

An Analytical study on Financial constraints faced by Self Help Group Women to market their products

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Abstract:

Women in India have been oppressed culturally, socially, economically and politically for centuries. They are exploited at home, in the families, in the society and in the country. The core of the problem is that they shoulder a number of responsibilities, but they are not given adequate participatory or decision making power in the family or in the society. Women can gain such power, if their economic status, cultural and social status improves. Such kind of overall improvement of the power is known as women empowerment. The empowerment of women is one of the central issues in the process of development of countries all over the world.

Poor people have been able to reduce debt burdens and break the cycle of poverty, when the interest is low. Access to financial services enables the poor to increase income and smooth consumption flows, and thus expand their asset base and reduce their vulnerability. Financial services for the poor have proved to be a powerful instrument for poverty reduction that enables the poor to build assets, increase incomes, and reduce their vulnerability to economic stress.

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Introduction

In terms of nominal GDP India are the ninth largest economy and the fourth largest in terms of Purchasing Power Parity in the world. Since from 1991, the strong economic reforms includes Macro & Micro and adoption principles in free market leads the country's economic level growing at a rapid rate with recorded percent 7.7 per annum. Despite of fast economic growth in India, country continues to face massive inequalities in income level due to this rise in high unemployment and poverty. According to World Bank report estimate about 350 million people lives on less than \$1.5 per day in India. This reflects and implies on one third population of globally poor people resides in India. Well know

personality Amartya sen said that there is difference of opinion on poverty as it is not only restricted with Income but can be on basic capabilities which is deprived in the nature. Central and state government has taken various steps and implemented various programs to fight with poverty like they have introduced Jawahar Rozgar Yojana (JRY), Integrated Rural Development Programme (IRDP), Sampoorna Gramin Rozgar Yojana (SGRY). After taking these major efforts poverty doesn't have major changes and still remain same which directly impacted on Indian Economy as whole. Due to this major factor brings great challenge for the governments and difficult to remove too.

Economic activity from this small beginning have enormous self-importance in their reliability and honesty, they also repay the loans quickly by maintaining the dignity and keep away themselves from default by this way they can keep expanding their profit base until they do not need the loans any longer. With the help of Microfinance women in India got an opportunity to become change agent. This helps them to explore new horizons and new dreams in their area.

Exactitude of microfinance through self-help groups

It is an important means and part for attaining women development and empowerment in large leading microfinance institutions, banks, cooperatives has expanded rapidly and have been demonstrated that how in various form to provide efficient, responsive, and profitable microfinance services to the society at large. It's all round development and there harmonious growth towards nation It has been rightly stated by first prime Minister Pandit Jawaharlal Nehru that, "In order to awaken the people it is the women who have to be awakened is only possible when women are given their desired place with position in the society and should be treated as equal partners as men Once she is on move, the family moves, the village moves and the nation moves". It is the nobler of the two, for it is even today the embodiment of sacrifice, silent suffering, humility, faith and knowledge".

Indian Scenario towards Micro Finance

It has been observed that the possibility of empowering women in India and granting them greater pace in political, economic and social assistance through a very simple loan procedure and therefore makes microfinance as a compelling initiative at

the economic indicators which includes micro and the macro level. In India, microfinance having several models for which are being applied through involving banks, government, various agencies and Non-Governmental Organisation-NGOs. The major and dominant approaches that target the poorer section of the society can be broadly classified as the Self Help Group (SHG) Model. The microfinance sector in India is well on its way to professionalize and institutionalize performance measurement with initiatives such M- CRIL and EDA rural systems. (Source-RBI). However, it was also been observed that although lakhs of poor households are reached compare to this, these numbers are relatively very small looking into the size of the population living in poverty line. Furthermore, Northern states have been underserved compared to the South in India.

Review of literature

Schrieder and Sharma (1999) state that most destitute women, belonging to the lowest castes, settle earlier debts because of their membership of the SEWA Bank, (the bank of the Self-Employed Women's Association), hence preventing the perpetuation of an exploitative situation. The first set of assessments point out that women can use savings and credit for economic activity, thus increasing incomes and assets and control over these incomes and assets (Mayoux, 2000).

Rama Krishna and Krishna Murthy (2003) examined the role of SHGs in empowering rural poor in Parvada village of Visakhapatnam in Andhra Pradesh. The study found that SHG concept was successful to some extent in achieving social empowerment, economic progress through ensuring improved access to institutional credit. SHGs have a positive impact on beneficiaries especially in respect of social and economic empowerment such as improvement in

participation in the development programmes, ability to meet government officials, awareness of property rights, improving decision-making, improving marketing, communication skills and building self-confidence which have a positive impact on the living standards of beneficiaries.

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Gradatim (2008) referred microfinance as “banking for the poor”, it has emerged as a simple and viable way to provide financial assistance to the underprivileged for their social and economic empowerment. It also refers to a host of financial services – savings, loans and other financial products – that are available to the economically lower strata of the society. The author also highlights that microfinance has now become an essential ingredient in the development process of a nation as developing economies have recognized microfinance as an enabling and empowering tool for poverty alleviation and economic empowerment of the needy.

Research Methodology

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by researcher in studying his research problem along with the logic behind them.

Objectives of Study

Considering the limitations of money and time at the disposal of the researcher, it was decided to have specific objectives of this study. In view of this researcher proposes to have the following objectives of the present study.

Main objectives of the proposed research are:

1. To study and evaluate the managerial achievements of women’s self help groups.
2. To study the various sales promotional practices adopted by women of self help groups for expanding the markets of their products
3. To describe the awareness & adoption of new promotional tools by these self help groups.

Hypothesis

H1: Self Help Group has achieved tremendous success & many more are being induced to form new groups in recent years.

Limitations of the study:

There are following limitations of the study:

1. The universe of study is limited to specific region. It may not be the exact representation of the globe.

2. Sample size is restricted to 279 members of self help groups & 136 Members of NGO associated with Self Help Group.
3. The major limitation to this study has been that it is limited to the only business & marketing promotional aspects of the Self Help Group.

Data analysis

Hypothesis 1: Self Help Group has achieved tremendous success & many more are being induced to form new groups in recent years

To study whether the tremendous success of some Self Help Group led to increase in number of Self Help Group formations, One Way ANOVA test is applied taking variable like SHG's have received huge success in recent past as fixed factor and factors determining liking towards formation of SHG viz.,

- a. Most of the SHG's are running in profit,
- b. SHG is formed by observing other SHG's success,
- c. Plenty of women are showing their interest in joining SHG,
- d. Many women are planning to start new SHG,
- e. Women consider SHG as feasible source of earning,
- f. It is easy for women to join SHG& start earning and SHG's are gaining momentum because of proper managerial skills of women associated with it

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Most of the SHG's are running in profit	Between Groups	717.759	4	179.440	1347.031	.000
	Within Groups	54.617	410	.133		
	Total	772.376	414			
Your SHG is formed by observing other SHG's success	Between Groups	666.761	4	166.690	931.623	.000
	Within Groups	73.359	410	.179		
	Total	740.120	414			
Plenty of women are showing their interest in joining SHG	Between Groups	506.749	4	126.687	437.724	.000
	Within Groups	118.663	410	.289		
	Total	625.412	414			
Many women are planning to start new SHG	Between Groups	613.802	4	153.451	2037.249	.000
	Within Groups	30.882	410	.075		
	Total	644.684	414			

Women consider SHG as feasible source of earning	Between Groups	506.749	4	126.687	437.72 4	.000
	Within Groups	118.663	410	.289		
	Total	625.412	414			
It is easy for women to join SHG & start earning	Between Groups	555.429	4	138.857	3258.4 42	.000
	Within Groups	17.472	410	.043		
	Total	572.901	414			
SHG's are gaining momentum because of proper managerial skills of women associated with it	Between Groups	539.746	4	134.937	553.24 9	.000
	Within Groups	99.998	410	.244		
	Total	639.745	414			

Many of the SHGs are formed after observing the success of most of the successful SHGs and to study this the data is classified based on the factors of Preference for forming SHGs. One Way ANOVA is applied to test the association between Preference for forming SHGs and Success of Women SHG. In case of all the factors which represent the preference of forming SHG the significance value obtained is less than the alpha value of 0.05 ($p < 0.05$). This states that there is significant association between formation of new SHGs and Success of Women SHGs and hence, the hypothesis is **accepted**.

Thus it is concluded that, many SHGs are formed after observing the success of most of the successful Women SHGs.

Findings

- Out of the total client base of 371 lakh, South alone contributes to 39% followed by 25% in East. Central region and West have 15% and 11% of total outreach respectively. North-East and North have the least client outreach numbers with 6% and 4% respectively. Share in outreach has
- expanded only in case of Central and North-East regions from 13 to 15 % and 5 to 6 % respectively
- IIDBI, PNB, Allahabad, CBI, Syndicate, Dena & Indian Bank has less contribution in the SHGBL as the branches of these banks in rural areas are less. Whereas Canara & Indian Bank had negligible contribution in account opening .RRB started giving loan from 2009-10. There is an increase in the number of accounts opened by N.D.C.C it increased from 01 to 27 SHG account in the year 2012-13. BOI, SBI, BOM, UCO, PNB, BOB have soon positive growth while Syndicate bank shows negative growth in numbers for the year 2015.
- To match up with the changing trends in the market regular brainstorming is required. Majority of the respondent members of SHG disagree that any such brainstorming sessions are held to identify potential market & consumer for the product. Members of NGO also disagree to the above fact.

This may be due to the absence of proper leadership and lack of awareness in the group.

- As a part of ethical practices any organization should provide complete information to their customers and should not hide anything from them. Majority of the respondents i.e. 40.1% strongly agreed that SHG provides complete information of product to consumer honestly. Also majority of the members of NGOs have also shown agreement to the same.
- Out of the total respondents, 35% of the Members of SHG agreed that many women are joining the SHG and many others are planning to start new SHG, which is supported by 10% of the respondents who strongly agree to this.
- Having a trained sales person helps the organisation to achieve its sales target effective at minimum cost and also helps the organisation increase its turnover. During the research, mixed opinions were received from the respondents when they were asked whether SHG's have trained sales persons to sale the product. Some of the groups hire the services of trained sales persons whereas some groups do not have such sales persons in the organisation.
- As a part of Best Practices, marketing survey should be conducted before designing a product so that it meets requirement of the consumers. It was found during the research that majority of the members of NGO and SHG are do not agree that the SHGs

conducts market survey before designing their products and due to this their product does not meet the expectation of the consumers. Thus, there is a need to conduct such surveys before designing a product.

Suggestions:

- Formal business education should be provided to self help groups. This will help them to learn modern day promotional practices & will help them to create sustainable brands.
- Self help groups should have long term business planning. Their marketing strategies should be designed in such a way that business should grow in long term.
- At present Self help groups are not in a position to compete with private sector businesses however by adopting professional business management practices they may compete them. The strength of Self help groups lies in their indigenous technologies. Self help groups can achieve desired success by integrating professional management practices with the products developed through indigenous technologies.

Conclusion

Business promotional practices plays a vital role in success of any business. Self help groups are no different. They have to prepare promotional policies in such a way that their products & services can reach the customer. The study reveals that the business success of women Self-Help Groups is the function of their adoption of appropriate sales & promotional practices. Self help groups use personal selling, leaflet, banners & hoarding as tools to

promote product. Most of their products are sold through personal selling. The women involved with Self help groups are trained in selling the product. They may not be able to follow professional selling techniques however they are good at selling in their own style. While introducing new product in the market, Self help groups take help of personal selling method & use to keep their product display at various exhibitions.

One gray area for Self help groups is professionalism in marketing practices. The women involved in Self help groups are not professionally trained. Self help groups do not possess long term planning for their product & promotional practices. The focus is on selling which is part of short term vision. Hence, even after so many years of establishment, Self help groups have failed to create a sustainable & reputed brand to their products. Lack of technical knowhow & deficiency in getting capital makes the problem further complicated. Lack of fund prevents them to market their product through TV, Newspaper & create state as well as national presence. Lack of technical knowledge & lack of formal business education prevents them to adopt modern day techniques of promotion of the products.

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