

Marketing Problems Faced by Self Help Groups (SHG) in Tamil Nadu

R. Parthiban¹, Dr. P. Baba Gnanakumar²

¹Research Scholar, Sri Krishna Arts and Science College, Coimbatore, India

²Principal, Sri Krishna Arts and Science College, Coimbatore, India

Abstract: *This paper is concentrated on the Complications encountered by Self Help Groups during market their products. Women constitute nearly half of the rural population in India and play a vibrant role in Rural Economy. It is necessary for programmes specially targeted for a woman has been highlighted. As a result of the poverty assuagement scheme, such Integrated Rural Development Programme, Training of Rural Youth for Self-employment and Development of Women and Children in Rural Areas has been initiated. Self Help Groups are voluntary associations for the poor who come together to recover their socioeconomic conditions, in this reason they start the various business transactions. This voluntary associations started in all states in our country, especially this associations contributing considerable part of economy in Tamilnadu State, Self Help Groups are facing many problems while running their business like, to find the marketing prospective, Lack of raw materials, machines and equipment, getting the financial assistance from bank, repayment of the loan, poor product packaging, continuity, lack of consciousness, labour and Marketing their products etc., This research analyze the marketing problems faced by the self help groups in Tamil Nadu.*

Keywords: Importance of SHG, Effectiveness of SHG, Women Empowerment, Progress of SHG, and Problems of SHG in Tamil Nadu

1. Introduction

In our nation, usually the people under the poverty line, during the time of their emergency rush to the door of the Landlords and Money Lenders to accomplish their credit requirements and this comes usually at a very high interest, people are facing number of problems while repayment of their loans, because of these lenders actions and quandaries many people were suicide. In order to avoid these circumstances, meet the emergency need the Self Help Groups (SHG) evolved. Members of the SHGs started savings as the prime work and this savings of the members opened the way for different income generating activities. Government wants to help these groups during initial period of the business to overcome the teething problems and provides support and training ultimately to function independently as a successful business venture. During their business Self Help Groups are facing many problems like, to find the marketing potential, Lack of materials, poor product packaging, machines and equipments, getting the loan from bank, repayment of the loan, endurance, lack of consciousness and Marketing their products etc.,

2. Self Help Group an Overview

Self-help group (SHG) is a village-based financial intermediary committee usually composed of 10–20 local women or men. A mixed group is generally not preferred. Most self-help groups are located in India, though SHGs can be found in other countries, especially in South Asia and Southeast Asia.

Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are 'linked' to banks for the delivery of micro-credit.

Self help group is a voluntary association of the economically backward women from a similar socio-economic background of both rural as well as urban centers. They come together for the purpose of solving their common economic and social problems through self-help and mutual help. For the empowerment of poor women and to introduce equality among the genders and also to inculcate self-confidence the Women Self-help Groups are introduced. The self-help group promotes the concept of small savings among its members. Their savings are deposited in the bank in the name of the Self Help Group as a common fund.

The fund thus collected will be utilized for paying loans to the members of the group who are in the dire need of it. Generally its members should not exceed 20. The group will be having a common aim and specific ways and means for promoting their empowerment. Evidently, thus that the women self-help group is an association which functions exclusively for the uplift of women economically and socially. In Tamilnadu currently there are 177 Ngo's and SHG's are in operation.

The implementation of SHG has generated Self employment opportunities for the rural poor. The progress of the program since inception assisted in formation of 35.7 lakh SHGs; assisted 1.24 Cr. Swarozgaris in establishing their own micro enterprises. The Government of India released Rs.11,486 Crore under the program; bank credit mobilization is Rs.19, 017; Total subsidy provided is Rs.9,318 Cr. The program helped many participants in improving their economic conditions. Another good accomplishment of the program is that it has adopted the SHG strategy. The number of assisted SHG/ group Swarozgaris has increased from 35,000 in 1999 –00 to 1.15 million in 2007 –08. At the same time the number of assisted individual Swarozgar has declined from 586 thousand in 1999 –00 to 254 thousand in 2007 –08. The National Bank for Agriculture & Rural Development (Nabard) will create a Rs.15 billion fund to cater to women's Self –Help Groups in

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economically weaker districts in the country, After joining the self help group the women are economically and socially empowered. This empowerment cannot be transformed or delivered it must be self generated such that it enables those who are empowered to take control over their lives.

3. Objectives of the SHGs

The following are the objectives of the SHGs.

- 1) The SHGs comprises of poor womenfolk, as members who do not have any access to formal financial institutions in promoting their empowerment and economic status.
- 2) The entire group of members acts as a forum for the sake of all the other members of the group to provide space and support to each other in all possible ways in achieving their economic as well as social status.
- 3) It also provides opportunities for the inculcation of the spirit of co-operative joint endeavor in achieving its goal and to carry out its functions in a group environment.
- 4) Providing measures for the adoption of money saving mechanisms which suit the needs of all the members of the group for elevating their economic status.
- 5) It also provides a cost effective delivery mechanism for small credit to members.
- 6) Generally it aims at the contribution to the empowerment of women by self dependency and co-operative activities

Agencies helping the formation of SHGs:

An organization could thrive efficiently by its own personal activities and methods of approach. In addition to that, there are ample scopes for obtaining help and assistance from outside sources also. For instance Non-Governmental Organizations (NGOs), Social Workers, Village Level Welfare Workers, informal associations of local people, development oriented Government Departments, Scheduled Banks, Bank personnel and such other individuals in their personal capacities extend their support to the promotion of the self- help groups.

Farmer's Forums, National Banks for Agriculture and Rural Development (NABARD) and Small industries Bank of India (SIDBI), the Rural Access to Services through Internal Activities (RASI), The Goodwill Social Work Centre (GSWC) and Foundation of Occupational Development (FOOD) are some of the few development institutions which are the helping agencies in the formation of SHGs.

Membership

It is desirable to note that the success of the SHGs depend mostly on the number of members and their coordinated joint efforts. Generally only those poor people who had no access to the formal banking system become the real members of a properly organized SHGs. Separate groups are functioning exclusively for women and also for men. It can also be groups of people who had physical disabilities, economic backwardness and widows who were left uncared. The members should be aware of the other identical institutions, linkage Bank programmes, organizational functions and also the facilities made available to the SHGs, etc. All the members should have hailed from the identical or similar socio-economic background. Homogeneity should be available within the members. There should not be any

discrimination among members on the basis of caste, colour, creed, religion or political contacts. All of them will be treated equally on par with others. The group should have limited number of members which will be congenial to the successful functioning.

Objectives of the study

Following are the objectives of the study:

- To study the formation and functions of Women Self Help Groups in Tamil Nadu
- To Study the performance and growth of SHG in Tamil Nadu
- To find out the marketing problems faced by SHG in Tamil Nadu

4. Research Methodology

Research Design

This study is Descriptive based on survey method. The data have been collected from both primary and secondary sources. The secondary data were collected from the reports maintained by the SHG's published reports, magazines, dailies, Journals and government website. Primary data were collected from interview schedule.

Sample Size

The personal interviews were conducted in Tamil Nadu, which got from successfully running groups in Self Help Groups of Tamil Nadu. The sample size is Five Hundred respondents were selected for the study.

Limitations of the study

The Study has been done with respondents confined within Tamil Nadu. Some questions, which were open ended, could not be avoided and may have received limited Responses. Some of the respondents would not have revealed true information due to certain reasons like lack of freedom of expression. The findings have been made based on the information provided by the respondents.

Marketing Problems of SHG's in Tamil Nadu

- Limited financial strength and limited borrowing ability
- Marketing of production positions a major challenge for the SHG
- Lack of Professionalism, because the members are less qualified and illiterates
- Consumer reject to buy the products of SHG because MNC's products are available in the market.
- Lack of machines and equipment to meet the market capacity, compete MNC's and other company's products.
- Difficulties in Physical Distribution and deficiency of promotional activities
- Lack of awareness and marketing skills of SHG's members.

5. Analysis and Interpretation

Table 1: Age of the Respondent

Age	Number of Respondents	Percentage
Up to 30 years	120	24.00
31-40 years	120	24.00
41-50 years	152	30.00
Above 50 years	108	22.00
Total	500	100.00

From the reading of above table, it is clear that, out of 500 respondents 152 respondents belong under the age group of 41 – 50 years, 120 respondents were coming under the age group of 31 – 40 years and age group up to 30 years respectively and balance 108 respondents are above 50 years.

Table 2: Educational Qualification of Respondent

Educational Qualification	Number of Respondents	Percentage
Illiterate	80	16.00
School level	292	58.00
Diploma/Graduation	128	26.00
Post Graduation	--	--
Total	500	100.00

The finding shows that 58 percent of respondents educational background are school level, 28 percent of respondents are Diploma Holders / Graduates, 16 percent of the respondents are Illiterate and none of them are Post Graduates.

Table 3: Place of Residence of Respondent

Place of Residence	Number of Respondents	Percentage
Urban	106	21.00
Semi-Urban	102	20.00
Rural	292	59.00
Total	500	100.00

It is depicted that, 59 percent of respondents are living in rural area, 21 percent of respondents are urban and balance 20 percent respondents from semi urban.

Table 4: Family Income of Respondent

Family Income	Number of Respondents	Percentage
Up to Rs.5 000 per month	67	13.00
Rs. 5001 to Rs. 10000	343	69.00
Rs. 10001 to Rs. 20000	56	11.00
Above Rs. 20000	34	7.00
Total	500	100.00

Above table explains that Family Income of the respondents, 69 percent of them are earns monthly income of Rs. 5001 to Rs. 10 000, 13 percent of respondents earns up to Rs. 5000, 11 percent are earns Rs. 10001 to Rs. 20000 and balance 7 percent are earns more than Rs. 20 000.

Table 5: Business Type of Respondent

Type Product/Services	Number of Respondents	Percentage
Catering Services	256	51.00
Crafts Work	107	22.00
Tailoring	76	15.00
Others	61	12.00
Total	500	100.00

Above table Portrayed that 51 percent of total respondents are doing catering services, 22 percent are doing crafts work, 15 percent of the respondents are Tailors and balance 12 percent of the respondents are doing some other business.

Table 6

Ho : Family Income of Respondents is not associated with Level of Problem

Family Income	Level of Problem			Total no. of Respondents
	Low	Moderate	High	
Up to Rs.5 000 per month	9	27	0	36
Rs. 5001 to Rs. 10000	21	180	58	259
Rs. 10001 to Rs. 20000	18	136	20	174
Above Rs. 20000	0	27	4	31
Total	48	370	82	500

Degree of freedom: 6

X^2 value 28.773

Table value at five percent level 12.592

At one percent level 16.812

From reading of the above table it is clear that, the percentage of respondents with high level of problem is found high among respondents, who are earning income between Rs. 5001 to Rs. 10000. The percentage of respondents with low level of problem is found also high among respondents, who are in the income group of Less than Rs. 5000 years. The calculated Chi-square value is greater than the table value at five percent level; there exist significant association between family income and level of problem. Hence, the null hypothesis is rejected.

Table 7

Ho : Age of the Respondents is not associated with Level of Problem

Age of Respondents	Level of Problem			Total no. of Respondents
	Low	Moderate	High	
Up to 30 years	11	40	29	80
31-40 years	18	80	31	129
41-50 years	22	108	40	170
Above 50 years	13	90	18	121
Total	64	318	118	500

Degree of freedom: 6

X^2 value 14.518

Table value at five percent level 12.592

At one percent level 16.812

From reading of the above table it is clear that, the percentage of respondents with high level of problem is found high among respondents, who are below the age of 30 years. The percentage of respondents with low level of problem is found also high among respondents, who are the age group of 31-40 years. Comparing the percentage it is concluded that respondents, who are below the age of 30 years are with high level of problem. As the calculated Chi-square value is greater than the table value at five percent level, there exist significant association between age and level of problem. Hence, the null hypothesis is rejected.

Table 8

Ho : Type of Business of Respondents is associated with Level of Problem

Nature of Business	Level of Problem			Total no. of Respondents
	Low	Moderate	High	
Catering Services	20	156	40	216
Crafts Work	10	80	23	113
Tailoring	13	60	12	85
Others	12	53	21	86
Total	55	349	96	500

Degree of freedom: 6

X^2 value 5.393

Table value at five percent level 12.592
At one percent level 16.812

The percentage of respondents with high level of problem is found high among respondents, who are doing other than catering, crafts and tailoring. The percentage of respondents with low level of problem is found high among respondents, who are doing the tailoring. The calculated chi-square value is less than the table value at 5 % level, there does not exist any significant association between type of business and level of problem. Therefore, business consists of other business like livestock, Petty Shop, Grocery shop, Coconut, Medical Shop, Hiring Samiyana (Tent), Maavu (Flour) selling, vegetable selling etc.

6. Findings

- It is witnessed that, totally 500 respondents 152 were under the age of 41 years to 50 years, 120 respondents are in the age group of 31 to 40 years and below 30 years respectively and balance 108 respondents are in the age group of above 50 years.
- Out of total respondents 59 percent are coming from rural area, 21 percent are from urban and balance 20 percent are living in semi urban.
- It is observed that majority of the respondents' educational qualification is school level, 26 percent of them are Diploma / Degree holders and balance 16 percent of them are Illiterate.
- Out of 500 respondents 69 percent of respondents were earning from Rs.5001 to Rs.10 000 and 13 percent of them are earns less than Rs. 5000 per month.
- It is interpreted that out of 500 respondents, 256 are doing the catering services, 107 are doing crafts, 76 respondents are tailors and balance 61 respondents are doing other types of business.
- The Chi-square test reveals that the percentage of respondents with high level of problem is found high among respondents, who are below the age of 30 years. The percentage of respondents with low level of problem is found high among respondents who are under the age group of 31 to 40 years.
- The percentage of respondents with high level of problem is found high among the respondents, who are having income between Rs. 5001 to Rs.10000. The percentage of respondents with low level of problem found high among respondents, who are having income up to Rs.5000.
- The percentage of respondents with high level of problem is found high among respondents, who are doing the business in other class. The percentage of respondents with low level of problem is found high among respondents, who are doing tailoring as a business.

7. Suggestions and Conclusion

From the above study we can suggest that who are below the age of thirty years are facing high level of marketing problem. As the Chi-square test respondents that family income is not associated with level of problem and the type

of business is associated with the level of problem and age is not associated with the level of problem.

Based on the above, we can determine that all SHGs must select right product, proper training, proper management, government assistance for facing the marketing and finance problems. It moderately necessary to train them effectively for attain awareness about the market and marketing their products.

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