

***Country Analysis &  
Marketing Plan***

**Morocco: Gillette Men's Shave Gel  
With Argan Oil**

**Jason Blank  
Amelia Hancock  
Danielle Levin  
Peter Romanowsky  
John Somers  
Christopher Walsh**

## Country Analysis: Morocco

### Introduction/History

Over the past decade Morocco has implemented a vast set of reforms and has invested in many facets of its economy. There has been promotion of competition, with the Government allowing certain previously Government run industries to be privatized, and an opening of markets to levels unseen in the past. When coupled with the implementation of other economic policies, the performance of Morocco's financial sector has seen improvement as evident in an almost 5% yearly GDP growth since 2000. In addition to these economic reforms, Morocco also has made large monetary commitments to increase social welfare through a rural electrification program and increase living conditions for its poorest citizens. Even with nearly \$2 billion spent since 2005, Morocco still has large levels of illiteracy, low education amongst its citizens and a high urban unemployment rate (about 30%).

In 1956 Morocco's people were given what they wanted: more freedom. However, this spurred somewhat of a divide among the public: while citizens loyal to the King celebrated the new developments, members of the left-wing Union National des Forces Populaires attempted a coup d'etat in July 1971. Presently, the current modified constitutional government framework provides freedom for the existence of many political parties within Morocco, with most focusing on Nationalist or Pro-Government ideals. While most parties are allowed recognition, the current government refuses to recognize any Muslim fundamentalist parties.

### Reform and Modernization

The crowning of King Muhammad VI in 1999 has resulted in a number of reforms in an attempt to modernize Morocco, which have given way to the development of new systems, or frameworks, in social, political, and economic categories. Created by both left-wing political parties and NGOs, The Instance Equite et Reconciliation, a commission dedicated to researching human rights violations made by previous government officials, was formed in 2004. In the same year, Muhammad VI also created a new Mudawana, or family code, which gave women throughout Morocco more power.

### Geography

Morocco is a country located in North Africa. Morocco's capital, Rabat, is situated on the northern coast. Tangier is another major city along the coast. Marrakech is the country's largest city in the country's interior. The Moroccan climate is considered sub-tropical, and differs slightly between the northern and southern parts of the country. The southern part, primarily composed of plains, is extremely hot in the summer. The northern part is "warm and sunny" along the coast. The temperature is warm all year, with a rainy season in the north from November to April. Morocco's economy relies heavily on agriculture; therefore they are highly dependant on the amount of rainfall they get each season.

Climate is not the only difference between the north and south; Though Arabic is the official language, northerners typically are fluent in Spanish, while southerners speak French. This is mostly due to the history of occupation in the country, which also accounts for differing cultural influences that have helped shape different parts of the country.

Morocco's geographical location has allowed the country to become a regional hub in North Africa for transportation and business. It is strategically located across from Spain along the Straights of Gibraltar and is a seven-hour flight from New York and three hours from Paris; it is at the crossroads of North Africa, Europe, and the Middle East.

Along the Atlantic coastline of Western Morocco is where you will find one of rarest oils in the world due the small and very specific growing areas. Argan oil, which is often referred to as liquid gold, is extracted from nuts of the Argan tree. It is believed to have age-defying and restorative properties and is becoming increasingly more popular in the beauty industry.

### Economy

Morocco has a population of roughly 34 million people. Morocco exports \$15.61 billion and imports \$31.35 billion annually as of 2009. Their national industries exhibiting the highest growth include tourism, telecommunications, information technologies, and textiles. Morocco is the world's third-largest producer of phosphorus, and the price fluctuations of phosphates on the international market greatly influence Morocco's economy. The high cost of imports, especially of petroleum imports, is also a major problem for Morocco. Following a form of natural capitalism would definitely benefit the Moroccan people and country, by conducting business profitably, while protecting their natural resources.

A large part of Morocco's employment is comprised of the agricultural sector with between 40 and 45 percent of the population employed in an agricultural related position. However, this segment only accounts for around 14% of the country's GDP and with the arid climate of northern Africa it relies heavily on weather conditions. Rainfall is extremely important and can singularly determine the success of a given growing season. Further, implications of the climate can have positive or negative effects to a large portion of the countries population. Variances in rainfall can lead to flooding or drought. Recent droughts in 1995, 1997 and 1999 all led to measurable decreases in GDP of 7.6%, 2.3% and 1.5%, respectively. Good rainfall also can benefit GDP as seen in 2001 when a year of good rainfall lead to a 5% GDP growth.

Morocco's economy is heavily influenced by the outside world. Its largest trade partner, France, is both the largest supplier and consumer of Morocco. Morocco has various free trade agreements including the Euro-Mediterranean free trade area agree-

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ment with the European Union, Agadir Agreement that includes trade with Egypt, Jordan and Tunisia as well as the US-Morocco Free Trade Agreement with the United States, which was effective January 1, 2006. Since the early 1980s, the Moroccan government has pursued an economic program toward accelerating real economy growth with the support of the International Monetary Fund, the World Bank, and the Paris Club of creditors.

Morocco residents continue to have a rather low purchasing power, which has led to retailers keeping prices relatively low. Consumers rely heavily on the country's hundreds of thousands of markets, independent grocers and shops as opposed to large organized retail. The middle class is growing in the Morocco and urban youth are becoming more invested in international brands. With increases in GDP, this is changing the ways Moroccans choose to spend their money.

Morocco's GDP growth rate has been around 4-5% annually over the last ten years, which is a strong indicator that their economy is continuing to grow. The central bank's discount rate was 3.25% as of August 2009, and the commercial bank prime lending rate was 6.5% as of January 2009.

### Legal/Political Environment

Morocco is a de jure constitutional monarchy with an elected parliament. The King of Morocco has vast executive powers based on their constitution, including the ability to dissolve the government. Morocco has been moving towards privatizing businesses but their government still holds a lot of power. The government often poses many restrictions and single-handedly limits efficient economic development. Opposition political parties are legal and several have been formed in recent years which have helped Morocco move in the right direction. Morocco's government has been set up like this for scores of years and unregulated market forces bring along tribal forces. These tribal forces can take on many different forms, such as religious, cultural, ethnic, regional, local, etc. As globalization and development of underdeveloped countries inflicts a culture of its own on a population, the tribal forces of a country can feel threatened and react. Although this sometimes causes a government to feel threatened by multinational corporations and other entrepreneurial ventures moving into their country, Morocco has proven itself to be a business friendly and welcoming environment for those wanting to do business on their soil.

### Culture

#### Dignity and Honor

Moroccans greatly value the concepts of dignity and honor as reflected in their everyday activities. This affects their daily routines from health and hygiene, to education, to the belief in self-control in both their public and private lives. This is evident in a common cultural "Don't." Moroccans do not use their left hand for tasks other than hygiene. In

Moroccan culture, it is considered dishonorable to eat or touch someone with the left hand.

For a marketer, there is great opportunity to attach a product to the feelings of dignity or honor. For example, Crest would benefit greatly by creating messaging that suggests that it is dishonorable to not floss your teeth. Similarly, if a commercial for a food product showed individuals eating with their left hand, it would be frowned upon.

#### Religion

Berbers constitute the largest ethnic group in Morocco although Arabization has played a key role in Moroccan culture; this has resulted in a majority Arabic-speaking Berber-ethnic population. Almost 99% of Moroccans consider themselves Muslim, with just 1% either Christian or Jewish. Despite the strength of individual Moroccans' convictions, Islam has affected Moroccan culture in a large way. For example, Islam has contributed in the hierarchical and fatalistic thinking of Moroccans.

Socially, the Muslims believe that Allah has already charted a path for each individual bridging the gap between rich and poor. Unlike the US, the rich do not consider the poor to be "lazy," but rather to be victims of a fate intended by Allah. This is matched with the duty of giving to the poor, which creates a benevolent attitude towards those less fortunate. For marketers, a fatalistic viewpoint may affect the positioning of the product or service that is being sold. For example, "If God Wills" your car to break, perhaps a strict observer of Islam will not purchase a new one.

Economically, Islamic practices have affected Moroccan business and trade. For example, the idea of punctuality is not an important concept in Moroccan culture. Their thought process is best described by the proverb "Everything happens in its time" (Culture Briefing: Morocco). This calls for patience in negotiations and deadlines, as Moroccan businesspeople do not respond well to spot decisions and rush deadlines. Therefore, when doing business in Morocco you must be aware that this could prolong the timeline of your possible business venture.

#### Terrorism

Politically, in recent years, Morocco has been heavily affected by Islamic fundamentalist groups and terrorism. Perhaps in an extreme effort to preserve Islamic heritage, extremist groups have been found guilty of terrorist attacks within the past ten years.

For marketers, religious extremism may be viewed in several ways. Huntington suggests that, "the people active in fundamentalist movements are young, college-educated, middle-class technicians, professionals, and business person." He further demonstrates that the involvement with a fundamentalist group arises from the desire to provide a "basis for identity and commitment that transcends national boundaries and unites civilizations." From a marketing perspective, this may be viewed as a battling tolerance and intolerance of Western influence, and

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could indicate a fragile ground upon which to place Western promotions and new products. Intolerance may also suggest inaccessibility to global communications; people are most scared of what they do not know.

### Family Life

The existence of a family code at all sheds a bit of light on the role that the family plays in Moroccan life. The family, which includes immediate and extended family, is the most significant unit of Moroccan life and plays an important role in all social relations. This is reflected in Moroccan views on the individual; in Moroccan culture, the individual is always subordinate to the group or to the family unit. It is not uncommon to show favoritism to relatives or friends regardless of their merit, and is actually viewed as a positive thing within Moroccan culture. There is also a reverence for elders within the family structure.

For marketers, this implies several things: first, because of the view of family, doing business with a Moroccan is an intimate affair. They prefer to do business with those they know and respect, so it is important to cultivate a personal relationship before business is conducted. Likewise, as nepotism is a respectable quality in Moroccan culture, it suggests that whom you know may be more important than what you know.

Women's place in Moroccan society is important for marketers to remember. Though Muhammad VI has made several advancements towards modernization, there are many members of Moroccan society that are still considered "traditionalists." These individuals may not react well to communications featuring women as fiercely independent or autonomous. Likewise, in business practices, women may not be received as favorably as men.

### Fashion

Fashion has also experienced modernization over the past decade. However, while Western fashion is common, Moroccans still don the traditional "djellaba", a hooded robe that extends to the floor. When Moroccans wear shoes (mostly outside, and never in the home or mosque), it is common to wear pointy-toed slip-on shoes called "bilgha". Some Moroccan men will wear turbans; one can distinguish an Arab from a Berber by the color of the turban (Berbers wear white, Arabs red or gold). Some men choose to wear a fez, which is considered amore dignified look. Few young men wear the fez because they are considered old-fashioned and stuffy. Facial hair is usually limited to the mustache; however fundamentalists still wear a beard. It is respectful for women to cover as much of their body as possible but recent developments towards modernization have given them more freedom to dress as they please (pressing the limits is still considered shameful to one's family). These distinctions in fashion are extremely important for some marketers to consider. For example, a clothing line that featured revealing women's clothing would be seen as a disgrace. Likewise, communication that included the

same would not be tolerated.

### Education

The differing views of women and men within society are also reflected in education levels. In 2007, while 55% of the total Moroccan population was literate, 69% were male, with only 43% female. School is mandatory through primary school, but free throughout university years. However, only 85% of boys go to school, and just 53% of girls attend during the mandatory primary level. The country's illiteracy rate has been stuck at around 50% for some years, but reaches as high as 90% among girls in rural regions. Morocco does have approximately 230,000 students enrolled in fourteen public universities, and this number is growing, showing signs that Morocco as a country sees how valuable higher education is. The most popular university in Morocco is the Karaouine University, located in Fez. This university is world-renown for offering an Islamic law and theology education. This further demonstrates the importance of Islam in Moroccan life.

### Technology

The information technology and communications sectors in Morocco have been witnessing significant expansion. Morocco was the first country in North Africa to install a 3G network. The number of Internet subscribers in the country increased 73% from 2005 to 2006. With these sectors booming, IT activities are estimated to contribute \$500 million to the country's GDP and employ 30,000 people by 2015. The communications sector already accounts for half of all foreign direct investments Morocco received over the past five years and its growth is predicted to continue.

### Klein, Stiglitz & Zakaria Implications

Despite the amount of power the masses have (particularly in the US), most are ill-informed regarding political and economic activity; it is a language strictly reserved for the elite. However, as demonstrated above, it is not the elite that are often making the most important decisions; it is the masses. Therefore, it does not seem fitting, from a marketing standpoint, to speak in those terms. While this activity very much affects them, it is not about GDP or supply vs. demand; those terms aren't relevant in their minds. Consuming is very much a mechanism of self-fulfillment; whether obscenely luxurious or mundanely utilitarian (think Hummer vs. Bounty), in the United States, and in most westernized countries, the act of consuming triggers a unique emotional trigger.

Here's where marketers come in; we create the triggers. Understanding the number of triggers a target group has, and why they have them, is a never-ending job, as it is constantly growing and ever-changing. In International Marketing it is imperative to understand that in many countries that are not westernized there are other triggers to contend with, and often times, they are not marketer-made.

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In Huntington's argument, he cites religion as a major trigger: "The revival of religion... provides a basis for identity and commitment that transcends natural boundaries and unites civilizations". This adds another set of triggers to the mix for many cultures or sub-cultures. Whether dealing with a revival or a mainstay of a religious doctrine, it is imperative to note that for most people that adhere to religious practices, especially within cultures that demand a strict reverence, there is no room for Brand Gods. Barber's book eloquently addresses this epidemic within America's McWorld; we worship ourselves through our ability to provide for ourselves. This might seem like the American dream but it has actually proven itself to be a black hole of mass destruction. What is a "privileged life"? Should we strive towards that? How big do our country clubs have to be for us to be happy?

Jihad vs. McWorld addresses the real problem in the development of globalization: the lack of cultural tolerance that has been created in both the Jihad and McWorld realms of the world and how that cultural phenom has pitted not only culture against culture, but also country against country, government against government, and has gone so far to place people of the same country, political structure, and economic structure at odds against each other.

Our take-away, as American marketers who wish to participate in a global marketplace, is to determine who is apt to create the triggers that provoke consumption. Is it us, since it is our "job"? Is it the consumer? Is it the culture? Is it all of the above? Is our job to bring our culture to other countries? Isn't that a fundamentalist activity in its own?

*"The modern Moroccan man has a limited amount of facial hair (usually a mustache at most) so shaving gel is a product that most men will use on a daily basis."*

## **Marketing Plan: Gillette Men's Shave Gel (with Argan Oil)**

### **Mission Statement**

As one small entity of the larger Gillette brand we will provide shaving gel with Argan oil to men in the country of Morocco. While shaving gel is provided in the country already we will strive to provide a higher quality brand for a similar price. Moroccans already know the Gillette brand and the high quality products we provide so this is a huge aspect we can leverage. Shaving gel with Argan oil is currently one of the products not provided by Gillette at the moment but will boost their revenues. With the economy growing and the year by year purchasing power in Morocco increasing by 4-5% annually there is a huge opportunity for growth. The modern Moroccan man has a limited amount of facial hair (usually a mustache at most) so shaving gel is a

product that most men will use on a daily basis. By providing it on a large scale all over the country for a relatively cheap price people will come to know and respect the product. Gillette's mission statement stands very well for our product: "The Gillette Company is a globally focused consumer products marketer that seeks competitive advantage in quality, value-added personal care and personal use products. We are committed to building shareholder value through sustained profitable growth." Gillette provides high quality global products at the cheapest price possible (compared to its quality) and that is what we thrive to attain with our Moroccan men's shaving gel with Argan oil.

## **SWOT Analysis**

### **Strengths**

- 1: Already have a brand established in Morocco via the Gillette name (Brand Loyalty/Large Market Share)
- 2: Financial stability via large corporate backing.
- 3: Tons of experience in the Moroccan market.
- 4: Distribution Channels already well established.

### **Weaknesses**

- 1: They have no current experience with a men's shave gel with Argan Oil in Morocco
- 2: Relatively more expensive than other brands
- 3: Slow on new product development

### **Opportunities**

- 1: There are no major men's shave gel brands in Morocco who have a gel with Argan Oil; most are small local manufacturers (Un-tapped market)
- 2: Male grooming products are growing significantly worldwide. They are currently valued at \$19.7 billion worldwide in 2009 and are expected to grow to \$28.0 billion by 2014.
- 3: They can use their current brand, its products, and capital to push this new line of men's shave gel.

### **Threats**

- 1: All of the current local lines of men's shave gel. "The Euromonitor International 2007 Cosmetics and Toiletries Global Report stated that consumers, overwhelmed and confused by too much choice, are starting to favor simplicity over segmentation."
- 2: Consumers might not want to participate in this global brand and stick with the local ones.
- 3: There is high uncertainty in this country in terms of the sales volume they will receive.

## **Market Analysis**

The majority of Moroccan people will only use body care products with Argan oil and this will be the center of our promotion for the new line of Men's shave gel with Argan oil. Similar to how brands of shave gel promote in the United States, such as being superior for sensitive skin or dry skin, we will push the Argan oil element in our shave gel before anything else. As previously mentioned, there are no other large brand companies selling a shaving gel for men that contains Argan oil in Morocco.

This presents an excellent opportunity to gain a vast majority of the market share for this specific body care product. If we can provide this in every major city in the larger scale shopping markets we will be able to get the product to the customers quickly and in large quantities. We can utilize the shelf space we already have for Gillette products and place this new creation next to the already existing products we sell in Morocco. Providing this product for a price similar or lower than what they already pay for their shave gels will also be an important factor in gaining market share. Overall, by only having to compete with the local brands we believe market penetration can be significant because our product will be what all Moroccan men look for: low price, it will contain Argan oil, and it will have a reputable brand on it. If customers have had a positive experience with one of our other body care products in the past we are confident they will trust our brand and test our new product.

### Competitor Analysis

The cosmetics and toiletries market in Morocco is becoming more competitive and highly fragmented due to the presence of various local and multinational brands, and many direct selling players. The recent free-trade agreements signed by Morocco and many Arab, EU, and Asian countries led to a rapid flow of cheap imported products. However, multinational players such as Union pour la Fabrication le Commerce et l'Industrie (L'Oreal), Beiersdorf Maroc SA, Unilever, and Palmolive still maintain their lead. This is due largely to their domination of key product types such as colour cosmetics, hair care, and skin care, benefiting from their brand reputation supported by constant investment in new product developments and marketing activities. Local players continue to lose shares due to their limited budgets, which curtails their ability to emulate international brands.

The leading companies in men's grooming products in 2008 were players dominating key product categories: men's razors and blades, men's pre-shave, and men's deodorants. Gillette Morocco SA is the top competitor in the market, with 54% value share. Gillette Morocco SA lost some market share to its rival Bic SA, which was active in new product launches and thanks to the low price of their brands compared to Gillette. Bic SA recorded the largest increase in market share in 2008 as it strengthened its position, especially in razors and blades. The company was active in new product developments, launching Bic Comfort, Bic Sensitive, and Bic Orange. Bic SA also positioned their products in hypermarkets and supermarkets. They also promoted their product by giving two units free with the purchase of a 4-pack. Bic SA also expanded their range with the launch of Bic Soleil pre-shave. Attached is a chart which shows the major competitors in the Moroccan market and their market share. Their strengths and weaknesses are listed below as well.

*“With the new product line we are optimistic that the market share can increase minimally to 52% by 2013, a 1.5% increase over the 5-year period.”*

## Objectives

### Why Morocco?

Morocco has traditionally had a very fragmented retail sector, with most shopping derived from the countries hundreds of thousands of small retailers. Though nearly 90% of the total market is still made up of these channels there has been seem recent change seen to this format. Within the last year the supermarket segment has expanded to include French hypermarket chain Carrefour and Turkish discount store BIM. In addition, Morocco Mall plans to open in Casablanca in 2010, which is expected to be North Africa's largest shopping mall. As this trend towards larger retail outlets continues, Gillette will position itself to take advantage of this change in Morocco retailing.

### Population Analysis

Our initial focus would be to gain exposure to our target market of men between the ages of 15 and 64 and those included in the segment that shave regularly. Morocco currently has an urbanization rate of 56% and this is the area that will be initially target with this new product line as a bulk of consumer spending is generated from large cities. Attached are statistics regarding Morocco's population for 2009. When calculating the male population between the ages of 15-64 that live in an urban area, the target market consists of just over 6.3 million consumers.

Even with over six million possible consumers the actual amount of consumers who have purchasing power to be considered a possible buyer is much lower. It has been estimated that for Morocco's population only 10 percent of the total population can afford to buy imported products so this would amount to only 3 million consumers of which only half are men. Assuming that this entire top 10 percent is more affluent and lives in an urban area this would leave roughly 1.5 million possible consumers. The expectation is that this segment will grow as purchasing power increases.

### Costs

We are assuming that cost of goods sold will be a similar percentage to that of Gillette's other brands with a benchmark of 49%. Further, cost analysis for SG&A has historically been 30% for Gillette. This would equate to a 21% profit margin for each item sold.

### Market Share/Financial Data

Gillette held a market share of 50.6% in the Morocco Men's Grooming Product market in 2008. This was by far the market leader with the second largest, Bic SA and Beiersdorf Maroc, at only 7.5%. With such a large current market share, this new product launch will inevitably cannibalize other existing Gillette product sales. Even with this, the expectation is that the new product will attract new customers, ultimately increasing Gillette's overall market share in future years. With the new product line we are optimistic that the market share can increase minimally to 52% by 2013, a 1.5% increase

over the 5-year period. Attached is a Gillette overall sales projection through 2013, taking into account the new product launch.

## Market Entry Strategies

Moroccans are increasingly interested in joint venture business opportunities with American partners as a way to modernize their factories or license a technology. Currently, Gillette is one of the many multinational companies that have formed a joint venture with Morocco in order to gain access to their emerging markets. In fact, multinational companies in Morocco currently control over 90% of the Moroccan cosmetics and toiletries market. Our men's shaving gel plus Argan oil will be targeting the following market segments: Men's Grooming Products, Personal Care, and Men's Cosmetics and Toiletries.

The number of men engaging in facial and body grooming on a daily, weekly or monthly basis has been vastly increasing. This, coupled with the fact that more effective marketing channels in Morocco are currently being utilized, such as satellite TV, billboards and in-store promotions in supermarkets, have vastly impacted the sales and consumption of personal care and hygiene products. Gillette will use these effective marketing strategies to reach the Moroccan consumer as we launch our new product.

## Brand Strategy

Although Moroccans currently have access to Gillette products for men, we are going to introduce the new Gillette Men's shave gel plus Argan oil. We already have brand recognition and a large level of success in the Moroccan market, however we still want to increase the buying rate and penetrate new markets throughout Morocco. We believe by adding Argan oil, one of Morocco's most extraordinary natural resources, to our men's shaving gel we will be able to penetrate a larger percentage of the market by making the Gillette brand even more attractive to Moroccan men.

Argan oil is endemic to Morocco and has recently become a \$40million/year industry for Moroccan exports. Adding the Argan oil will not only create a better Gillette product, but it will also form a connection between Moroccan men and the Gillette brand. When Moroccans see our product on the shelf and recognize Argan oil on the label they will choose our brand over our competitors. Our strategy will be to make Moroccan men feel as if they have helped play a role in making an already successful US brand even more successful simply because of the addition of the Argan oil.

## Selling Strategies

Most local distributors of imported merchandise expect their suppliers to provide them with substantial advertising and promotional support, particularly when introducing a new product or brand name. All

sales promotional material and technical documentation should be in French. Clear and simple French language operating instructions are necessary. Illustrations helping the consumers and sales force are recommended. U.S. firms often need to train local staff, provide full documentation of products in French, ensure an adequate supply of spare parts, and cooperate in advertising and marketing. Direct mail is becoming very popular and can aid this process. ("Executive Report on Strategies in Morocco.")

## Consumer Spending

The bulk of the demand for consumer-oriented products comes from large cities where the population with higher income and more modern lifestyle lives. It has been estimated that about 10 percent of the population (3 million) can afford to buy imported products and spend nearly 11 times more than the 10 percent of the population with the lowest income. The limiting factor on the increase in demand for consumer-oriented products is low income combined with high duties on imported food products. Moroccans are regularly exposed to Western culture in their daily life, especially through television (an estimated 1 million TV satellite dishes). Thus, the steady Western influence on Moroccan lifestyles is expected to result in even higher demand for consumer-oriented products in the future.

## Marketing Mix

### Solution

#### Description of Moroccan Consumer

Moroccans are a friendly, hospitable and generous people. Honor and dignity are especially important concepts, not just a person's individual reputation but the honor and dignity of his or her family as well. One of the worse fates imaginable is to bring shame to oneself or to one's family. ("Culture Briefings: Morocco." 4) Personal hygiene is considered to be directly linked to self-worth, which is, in turn, reflected upon the individual's family. Moroccans feel it's important to be neat and well-groomed so that they will be treated with respect. A man's hair should always be short and neat. Long, messy or alternatives hairstyles are often sneered at. They are known as "M'shekek" - the logic being, "with hair like that you'd never get a proper job".

For Moroccans, facial hair not only speaks to personal hygiene, but also to political and religious stance. Beards have become less popular recently, ever since facial hair became the essential accessory for Islamic militants. In Morocco, beards are very much a religious statement. They date back to the prophet Mohamed, whose scholars stress the importance of wearing a beard.

#### Description of Moroccan Market

Colour cosmetics, fragrances and skin care – the main categories in the cosmetics and toiletries market – are expected to see more product developments, with the launch of value-added products to boost performance, as they are reaching maturity.

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The fast-emerging product types such as men's grooming and sun care will also thrive due to greater interest in appearance and general health among young consumers. ("Cosmetics and Toiletries in Morocco.") In addition, the prospect of launching a new product proves promising for larger companies, "major companies...are gradually increasing their spending on research and development in order to satisfy more sophisticated consumer demands" ("Cosmetics and Toiletries in Morocco."). New product launches and greater demand for modern products such as shower gel, conditioners, men's grooming products and skin care also helped to strengthen sales. This is why manufacturers are seeking ways to expand their product portfolio, by introducing novelty ingredients as well as developing value added formulations. Multinational giants remain the pioneers in terms of the number of new product launches, while domestic companies are lagging behind. The most interesting domestic development is the use of local argan oil ingredient in skin, sun and hair care products. ("Cosmetics and Toiletries in Morocco.")

*"Our campaign will be centered around this 'Modern Patriot', calling out the connection between success and hygiene by demonstrating that the presence of facial hair is a disgrace not only to your family, but also to the image of Morocco..."*

### **Explanation of Final Product**

From a 2010 press release: "With shaving at the heart of male grooming, it is not surprising that most men associate a clean-shaven look with success. The newly formulated Gillette Series Shave Gels, available in February, and the new Gillette Fusion Gamer work in tandem to deliver Gillette's most comfortable shave. The razor features the breakthrough technology and superior performance of the 5-Blade Gillette Fusion shaving system, with a compelling new look. The three new Gillette Series Shave Gels have been formulated with advanced lubricants. Extra Comfort enhances razor glide; Cool Cleansing cools the skin; and Moisturizing hydrates the skin while shaving." ("PROCTOR AND GAMBLE: Gillette Grooms Men for Success.")

Gillette would be most advantageous within the Moroccan market to launch a new formulation of its Shave Gel, with the inclusion of Argan Oil. The inclusion of the Moroccan-sourced Argan oil demonstrates a stronger cultural understanding, and forms a partnership with Moroccan businesses that supply the oil. Culturally, the connection between facial hair and militant behavior demonstrates an opportunity to not only appeal to the modern man who wishes to maintain hygiene, but also to the informed, political men who despise the profile that the beard creates (extremist, unkempt, backwards, narrow viewpoint, etc.)

### **Information**

#### **Current Promotion Strategies**

Men's care and anti-aging lines have traditionally benefited from highly focused customer engagement strategies, and this is likely to continue [in the future]. The streamlined approach is in essence a call for products that meet real customer needs, and when these needs are easily discernible, segmentation works. For men these needs lie mainly in personal care and grooming necessities shaving

products and deodorants.

Personal care brands like Nivea have addressed this by marketing clearly defined product lines essentially brands within a brand like Nivea for Men and Nivea Visage DNAge. Vaseline offers a special men's line, again clearly branded: Vaseline MEN. L'Oreal offers certain active cosmetic lines like Vichy that are endorsed by dermatologists and distributed mainly in pharmacies rather than beauty counters at supermarkets. (zawya, "Macho Macho Brand")

Targeting clearly defined segments with clearly defined needs benefits from more focused and innovative marketing strategies. For the regional launch of the M3 Power razor, Gillette used Playstations to attract young customers to the "Nitro Bus" gaming enthusiasts could hang out playing video games in a bus designed like a lounge which went round soccer stadiums, universities and malls, and could then try the product in a shaving booth on the bus. (zawya, "Macho Macho Brand")

### **Suggested Strategies for Morocco**

#### **Target Market**

For the launch of the reformulated Argan Oil Shave Gel, Gillette would be best served by targeting the "Modern Patriot", a Moroccan man who loves his country, feels strongly tied to its culture, is strongly invested in its progression, and recognizes that modernization does not mean sacrificing values-- instead, being the best representation of Morocco in a globalized marketplace. These consumers are well-educated, considered "upper class", and are considered professionals in their respected fields. Their daily routines reflect a professional lifestyle: commute (in a larger city), work, work lunches, commute home, dinner with family, etc.

#### **Campaign Theme**

Our campaign will be centered around this "Modern Patriot", calling out the connection between success and hygiene by demonstrating that the presence of facial hair is a disgrace not only to your family, but also to the image of Morocco, fostering the negative connotations between unkempt facial hair and terrorism. The tone of the campaign will speak to Moroccans in their own terms, suggesting that Gillette understands what Moroccan men need to be successful.

#### **Media Channels**

Marketing services and advertising agencies are increasingly focusing on direct marketing in response to saturation in the traditional media. Common forms in Morocco are point-of-sale promotions, games, moving billboards, direct mail and door-to-door sales. For example, other category brands, such as Avon and Oriflame, are active in door-to-door cosmetic sales. Thus far, there is only a small emerging market focused on Internet sales (Executive Report on Strategies in Morocco, ICON Group International, June 2007).

For Gillette's Argan Oil Shave Gel, the best way to



reach the target consumer is to capture them within their professional routine-- while they are in the mindset of posturing themselves for success. Channels that will suit Gillette best include point-of sale promotions, moving billboards, and direct mail.

Due to the nature of the target consumer, the Geographic Markets that would be best suited for this campaign include the larger cities in Morocco: Casablanca, Rabat, Fez, and Marrakech. Placement should focus on areas in which a lot of professional activity is happening; proximity to large businesses, for example, should be considered.

### Value

Gillette's Argan Oil Shave Gel will be priced similarly to Gillette's current line, with a slight increase to demonstrate the added value for the Argan Oil formulation.

### Access

Moroccans' options for purchasing personal grooming products have broadened quite a bit in the recent years. With the introduction of mass retailers, like Carrefour, it is becoming more likely that Moroccans may be introduced to what many American's already expect: a shopping experience that often mixes categories for the sake of convenience, with purchases including everything from eggs, to medicine, to shaving cream, to toys, etc. However, distribution of cosmetic and toiletries in Morocco is "...still dominated by perfumeries, which held a 37% value share in 2008". These modern perfumeries attract a large number of consumers thanks to their wide display of brands in all price segments, allowing them to target various consumer groups. Moreover, these modern outlets offer their customers new facilities not allowed in traditional retail outlets, such as open shelves and testers, as well as in-store assistance ("Cosmetics and Toiletries in Morocco.").

Gillette is currently distributed throughout Morocco at a number of locations, from small trade store, to large, mass retail environments. With the value-add of the inclusion of Argan Oil, it would be most beneficial to initially introduce this product in venues that support the concept of being high-class, successful, and modern. Perfumeries, visited by both men and women, would offer the initial communication of these concepts, creating a demand for a more premium product amongst our professional target.

### Implementation

Attached is an implementing schedule for Gillette's men's shaving cream. It is broken down in quarterly sections for the next five years. The shaded sections on the time line demonstrate the yearly quarter that marketing time, money and resources will be allocated for each portion of marketing venues, the darker the shade the greater amount of resources

allocated.

### Sources

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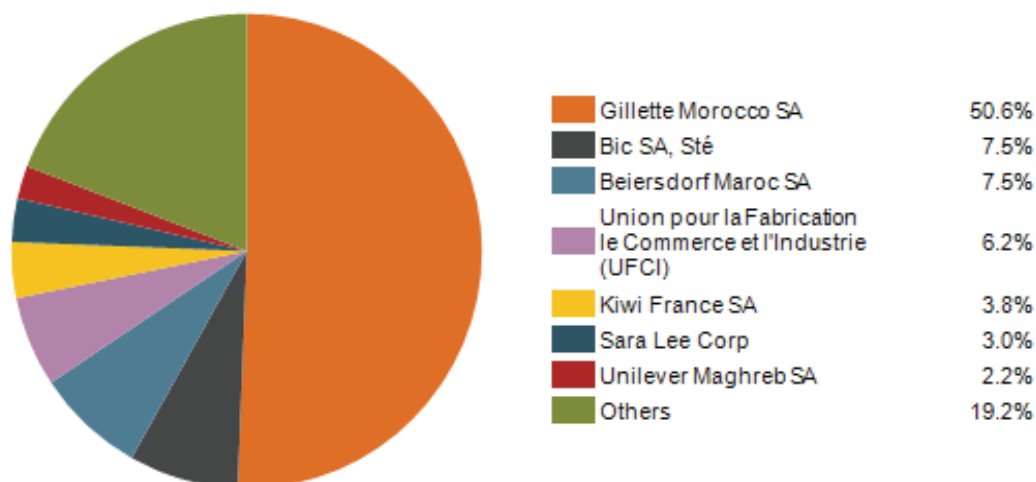
*"...it would be most beneficial to initially introduce this product in venues that support the concept of being high-class, successful, and modern."*



Tagline reads (In French): "A clean-shaven face is a sign of success. Represent Morocco."



**Company Shares (by National Brand Owner) Men's grooming products - Morocco - Retail Value RSP - % 2008**



Source: Passport by Euromonitor International

<b>Competitor Analysis – Men's Shaving Cream Products in Morocco</b>		
<b>Brand</b>	<b>Strengths</b>	<b>Weaknesses</b>
<b>Gillette</b>	<ul style="list-style-type: none"> <li>- Well established brand</li> <li>- Well established distribution channels</li> <li>- Directly imported</li> <li>- Financial Stability</li> </ul>	<ul style="list-style-type: none"> <li>- Slower on new product development</li> <li>- More expensive than other brands</li> </ul>
<b>Bic SA</b>	<ul style="list-style-type: none"> <li>- Active in new product development</li> <li>- Good promotional mix</li> <li>- New product launches</li> <li>- Lower price</li> </ul>	<ul style="list-style-type: none"> <li>- Brand not as established as Gillette</li> </ul>
<b>Beiersdorf Maroc SA</b>	<ul style="list-style-type: none"> <li>- Presence in dynamic sectors</li> <li>- Strategic focus on emerging markets</li> <li>- Wide brand appeal</li> <li>- Financial Stability</li> </ul>	<ul style="list-style-type: none"> <li>- Missing out on North America</li> <li>- Over reliance on mature Western Europe</li> <li>- Over reliance on <b>Nivea</b></li> </ul>
<b>L'Oreal</b>	<ul style="list-style-type: none"> <li>- Luxurious yet affordable</li> <li>- Wide presence in all subsectors</li> </ul>	<ul style="list-style-type: none"> <li>- Slower on new product development</li> </ul>
<b>Local Players</b>	<ul style="list-style-type: none"> <li>- Local Presence</li> </ul>	<ul style="list-style-type: none"> <li>- Limited Budgets</li> <li>- Limited manufacturing capabilities</li> </ul>

Age	Male	Female	Total
0-14	5,333,396	5,131,886	10,465,282
15-64	11,261,139	11,305,792	22,566,931
65>	781,089	1,046,062	1,827,151
<b>TOTAL</b>	<b>17,375,624</b>	<b>17,483,740</b>	<b>34,859,364</b>
<b>Urban</b>	<b>56%</b>	<b>56%</b>	
<b>15-64, Urban</b>	<b>6,306,237.84</b>	<b>6,331,243.52</b>	

**Gillette Men's Shaving Gel- Morocco Campaign**

	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Door to door sales												
In Store promo												
Moving Billboards												
Internet												
Point of Sales Promo												
Social Ads												
Meet w/ Distributors												
Direct Marketing												
Joint Ventures												

	Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Door to door sales								
In Store promo								
Moving Billboards								
Internet								
Point of Sale Promo								
Social Ads								
Meet w/ Distributors								
Direct Marketing								
Joint Ventures								