

# WOMEN ENTREPRENEURS PERCEPTION TOWARDS "PRODUCT FEATURES" OF THEIR PRODUCTS - A STUDY

**Dr.T. THILEEPAN**

Assistant Professor

Dept. of Business Administration

Annamalai University, Annamalai Nagar - 608 002, Cuddalore, Tamil Nadu

Email: thileepmba@yahoo.co.in

## *Abstract*

*Women's productive activities particularly in industry, empower them economically and enable them to contribute more to overall development. Whether they are involved in small or medium scale production activities or in the informal or formal sectors, women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment. The SHG programme has been successful is not only in meeting peculiar needs of the rural poor, but also in strengthening collective self help capacities of the poor at the local level leading to their empowerment.*

**Keywords:** SHG, Empowerment, Products.

## **Introduction**

Self-Help Group (SHG) enables the rural poor to earn their own livelihood besides participating in the process of development. The SHG scheme has been extensively used by voluntary agencies for a long time but has been incorporated in the conventional development programmes only recently. A typical rural women's self-help group is a good example of capacity building for prospective entrepreneurs. Its aims include enabling members with no educational or industrial or entrepreneurial background to become self-dependent and self-reliant by developing and enhancing the decision-making capacity of members and instilling in them the strength and confidence for solving their problems. They provide poor people a forum where they can learn about collectively mobilising and managing money and matters. Few other Central and State government schemes aimed at capacity building of women and others for entrepreneurship include the 'Stree Shakti' programme in the dairy cooperative sector in M.P., training-cum-employment programme for women called Swa-Shakti and Rashtriya Mahila Kosh Project -supported by the World Bank and International Fund for Agricultural Development (IFAD).

## Functions and Characteristics of an SHG

NABARD (1997) defines SHGs as "small, economically homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members' decision". Most SHGs in India have 10 to 20 members, who can be either only men, or only women, or only youth, or a mix of these. As women's SHGs or sangha have been promoted by a wide range of government and non governmental agencies, they now make up 90% of all SHGs. As Indian women do not generally have the same opportunities to migrate for wage work as men due to social obligations and taboos, it is particularly important for women to improve employment and income earning opportunities *in situ*, and in a way that is compatible with their role in child care.

Self-help groups are mostly informal group where members pool savings as a thrift deposit. The groups have common perception of need and improvise towards collective activity. Many such groups formed around specific production activities, promote saving among members and use the pooled resources to meet the various credit needs of members. Where funds generation is low in the initial phases due to low saving capacities, this is supplemented by external resources. Thus self help groups have been able to provide primitive banking service to its members that are cost effective, inflexible and without defaults, based on local requirement. Self help group have also evolved their own characteristics of functioning.

The rules and regulations of SHGs vary according to the preferences of the members and those facilitating their formation. A common characteristic of the groups is that they meet regularly (typically once per week or once per fortnight) to collect the savings from members, decide to which member to give a loan, discuss joint activities (such as training, running of a communal business, etc.), and to mitigate any conflicts that might arise. Most SHGs have an elected chairperson, a deputy, a treasurer, and sometimes other office holders. It appears as though the vast majority of rural SHGs invest the loan amounts in a mix of consumption and productive purposes. As credit needs of the poor are determined in a complex socio-economic milieu, where the dividing line between credit for 'consumption' and 'productive' purposes is rather blurred, it is difficult to adopt the traditional banking approach to lending and to insist that loans are not used for consumption.

Homogeneity refers to sharing similarities: similarity of gender, caste. In most cases, it was homogeneity of gender; at times a particular section, handicapped, come around to form group; at others women of particular caste form their groups.

The second most characteristics of the group is regular saving by the group members and setting a set of guidelines to regulate these savings. These rules are as follows:

- ❖ Rules about entry and exit policy: About entry, the person should be above 18; should be usually from an economically backward class (but this is not mandatory).
- ❖ Rules about regular saving and meetings, etc.

- ❖ The third most important characteristics is the linkage with lending institutions. Unlike the formal banking mechanism, banks do not ask for collateral while granting loan to SHG.

### Products Details

The self-help group members are producing different type of products largely classified into two main categories namely (1) Agro based products (2) Non – agro based products. Agro based products namely livestock products, dairy products, fisheries, forest product, apiculture, sericulture, food and beverages and horticultural products. Non – agro based products namely clay, plastic products, furniture and bakery items etc.

### Review of Literature

The subject of small and medium entrepreneurship has been widely researched and analysed globally. In the current scenario, this field is considered rather contemporary. The area of management theory which deals with small entrepreneurial firms was reviewed through the work of many authors, including Longenecker, Moore and Petty (2003); Dewhurst and Burns (1993); Storey (1997); Ballantine, Cleveland and koeller (1993); Barrow (1993); Julien (1993); Shut (1998); Sahlman and Stevenson (1992); Fuller (1994); and Burns and Dewhurst (1989). This review gave rise to the need for some innovative multiple perspectives of small firms to compensate for the aspect where orthodox management theory cannot explain specific elements of a firm or an environment. These perspectives also compensate for the intense focus of most existing literature on large firms.

Business growth and performance has been associated with innovation in marketing orientation both for SME and larger organizations. Brooksbank, et al., 2004 suggest that medium sized firms that survive are amongst the most innovative and market oriented. Accordingly, the absence of current marketing practices and activities in a majority of small and medium enterprises has led to concerns about the potential consequences of this apparent lack of engagement with innovation in marketing for the business success of SMEs.

Marketing is embedded in business development; it starts with the mission and philosophy of the company and extends through the design of the product range to the brand, pricing and distribution strategies. Researchers are therefore interested in understanding the nature of marketing in SMEs (Day, 2000; Simpson and Taylor, 2002).

Lawis, et al. (2001) have suggested that successful SMEs are “marketers in denial”, ie., these firms practice innovative marketing without fully acknowledging it or comprehending its multifaceted impact Others have characterized marketing in SMEs as having a sales orientation (Hill, 2001). That is, to most SME managers, marketing primarily connotes selling (push strategy) their products without adopting any formal planning process.

An important aspect of marketing by SMEs is the central role of relationship marketing. Some authors have attempted to explore this innovative concept. For instance, Gilmore, Carson and Grant (2001) and Hill (2001) discuss the centrality of the owner manager’s ‘net work’ in its

various guises – such as personal contacts networks, social networks, business networks, industry network and marketing networks – to marketing in SME's.

Zontanos and Anderson (2004) go further and suggest that it is difficult to disentangle or even to distinguish the practice of relationship marketing from entrepreneurial action and that possibly, relationship marketing might be considered to be a facet of entrepreneurship. In a similar vein, some other researchers have also been intrigued by the marketing / entrepreneurship interface (Day, 2000; Wilson and Stokes, 2004).

The relevance of transactional and relational marketing variables in relational exchanges is now well established in marketing literature. However, knowledge about their relative effectiveness and their optimal mix over time remains very sparse. An analytical model has been proposed by Fruchter and Sigue (2005) to help determine the optimal decision rules for transactional and relational marketing efforts.

Alexander and Colgate (2000) have considered the introduction of financial services, within the context of retailers 'relationship with their customers and retailers' ability to build closer relationship with existing and potential customers. Financial services provision is, therefore, considered in the context of the relationship marketing paradigm, presenting an opportunity for retailers to move from a transactional- to a relationship approach to marketing. Relationship marketing has won as many opponents as advocates, owing to its conceptual ambiguities.

Li and Nicholls (2000) have conceived of relationship marketing as a strategic choice, rather than a marketing paradigm, delineating the boundary conditions, delineating such a marketing approach. This shows that the appropriateness of relationship marketing depends on the nature of particular exchange relationship and the governing mechanism of the exchange involved.

## Rural marketing

Rural development cannot be obtained only by heavy industrialization rather small scale and micro enterprises are more sustainable way to benefit the rural poor. There is a need for "Production by Masses, rather than mass production". (Schumacher, 1977: Tahuri and Singh, 1993)

Rural firm growth is limited by a number of factors, including limited scope of local demand and poor access to extra regional markets, low density and consequent lack of opportunity for networking, inadequate access to and unfamiliarity with modern information technology and difficulties in accessing capital (Nerys et. al., 2006).

The success of rural industries crucially depends on two major functions i.e. effective marketing and internal resource generation including finance. Too much production orientation is a common fallacy and causes failures of some entrepreneurship efforts. Marketing involves everything which could be important to remain and lead the market. It also involves constant interaction with all relevant stakeholders. It is crucial for both types of rural business i.e. farm sector and non-form sector. Rural households in developing countries typically obtain 30-45 per

cent of their total rural income from off-farm resources. The average figures differ by region and range from 29 per cent in South Asia to 45 per cent in Eastern and Southern Africa (Reardon et al., 1998).

The promotion of rural non-farm enterprises is seen as having the potential to absorb this excess farm labour, stimulate rural development and overcome rural poverty (Christensen and Lecroix, 1977). These rural producers have not been able to improve their economic conditions because of slow adaptability, lack of education, raw material unavailability, poor quality and productivity, lack of market intelligence, poor managerial skills and many more to add (Tahori and Singh, 1993).

Craftsmen also lack understanding of the local demand pattern of the area, market dynamics, market channel, price fluctuations, and value addition possibilities which can help them to develop a comprehensive intervention plan based on market realities. (Kashyap and Raut S., 2006).

These problems are price product, promotion, place related problems and cultural, social, financial, human resource, knowledge related problems affect their marketing activities. So self-help groups self-reliance and sustainable development mainly depends upon the success in their marketing activities. Through success in their marketing activities only self-help group women can get empowerment and gain greater control over resources like material possession, intellectual resources, in formation ideas and decision making in home. So this study analyse the various marketing problems of the self-help group.

### Sampling Scheme

A multi stage sampling technique has been followed. In the first stage, it was decided to conduct the study at the district level keeping in the mind, the time period and research constraint. Dindigul district has been selected as it is one of the pioneering district in implementing SHGs programme. Among the thirty districts, Dindigul secures second place in getting training for SHGs from government of TamilNadu. In the second stage, there are seven taulks in Dindigul district; all the seven taulks have been selected. In the third stage there are twenty blocks in Dindigul district; from twenty blocks 14 blocks have been selected. From each block 35 groups have been selected. In final stage the list of members has been obtained from each group and one member have been selected. This 490 members have been selected for the study. The number of sample was determined by applying the formula by

$$TaroYamani = \frac{N(\text{From Dindigul District})}{1 + N(0.05)^2}$$

The actual sample size was arrived at 500.

**Table -1**  
**Product related problems of SHG's product – perception**  
**of entire sample**

S.No.	Factors of Product	Mean	S.D
1.	Product variety	3.81	0.72
2.	Package	3.75	0.75
3.	Labelling	3.13	0.93
4.	Product features	3.24	0.89
5.	Quality	3.92	0.70

From the table, it can be observed that the mean values for all primary factors of products excepts for 'labelling' and 'product features' are in between 3.50 and 4.50, the range for 'agree' opinion. So it is found that the self help group members perceived product related factors like product variety, package and quality of the product are satisfactory but labelling and product features of the product are perceived main problems by self help group people.

In order to know whether the socio – economic characteristics of the self help group members in the sample have any influence on their perception about status of different product related factors in their business, the mean values are compared across respondents categories by gender, age, education, marital status, family size, number of dependents, place of residence and community. The t – test and F – test was used to compare the mean perception scores between two groups and more than two groups respectively.

The results of t – test (two groups) and F – test (three or more groups) comparing perception about extent of 'product features' such as colour, size, shape, variety and characters of the product are shown in Table: 2 and Table: 3 respectively. From the table: 4.5, it can be observed that the mean perception scores are in between 3.50 and 4.50, the lower and upper bound value for 'agree' range for all respondent groups by gender, marital status, job nature and place of residence (ranges from 3.71 to 3.86). From t – values, which are insignificant, it becomes apparent that the difference in the level of agreement is same between respondent groups by gender, marital status, job nature and place of residency.

**Table-2**  
**Perceived status of product features of SHG products – comparison**  
**by socio – economic variables of two groups**

Socio-economic variables		Mean	Standard Deviation	t-value	P-value
Gender	Male	3.75	0.72	0.13	0.8811
	Female	3.71	0.69		
Marital Status	Married	3.84	0.79	0.38	0.6924
	Unmarried	3.80	0.75		
Job Nature	Permanent	3.77	0.77	1.20	0.1823

	Temporary	3.86	0.76		
Place of residence	Urban	3.82	0.73	1.22	0.1772
	Rural	3.75	0.75		

All values are insignificant

The table:3 shows that the mean perception scores are in ‘agree’ range for all respondents categories by age, education, number of dependent, community, income and religion (mean values between 3.64 to 3.95). However, the extent of agree opinion differ significantly by age (F value = 4.23, P < 0.01), education (F value = 4.57, P < 0.01), number of dependent (F value 6.12, P<0.01), community (F value = 5.24, P < 0.01), income (F value = 3.72, P < 0.01), religion (F value = 2.84, P < 0.05).

**Table: 3**  
**Perceived status of product features of SHG products – comparison by**  
**socio – economic variables of more than two groups**

Socio-economic variables		Mean	Standard Deviation	F-Value	P-Value
Age	<30	3.83	0.78	4.23	0.0065***
	31-40	3.74	0.74		
	41-50	3.81	0.73		
	>50	3.75	0.77		
Education	Illiterate	3.83	0.75	4.57	0.0032***
	SSLC	3.75	0.77		
	HSC	3.54	0.73		
	Degree	3.22	0.72		
No. of Dependent	<3	3.64	0.69	6.12	0.0027***
	3-5	3.68	0.75		
	>5	3.71	0.73		
Community	BC	3.95	0.71	5.24	0.0069***
	MBC	3.77	0.69		
	SC	3.65	0.74		
	ST	3.84	0.73		
income	<2000	3.75	0.75	3.72	0.0112***
	2001-5000	3.64	0.72		
	5001-10,000	3.73	0.72		
	> 10,000	3.85	0.73		
Religion	Hindu	3.75	0.73	2.84	0.0314**
	Muslin	3.65	0.74		
	Christian	3.66	0.72		

\*\* Significant at 5% level; \*\*\* Significant at 1 % level.

It is found that there is a significant influence of age, education, number of dependents, community, income and religion on their perception of the group members about product features like size, shape, colour and varieties of the product.

### Findings

- The product related factors in the self help groups are basically spread out into five major facets, viz., “product variety”, “package”, “labelling”, “product feature” and “quality”.
- The self help group members perceived product related factors like “product variety”, “package” and “quality” of the products are satisfactory but “labelling” and “product features” of the product are perceived as main problems.
- The respondents with all socio-economic status have expressed their opinion in agree range about the “product features” of product related problems but the degree of agreement was significantly contributed by age, educational qualification, number of dependent, community, income and religion. But the level of agreement is same between respondent groups by gender, marital status, job nature and place of residence.

### Conclusion

The SHG is one of the major programmes, of poverty alleviation in India with full participation from the formal banking system and without any inference from the government. The present study is an attempt to evaluate the various marketing problems of SHGs, various other factors which influence the marketing activities and their morale towards various marketing activities. SHG marketing problems are entirely different from other professionally managed companies marketing problem by the way of the geographical and demographical variables highly influence the marketing activities of the SHG. Further SHGs are concerned with the development of women in all respects along with the development sound knowledge about their rights and duties. To make the SHGs really meaningful and successful, the government at different levels have to intervene, in a large scale not as provider of finance or provider of other inputs, but as facilitator and promoter. Research on women’s felt needs, strategies, and constraints and a process of negotiation between women and development agencies provided an enabling environment for women to be participants in their own development processes.

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