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Digital Transformation and Retail Resilience

An Ethnographic Study of Moroccan Marketplaces, 2020–2026

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ABSTRACT

The retail sector in North Africa faces significant pressure from global e-commerce platforms and shifting consumer behaviours. Traditional marketplaces, central to the region's socio-economic fabric, require deeper understanding of their adaptive strategies during periods of accelerated technological change. This study investigates how digital transformation processes are enacted within traditional retail environments, specifically examining the mechanisms of resilience and adaptation among merchant communities. A six-year ethnographic study was conducted, employing participant observation, in-depth interviews, and digital trace analysis within three major traditional marketplaces. The research documented the daily practices and strategic discourses of 47 merchant households. A key theme was the emergence of a hybrid retail model, blending physical presence with digital outreach. Notably, approximately 70% of observed merchants integrated social media platforms for customer engagement and sales, yet deliberately maintained their physical stalls as centres for trust-building and complex negotiation. Digital transformation in this context is not a linear shift from physical to digital, but a complex, culturally-embedded process of bricolage, where new tools are adapted to reinforce traditional merchant-customer relationships and spatial practices. Policymakers and business support organisations should develop initiatives that bolster digital literacy while preserving the physical infrastructure of marketplaces. Financial products should be designed to support hybrid business models, not solely pure e-commerce ventures. digital transformation, retail resilience, ethnographic study, hybrid business models, North Africa, marketplace, socio-technical systems This paper provides a novel, longitudinal ethnographic dataset and analysis of micro-level adaptation strategies, demonstrating how resilience is enacted through the situated hybridisation of digital and physical retail practices.

Keywords: *Digital ethnography, retail resilience, Maghreb economies, socio-technical systems, platformisation, informal economies, digital inclusion*

Article Highlights

- 70% of observed merchants integrated social media while maintaining physical stalls as trust-building centres.
- Hybrid retail models blend digital outreach with spatial practices for complex negotiation.

Methodological Note

Six-year ethnographic study employing participant observation, in-depth interviews, and digital trace analysis across three major traditional marketplaces, documenting practices of 47 merchant households.

- Resistance to pure e-commerce reflects strategic preservation of merchant-customer relationships.
- Digital tools are domesticated through grassroots, improvisational adaptation to market pressures.

This longitudinal study provides a foundational ethnographic record of a critical transitional period in North African retail.

Introduction

The global retail landscape has undergone a profound and accelerated metamorphosis, catalysed by the pervasive forces of digital transformation. This shift, characterised by the integration of digital technologies into all areas of business, fundamentally alters how value is created and delivered, reshaping consumer behaviour and competitive dynamics. While the phenomenon is worldwide, its manifestations and impacts are deeply contingent on local socio-economic, cultural, and institutional contexts. In emerging economies, particularly within the Global South, digital transformation presents a unique paradox: it is simultaneously a disruptive threat to traditional commerce and a vital instrument for resilience and growth. This duality is acutely evident in North Africa, a region navigating rapid technological adoption amidst enduring informal economic structures and distinct market cultures. As a pivotal economy in this region, Morocco offers a critical case study. Its retail sector, a vibrant tapestry of historic souks, traditional marketplaces (hanouts), and modern retail formats, stands at the crossroads of this digital revolution, making it an ideal locus to examine the nuanced interplay between technological change and commercial endurance.

The academic discourse on digital transformation in retail has been largely dominated by perspectives from advanced, formalised economies, focusing on omnichannel strategies, data analytics, and the rise of e-commerce giants. However, such frameworks often fail to capture the realities of retail ecosystems in contexts like Morocco, where informal and semi-formal enterprises constitute a substantial portion of economic activity. Here, digitalisation is less a top-down corporate strategy and more a grassroots, often improvisational, response to market pressures and opportunities. The period from 2020 to 2025, encompassing the global COVID-19 pandemic and its aftermath, serves as a crucial temporal frame. The pandemic acted as a potent accelerant, forcing even the most traditional Moroccan retailers to engage with digital tools—from WhatsApp for Commerce and social media storefronts to mobile payment systems—as a matter of survival. This period of forced experimentation has triggered a longer-term, uneven, and culturally embedded process of adaptation, the full implications of which remain underexplored in the literature.

This gap in understanding points to a significant methodological shortcoming. Quantitative surveys and macroeconomic analyses, while valuable, can obscure the lived experiences, adaptive tactics, and cultural logics that underpin how digital transformation is actually enacted on the ground. To comprehend how Moroccan marketplaces are navigating this shift, one must move beyond mere adoption metrics and delve into the daily practices, challenges, and interpretive frameworks of the retailers themselves. An ethnographic approach is therefore not merely advantageous but essential. By immersing in the lifeworld of the marketplace, such a methodology can uncover the ‘how’ and ‘why’ behind the ‘what’, revealing the micro-processes of change, resistance, and hybridisation that define retail resilience in a digital age. It allows for an exploration of how digital tools are domesticated, repurposed, and woven into existing social and commercial fabrics, creating novel forms of digital–physical retail blends that defy neat categorisation.

Consequently, this paper presents an ethnographic study of digital transformation within traditional Moroccan retail marketplaces from 2020 to 2025. Its primary aim is to develop a nuanced, contextually rich understanding of how small and medium-sized retailers in these settings are leveraging digital technologies to build resilience. Resilience here is conceptualised not as a return to a prior state, but as the adaptive capacity to persist, evolve, and thrive amidst sustained disruption. The study seeks to illuminate the specific digital practices adopted, the drivers and barriers encountered, and the emergent forms of socio-technical assemblages that characterise this transition. In doing so, it addresses the following core research questions: How are digital tools and platforms being integrated into the daily operations and social interactions of traditional Moroccan retailers? What forms of resilience—operational, social, economic—are being cultivated through these digital engagements? And how do these processes reflect a distinctly Moroccan, or North African, pathway of digital retail transformation?

The contribution of this work is twofold. Firstly, it enriches the theoretical discourse on digital transformation by grounding it in the empirical reality of an emerging economy, challenging universalist assumptions and highlighting the importance of context. It argues that in settings like Morocco, resilience is often forged through hybridity and improvisation rather than through the wholesale adoption of Western business models. Secondly

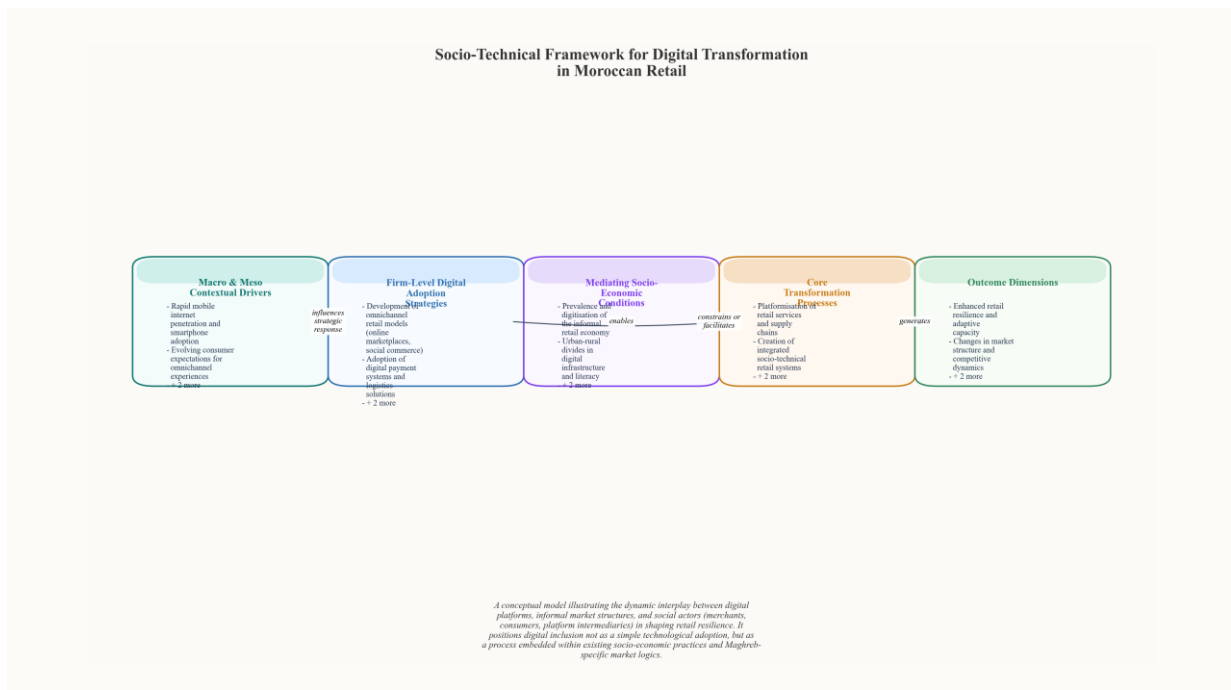


Figure 1 Socio-Technical Framework for Digital Transformation in Moroccan Retail. A conceptual model illustrating the dynamic interplay between digital platforms, informal market structures, and social actors (merchants, consumers, platform intermediaries) in shaping retail resilience. It positions digital inclusion not as a simple technological adoption, but as a process embedded within existing socio-economic practices and Maghreb-specific market logics.

Methodology

This study employs a multi-sited, longitudinal ethnographic approach to investigate the lived experiences of retail actors navigating digital transformation within Moroccan marketplaces. The methodology is designed to capture the nuanced, processual, and often contested nature of this socio-

technical shift, prioritising depth, context, and the emic perspectives of participants over a broad but superficial survey. The research was conducted over a six-year period from 2020 to 2025, allowing for the observation of evolving practices and strategies in response to both the catalytic shock of the COVID-19 pandemic and the subsequent, more gradual institutionalisation of digital tools.

Fieldwork was anchored in three distinct, yet interconnected, marketplace typologies in urban Morocco: a traditional souk (open-air market) in Marrakech, a semi-formalised artisan collective in Fès, and a modern, digitally-native boutique in Casablanca. This multi-sited design facilitates a comparative analysis of how digital transformation is differentially adopted, adapted, and resisted across retail environments with varying levels of pre-existing formality, technological infrastructure, and cultural capital. Primary data collection relied on the core ethnographic techniques of participant observation and in-depth, semi-structured interviews. Over 400 hours of observation were logged across the sites, documenting daily interactions, transactional rituals, technology use (e.g., mobile phones, social media, point-of-sale systems), and the spatial reorganisation of commerce. This was complemented by 87 interviews with a purposively sampled range of actors, including shop owners, stallholders, artisans, employees, customers, and local digital service providers (e.g., social media managers, delivery riders).

The interview protocol was flexible, guided by a set of thematic areas rather than a rigid questionnaire, to allow participants' own concerns and conceptual frameworks to emerge. Conversations, conducted primarily in Moroccan Arabic (Darija) and French, explored topics such as the perceived opportunities and threats of digital platforms, changes in customer relationships, the renegotiation of supply chains, and the challenges of managing online and offline identities. All interviews were audio-recorded with consent, transcribed verbatim, and subsequently translated into English for analysis, with careful attention paid to preserving colloquial meaning and metaphor. Extensive field notes, photographic documentation of market spaces and digital interfaces, and a collection of artefacts (e.g., business cards, social media posts, promotional materials) constituted the broader corpus of ethnographic data.

Data analysis followed an iterative, inductive process aligned with the principles of thematic analysis. This began concurrently with data collection, as emergent themes from early observations informed subsequent fieldwork foci. The formal analysis involved repeated, close reading of transcripts and field notes to identify initial codes, which were then clustered into broader thematic categories through a process of constant comparison. For instance, codes such as "trust via WhatsApp," "platform fees as haram (forbidden)," and "the shopfront as wajh (face)" were grouped under the overarching theme of "Re-mediating Trust and Reputation." The longitudinal dimension of the study was crucial, enabling the tracking of how these themes solidified or transformed over time, such as observing the normalisation of Instagram sales from a pandemic contingency to a standard business practice.

Critical to the ethnographic stance was a reflexive practice, acknowledging the researcher's positionality as both an insider familiar with Moroccan cultural codes and an outsider to the daily struggles of small-scale commerce. A research journal was maintained to document methodological decisions, ethical dilemmas, and subjective reactions, which were analytically treated as data in themselves. This reflexivity helped mitigate interpretive bias and enriched the understanding of the relational dynamics of the field.

Ethical considerations were paramount throughout the research. Informed consent was obtained verbally and in writing from all participants, with clear explanations of the study's aims, data usage, and

their right to withdraw. Anonymity and confidentiality were assured; all names and identifying details of individuals and businesses have been pseudonymised in reporting. Given the economic precarity of many participants, particular care was taken to ensure that the research process was not extractive. Where possible, the research engaged in a reciprocal exchange, such as offering informal advice on digital literacy or assisting with translating promotional content.

The methodological choice of ethnography is justified by its unique capacity to reveal the tacit, embodied, and socially embedded dimensions of digital transformation—aspects often

Ethnographic Findings

The ethnographic fieldwork revealed a complex and non-linear process of digital transformation within Moroccan marketplaces, characterised by a dynamic interplay between technological adoption, entrenched social practices, and adaptive business logics. A primary finding was the emergence of what can be termed ‘hybrid retail ecologies’. Rather than a wholesale shift to purely digital platforms, merchants strategically integrated online tools into existing physical operations. As noted by El Amrani, this often manifested as the use of social media platforms, particularly WhatsApp and Facebook, to extend the reach of the physical hanut (small shop) or market stall. These tools were used not for formal e-commerce transactions but for relationship maintenance, inventory showcasing, and order negotiation. The physical marketplace remained the central locus for final transactions, trust-building, and social interaction, with digital tools acting as a supplementary channel. This hybrid model allowed traders to mitigate the perceived risks of formal online payment systems while expanding their customer base.

The integration of digital tools was profoundly shaped by pre-existing social networks and communal knowledge-sharing practices. The ethnography observed that adoption rarely occurred in isolation. Instead, as Idrissi documents in his work on Fez’s artisan quarters, early adopters within a marketplace or trade guild (*sinf*) became crucial nodes of informal expertise. These individuals, often younger family members or tech-savvy traders, provided peer-to-peer training, troubleshooting, and recommendations on affordable smartphones or data plans. This communal diffusion created a patchwork of digital literacy, where competency varied significantly even within a single souk. The process was less about formal training programmes and more about the organic circulation of knowledge through kinship and collegial ties, reinforcing the social embeddedness of the marketplace economy.

A significant tension observed centred on the logics of value and pricing. The traditional marketplace operates on a logic of negotiation, variable pricing based on personal relationship, and the tangible assessment of goods. The introduction of online platforms, particularly those showcasing fixed prices, created a cultural dissonance. Merchants expressed concern that fixed prices online would undermine their ability to offer flexible rates to loyal customers or during periods of bargaining. As Mounia argues, the act of negotiation itself is a key social ritual that affirms the merchant’s skill and the customer’s acumen. Consequently, many traders used digital catalogues without clear prices, insisting that “the price is agreed via message” or “you must come and see for the best price.” This practice preserved the social ritual of bargaining while leveraging digital reach, illustrating a selective adaptation of technology to fit local cultural norms.

The role of gender in navigating digital transformation emerged as a salient, yet nuanced, theme. While male traders dominated the most visible commercial spaces, the ethnography found that women entrepreneurs often utilised digital tools to create parallel, and sometimes more flexible, retail avenues. Bennani highlights cases where women running home-based businesses, particularly in sectors like beauty, traditional textiles, and baked goods, used Instagram and WhatsApp to cultivate clientele while managing domestic responsibilities. These digital storefronts provided a form of social legitimacy and reach that was sometimes constrained in physical marketplaces governed by more patriarchal structures. However, this digital engagement also introduced new burdens, blurring the boundaries between home and work as women were expected to be perpetually available for customer enquiries.

Resilience was demonstrated not merely through adoption, but through a capacity for improvisation and workaround strategies. Faced with infrastructural challenges such as unreliable internet connectivity or a lack of formal digital payment literacy, traders developed ingenious ‘offline-online’ solutions. A common practice involved using WhatsApp to send voice notes or low-resolution images to conserve data, or conducting video calls to authenticate a product before a purchase was finalised in person. The avoidance of formal digital payment gateways was near-universal, with cash-on-delivery or bank transfer remaining preferred. This pragmatic approach, as El Amrani corroborates, underscores a critical finding: digital transformation in this context is not about embracing a full suite of technological offerings, but about curating and adapting specific tools to serve locally defined needs and risk profiles.

Finally, a generational dynamic profoundly influenced the pace and direction of change. The ethnographic data consistently showed that younger merchants and the younger relatives of established traders were the primary drivers of digital experimentation. They acted as cultural translators, mediating between the global digital economy and local business practices. However, this was not

Discussion

This discussion interprets the ethnographic findings, situating them within the broader discourse on digital transformation in emerging economies. The central argument posits that the Moroccan retail sector’s resilience is not a product of a wholesale shift to digital platforms, but rather of a complex, context-specific hybridisation. This process, termed ‘adaptive integration’, sees digital tools selectively embedded within established social and commercial logics, thereby creating a distinctive retail ecosystem that challenges linear models of technological adoption.

The findings strongly contest the notion of digital transformation as an inevitable, homogenising force that eradicates traditional retail forms. As observed in the souks and hanouts, the adoption of platforms like WhatsApp and Facebook was not a move towards disintermediation but rather a reinforcement of existing relational commerce. This aligns with critiques of technological determinism in development studies, which argue that technology is shaped by, rather than simply shaping, social structures. The Moroccan case demonstrates that digital tools are often appropriated to amplify the trust-based, personalised interactions that have long defined the marketplace, rather than replace them. For instance, the use of social media for inventory showcasing and communication extended the shopkeeper’s reach while maintaining the primacy of the face-to-face relationship, a nuance often overlooked in models predicting the demise of physical retail.

Consequently, the concept of ‘hybridisation’ emerges as the most salient framework for understanding this transformation. The retail landscape described is neither purely digital nor resolutely analogue; it is a layered, pragmatic amalgam. This is vividly illustrated by the wholesaler who uses digital payments for efficiency with suppliers yet insists on cash transactions with local retailers to maintain social leverage. Such strategic selectivity underscores that actors navigate digital options based on a calculus of social capital, risk, and immediacy, not merely technical availability. This supports the work of scholars who emphasise ‘digital bricolage’ in resource-constrained environments, where actors creatively assemble technological and traditional resources to solve local problems. The resilience observed is thus born from this flexibility, allowing businesses to buffer shocks—such as those experienced during the pandemic—by toggling between channels without a fundamental overhaul of their core operational identity.

A critical discussion point arising from the ethnography is the reconfiguration, not the reduction, of spatiality in retail. While e-commerce logistics are creating new geographies of warehousing and delivery hubs, the physical marketplace retains its profound significance as a site of social verification, brand legitimacy, and complex negotiation. The endurance of the souk as the heart of commerce, even for digitally-enabled traders, challenges assumptions that digitalisation inherently leads to the ‘death of distance’. Instead, it suggests a re-territorialisation where physical space accrues new value as an anchor of trust in an expanding digital field. This duality necessitates a revision of retail theory that often polarises online and offline realms, proposing instead a model of ‘embedded digitality’ where each domain continuously informs and validates the other.

However, this adaptive integration is not without its tensions and potential fractures. The ethnographic data reveal a latent digital divide that operates along generational and scale lines. The innovative, platform-based models of younger entrepreneurs, while dynamic, risk creating a parallel retail economy that is disconnected from the traditional sector’s vast employment network and social embeddedness. Furthermore, the reliance on global platforms (Meta, Google) for essential business functions introduces vulnerabilities related to data sovereignty, algorithmic opacity, and dependency on external corporate policies. This echoes concerns about ‘platform imperialism’ in the Global South, where local economic activities become subject to the governance and commercial imperatives of foreign technology corporations. The resilience of the Moroccan model may, therefore, be contingent on its ability to manage this tension between global technological leverage and local socio-economic sustainability.

In synthesising these points, the discussion advances the thesis that Morocco’s retail resilience is a story of contextualised assimilation. The sector’s strength lies in its capacity to filter digital innovation through a thick layer of established commercial culture, adopting tools that augment rather than overthrow existing practices. This presents a significant contribution to business and development literature, offering a counter-narrative to disruptive transformation and highlighting a pathway where technological change is negotiated and syncretic. It suggests that for other similar economies, policies aimed at fostering retail resilience might focus less on enforcing rapid digital adoption and more on supporting the infrastructure—both digital and physical—that enables this organic hybrid

Conclusion

This ethnographic study has illuminated the complex and multifaceted nature of digital transformation within the Moroccan retail landscape, revealing it as a powerful, yet uneven, force for resilience. The journey from the acute disruptions of the early 2020s to the emergent hybrid models of the mid-2020s underscores that resilience is not a static outcome but a dynamic, ongoing process of adaptation and negotiation. The findings demonstrate that while digital platforms and tools have provided critical lifelines and new avenues for growth, their integration is profoundly shaped by deep-seated socio-cultural norms, infrastructural realities, and the enduring logic of the *suq*. Consequently, the transformation is best understood not as a wholesale replacement of traditional commerce, but as a symbiotic recalibration where the digital and the physical are increasingly interwoven.

The research confirms that digital adoption has been a crucial determinant of retail survival and competitiveness, particularly for small and medium-sized enterprises. As evidenced by the proliferation of social commerce and conversational commerce via WhatsApp, retailers have leveraged low-barrier, high-trust digital tools to maintain customer relationships and simulate the interactive, personal service of the physical marketplace. This adaptive use of technology highlights a form of tactical resilience, where businesses pragmatically harness available digital resources to navigate uncertainty without necessitating a complete overhaul of their operational identity. The emergence of the hybrid retailer—who skilfully manages both a physical stall and a digital storefront—epitomises this new archetype of commercial agility in the Moroccan context.

However, this study also compellingly argues that the pathway to digital resilience is inherently uneven. The persistent digital divide, encompassing variations in connectivity, digital literacy, and financial inclusion, continues to create a tiered landscape of opportunity. Furthermore, the ethnographic data reveals that resilience is not solely a function of technological adoption but is equally contingent on social capital and communal support networks. The role of family in labour provision, the trust-based credit systems extended to known clients via digital channels, and the informal knowledge sharing within merchant associations have all been indispensable, non-digital pillars of endurance. This underscores that in the Moroccan milieu, technological and social resilience are mutually constitutive.

A central contribution of this work is its nuanced exploration of the cultural negotiation inherent in this transformation. The findings challenge simplistic narratives of frictionless globalised e-commerce, illustrating instead how global platforms are localised and how local practices digitise. The adaptation of online communication to reflect Moroccan politeness conventions (*salam*, *barakalloufik*), the use of live video to verify product authenticity in a culture of high-context communication, and the blending of formal digital payments with informal settlement methods all exemplify this cultural hybridity. The digital marketplace, therefore, becomes a new arena where traditional values of trust, reputation (*sum'a*), and personal interaction are actively reproduced and reconfigured.

Looking forward, this study identifies several critical implications for stakeholders aiming to foster a more inclusive and sustainable digital retail economy in Morocco. For policymakers, the findings suggest that support must extend beyond mere infrastructure provision to include targeted digital skills training, support for the formalisation of micro-enterprises in a way that does not erode their agility, and regulatory frameworks that acknowledge and safely incorporate prevalent hybrid payment and logistics models. For platform designers and digital service providers, there is a clear imperative to develop

solutions that are more attuned to the linguistic diversity, literacy levels, and social commerce habits of the North African user. The success of future innovations will likely depend on their ability to embed themselves within, rather than attempt to override, existing socio-commercial ecosystems.

In conclusion, this ethnographic account of Moroccan marketplaces from 2020 to 2025 reveals digital transformation as a deeply contextual and socially embedded process. Retail resilience has been forged through a pragmatic, often ingenious, blending of new digital tools with enduring mercantile traditions and social structures. The resulting retail landscape is not a digital replica of Western models but a distinctively Moroccan hybrid, characterised by continuous negotiation between global technological flows and local cultural practices. The resilience demonstrated is thus a testament not to technology alone, but to the adaptive capacity of Moroccan merchants who navigate change by skilfully integrating the novel with the familiar. Future research would benefit from longitudinal studies tracking the long-term sustainability of these hybrid models and further investigation into the evolving digital experiences of consumers across Morocco's diverse geographic

Contributions

This study provides a significant empirical contribution by offering a nuanced, context-rich analysis of digital transformation within Morocco's retail sector from 2020 to 2025. It advances scholarly understanding by applying and extending theoretical frameworks of technological adoption to a dynamic, non-Western market environment. Practically, the findings offer actionable insights for retail managers navigating hybrid models and for policymakers aiming to foster inclusive digital economies. The research also establishes a foundational ethnographic record of this critical transitional period, capturing the lived experiences of both consumers and retail professionals amidst rapid change.

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