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# A research on overcoming the Entrepreneurial Gap for Rural women in India

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## **Abstract**

Entrepreneurship is critical to any nation's economic growth. Societies that have both a high concentration of entrepreneurs and the economic and legal framework necessary to support and inspire entrepreneurial endeavors tend to be the most prosperous. More than 66% of India's population lives in rural areas, therefore encouraging entrepreneurship there is crucial to the country's rise to economic superpower status. Self-Help-Group (SHG) women business owners are the subject of this research. In this investigation, researchers used a variety of approaches. Primary we gathered quantitative and qualitative information from 58 people in 20 SHGs spread out over 5 districts in Telangana, India. Literature analysis found that selling their wares was the greatest problem for rural women business owners. They should put a premium on product branding and packaging as part of their marketing strategy. This study was motivated by a need to fill a knowledge gap in the marketing of SHG goods. The research showed that SHG's product is in demand all throughout India at all times of the year. Unfortunately, they aren't keeping tabs on product demand and are stuck on antiquated marketing strategies like the SARAS exhibition, weekly haats, and orders through agents. They've never had any experience with internet marketing. The product's marketing severely lacks. Entrepreneurs in rural areas are just as ambitious and curious as their urban counterparts. A gap in the promotion of products created by rural entrepreneurs might be closed with the help of digital marketing. Until rural India is digitalized, the Indian government's ambition of Digital India would remain unfulfilled.

**Key words:** Marketing, Rural women entrepreneurs, SHG, Rural womenEmpowerment.

## **Introduction**

There have been several changes to India's economy during the last few years. Microfinance has been a significant driving force in this direction since its original concept was to help those from lower socioeconomic backgrounds start their own small businesses from the comfort of their own homes in the hopes of raising their own living standards. Microfinance is one of the finest ways to help a large number of people, especially when unfavorable weather has a direct impact on agricultural production. SHGs are village-based financial intermediary committees made up of

anywhere from 10-20 local women and men, often between the ages of 18 and 40. Even though SHGs are most prevalent in India, you can come across one anywhere else, especially in South or Southeast Asia. Consistent, little savings contributions are made by members over the period of a few months until there is enough money in the group to begin lending. The money from the returned loans may be used to whatever good purpose the borrower or the group decides upon. In India, SHGs are able to get micro-loans from banks since they are "linked" to these institutions. In 1992, NABARD was the biggest microfinance programme in the world. Women from comparable rural and urban socioeconomic backgrounds may form a self-help group via voluntary association. In order to increase the group's ability to generate revenue, the SHGs go through three distinct phases: group creation, financing or capital formation, and skill development. They organize in order to self-help and mutually assist one another with their shared economic and social issues. Women's self-help groups are formed to provide low-income women more agency, promote gender parity, and instill confidence. The participants of the self-help group are encouraged to start and maintain modest savings accounts. The members of the Self Help Group pool their resources into a single bank account. The money raised will be used to reimburse loans given to group members who are in straitened financial circumstances. In most cases, there shouldn't be more than 20 people in there. The members of the group will work toward a shared goal using agreed-upon strategies. The women's self-help group is, thus, an organization whose only purpose is the economic and social empowerment of its female members.

The SHG proves to be the voice of the underserved, advances social integrity and gender equality through women's empowerment, encourages pressure groups to mount on the government on critical issues, boosts the effectiveness of government programs, improves access to healthcare and employment opportunities for the unemployed, and raises awareness of the importance of banking in the rural community.

### **Constructing the SARAS Exhibition**

The SARAS Mela is a great chance for farmers and other producers in rural areas to connect with urban consumers, learn more about their interests and preferences, and ultimately make more money.

### **Review of literature**

The state government's provision of financial, marketing, and training help encouraged women to guarantee entrepreneurial cover. Some of the challenges that women business owners encounter include a patriarchal culture, a lack of an entrepreneurial spirit, difficulties with marketing and financing, difficulties obtaining credit, tensions within families, a lack of self-assurance, and a fear of failure. A research indicated that the number of groups' members, the kind of commercial activities they engage in, the locations of the groups, and the methods of advertising they use had

no impact on sales. The study also found that SHGs' pricing policies are the sole factor affecting their sales, while the sort of activity they engage in and the marketing strategies they use are the only factors affecting the profitability of their respective businesses.

The SHGs don't even bother with marketing their wares. Selling to complete strangers is not something they like doing. They exclusively market to individuals they already know, such family and friends, or in their SHG. The local stores aren't targeted for product promotion. Local shandys don't even have booths. Some women in SHGs also engage in door-to-door sales. This reduces their selling potential and ultimately leads to lower profitability (Gandhi & Udayakumari, 2013).

Another research found that in order to succeed, self-help organizations need to focus on four key areas: choosing the appropriate goods, hiring the right people for management, providing enough training for efficient manufacturing, and enlisting government support to overcome marketing challenges. It is crucial to educate them about the marketing potential region via proper training. In a 2013 study (Krishnaveni & Haridas),

#### **SME marketing challenges**

Prof .V.Lalitha (2021) said that the self-help organization was having trouble selling its wares to the public. According to Krishnaveni & Dr. R. Haridas (2013), SHGs have a number of challenges, including a failure to recognize their market's potential, inadequate product packaging, a dearth of necessary materials, machinery, and equipment, difficulties obtaining loans from financial institutions, difficulties making their loan payments, and a failure to maintain a consistent presence in the marketplace. Since this is their first venture, K.Gandhi & N. Udayakumari (2013) admit that they have some learning to do in terms of marketing. If they get proper marketing education, they will flourish, propelling our economy to the forefront of globalization. According to Muneer Sulthana (2012), without market development plans, self-help organizations have a hard time presenting their goods in the market in relation to those of their competitors. For Your Own Good Since poor marketing is a concern for SHG, groups from all around the nation may benefit from selling their goods online. Internet, viral, search engine, and e-mail marketing are just some of the cutting-edge methods that may provide businesses an edge in today's market. Instead of using a broad advertising strategy that may not reach its intended audience, a web-based marketing campaign enables the organization to create a customer information system that is linked to its customer profiles, thereby enabling the organization to target potential sales (Nicolas, 2006).

A further research conducted in the Virudhunagar Districts found that SHGs members had a hard time promoting their goods owing to high levels of competition and a lack of an effective marketing plan. The study also examined the relationships between marketing issues and demographic variables such age, marital status, level of education, yearly income, geographical

location, and family composition. Roughly half of the planet's inhabitants are female. They are the more upstanding members of society because of this. In the past, women's roles were strictly limited to those performed inside the confines of the home. However, in today's culture, they have abandoned their former sedentary lifestyle in favor of a wide variety of extracurricular activities. In fields as diverse as academia, politics, social administration, and social work, women have been achieving remarkable success. They have just been aggressively promoting their items. As a result, the researcher has decided to look at the difficulties that SHGs in the area of Virudhunagar have had with marketing. Participants are prompted to enumerate the causes of their goods' marketing difficulties. The reasons of marketing difficulties encountered by SHGs members are depicted in the discussion that follows.

### **Research methodology:**

Primary data was acquired from 20 different women-led SHGs in rural areas of India. Information gathered quantitatively and qualitatively during the SARAS show in Mumbai. The SARAS program is an important effort of the Indian government's Ministry of Rural Development. The primary goal of this program is to provide rural women's SHGs a voice and a way to sell their wares to city dwellers. Due to the presence of male SHGs at the SARAS exhibition and the study's narrow emphasis on rural Women SHGs, a stratified random sampling approach was utilized to gather data. A well-structured questionnaire was used to conduct in-depth interviews with 64 customers who had tested and bought different SHGs goods during the expo. The study's goals and significance were determined using SPSS software and the descriptive statistic approach and the hypothesis was evaluated using the chi-square test. The respondents' willingness to point out flaws in the SHG goods' branding and marketing was evaluated using a Likert scale.

### **Hypothesis**

Earnings are proportional to product demand, hence H1: Demand drives profits.

H2: To investigate the connection between output quality and financial success through SARAS

### **Objects**

1. Examining Alternative Sales Venues to the SARAS Exhibition for SHG Products
2. Finding out why rural SHGs are so important to the urban economy
3. Examining how earnings among SHG members correlate with product quality and demand in the city
4. Examining the gaps in the branding and promotion of the goods produced by rural women's SHGs.
5. The study's objective is to learn more about customers' tastes, concerns, and aspirations in order to improve SHG products. Consequences & conversation.



### Alternative Sales Venues to the SARAS Exhibition for Small and Medium-Sized Enterprises (SHGs)

| "Channels/ mediums | Percent |
|--------------------|---------|
| District selling   | 7.1     |
| Orders from agent  | 21.4    |
| Other exhibitions  | 42.8    |
| Social media       | 7.1     |
| Weekly haats       | 14.3    |
| Whatsapp           | 7.1"    |

The table shows that the SHG has several different distribution methods. Approximately 43% said that they favored selling their items at other shows, 21% sold them via agents, and 14% sold them at weekly haats. About 7 percent came from other channels, including district selling, social media, and whatsapp. Only 7% of businesses rely on technology to sell their wares. Using digital channels for product promotion is essential, since it helps forward the goals of the Government of India's Digital India initiative.

**Table 2: Annual Percentage of SHG SARAS Earnings**

| "Amount in INR | SHG % |
|----------------|-------|
| 10,000-50,000  | 21.4  |
| 50,001-100000  | 42.9  |
| Above 1 lakh   | 35.7  |

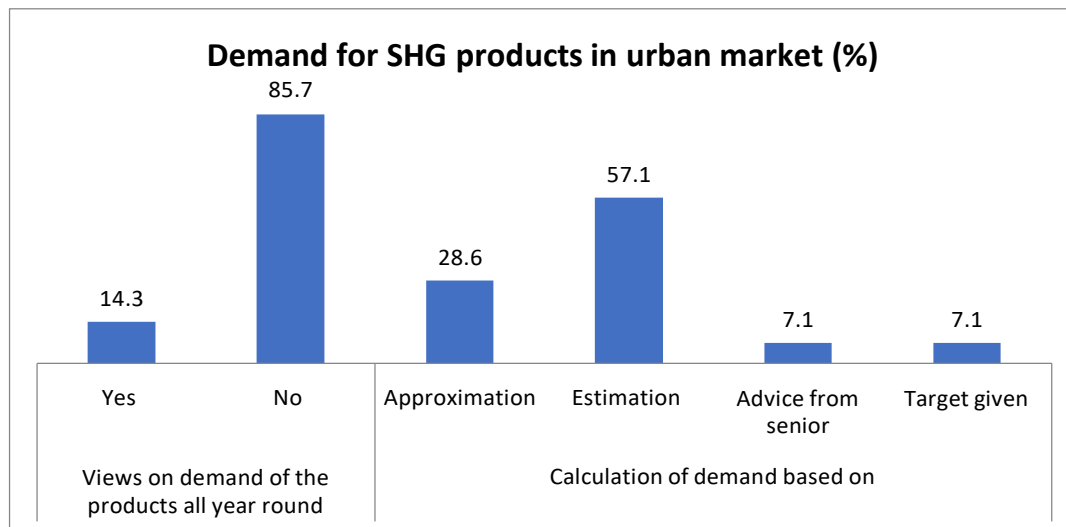


When looking at the incomes of SHG members via SARAS, the above data shows that 43% of members earned between 50,000 and 1,000,000 rupees, and that 36% earned above 1,200,000 rupees. Twenty-one percent had incomes between ten thousand and fifty thousand rupees.

Demand for Products from Rural SHGs in the Urban Market (Table 3)

|                                                |                    |      |
|------------------------------------------------|--------------------|------|
| Views on demand of the products all year round | Yes                | 14.3 |
|                                                | No                 | 85.7 |
| Calculation of demand based on                 | Approximation      | 28.6 |
|                                                | Estimation         | 57.1 |
|                                                | Advice from senior | 7.1  |
|                                                | Target given       | 7.1” |

Fig: 1. Demand for SHG products in urban market (%)



The demand for SHG goods in metropolitan areas is shown in the above bar graph. Observably, 85.7% of SHG members did not think that their product was in demand, and just 14.3% of SHG members believed that their product was in demand in urban areas.

SHGs used different methods to determine the demand. They calculated that demand would increase by around 57% based on projections from the previous year. While 29% said they estimated (using their own discretion) how much they would make, 7% said they relied on the guidance of their superiors, and 7% said they had a written contract or a goal set by the company.

See Table 4 for a breakdown of SHG product sales and annual income.

| “Demand of the SHG products | Annual Earning |                |                  |
|-----------------------------|----------------|----------------|------------------|
|                             | 10,000-50,000  | 50,001- 1 lakh | More than 1 lakh |
| Yes                         | 7.1            | 7.1            | 0                |
| No                          | 14.2           | 35.5           | 35.5             |
| Chi-square                  | P= 0.417       |                |                  |

Chi-square analysis was used to test the hypothesis that yearly income would have a substantial influence on product demand, but as can be seen in the table above, this was not the case.

**Product quality and earnings from SHGs are listed in Table 5.**

| Quality of product | Earning       |                |                  |
|--------------------|---------------|----------------|------------------|
|                    | 10,000-50,000 | 50,001- 1 lakh | More than 1 lakh |
| Agree              | 7.1           | 21.3           | 7.1              |
| Neutral            | 14.2          | 0              | 0                |
| Strongly agree     | 0             | 21.3           | 28.4             |
| Chi-square         | P= 0.03       |                |                  |

Using Chi-square, we investigated our hypothesis about the link between product quality and revenue, and the results are shown in the table above; the p value for this hypothesis's significance is 0.03.

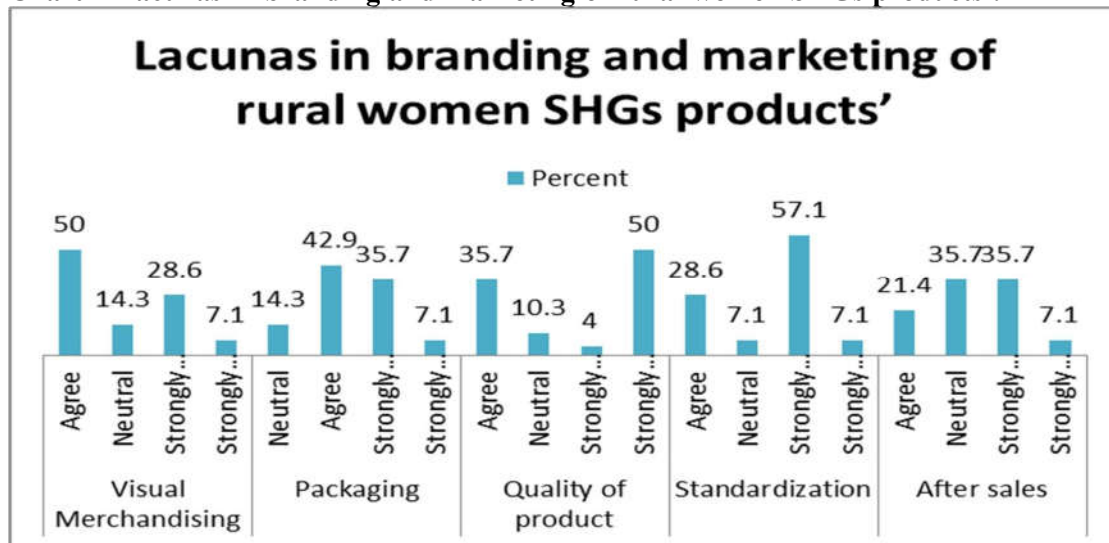
**Table 6 : Lacunas in branding and marketing of rural women SHGs products’.**

| Values               | Codes             | Percent |
|----------------------|-------------------|---------|
| Visual Merchandising | Agree             | 50      |
|                      | Neutral           | 14.3    |
|                      | Strongly agree    | 28.6    |
|                      | Strongly disagree | 7.1     |
| Packaging            | Neutral           | 14.3    |
|                      | Agree             | 42.9    |
|                      | Strongly agree    | 35.7    |
|                      | Strongly disagree | 7.1     |
| Quality of product   | Agree             | 35.7    |
|                      | Neutral           | 10.3    |
|                      | Strongly agree    | 4.0     |
|                      | Strongly disagree | 50.0    |
| Standardization      | Agree             | 28.6    |
|                      | Neutral           | 7.1     |
|                      | Strongly agree    | 57.1    |



|             |                   |      |
|-------------|-------------------|------|
|             | Strongly disagree | 7.1  |
| After sales | Agree             | 21.4 |
|             | Neutral           | 35.7 |
|             | Strongly agree    | 35.7 |
|             | Strongly disagree | 7.1” |

**Chart 1 Lacunas in branding and marketing of rural women SHGs products’.**



Inadequate efforts have been made to brand and promote the items made by rural women's SHGs, as seen in the above table and graph. Half of the SHG members surveyed expressed agreement, with a further 29% expressing strong agreement, on the significance of visual merchandising. Women in the SHG were likewise willing to live with the disadvantage of inadequate packing. About 43% and 35% of respondents, respectively, agreed and strongly agreed that there was a need to strengthen them. They strongly disagreed, however, with a majority (50%) claiming that there were no quality issues with the items. About 57% of respondents acknowledged the limitation that uniformity was impossible since so many SHG goods were manufactured by hand. Due to broken marketing channels, just 35% of customers gave either positive or indifferent responses to questions about after-sale support.

**The views of rural women SHG consumers are shown in Table 7.**

| “Variable | Code   | Percent |
|-----------|--------|---------|
| Gender    | Female | 54.7    |
|           | Male   | 45.3    |

|                                                              |                |      |
|--------------------------------------------------------------|----------------|------|
| Age group                                                    | 18-25          | 9.4  |
|                                                              | 25-35          | 18.8 |
|                                                              | 35-45          | 54.7 |
|                                                              | 45+            | 17.2 |
| No of years buying from SHG products                         | 0              | 17.2 |
|                                                              | 1              | 6.3  |
|                                                              | 2              | 20.3 |
|                                                              | 7              | 1.6  |
|                                                              | More than 7    | 54.7 |
| Interest to purchase SHG products throughout the whole year. | Yes            | 89.1 |
|                                                              | No             | 3.1  |
|                                                              | Maybe          | 7.8  |
| Other channels to purchase SHG products                      | Direct contact | 9.4  |
|                                                              | E-commerce     | 7.8  |
|                                                              | E-saras        | 3.1  |
|                                                              | Retail stores  | 40.6 |
|                                                              | Super market   | 39.1 |

The table shows that nearly as many women as men purchased SHG items throughout the research period. About 55% of them were in the prime working years of their lives (35-45). About 55% of the people in the sample had been regular buyers of SHG items for more than 7 years. Twenty percent of shoppers in the most recent two years. Roughly 89% of respondents said they would consider buying SHG items throughout the year. Different distribution methods were favored by SHG product buyers. About 41% said they preferred shopping at a retail store, while 39% preferred grocery stores. Nine percent of respondents estimated they made purchases from the SHG itself.

**In Table 8, we can see the customers' desired qualities, motivations for buying, and hoped-for enhancements to SHG items.**

|                                                  | <b>Prefer Traits</b>       | <b>Percent</b> |
|--------------------------------------------------|----------------------------|----------------|
| Consumers Prefer Traits to Purchase SHG products | Price                      | 3.1            |
|                                                  | Quality                    | 73.4           |
|                                                  | Variety                    | 18.8           |
|                                                  | Others                     | 4.7            |
| Consumers Purpose of purchases                   | <b>Purpose of purchase</b> | <b>Percent</b> |

|                                                       |                             |                   |
|-------------------------------------------------------|-----------------------------|-------------------|
|                                                       | Attractiveness              | 5                 |
|                                                       | Gifting                     | 16                |
|                                                       | Quality                     | 47                |
|                                                       | Variety/<br>Uniqueness      | 20                |
|                                                       | Others                      | 12                |
| <b>Consumers Expectations to market SHG products.</b> | <b>Expected improvement</b> | <b>Percentage</b> |
|                                                       | Availability                | 37                |
|                                                       | Variety                     | 10                |
|                                                       | Pricing                     | 16                |
|                                                       | Packaging & branding        | 30                |
|                                                       | Quality                     | 07”               |

The opinions of potential SHG product buyers were collected in the preceding table. The first portion shows that the product quality was the primary motivating factor for 73 percent of buyers, with product variety coming in at 19 percent. The SHG items were bought for a variety of reasons. About 47% of buyers said they made their purchases because of the product's high quality. Twenty percent bought SHG items because they were different from anything else on the market. Only around one in sixteen buyers bought something to give away. Consumers have low hopes for SHG items, with just 37% saying they wanted to see it offered all 12 months. Although the items themselves are satisfactory, 30% of buyers have noted that the packaging and branding might be better.

### **Role of SHGs in promoting rural women entrepreneurship**

The SHG was led by women who had excellent business sense.

They share many of the characteristics of successful business owners.

They inspire the team to experiment with fresh ideas. This mentality contributed to the enhancement of the goods.

They are eager to learn new things, such as using technology to expand their sphere of influence.

The key is that they recognized the holes and are working to fill them in order to make their business successful.

Women in rural areas benefit from SHGs because they provide them with opportunities to develop

their leadership skills, social networks, economic standing, and psychological well-being.

## Conclusion

The quality of rural SHG items is high, and they are well received by urban buyers; yet, rural women are often unaware of the demand for their wares. Eighty-nine percent of SHG members claimed there is not year-round demand for their goods, while eighty-nine percent of consumers said they would want to have access to SHG items all year round. Exhibitions were the most popular method of selling items, chosen by 43% of respondents. Until rural India is digitalized, the Indian government's ambition of Digital India would remain unfulfilled. Earning potential is directly proportional to the quality of the SHG's output. The SHG has acknowledged several branding and marketing weaknesses, including in visual Merchandising, Packaging, uniformity, and after-sales services. Consumers have made the same recommendation for enhancing the product promotion. The Self-Help Group model is useful for encouraging business among rural women. It's important to make an ongoing effort to showcase rural goods in metropolitan centers.

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