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Marketing functions of the self-help groups in South Gujarat

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Abstract

With the development of the nation women are getting empowered by taking up certain business activities. Joining self help groups are one of the way women are getting involved in different business activities for better living. The products made by the SHGs are sold in an unorganized way therefore there is a need to find effective marketing techniques for them. The present paper explores the product profile with marketing functions and marketing practices followed by SHGs in South Gujarat. In the present paper, 120 Self-Help Groups (SHG's) were interviewed from four districts of South Gujarat through structured schedule by conducting personal interview. It was found from the study that majority of the SHGs in South Gujarat were involved in the business of homemade snacks, papad making and processed mango product. Most of the SHGs were in basic marketing functions such as packaging, processing, retailing and storage. However for better marketing SHGs should involve in functions such as branding, market information and insurance.

Keywords: Products, SHGs, South Gujarat, marketing practices

1. Introduction

SHGs are small voluntary associations of women created for enabling members to reap the benefits out of mutual help, solidarity and joint responsibility. Benefits include mobilization of savings, access to formal credit facilities, capacity building and marketing. Self-help is one of the most fascinating aspects of development. Self-help is a fundamental tenet of recent expounded strategies of basic needs and self-reliance (Sugana, 2006 and Makandar and Mulla, 2013) [11, 5].

Marketing is a social and managerial process by which individuals and groups to obtain what they need and want through creating and exchanging products and value with others (Kotler 2009) [8]. The present day marketing scenario is very dynamic. SHGs do not have any specific marketing strategy. They only engage in direct selling and they sell their products mostly locally. SHGs are engaged mostly in small scale production and marketing of their products. The packing of finished products of SHGs are not much attractive and they don't engage in advertisements. Mainly SHGs sell their products to known customers. Very few SHGs sell products through shops and supermarkets. NGOs, MFIs, BANKs, NABARD and Government authorities motivate the SHGs in certain areas to put stalls in the local markets, exhibitions and other direct selling ways.

The present research has been carried out to specially focus on the business performance of the women members of the SHGs associated with agribusiness activities and the marketing strategies they adopt. South Gujarat being the hub of horticultural crops gives immense opportunity to the SHGs members to take up the processing and value addition of various processed food products as one of the prominent business activity. Most of the SHGs work in a traditional manner by making the products locally and selling to the nearest markets by direct selling in a limited way. The study aims to find out how the marketing practices are applied by the SHGs. So it will indicate whether or not the existing practices are to be altered. The paper aimed to study the product profile and marketing functions of the self-help groups. The marketing practices followed by the self-help groups were also studied

2. Materials and Method

The present study was conducted in South Gujarat region. Out of total 7 districts in South Gujarat study covered four districts (Navsari, Valsad, Surat and Tapi) of South Gujarat. Descriptive cross sectional research design was used for the study. 30 SHGs each from 4 districts were selected thus 120 SHGs in total were selected on the mentioned criteria.

Respondents were chosen in such a way that it covered the group leader and two ordinary members from each of the 120 sample SHGs. The primary data were collected from the active SHGs with more than three years of existence from group leaders and their members using separate structured interview schedules.

3. Result & Discussion

Figure 1 shows the broad categories of products made by the self-help groups in south Gujarat. It was found from the study that majority of the SHGs were engaged in the activity of preparing various food products such as potato and banana chips, rice flour snacks, chickpea flour snacks, nagli products, processed honey, processed cashew and so on. SHGs also made the handicrafts products such as bamboo artifacts, coconut coir idols, resin art etc. Very few SHGs were engaged in the making of the products such as vermicompost, nursery plants, mushroom farming, etc.

Table 1 shows the distribution of district wise SHGs based on the specific business activity. From the study it was observed that among all the four districts 59.10 percent of SHGs made snacks such a potato chips, banana chips, rice based snack, chickpea based snacks, etc. The main reason for the SHGs being involved in them was the requirement of less capital as well less space for making of the products. 40 percent of the SHG were involved in the making of papad and papdi made from rice flour which was commonly made by the rural SHGs as they are skilled in this activity. South Gujarat being the hub of mango production, the third most important product profile with 30.80 percent was found to be the processed mango products such as pickles, murraba, pulp, RTS drinks etc which is seasonal activity but the training received from the KVKs helped SHG to store and sell mango products throughout the year. It is indicated that majority of the SHGs undertook business activities which involved food.

Table 2 shows various marketing functions performed by the SHGs. It was found that majority (95 percent) of the SHGs were engaged in packaging of their products, 73 percent of the SHGs were engaged in processing of various fruits and vegetables such as potato chips, mango pulp, pickle, rice flour snacks, etc. It was followed by 62 percent of the SHGs who were retailing their products through door to door selling or their own retail outlets, 40 percent of the groups had the storage facilities for the products such as honey, spice powder, mango pulp, etc, 37 percent of the SHGs transported the products by themselves with their owned or hired vehicles, 31 percent of the groups were engaged in sorting and grading of the fruits and vegetables by themselves, 30 percent of groups traded their products with other SHGs. Only 26 percent of the SHGs labeled their products with all details and only 25 percent of the SHGs utilized market information to market their products. 20 percent of SHGs also engaged in branding of their products such as Sahyadri honey, Quinns food, Keshbindu hairoil, etc. and only 6 percent of the SHGs

also took insurance of the business.

The importance of marketing for a business is that it makes the customers aware of products or services, engages them, and helps them make the buying decision. Table 4.12 shows the marketing practices undertaken by the SHGs for their business enterprise.

It was found that 59 percent of the SHGs sold their own products by themselves by direct selling, followed by 28 percent of SHGs which sold their own products as well as products of other manufacturers to increase their variety of products. Only 13 percent of the SHGs sold their products as well as helped other self-help groups by selling their products too. It shows that SHGs also collaborate with each other for marketing.

From the study it was found that majority (93 percent) of the SHGs had sole proprietership type of business and 7 percent of the SHGs had partnership in the business. It was seen that there were cluster of groups under one leader.

It was found that 48 percent of the SHGs procured their raw materials from the local dealers in their area followed by 32 percent of the SHGs who were mainly into making the processed mango products such as pulp, pickles, juices procured fruits from the local farmers directly, 14 percent of the SHGs procured raw materials from the market agents or the middlemen, 3 percent of SHGs purchased raw materials from the other SHGs also and lastly 3 percent of the SHGs procured raw materials from others sources such as KVKs, government agencies, etc.

Selling of the products in particular areas affects the sales. It is seen that that the demand and income level of the urban customers are comparatively higher than the rural customers. It was seen that majority (54 percent) of the SHGs had both type of customers i.e. urban and rural. 26 percent of the SHGs had only rural customers and they majorly sold their products in the nearby localities. 20 percent of the SHGs had urban customers who resided in the cities and towns.

Demand of the product varies from time to time. It was seen that all of the SHGs analyze the market demand for marketing of their products. From the study it was found that 65 percent of the SHGs had seasonal demand products such as processed mango products, nagli products, etc. followed by 28 percent of the SHGs who had regular demand throughout year. 7 percent of the SHGs made products which had occasional demand like handicrafts, idols, etc.

It was found from the study that majority (63 percent) of the SHGs had low level of technology and most of the work was done by them manually. It was followed by 26 percent of the SHGs who adopted moderate level of technology which largely included the packaging of the products by machine. Only 11 percent of the SHGs were into high level of technology and they were the larger enterprises producing high value products such as honey, processed cashew, large scale production of mango pulp etc.

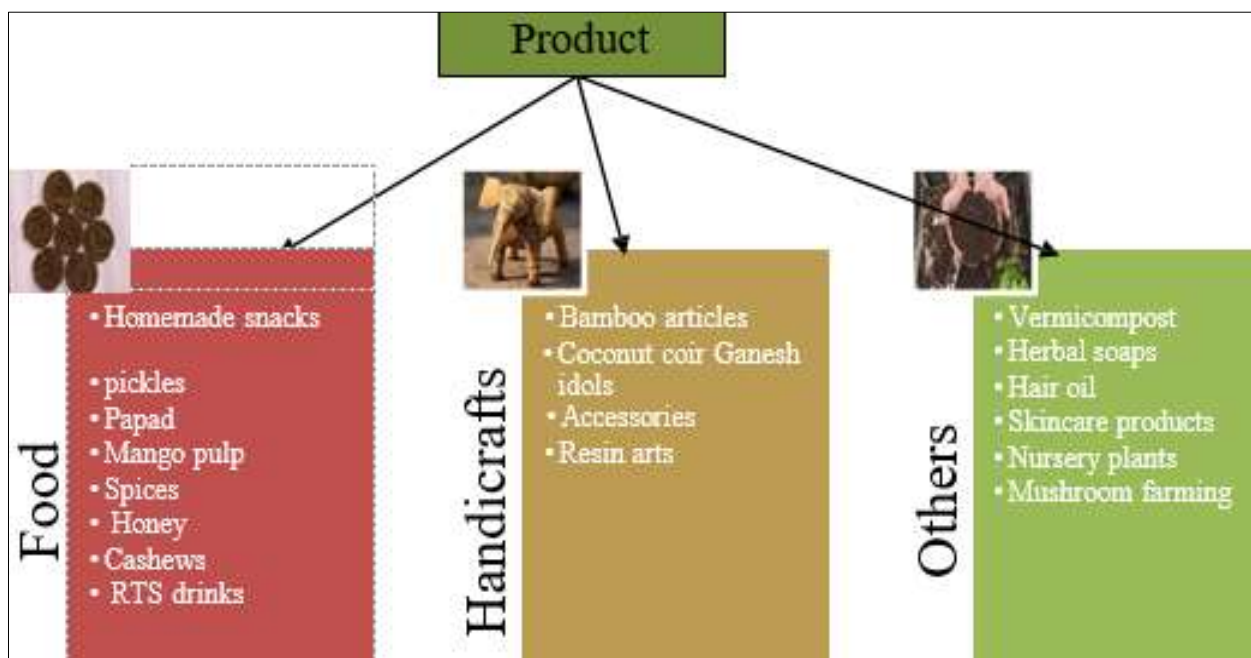


Fig 1: Product Profile of Self-help groups in South Gujarat

Table 1: District wise distribution of SHGs based on their product profile

Multiple response (n=120)

Product	Navsari	Valsad	Surat	Tapi	Total
Homemade snacks	24	18	15	14	71 (59.10)
Papad /papdi	18	14	8	8	48(40.00)
Processed chashew	1	2	0	0	3(2.50)
Honey	1	0	0	0	1(0.80)
Spice powder	6	2	3	2	13(10.00)
Processed mango products	8	12	8	9	37(30.80)
Bamboo articles	0	5	0	0	5(0.40)
Nagli products	2	15	3	5	25(20.80)
Resin arts	1	0	6	0	7(0.50)
Herbal products	0	0	4	2	6(0.50)
Hairoil	7	2	3	3	15(12.50)
Vermicompost	6	3	5	4	18(15.00)
Coconut coir idols	0	0	0	2	2(1.60)
Others	0	3	3	4	10(8.30)
Total	30	30	30	30	120

Table 2: Marketing functions performed by SHGs

Multiple response (n=120)

Particulars	Number of respondents	Percentage
Packaging	115	95
Processing	88	73
Retailing	75	62
Storage	48	40
Transportation	45	37
Sorting/grading	38	31
Trading	36	30
Labelling	32	26
Market information	30	25
Branding	25	20
Insurance	8	6

Table 3: Marketing practices followed by the SHGs

		(n=120)	
	Particulars	Number of respondents	Percentage
Scope of marketing activities	Selling own SHG products only	71	59
	Selling products of other SHGs as well	15	13
	Selling SHG products and other products as well	34	28
Type of enterprise	Sole proprietorship	112	93
	Partnership	8	7
	Others	0	0
Source of raw materials	NGOs	0	0
	Dealers	57	48
	Agents	17	14
	Local farmers	38	32
	Other SHGs	5	3
	Others	3	3
Type of customers	Urban	24	20
	Rural	31	26
	Both	65	54
Nature of demand for products	Seasonal	78	65
	Regular	34	28
	Occasional	8	7
Market demand analysis	Yes	120	100
	No	0	0
Level of technology adopted	Low	76	63
	Moderate	31	26
	High	13	11

4. Conclusion

In this era of globalized market to sustain in the market the self-help groups have to implement and strengthen the marketing practices for their lion-share in the market. In the present study, it has been found that Majority of the SHGs were engaged in the activity of food processing such as potato and banana chips, rice flour snacks, chickpea flour snacks, nagli products, processed honey, processed cashew and so on. Most of the SHGs were engaged in basic market functions such as packaging, processing, retailing, storage etc. Very few SHGs had their own outlets and were engaged in labeling as well as branding of their products. SHGs used very low level of technology. Only few of the selected SHGs were involved in high level of technology such as use of plant and machineries for making mango pulp, packaging etc. Therefore it is very important for the self-help groups to use marketing function beyond packaging and should engage in branding, market information, digital marketing and promotion through cluster of SHGs and FPOs.

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