is well-known and recognized, we don't need a flashy name or brand... the big cosmetics brands have the resources and the luxury to do that. They are simply exploiting this resource," explained the co-op 12 president. Despite this focus on individual

branding, all cooperative presidents stressed the importance of protecting this resource. They recognize the value in emphasizing the oil's unique geographical origin, endemic nature, ancestral know-how, and the connection between purchase and the empowerment of women in rural development.

Financial and resource-related obstacles: 83% cite a lack of financial resources for expertise as a major barrier. Budgets are heavily skewed toward basic packaging and inexpensive labeling, leading to generic visual identities, while marketing strategy receives minimal allocation. Significant capital is also consumed by the financial and administrative costs of obtaining and maintaining essential certifications, thus limiting proactive brand development investments. Moreover, insufficient added value generation, due to low-margin sales often through wholesale or to tourists, exacerbates this issue. A major concern is the high commission rates taken by resellers, guides, and intermediaries (25% to 50%), which prevents cooperatives from accumulating the necessary profits for future individual brand development.

Obstacles related to human capital and skills: The second category relates to deficits in human capital and skills. Internal capacities severely limit branding efforts, as a noticeable lack of skills in marketing, management, and information and communication technologies (ICT) exists among members and leaders, impeding any cohesive branding strategy. Despite some having basic websites or e-commerce, 95% struggle to manage even simple social media pages effectively. Marketing activities are thus restricted to word-of-mouth and occasional participation in trade fairs supported by external bodies (Ministry of Handicrafts, the municipality, or a few funders).

Structural and Market-Related Obstacles: Finally, structural and market-related obstacles contribute significantly. Cooperatives face difficulties differentiating themselves due to the proliferation of argan oil producers using similar packaging and labeling, forcing them into price competition rather than value competition. Furthermore, foreign buyers often prefer purchasing products in bulk. This wholesale purchasing causes cooperatives to lose control over their local brand image, as distributors or retailers frequently repackage or market the product under a white label, completely erasing the cooperative's original branding efforts at the point of sale.

The Essaouira argan oil sector risks becoming “generic” due to weak, insufficiently differentiated territorial branding: a place brand is necessary, but not enough to secure long-term competitiveness and economic autonomy for cooperative members. Findings suggest the main barriers are constraints in financial, human, and structural capital, rather than a lack of ambition. Moreover, the strong narrative of women's empowerment and sustainability is often underused and reduced to folkloric display, instead of being converted into tangible brand assets (e.g., packaging that communicates community projects, supply-chain traceability, and verified impact). A major constraint is the documented lack of digital skills, reflected in rudimentary online presence.

To address this, the study proposes targeted capacity building and institutional support, including a collective e-commerce solution, an “Essaouira Argan Marketplace” managed with NGO/institutional backing. This would lower individual costs, allow cooperatives to showcase distinct brands on a trusted platform, enable direct international transactions, and reduce dependence on intermediaries who weaken brand control. In parallel, institutional interventions should become more brand-focused (e.g., subsidised consulting for logos, packaging, and websites) and streamline access to quality certifications. Integrating individual branding with existing social responsibility efforts and effective management is key to building sustainable competitive advantage for cooperatives and protecting this unique territorial resource.

V. CONCLUSION

Argan cooperatives in Essaouira face major barriers to effective territorial branding, which limits market access, growth, and premium pricing, ultimately weakening women's economic empowerment and increasing commoditization risk. Despite recognising branding's importance, cooperatives struggle with structural constraints: limited marketing budgets, scarce branding/digital skills, fragmented online presence and weak

market integration, plus heavy reliance on raw argan rather than value-added products, which reduces bargaining power. Targeted support is needed to build a distinct “Made in Essaouira” brand and a competitive portfolio that leverages the area’s social and geographic capital.

Future research should develop scalable low-cost branding models for resource-constrained cooperatives, quantify how digital literacy affects market reach, compare successful GI-based branding in similar North African contexts, and examine whether tiered cooperative membership could better align incentives for collective branding.

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