



International Journal of Current Research and Academic Review

ISSN: 2347-3215 Volume 1 Number 2 (2013) pp. 117-122

www.ijcrar.com



Marketing Strategies of Women Self Help Groups

K.Gandhi^{1*} and N.Udayakumari²

¹Department of Commerce, King Nandhivarman College of Arts and Science, Thellar, Tamilnadu, India

²Department of Commerce, ADM College for women (Autonomous), Nagapattinam-611001, Tamilnadu, India

*Corresponding author e-mail: gandhi1002ji@gmail.com

KEYWORDS

Self help groups;
NGOs;
business and
marketing activities;
Marketing
Strategies;
Growth strategies.

A B S T R A C T

Self help groups (SHGs) are now engaging in business activities. They lack in marketing as for the first time they are engaging in business. If they are adequately trained with marketing knowledge, they can excel and in turn take our economy a global leader in this current situation of globalization. The NGOs who have formed the SHGs, The banks who financed the groups and the Government agencies nurturing them must join hands in train the SHG members in business and marketing activities and make them play globally.

Introduction

Self Help Group (SHG)

A Self-Help Group (SHG) is a registered or unregistered group of micro entrepreneurs having homogenous social and economic back ground, voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help.

Origin of SHGs

The basic idea of "SHG" scheme is derived from International Fund for Agricultural

Development(IFAD). IFAD (1989) is quite similar to SHG programme, which was organised by an international social welfare agency. The head quarters of IFAD is situated in Rome. IFAD aimed at providing subsidized individual loans to people below poverty line for undertaking activities such as animal husbandry, horticulture, sericulture, khadi and handloom. Indian Bank played a key role in financing these schemes. The scheme was implemented in 75 unions of 8 districts on a selective basis. The IFAD project was successfully

completed in the year 1982. Keeping in mind the positive results of this scheme, the state Governments in India wanted to continue this scheme. So a separate wing was setup under social welfare department for continuing this scheme. Now SHG is being used as a major weapon in poverty eradication.

Formation and Promotion

Now, SHGs are formed by NGOs, Government agencies or Banks – the three types of ‘Self Help Promoting Institutions (SHPIs). In India, Self Help Groups represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self management and development for the women who are SHG members. SHGs are formed and supported usually by NGOs or by Government agencies. Linked not only to banks but also to wider development programs, SHGs are seen to confer many benefits, both economic and social.

The Swaranjayanti Gram Swarozgar Yojana (SGSY) was launched on April 1999 as the single self-employment programs in the place of previous poverty elevation programs like IRDP, DWACRA, etc.

The SGSY is a holistic program and the objective of SGSY is to bring the assisted poor families (Swarozgaris) above the poverty line. Under SGSY poor families are organized into Self-help groups (SHGs) through the process of social mobilization. SGSY ensures training and capacity building and provides income-generating assets through a mix of bank credit and Government subsidy. It is a credit linked scheme. Here, the credit plays a

predominant role and subsidy is an enabling component.

Under this scheme, financial assistance may be given to individuals or groups (Self-help Groups) belonging to below poverty line families. However, the emphasis will be on the Group approach. The SGSY envisages developing activity clusters by selecting about 10 key activities per block.

Goals

Self-help groups are started by non-profit organizations (NGOs) that generally have broad anti-poverty agendas. Self-help groups are seen as instruments for a variety of goals including empowering women, developing leadership abilities among poor people, increasing school enrolments, and improving nutrition and the use of birth control. Financial intermediation is generally seen more as an entry point to these other goals, rather than as a primary objective. This can hinder their development as sources of village capital, as well as their efforts to aggregate locally controlled pools of capital through federation, as was historically accomplished by credit unions. To achieve their goal of financial self contentment the groups are now engaged in manufacturing and marketing activities.

Production Activities by SHGs

SHG members create a large number of products, some of which compete with branded/market-established products in terms of quality. Some products are agarbathies, candles, scented candles, pickles, soaps, handmade paper, paper mesh articles, toys, handicrafts, wood carvings, wooden furniture, etc. Some groups near the towns also engage in production of readymade idly dosa dough

mix, readymade variety rice mix etc. Even some groups engage in agriculture, sericulture, prawn rearing and pond fish rearing. However, there is a lack in advertising these products, which can be considered as an essential part for effective marketing. The SHGs are far behind in marketing activities. They are to be educated in marketing activities.

Marketing Activities by SHGs

The marketing activities of the SHGs are far below the new standards set by globalization. They only engage in direct marketing. They market their products only locally. They don't think of mass production and massive marketing globally. The packing of the finished products do not attract the mass as other manufactured products do. The SHGs don't even engage in advertising their products. They don't like to market their products to unknown persons. They target only known people, relatives and other SHG members as their customers. They don't try to market their products through the nearby shops. They don't even put stalls in local shandys. Even some SHG women indulge in door to door marketing of their products. This provides less scope of sales and they end with lesser profits.

Marketing Strategies

Marketing strategies may differ depending on the unique situation of the individual business. However there are a number of ways of categorizing some generic strategies.

Strategies based on market dominance

In market dominance strategy competitors are classified based on their market share or dominance of an industry. Typically there

are four types of market dominance strategies:

Leader
Challenger
Follower
Nicher

In the initial stage the SHG members may enter the market as market followers. They can slowly transform themselves to a challenger in course of time and finally after gaining adequate strength they can become leaders.

Porter generic strategies

Strategy on the dimensions of strategic scope and strategic strength. Strategic scope refers to the market penetration while strategic strength refers to the firm's sustainable competitive advantage. The generic strategy framework (porter 1984) comprises two alternatives each with two alternative scopes. These are Differentiation and low-cost leadership each with a dimension of Focus-broad or narrow.

Product differentiation (broad)
Cost leadership (broad)
Market segmentation (narrow)

While entering the competition, the SHG groups may possess a unique advantage of cost minimization. They while entering in market competition can become cost leaders. When they gain knowledge of all manufacturing strategies they can differentiate their products from that of others and also focus on product differentiation.

Innovation strategies

This deals with the firm's rate of the new product development and business model

innovation. It asks whether the company is on the cutting edge of technology and business innovation. There are three types:

Pioneers
Close followers
Late followers

As the SHGs are just now entering the market segment, they can only be late followers of innovative strategies. But in course of time if they innovate they can also become pioneers. They can make use of their locality advantage to explore product differentiation and be the best competitors of global products as “Mappillai Vinayagar Soda”, “Kali Mark” and “Bovento” in the field of cool drinks who give tough competition to MNC products.

Growth strategies

In this scheme we ask the question, “How should the firm grow?” There are a number of different ways of answering that question, but the most common gives four answers:

Horizontal integration
Vertical integration
Diversification
Intensification

The SHGs under one umbrella of same NGO can have a horizontal integration in marketing their products and reap the benefits of the integration. Even the national corporations are joining hands with prominent MNCs and merge or amalgamate with them to ensure their survival in this global economy.

Suggestions to withstand global marketing pressures by the SHGs

Self help groups mainly concentrate in homemade articles like pickles and only a

few groups are engaged in manufacturing activities such as paper cups, candles, agarbathies, handmade garments, wood carvings, etc. Some male groups engage in wood carvings, food processing, sericulture etc. Diversification of products will certainly improve marketing of SHG products and make the group earn higher profits.

Even if the quality of SHG products competes with the products of large manufacturing concerns, the former products lack attractive packing which makes the buyer hesitant to buy such products. The display of the product in the market place must attract the buyers and must be at par with the packing standards of the competitors’ products. Not only the quality of the product but also the finishing and packing must be made attractive and be at par with that of the big company products.

The financing banks may take a lead to provide marketing training to the SHG members and thereby make them to build their own strategies to market their products. This in turn will secure their asset structure also by lessening bank’s NPAs.

Such marketing training can also be given by the governments through DRDA, IFAD etc., which in turn will help the government to reduce the economic imbalances.

Like Khadi Bhavans, The government may create separate selling outlets exclusively for SHG products. This step will also reduce unemployment to a certain extent.

The products are mainly sold in the village of manufacture or at the most nearby towns. The SHGs mostly engage only in direct marketing, and this is the reason for

local marketing. The market area should be increased at least to the state level.

Lack of advertisement is one of the major reasons for poor marketing. Government can take steps to propagate the SHG products through its own media free of cost or with a little cost.

Like some agricultural products, government may procure the finished goods from the SHGs and can take marketing in its control. This will bring a vast change in the marketing of the products and certainly will be a boon to the SHG members.

The government may take steps to provide permanent stall for the SHG products in every district in the Poomalai Shopping Complex which are situated in prominent places in every district head quarters and rented by government agencies.

Some banks which provide credit linkage to SHGs take steps to market the products through trade fairs conducted by them in prominent places and provide stalls exclusively for the products produced by their SHG members. These stalls have proved effective to fetch good orders from cities and towns. Even big shopping malls place orders with the SHGs and display the products in their shops. The trade fairs conducted by the bankers may be increased.

The governments also can conduct such trade fairs exclusively for SHG products and provide market for the products. If they can fetch foreign orders it will also be useful to be overcome balance of pay deficits.

Mahalir Thittam, Madurai, this year came out with an innovative idea of erecting

temporary stalls at places targeting members of the salaried-class and tourists.

The Government sanctioned Rs.33 lakhs for the marketing of SHG products. Twenty-two groups erected 11 stalls and displayed bags, napkins, snacks, terracota items, dolls, cotton saris, jewels etc. The turnover of the first 4 days came to Rs.45,000/- SHG members pitched tent at Tirumalai Naick Mahal, Meenakshi Amman Temple and Periyar Bus Stand. The success made the district authorities to think extending the plan to every taluk headquarters and villages also.

This innovative idea can be carried throughout the nation and most SHGs will reap the benefit of easy marketing.

Early this year a workshop was organized at Tiruchi on marketing the products made by the women SHGs, organized by the Tamil Nadu Corporation for Development of Women and Tiruchi District Supply and Marketing Society at Poomalai commercial campus. The workshop was attended by a large number of women SHG members in the district who were engaged in making handicraft items, soaps, jute bags, jewellery, paintings, textile designs, incense sticks, and brick making. They were made able to market their products effectively.

These types of workshops are a rare phenomenon and may be conducted district wise to educate the SHG members in marketing which will in turn improve the marketing of SHG products.

Palmyra - An NGO in Villupuram District has its own market place at "Auroville" a global village where there are more foreigners and foreign visitors. In this market place they market the products of

their SHGs. There are a wide range of products from paper cups, paper mesh toys, agarbathies, candles, scented candles, cotton knitted hankies, door mats, bathroom mats, towels, wood carvings, wooden furniture, toys etc. All are produced by their SHG members.

The members of the groups are trained to engage in an activity. The finished products are purchased by the NGO by a tie-up arrangement and marketing is taken care of by the NGO. The NGO even fetches foreign orders for the products.

This type of marketing assistance can be given by all NGOs to their SHG members. This very well thrashes the fear of marketing and the SHGs can engage in innovative production of the products.

The NGOs can also conduct trade fairs by providing stalls for marketing for their SHG made products. Even these fairs can be conducted statewide or nationwide by having marketing collaboration within all the NGOs acting in the state. If this comes true, the products of SHGs can give a tough competition to the products of Multi-National Companies.

Conclusions

By following these strategies and inculcating adequate knowledge of the markets and competitors, marketing is made easy for the SHGs. Once if the SHGs fetch the fruits of easy marketing, certainly they will engage in more production at lower costs and one day they can also become global players. As most of the village population is engaged in one SHG activity or the other, engaging them in business promotion and opening the gates of global markets for them will improve the economy of the country and improve our

balance of payment positions. This will make our country a leader in a globalized economy.

References

- Darling Selvi .V.2005. “ Impact of self help group training” Kisan World. 32(3): 31
- Gurumoorthy, T.R., 2000. “ Self help groups empower rural women” Kurukshetra, 48(5):36
- Kothari C.R., 2009. Research Methodology methods and Techniques. 2nd Revised edn., New Age International (p) Limited, Publishers. New Delhi.
- Narasiah .M.L., 2004. Women and micro credit . Sonali Publications, New Delhi.
- Nashi, S.K., 2004. “Micro finance” A study of stree shakti (SHG) Programmes” Southern Economists .43(8.):9-12
- Padmavathy, S., 2005. Employment Generation Through SHG’S in rural area. “ In Rural Labour Market (M.Soundara Pandian (ed)). Serials Publications, New Delhi:
- Sathish .P “Mainstreaming of India micro finance” Economic and political weekly.40(17): 17-31
- Singh, B.K., 2006. Women Empowerment through self help groups. Adhyayan Publishers and Distributors. . New Delhi.