

A. Country Background

1. **Culture**: The main religion of the country of Morocco is Muslim. 99% of the people are Sunni Muslim. The people respect the different beliefs

and ideas of others. The official language is Arabic, but Berber, French, and Spanish are also spoken.



2. **Demographics**: Within Morocco's population 30.5 percent of people are between the ages of 0-14 years, 64.3 percent are between the ages of 15-64 years, and 5.2 percent are 65 years and older. Their populations growth rate is 1.505 percent, meaning that their population grows by 1.505 percent every year. Their birth rate is 21.31 births per 1,000 of the population. Lastly, their death rate is 5.49 per 1,000 people of the population. Morocco's ethnic groups are 99.1 percent Arab-Berber, 0.2 Jewish and, 0.7 other. They speak Arabic, Berber dialects, and French. In Morocco, not everyone can read and write. About 52.3 percent of the total population can read and write. 65.7 percent of males in Morocco can read and write while only 39.6 percent of females can.



3. **Economy**: Trade makes up a big part of Morocco's economy.

Together, exporting and importing makes up 80 percent of the GDP. The economic freedom score is 61.9

GDP (PPP): \$281.8 billion

- 4.5% growth
- 3.2% 5-year compound annual growth
- \$8,330 per capita
- **Unemployment:** 10.1%
- **Inflation (CPI):** 1.6%
- **FDI Inflow:** \$2.3 billion

4. **History**: In the 1950's, Morocco had 250,000 Jewish followers, but today there is only a few thousand. In 1956, Morocco gained its independence from France. When the country was under Vichy France's ruling, King Mohammed V, who was previously known as Sultan Mohammed V refused to deport Jews. Some events that brought Jews together are Shabbat dinners once or twice a month, a Jewish festival or sacred music, and a gastronomic festival.

5. **Government**: The government of Morocco is a constitutional monarchy. The monarch of Morocco currently is Mohammed VI. The monarch has a lot of power over the military, religion, and foreign policy



over the country. There are three main branches of the government which is the executive, legislature, and judiciary. The executive branch of the government controls how a state of the country is governed and is also allowed to suggest laws. The legislative branch of the government controls the laws that are made in the country. The judicial branch of the government controls the constitutional, civil, penal, social, and administrative parts of the country which the judges are chosen by the Supreme Council which is led by the king.

6. **Business practices**: Moroccans do not like to be rushed so patience is an important part of business. Appointments must be fixed in advance and confirmed one or two days before. They do not like planning appointments during the month of Ramadan. The business language is French. The traditional greeting is a handshake. When presenting yourself, it must be formal. Moroccans prefer familiarity and long lasting relationships with their contacts. When invited you must bring pastries as tradition. Their formal dress code is a black costume for men and suits for woman.

7. **Protocol**: It is offensive to show the bottom of your shoes and feet and should always take off your shoes before entering someone's home to show respect. It is disrespectful to compare the country your from and



Morocco to the person that you are talking to. It is mandatory to hold cups with your right hand since the left hand is considered dirty to the people of Morocco. To show the host that you are full from eating, then leave a little bit of food on your plate or else the host will keep feeding you and never add extra salt or else it will insult the host. People who are good friends that are the same gender, give each other a kiss on the cheek when they greet each other. When dressing up in Morocco, you should wear modest clothing and should cover up your body especially the women due to the religion of the people.

8. **Recent events**: On January 22, King Mohammed VI approved the decision to allow women to be public notary officials. Morocco is competing to hold the World Cup in 2026. People residing in the city of Jerada are holding protests over the lack of help from the government in improving their economy.

9. **National situation**: Morocco just recently became more flexible with their monetary system, the dirham. They expanded the trading band to allow the value of the dirham to fluctuate 5% as opposed to the previous .6%. This will allow more countries to be open to trading with Morocco, and will allow Morocco's economy to expand.



B. Market Environment

1. Global- Regulations are made to protect the business and the consumer. This could affect anything from advertising, to patent laws, to having to label trans-fat. Sometimes the news can make the number of consumers increase or decrease. If the news is positive, it will most likely bring in more customers. When the economy becomes slow, people are more hesitant to spend their money. More specifically to Morocco: In 2016 the exports to Morocco were 1.932 billion, the imports 1.021 billion, and that creates their balance of 0.911 billion.(USD) The United States 26th most popular trading country is Morocco. The US trades aircraft, aviation parts, fuel oil, cereals, and animal feed. In return, the US' imports are agricultural products, clothing, machinery, mined products, and a few others. Currently, Morocco holds 60 percent of the world's GDP and markets to 55 countries. The Mohammed V International Airport contains 23 airlines, flying around the clock. Many international shipping companies ship to Port Said, and the Tanger-Med Ports. These shipping ports are actually the top two busiest in all of Africa. Moroccan business people are trying to expand their businesses, and in order to achieve this, some of them are learning English. The U.S.-Moroccan Free Trade Agreement, provides protection for the U.S., which eliminates tariffs on 95 percent currently traded consumer and industrial goods. Lastly,



Morocco has about 150 multinational trading companies, in which some of the smaller companies have an appearance in Morocco.

2. **Economic**- Morocco's GDP is USD 221 billion (2011). The GDP growth was 3.7 in 2010 and 4.5 in 2011. GDP per capita (2008) is USD 2,970. Agriculture contributes 15 percent to the GDP, industry 30 percent, and services 55 percent (2011). Non-agricultural GDP grew by 4.5 percent in 2010 (compared with 1 percent in 2009). Exports of goods and services in 2010 were 35.3 percent of GDP or USD 20.9 billion. Morocco's main exports are clothing and textiles, electric components, inorganic chemicals, transistors, crude minerals, fertilizers, petroleum products, citrus fruits, vegetables, fish, and cars. The main export partners in 2011 were France, Spain, India, Brazil, and the United States. Imports were 48.01 percent of GDP in 2011.

3. **Social**- The Moroccan market is made up of three levels of social factors. The first or top level of people are the urban wealthy people in Morocco. The second level is the middle class. The last level of the social environment are the poor communities. Marketing campaigns must accommodate all the social level factors to keep all levels of people satisfied to prevent turmoil among the people. Advertisements of goods and products are distributed differently to the people in Morocco due to



the different classes. Certain products may be advertised to a certain class of people due to the type of product it is. Social media and the internet is a technique when advertising to the rich and the middle class since they can afford to have internet in their homes. Advertising to the poor communities are done by flyers, billboards, or by word since it doesn't require them to pay for anything to see the advertisement.

4. **Technological**- Technology is the glue that holds basically every country's economy together. As technology becomes more advanced, the economy develops with it. Over time, Morocco's economy has grown exponentially due to new technology. They were the first North American country to have a 3G network, and many international countries have considered outsourcing to Morocco, with some having already made the transition. Outsourced businesses provide 30,000 jobs and around 500 million dollars.

5. **Disposable Income**- Disposable income is the amount of profit that a citizen makes after paying off their taxes. Morocco has one of the lowest disposable income for their people in the world. The people in Morocco make an average disposable income between \$400 to \$700 a month which is very low compared to other neighboring countries. Jobs are very difficult to get in Morocco and are typically scarce depending on where



the people live in the country. The majority of jobs in Morocco are in the agriculture district and the rest are in service sectors. Telemarketing is starting to increase job opportunities due to the growth in economy.

6. **Trends**- One of Morocco's trends is their economic growth. Nationally, the growth percentage nearly doubled from 1.2 to 3 percent, but Morocco's economic growth rate exceeded that number at 4 percent. If only 10.7 households in Morocco have internet access, it would be a wiser decision to advertise on mobile devices. In which, 73.5 percent of Morocco has. The trend of people buying mobile devices continues to increase. Lastly, brands have been getting more personal to their customers in order to reach a larger target market. If you are able to reach into a potential customers life, and are able to relate to them through an ad or campaign, you might gain another customer.

7. **Trade Agreements**- Morocco's Free Trade Agreement with the United States entered into force in 2006. This agreement was the second U.S. FTA with an Arab nation and is the only U.S. FTA on the continent of Africa. Morocco has committed to make its business environment more transparent and open to international companies by providing companies with an efficient, legal framework and secure working environment. Both governments have agreed to publish their current trade and investment



laws, as well as any proposed legislation in advance. Regulations under the FTA state that bribery of any form is outlawed and that U.S. companies enjoy the same rights as Moroccan companies when investing in the country. The EU-Moroccan Association Agreement, which covers industrial goods, entered into force on April 1, 2000 and applies to U.S. companies located in Morocco. The agreement calls for the gradual elimination of tariffs on EU-Moroccan trade in industrial goods over 12 years and provides duty-free access for limited quantities of some agricultural products, especially seafood products, fruits and vegetables.

Overall Picture: Morocco has a very stable marketing environment, and each year their market grows steadily. They receive most of their money through trading with other countries and are constantly looking to become a larger trading company. All of the people contribute to the market and play a part in helping the market to expand.



C. Distribution Methods

1. In what ways do goods/services reach their markets in this country?

There are different ways to get goods and services to the markets in Morocco. The majority of stores in Morocco are family owned and are small businesses. Products for the small businesses are locally made usually in the store such as furniture and clothing. Morocco is starting to franchise different companies for other countries which use local products to sell their own company's item. Products are shipped to citizens' homes when the consumer notices the product online or on a catalog which does not have a store but a place for storage. The main ways to stock goods are homemade in store or shipped from a warehouse to get to the customers.

2. How do physical goods reach the country and then the consumer?

Physical goods from other countries are imported into Morocco. Morocco's import partners are; France (16.1%), Spain (13.5%), Italy (6.5%), China (6%), Germany (5.6%), Saudi Arabia (5.4%) and Moldova (5%). The product or good is then shipped to Morocco by plane, ship, or truck. The product is then sold to a wholesaler and then



the wholesaler will sell the product in their store or online depending on the social class of the person.

3. **What services exist in this country that could deliver goods?**

Morocco offers food delivery services similar to Uber Eats or Doordash, with the most notable service being a company named Jumia Food.

Jumia Food is a business that allows you to go on their online website, pick the restaurant and food you desire, and have it delivered to your doorstep. Delivery is available every day of the week from 10am to 10pm. The delivery fee is specific to each individual restaurant. Fees are usually more expensive for restaurants farther away from the delivery site.

