

Problems and Prospects of Self Help Groups Products Marketing in Virudhunagar District

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Abstract – Today Self Help Groups (SHGs) are involved in multifarious economic activities with substantial success and face many marketing problems. With a view to analyse the marketing problems of Self Help Groups products and marketing strategy adopted by Self Help Groups, the researcher has made an attempt to study this area. For the purpose of this study, primary data collected with the help of the questionnaire, the relevant secondary data collected from various sources like Books, Publications, Journals, Periodicals, Reports, Newspaper and Internet. Based on relevant primary and secondary data Percentage Analysis, Hypotheses, Garret ranking and Weighted Arithmetic Mean used to find out socio-economic characteristics of women SHGs members in Virudhunagar district and examine reasons for selecting marketing and the factors influencing the marketing problems of SHGs products. The study found reasons and factors influencing marketing problems. These findings may be of use to SHGs to know the need of update knowledge and marketing strategy and providing suggestions and recommendations for improvement. The study concludes that the government must take necessary measures to improve their conditions through proper training and contribute for their development and for the progress of the district, state and nation and also the SHGs members should be able to withstand all risks for becoming efficient marketers.

Keywords: Self-help Groups, Products Marketing

I. INTRODUCTION

According to Jawaharlal Nehru “No Nation could prosper when its women remained backward. Apart from being educated in schools and colleges, women should develop courage and self-confidence”.

India is predominantly rural in character with 75% of the population living in rural areas. Rural development is the progress of socio-economic changes for broadening the economic base of a nation. The main focus of the rural development strategy has been alleviating of poverty through Income and Employment generation.

Owing to the presence of Socio-economic constraints in the rural areas, women potential for development remains far from the full utilization and they being pushed back into the social hierarchical systems. In rural areas most of the ladies are only housewives and they are not having income generation. Therefore the Government of India has formulated Self Help Groups (SHGs) among the women community in Villages.

Self-Help Groups (SHGs) is a small, economically homogeneous and cohesive group of rural poor voluntarily coming together. The approach of the group towards poverty alleviation should be “Self-Help” others, that is they should help the poor to help themselves. This brings about the necessity for organizing them in a group by which they get the benefit of collective perfection, collective decision making and collective implementation of programmes for common benefits.

The origin of present day SHGs is from the brain child of Gramin Bank of Bangladesh, which was founded by the Economist Prof. Mohammed Yunus of Chittagong University in 1975. This was exclusively established for the poor. The concept of SHGs serves the principle for the people, by the people and of the people. SHGs benefit not only to the groups, but also for the families and community as a whole through collective action for development. These groups have a common perception of collective action.

All the SHGs are willing to start their self employment for improving their cost of living but they are not coming forward with suitable ventures, since they are afraid to take the risk of selecting suitable venture. Further they are not having confidence in marketing their products. Hence the Government of India with active support of State Governments and NABARD helping Self Help Groups through assistance in the form of Revolving fund, Bank credit and Subsidy to start their Self employment.

Government of Tamilnadu launched Self Help Groups scheme in Virudhunagar district in the year 1997-1998 under “Mahalir Thittam” project with the objective of promoting Socio-economic development and empowerment of women.

A. Characteristics of SHGs

Intimate knowledge of members, intrinsic strength and problems, flexible and responsive, democratic in operation, collective leadership and mutual decision, collateral consist of mutual confidence and trust.

II. OBJECTIVES OF THE STUDY

1. To study the Socio-economic characteristics of women SHGs members in Virudhunagar district.
2. To examine reasons for selecting SHGs marketing and the factors influencing the marketing problems of SHGs products.
3. To suggest measures to solve the problems faced by the SHGs.

III. STATEMENT OF THE PROBLEM

Self-Help Groups (SHGs) plays crucial role in rural and urban areas by manufacturing and selling the products. Marketing the products made by SHGs is an important and difficult one as the products have to be sold through the rural marketing concept to the rural people themselves. Marketing these products in the urban areas is much more difficult.

Lack of adequate marketing infrastructure and marketing strategy, many of those products remains confined to the local markets, thereby resulting inadequate monetary returns. So the researcher made sincere attempts to analyse the problems and prospects of SHGs marketing their products.

IV. METHODOLOGY

The present study is based on both primary and secondary data. Primary data were collected from a sample of 225 respondents of Virudhunagar district SHGs members and using structured questionnaire. Secondary sources of data include Books, Publication of Self-Help Groups, Journals and Periodicals, Reports and information downloaded from the Website. The data collected are classified and suitable tables formed for analyzing the data. The tools used for the purpose of analysis are Percentage analysis, Chi-Square Test, Garret Ranking and Weighted Arithmetic mean.

V. DATA ANALYSIS AND INTERPRETATIONS

The socio economic variables such as age, marital status, educational qualification, annual income, area and family nature of the respondents are analysed through percentages.

TABLE I SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS

Socio-Economic Variables		No. of Respondents	Percentage (%)
Age	Below 30 years	27	12.00
	31-40 years	130	57.78
	Above 40years	68	30.22
Marital Status	Married	190	84.44
	Unmarried	35	15.56
Educational Qualification	Upto SSLC	86	38.22
	HSC	106	47.11
	Above HSC	33	14.67
Annual Income	Upto Rs. 50000	72	32.00
	Rs.50000– Rs.100000	97	43.11
	Above Rs. 100000	56	24.89
Area	Rural	58	25.78
	Urban	167	74.22
Family Nature	Joint	135	60.00
	Nuclear	90	40.00

source: primary data

The Socio-economic characteristics of the respondents (Table I) indicates that a majority of respondents (57.78%) belonged to 31-40 years age group. It is further revealed that most of the respondents (84.44%) were married. A majority of respondents (47.11%) were having HSC qualification. As far as income level is concerned, most of the respondents (43.11%) were earns Rs.50000 - Rs.100000 annually. A majority of the respondents (74.22%) were living in an urban area and it is further revealed that (60%) of the respondents belonged to joint family.

A. Reasons for Joining in SHGs

Women joining in SHGs and take up jobs are not only for augmenting their social status, but also due to economic necessity. In most of the families, particularly among the lower class families, both men and women forced to contribute equally for maintaining and running the family. To ascertain the reasons for joining in SHGs, a study was made and the findings are presented in the following Table II.

TABLE II REASONS FOR JOINING IN SHGS

Reasons	No. of Respondents	Percentage(%)
Accumulate savings	67	29.78
Family commitment	139	61.78
Expansion of business	5	2.22
Settlement of old debts	14	6.22
Total	225	100.00

Table II shows that, exactly 139 (61.78%) respondents are joining in SHGs due to family commitment, 69 (29.78%) respondents joining for Accumulate savings, 14 (6.22%) respondents joining for settlement of old debts and 5 (2.22%) respondents are joining for expansion of business.

B. Mode of Transaction

The mode of transaction followed by SHGs are categorized as cash sales, credit sales and both.

TABLE III MODE OF TRANSACTION OF SHGS

Mode of Transaction	No. of Respondents	Percentage(%)
Cash Sales	88	39.11
Credit Sales	57	25.33
Both	80	35.56
Total	225	100.00

Table III shows SHGs mode of transaction. 88 (39.11%) respondents follows cash sales, 80 (35.56%) follows both cash and credit sales and 57 (25.33%) of respondents follows credit sales of transactions.

C. Types of Government Assistance

The government assistance to SHGs members are classified into financial, marketing, government purchase and other assistance.

TABLE IV TYPES OF GOVERNMENT ASSISTANCE OF SHGS

Types of Government Assistance	No. of Respondents	Percentage (%)
Financial	157	69.78
Marketing	32	14.22
Govt. Purchase	2	0.89
Other Assistance	34	15.11
Total	225	100.00

Table IV clearly depicts that 150 (69.78%) respondents got financial assistance from government, 34 (15.11%) respondents got other assistance, 32 (14.22%) respondents got marketing assistance and 2 (0.89%) of the respondents got government purchase assistance.

D. Location of Market

The SHGs products market locations are classified into within virudhunagar district, other districts, other states and other country.

Table V clearly denotes that 203 (90.22%) of the respondents having location of market for SHGs products

TABLE V LOCATION OF MARKET OF SHGS PRODUCTS

Location of market	No. of Respondents	Percentage(%)
Within Virudhunagar District	203	90.22
Other Districts	22	9.78
Other States	-	-
Other Country	-	-
Total	225	100.00

within Virudhunagar district, 22 (9.78%) of the respondents got location of market in other districts and there is no location of markets for SHGs products in other states and other country.

E. Marketing Problems of SHGs

The SHGs faced many problems in marketing their products. To analyse the major problems faced by the SHGs members in marketing their products got respondents “Yes” or “No” opinion.

TABLE VI MARKETING PROBLEMS OF SHGS

Problems	Yes	No	Rank
Recovery of Bad debts	146	79	X
Advertisement cost	192	33	VI
Shortage of Finance	194	31	V
High Price	198	27	IV
Change of Quality	158	67	IX
Heavy competition	214	11	I
High commission	176	49	VIII
Exhibition cost	189	36	VII
Inadequate Marketing Strategy	212	13	II
Shortage of Raw materials	202	23	III

Table VI clears that the SHGs members face the difficulties in marketing their products due to heavy competition, inadequate marketing strategy, shortage of raw-materials, high price, shortage of finance, advertisement cost, exhibition cost, high commission, change of quality and recovery of bad debts.

Chi-Square Test

To evaluate the marketing problems of Self Help Groups in Virudhunagar District, Chi-Square test has been used. The Chi-Square test (χ^2) has been applied to test the hypotheses, and to find out the association between the Socio-Economic factors of the respondents and marketing problems.

Null Hypothesis Stated: (Ho)

Ho: There is no relationship between Marketing Problems and Socio-economic Background of the SHGs Members.

TABLE VII RESULTS OF CHI-SQUARE TEST ON MARKETING PROBLEMS OF SHGS PRODUCTS

Socio-Economic Variables	Calculated Value	Table Value	Degree of Freedom	Inference
Age	5.98	9.49	4	Ho: accepted
Marital Status	0.48	5.99	2	Ho: accepted
Educational Qualification	9.80	9.49	4	Ho: Rejected
Annual Income	8.22	12.59	6	Ho: accepted
Area	37.56	5.99	2	Ho: Rejected
Family Nature	16.52	5.99	2	Ho: Rejected

With regard to Marketing Problems of SHGs products there are three socio-economic variables which do not influence the respondents. The factors like Age, Marital status and Annual Income do not have association with Marketing Problems of SHGs products.

F. Age And Marketing Problems Of SHGs Products

The sample respondents consist of different age groups. According to their opinion regarding marketing problem of SHGs products there is no significant relation between the age group of the respondents and marketing problems of SHGs products. The calculated value of X^2 value (5.98) is less than the table value. This shows that there is no association.

G. Marital Status And Marketing Problems Of SHGs Products

The calculated value of χ^2 is 0.48 and the table value is 5.99. This shows that there is no significant relation between marital status and marketing problems of SHGs products.

H. Educational Qualification And Marketing Problems Of SHGs Products

There is significant relation between the educational qualification of the respondents and marketing problems of SHGs products. The calculated value of χ^2 value 9.80 is more than the table value 9.49. This shows that there is an association.

I. Annual Income And Marketing Problems Of SHGs Products

The calculated value of χ^2 is 8.22 and the table value is 12.59. This shows that there is no significant relation between annual income and marketing problems of SHGs products.

J. Area And Marketing Problems Of SHGs Products

There is significant relation between annual income and marketing problems of SHGs products. The calculated value of χ^2 is 37.56 which is more than the table value 5.99.

TABLE VIII REASONS FOR SELECTION OF SHGS PRODUCTS MARKETING

S. No	Reasons	Rank							Total
		1	2	3	4	5	6	7	
1.	Previous Experience	47	22	35	26	30	38	27	225
2.	Family Business	25	45	20	23	40	28	44	225
3.	Support from family members	28	33	28	34	33	37	32	225
4.	Government Subsidy	35	22	32	36	20	48	32	225
5.	Demand of Products	45	26	31	42	15	23	43	225
6.	Technical Qualification	32	45	35	39	38	19	17	225
7.	Interested in Earnings	13	32	44	25	49	32	30	225
	Total	225	225	225	225	225	225	225	225

TABLE IX REASONS FOR SELECTING SHGS PRODUCTS MARKETING

S. No	Reasons	Garrets Score	Average Score	Garrets Rank
1.	Previous Experience	11709	52.04	II
2.	Family Business	10923	48.55	VI
3.	Support from family members	11132	49.48	IV
4.	Government Subsidy	11117	49.41	V
5.	Demand of Products	11565	51.4	III
6.	Technical Qualification	12151	54.00	I
7.	Interested in Earnings	10828	48.12	VII

K. Family Nature And Marketing Problems Of SHGs Products

The calculated value of χ^2 is 16.52 and the table value is 5.99. This shows that there is significant relation between family nature and marketing problems of SHGs products

L. Reasons For Selecting Marketing Of SHGs Products

The researcher has identified some reasons for SHGs members selecting SHGs products marketing. They are previous experience, family business, support from family members, government subsidy, demand of products, technical qualification and interested in earnings. To identify the reason which is the most vital one, the researcher has used Garret’s Ranking Test.

Table VIII shows the responses of SHGs members about the reason for selecting SHGs products marketing business in Virudhunagar district.

Table IX furnishes the Garret’s Scores awarded to each reason for selecting SHGs business. The highest score is awarded Technical Qualification followed by Previous Experience and the least score is awarded to Interested in Earnings.

Table IX shows the Garrets score and the Average score. The Average scores are ranked according to their values.

The first rank is given Technical Qualification, Previous Experience got the second rank, Demand of Products placed the third rank, fourth rank is given Support from family members, Government Subsidy got the fifth rank, Family Business got the sixth rank and last rank of seventh rank is given to Interested in Earnings.

M. Factors Influencing Marketing Problems

Women constitute around half of the total world population. Therefore, they are regarded as the better half of the society. They were confined to four walls of the houses performing household activities in the traditional society. But in the modern society they have come out from traditional way of life to participate in all sorts of activities outside the houses. Women have been performing extremely well in different spheres of activity like Academics, Politics, Social Administration and Social work etc. Now they have started plunging into marketing their products successfully. Therefore, a need has been felt by the researcher to study the marketing problems of SHGs in Virudhunagar district. The respondents are asked to list down the factors influencing marketing problems of their products. The discussion, which follows, depicts the factors of marketing problems being faced by the SHGs members. The factors have been listed in below table X.

TABLE X FACTORS INFLUENCING MARKETING PROBLEMS OF SHGS PRODUCTS

Rank	Heavy Competition	Inadequate Marketing strategy	Shortage of Raw materials	Family condition	Shortage of Finance	Total
1	60	32	52	37	44	225
2	49	65	24	47	40	225
3	36	54	51	41	43	225
4	38	55	43	51	38	225
5	42	19	55	49	60	225
Total	225	225	225	225	225	

Calculation of Weighted Arithmetic Mean

Heavy Competition	$= 60 \times 5 + 49 \times 4 + 36 \times 3 + 38 \times 2 + 42 \times 1$ $= 300 + 196 + 108 + 76 + 42$ $= 722 / 225$ $= 3.21$
Inadequate Marketing Strategy	$= 32 \times 5 + 65 \times 4 + 54 \times 3 + 55 \times 2 + 19 \times 1$ $= 160 + 260 + 162 + 110 + 19$ $= 711 / 225$ $= 3.16$
Shortage of Raw-materials	$= 52 \times 5 + 24 \times 4 + 51 \times 3 + 43 \times 2 + 55 \times 1$ $= 260 + 96 + 153 + 86 + 55$ $= 650 / 225$ $= 2.89$
Family condition	$= 37 \times 5 + 47 \times 4 + 41 \times 3 + 51 \times 2 + 49 \times 1$ $= 185 + 188 + 123 + 102 + 49$ $= 647 / 225$ $= 2.88$
Shortage of Finance	$= 44 \times 5 + 40 \times 4 + 43 \times 3 + 38 \times 2 + 60 \times 1$ $= 220 + 160 + 129 + 76 + 60$ $= 645 / 225$ $= 2.87$

The weighted arithmetic mean has been used to interpret the marketing problems of SHGs members in virudhunagar district. The SHGs members have so many problems out of which the researcher taken into account the major marketing problems like heavy competition, inadequate marketing strategy, shortage of raw-materials, family condition and shortage of finance. The result of ranking is given in table X.

Table X depicts that heavy competition which ranks first with the score of 3.21, inadequate marketing strategy which ranks second with the score of 3.16, shortage of raw-materials placed the third rank with the score of 3.16, family condition got the fourth rank with the score of 2.89 and the last rank of fifth rank is given to shortage of finance with the score of 2.87. It is noted that among the five major marketing problems of SHGs members in virudhunagar district heavy competition is the first major problem because competition plays a vital role in competitive world. To overcome this marketing problem the SHGs members first know about the needs and wants of the customer before producing the products.

A second major marketing problem is inadequate marketing strategy. Strategy is not something that can be taken out of one's pocket and pushed into the market all of a sudden. The requirement are excellent insight to understand changing consumer needs, clear planning to focus our efforts on meeting those needs, and flexibility, because change is the constant.

VI. FINDINGS OF THE STUDY

The findings of the study is summarized below.

1. It is vivid that most of the SHGs members lie under the age group of 31 years to 40 years, married, HSC qualification, earns Rs. 50,000 – Rs. 1,00,000, living in urban area and with joint family;
2. It is inferred that 61.78 % of the SHGs member joining in SHGs due to family commitment;
3. It is lucid that, the most of the respondents (39.11%) marketing their products through cash sales transaction;
4. It is inferred that (69.78%) of SHGs members got financial assistance from government;
5. It denotes that 90.22% of respondents having location of market within Virudhunagar District only;
6. It is enlighten the fact that the majority of the respondents face the difficulties in marketing their products due to heavy competition;
7. It is inferred that socio-economic variables like Age, Marital status and Annual income do not have association with marketing problems of SHGs products;
8. It is vivid that Educational qualification, Area and Family nature have association with marketing problems of SHGs products;
9. Garret's Ranking clearly depicts that most of the respondents selected SHGs business by the reason of Technical qualification;
10. It is depicts that Heavy competition is the main factor influencing the marketing problem of SHGs products.

VII. SUGGESTIONS

The following suggestions are given to improve the marketing of SHGs products in Virudhunagar District.

1. Technology and innovation will serve as the vital in markeing. SHGs members should be adopt new technology to survive in marketing;
2. SHGs members are facing a number of problems, they should not always look for help from government or others. They should work with confidence and courage and also competitive mind. This will help them to succeed in marketing;

3. Special bank should be formed by government to finance only to the women SHGs members;
4. Special subsidy should be extended to the women SHGs members other than normal rate of subsidy to others;
5. Training is found to be best method to encourage SHGs members and develop the personality traits leads to face the problems daringly. So the government take an steps to start effective training centre in Virudhunagar district;
6. The minds of consumers changed because of new marketing strategies adopted by competitors. It will result changes in demographic system of consumers, the awareness of quality conscious consumption, consumer prefer to buy different products from competitors. So the SHGs members take adequate efforts to adopt new marketing strategy.

VIII.CONCLUSION

This study has given clear picture about the problems and prospects of marketing SHGs products in Virudhunagar district. Now a days women instead of employment seekers, employment providers and provide large number of employment opportunity. Eventhough they workhard their marketing are in feeble condition. So the government must take necessary measure to improve their conditions. Through proper training and contribute for their personal development and for the progress of the district, state and nation.

Women SHGs members should have their own opinions and self assured. They should be able to withstand all risks for becoming efficient marketers. They should be more receptive to new ideas and open to change and more confident of the future.

Without disturbing her pivotal role in the family, they should organize their working time with the help of modern technology in such a way as to avoid conflict between official duties and familial responsibilities. It is convenient for a woman to control a marketing business.

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