Ensuring Sustainability of Self-Help Groups through Effective Marketing Strategies: An Empirical Study

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Abstract

Since the mid-1980s, government of different countries, NGOs, and international donors have been giving attention and assistance to small women entrepreneurs. They have increasingly become a key target for micro finance programmes. These micro-entrepreneurs, most of them being women, are identified as micro finance beneficiaries since they are the target group entitled to receive the benefits of micro finance programmes. Traditionally micro finance programmes were aimed at removing constraints of availability of finance for operations and asset building of micro entrepreneurs. Today the micro finance schemes are recognising the fact that without proper marketing innovations and strategies it would not be possible for the micro finance beneficiaries to sustain their enterprises in the long run. Micro finance programmes in India have also stressed upon marketing as a vital tool for sustainability of enterprises operated by the beneficiaries. The guidelines of the programmes specify that Government and Non-Government Agencies should render specific services and allot definite amount of funds for piloting marketing programmes for micro finance beneficiaries. The guidelines also specify the importance of carrying out market surveys before product specific micro enterprises are set up in rural areas. This study while delving into the importance of marketing strategies for micro finance beneficiaries, takes up the case of micro-entrepreneurs engaged in making pottery and terracotta items in a rural belt in the district of Darjeeling, West Bengal. Through personal observation, interviews, and administration of structured questionnaires, the production techniques, marketing avenues, problems in marketing and help from Government agencies like the District Rural Development Centre have been explored. It has been found that though a variety of items are produced and marketed by the beneficiaries in local markets, out-station fairs and through middlemen, they face a host of problems with regard to marketing. The paper therefore recommends some policy prescriptions to ameliorate these problems and evolve proper marketing strategies for microfinance beneficiaries.

Keywords: Marketing Channels, Microfinance

Micro finance Growth in India and Issues of Sustainability

The concern over a large segment of the population living in poverty has fuelled scores of programmes all over the globe to alleviate poverty and to achieve the Millennium Development Goal of halving the world's poverty by 2015. It is because of this concern that the last decade in particular has generated mounting interest & efforts in micro finance operations, systems, outreach, viability, impact, institutionalization, and regulation, invigorated by the incredible accomplishments of institutions like the Grameen Bank in Bangladesh and BRI, BancoSol in Indonesia, and NABARD in India**..** Most microfinance programmes bank on creation of self-employment opportunities for the impoverished through formation of micro enterprises and provision of small doses of finance to overcome the hindrances of dearth of capital required for setting up of micro enterprises. With the credit support in very small doses, training and capacity building programmes are being administered to micro-entrepreneurs, especially women micro-entrepreneurs all over the world to enhance their entrepreneurial skills. These measures together with initiatives to induce micro-savings micro-insurance, micro-remittances, micro-pensions etc. are now being delivered to the improvised

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through a variety of microfinance programmes. Micro finance programmes are designed to target the rural and urban poor with emphasis on women borrowers by providing a provision of finance for asset creation on the principle that "borrowers know best".

Since the mid-1980s, governments of different countries, NGOs, and international donors have been giving attention and assistance to women micro-entrepreneurs. They have increasingly become a key target for micro finance programmes. These micro-entrepreneurs, most of them being women, are identified as micro finance beneficiaries since they are the target group entitled to receive the benefits of micro finance programmes. Providing micro finance to women entrepreneurs in the informal sector is one of the basic tools to address the multiple problems of poverty, social exclusion, unemployment, and finally women's empowerment. "Increasing women's access to micro finance is assumed to initiate a series of 'virtuous spirals' of economic empowerment, increased well being for women and their families and wider social and political empowerment" (Mayox, 1999).

The swiftness with which the micro finance movement took off in India in the early nineties and the short span in which the micro finance system gained maturity in India is unparalleled. Most of the micro finance programmes in India work on the basis of group approach, where groups are treated as the principal micro finance beneficiary units. In India while the Self-Help Group model predominates, there are variations in forms and linkage systems depending on whether the programme is a Government one or run by development banks, NGOs, or private MFIs. In India, real attempts to introduce the present form of micro financing developed with the introduction of the linkage of Self-Help Groups (SHGs) with formal banking system in 1991-92 by NABARD through pilot projects. The lion's share of SHGs in India has been registered under the NABARD initiatives and the launching of the Swarnajayanti Gram Swarojgar Yojana (now National Rural Livelihood Mission). With a pilot project which was started by NABARD in 1992 where only 255 SHGs were linked, the total has crossed more than 7.5 million groups today. The micro finance movement in the form of SGSY had been initiated in India on 1st April 1999. Between 1999 and 2010, it has a total count of more than 4.5 million groups. Besides these two mainstream performances, there are millions of groups formed under private micro finance institutions in the form of Grameen groups, Joint Liability Groups, etc.

The success of a micro finance movement, however, depends not only in the quantity of groups formed but also on the sustainability of these groups. The question of sustainability of the groups is therefore immensely important when viewed in the context of the desire of the microfinance providers to work with stable groups**.** The financial sustainability of these groups is achieved when surpluses generated from group economic activities and interest income on inter-loans are able to cover the operating costs of the groups. The basic purpose for which SHGs are formed is that the members can generate income from micro enterprises promoted and operated by the groups. It is therefore implied that the viability and sustainability of micro enterprises built and operated by the beneficiaries will depend on whether they can market their products and generate a reasonable turnover. Researchers like Bhatia (2007) found in Rajasthan that "out of the 235 SHGs linked to banks, the records of only 201 SHGs (85.5 per cent) could be traced out. Despite all efforts made, details of the remaining SHGs were not available, either with NABARD or banks. There is a strong possibility that these SHGs have ceased to exist." Baland, Somanathan, and Vandewalle (2007) reported that 10 percent of groups formed between 1998 and 2006 in Orissa are no longer active. The reasons forwarded by these researchers for non-sustainability of groups focus mainly on the lack of economic activities, lack of marketing avenues, and inefficient finance management by group leaders. Though this phenomenon is a matter of serious concern, very little investigation has been made into the causes of such non-involvement in economic activities. The literature that is available mainly points out the lack of marketing avenues and identification of proper products produced by SHGs.

Marketing of SHG Products: The Major Impediment for Economic Activities

Market mechanism for goods produced by SHGs may appear to be a naïve and simple task, because it is supposed to deal with checking out what sells and what does not. Goods and services are traded every day in all parts of the country. What needs to be seen is what sells in the local markets, what can be sold through government agencies and trade fairs, what type of intermediation is required for selling the goods in other states and foreign countries, and what type of promotional and distributional strategies are to be made for farm and non-farm products made by SHGs .

However, the pertinent question to be asked is whether the micro finance beneficiaries mainly hailing from rural and remote areas of the country have the knowledge or the literacy to access formal marketing channels, or decide on market segmentation and promotional strategies. Micro finance exponents have realized that marketing is the main problem for the micro enterprises all over the country. It has been observed that for the micro entrepreneurs, production in lower volumes and in some cases inferior quality, inferior packaging, and absence of advertising support deters them from competing with the marketing strategies adopted by large companies. Kumaran (2002), Mandal (2005), and Shylendra (2006) found that in the absence of proper marketing avenues SHGs were facing hindrances regarding initiating or continuing viable economic activities. Purushotham (2004) found that in want of innovative marketing support, savings of many SHGs were either under-utilised or not utilised, as these could not be channelized into viable economic avenues. He suggests that SHGs could follow strategies like market penetration and market creation. Mishra, Rajput, Mohapatra, and Dash (2006) observed that most of the SHG products are sold in local rural haats to the "middle man", who pay very less price to the members, resulting in low income for the groups. Ganapathi and Malar (2008) identified that the success of the system of SHGs in China and Bangladesh has opened up opportunities in India as well, but the main problem which the SHGs encounter is the acceptance of their products by the consumers. Moreover, lack of adequate funds hampers their efforts to take up promotional campaigns and incur expenses on advertising. Hofstede et al. (1996) argue that working in remote villages far away from market centres limits the scope for identifying and initiating viable income generating activities. Income generating activities do not automatically bring overall economic development, but they need markets where people with disposable cash will buy goods and services. Therefore, it is recommended that programmes should focus more on promoting Income generating activities near markets in semi-urban areas, market centres, and larger villages.

Marketing Efforts and Innovations for Self-Help groups in India

Based on the discussions made in the previous sections, two issues related to marketing that are relevant to Self-Help groups and their members, i.e., the micro finance beneficiaries, can be identified. These are: (a) The marketability of the product or service provided or produced by the group, and (b) Market access. Both correspond to each other and programmes in India have endeavoured to address both by training SHGs in producing high quality products for which there is a market, and by facilitating market access.

Keeping these aspects in mind, the provisions of SGSY have emphasized on providing marketing support to the Self-Help groups. The SGSY guidelines state: "For any goods or services that are produced, existence of a suitable market is essential. Traditionally, the self-employment programmes concentrated on the inputs rather than the outputs and their marketing. It was not uncommon to find production strategies in place overlooking the marketing aspects. One often finds that the recommendation of an activity is not preceded by the much needed market survey. There is false notion that market surveys are not required in case of self-employment opportunities of the rural poor. In fact, it is as critical, if not more, for the poor. For he or she cannot sustain the loss arising out of a lack of market even for short periods. It is therefore necessary that the project profile of every key activity identify the market availability. The forecast of the incomes to be earned by the Swarojgari must take into account this factor and forecast incomes only on the basis of an assured market. This would be a critical factor in the choice of the key activity itself" (SGSY Guidelines, Chapter VII, 2004). The guidelines also stress the importance of exploring rural markets, urban market, role of intermediaries for marketing SGH products outside the direct and support of the state government and the Khadi and Village Industries Communication for marketing. Emphasizing on the importance of urban markets the guidelines state: "The emerging urban markets can be a good area for developing clientele for the rural products. Provision of marketing infrastructure in this area can go a long way in enabling the rural poor to market their goods and at the same time building an identity for the products. The SHGs can be encouraged to try out this market in their own so that they slowly develop marketing skills. They can also starts marketing the goods of the individual Swarojgaries. Infrastructure Fund can be used for strengthening marketing infrastructure and related activities". (SGSY Guidelines, Chapter VII, 2004). NRLA, the new programme, would also provide support for marketing to the institutions of the poor. The range of activities in marketing support includes market research, market intelligence, technology extension, developing backward and forward linkages, building livelihoods collectively, and supporting their business plans. NRLM would encourage and support partnerships with public and private organizations and their networks/associations for these activities, particularly for market linkages. Rural Haats would also be encouraged to directly link producer groups (SHGs) and individual producers with urban and semi-urban markets through a well developed system of continuous identification and rotation of beneficiaries. 20% of the state's programme outlay (25% in case of North-Eastern States and Sikkim) is reserved for this purpose.

Barbara (2003) identifies that the laudable efforts in marketing their products of micro entrepreneurs have been taken by the DWCRA programme in Andhra Pradesh. Marketing support provided to the SHGs by setting up DWCRA Bazaars (market outlets in all the districts, and a permanent DWCRA Bazaar has been completed at Hyderabad). Products worth crores have been sold through DWCRA Bazaars in recent years. Training and Technology Development Centres (TTDC) have been set up in each district to initiate groundbreaking technologies for the qualitative enhancement of products made by the SHGs. The SHGs in the districts are given a hand to develop branding of their products and women are motivated to participate in the city, state, and national levels. Leading super bazaars like Food World, Thrinethra Super Market have tied up with SHGs to market DWCRA products. For some DWCRA products like pickles, the demand is very high. SHGs of Guntur district got orders worth Rs 6.00 lakhs, and the groups of West Godavari district got export orders. In this context, the Kerala Horticulture Development Programme was set up in co-operation between the European Union and the Government of Kerala in 1993. The programme is based on SHGs, which selects trained master-farmers who act as facilitators. Besides horticultural crop production, the programme also assists SHGs in processing and marketing of products. The marketing infrastructure at site level includes establishing field centres for bulking the produce from 10-15 SHGs. These centres envision creating farmers' markets and benefiting from agglomeration benefits in terms of market information and sale to wholesalers and commission agents. The programme is considered as a successful venture for bringing SHG closer to the market.

There are also some instances where SHGs are engaged in producing crafts for both the Indian market and foreign markets and even for sale via the internet. One such scheme is "Global Marketplace.org", a dot com company that sells handicrafts produced by SHGs in India through a number of non-profit community development organisations. The purpose is to reduce poverty around the world by selling local village crafts and clothing at a fair price via the Online Global Marketplace and to return as much of the sales price as possible to the local artist.

In Lucknow, handicrafts produced by SHGs are marketed by support from NEED (Network of Entrepreneurship and Economic Development), an NGO. NEED promotes SHGs of poor women through a system of micro finance and by promoting entrepreneurial activities. In Goa, the District Rural Development Agency maintains a web site where SHGs can present and market their products, most of which are handicrafts. DRDA also organises exhibitions and craft fairs with the aim of promoting traditional crafts, and linking producers to consumers. It recognises that marketing is a key constraint to small-scale producers. Some NGOs and government agencies have helped marketing efforts of SHGs by getting bulk orders of chalk and then tuning their manufacturing volume to the demand of the market as per the bulk contract orders.

A Study of Marketing Problems of Micro Finance Beneficiaries in North Bengal

Examples like those stated above are ample but grossly insufficient for a large country like India. In this country, unlike large parts of Africa, it is yet to be fully accepted by society that women deal with middlemen or travel a lot to market their products. Therefore the dependence of the women micro finance beneficiaries on SHGs are much more than their counterparts in Africa where the bulk of self-employment is through individual women using informal channels of credit and marketing. Therefore, the need to link SHGs to markets through formal channels is greater. In West Bengal, the District Rural Development

Cells have targeted their efforts to this cause and have been trying to innovate new marketing schemes. Among them, organizing fairs for Self-Help groups, opening retail outlets exclusively for SHG products, imparting training to the beneficiaries on promoting their products through door to door selling, etc. are in vogue. As a case study, this paper investigates into these aspects and tries to find out the marketing strategies followed by SHGs in a certain area in Darjeeling District of West Bengal.

The study was carried out in the villages under Palpara Gram Panchayat in Matigara Block of Darjeeling District. By the end of March 2010, 240 SHGs were formed in this Gram Panchayat .Out of these, more than 95% were exclusively women groups and 152 groups had passed the first grading and had received the revolving fund for the economic activity. These groups were linked to Uttar Banga Kshetriya Gramin Bank. Few groups are engaged in micro entrepreneurial activities like making of flat rice (Chira & Muri), poultry, retail shops, tea stall, etc. Majority of the SHGs are engaged in pottery. These groups produce earthen showpieces and different craft items made out of clay. Since these are the only products that are being sold in different states throughout the country, all groups engaged in manufacturing these products were chosen for the study.

The main objectives of the study were:

i. To investigate the type of products being produced and the techniques used for such production by the Self-Help Groups.

ii. To investigate the marketing avenues and the problems faced by the Swarozgaris in marketing the pottery items.

iii. To explore the prices that these products command in the market and strategies to have competitive prices.

iv. To explore the problems of the SHG members regarding difficulties and strategies for effective marketing of pottery products.

v. To explore the role of government agencies and NGOs in promoting marketing for the Swarozgaris.

Methodology of the Study

Different methods of conducting field studies were used for this study. In addition to a small questionnaire that was personally administered to 120 Swarojgaries engaged in pottery and clay item making, informal discussions were held with the respondents, DRDC officials, and purchasers of pottery products in the locality. In addition to this, direct observation techniques were used to find out how the items are manufactured, how the raw materials are procured and stored, how the finished products are sent to the markets, how the sales are made. The facts and data generated are therefore primary in nature. These are presented in the next section.

Findings of the Study

The findings of the study are presented in different sub-sections, i.e., products and production techniques, raw materials, market and prices, role of government agencies and perception of Swarojgaries.

Pottery Products Production Techniques and Raw Material Usage Patterns

Pottery items produced by the members of SHGs can be broadly categorized into two types: traditional items and showpiece items. Traditional items refer to those items that are used for gardening, for religious rituals, and other festivals in the rural and semi-urban areas. These items include water vessels, flowerpots of different shapes and sizes for gardening, piggy banks, etc. Keeping in view the demand of urban customers in the state of West Bengal and other neighbouring states, the members of the SHGs produce a large number of handicrafts and decorative items made of clay. Out of the total production, more than 75% of products are non-traditional. The members of the groups have identified that there exists a demand amidst customers for non-traditional items and have therefore diversified their scope into making of products like faces and idols of deities, different types of urn-shaped pots which are used for interior decoration. Non-traditional items include television stands, telephone stand, gas cylinder cover, tiles of different sizes, clay frescos, and different items of showpieces for hotels, restaurants, amusement parks, etc. Nearly all products are hand-made. The industry is labour intensive and the members mainly use different kinds of dices and wheel as a main instrument to give shape to the products. Well prepared clay is first put into the dices and then semi-finished products are placed into kiln to burn and harden adequately. Often finishing touches are given by the craftsmen by deftly painting the hardened products with varnish and other colours. The artisans are skilled in their trade and use their artistic sense and skills acquired from their ancestors and formal training from government agencies to produce the items.

The main raw material used in pottery industry is clay. Other materials used are saw dust and husk for use as fuel, low quality mud to cover the furnace where raw clay pots were burnt, and varnishes and paints. The main raw material, clay, is procured from Balason riverbank of Uttar Dinajpur, which is about 150 kilometers from this place. As a result, the producers have to pay higher cost and incur expenses for carriage in addition to paying commission to middlemen. As gathered from the artisans the quality of raw material available locally is inferior to those available in Uttar Dinajpur. The flow of supply of raw materials is not constant throughout the year. During the monsoon, which lasts for over four months in this region, extraction of clay from the riverbed becomes extremely difficult as the river Balason is usually flooded. Due to this the producers have to build large inventories of clay to meet the requirements during monsoon. The cost per cubic foot of clay is usually Rs. 25 and increases substantially during monsoon. In a production cycle, to complete a full batch of product that a furnace can cover, the total cost amounts to nearly Rs.45, 000. A large volume of wastage comes out after completion of each process every time. This normal and abnormal loss has great impact on the total cost of the product.

MARKETING AVENUES AND MARKETING PROBLEMS

In this section, at first the marketing avenues will be described, followed by the marketing strategies and finally the problems that the micro finance beneficiaries face while marketing. The finished products are sold in various types of markets, local as well as outstation. About 10% of the traditional products find their way into the rural markets, weekly haats and local retail shops. A lion's share of traditional products is sent to urban markets to target customers with higher purchasing power. A large part of the traditional products are sold based on orders received from other towns of adjacent districts and from other states. The wholesalers take delivery of these from the doorsteps of the Swarojgaries. Non-traditional items are entirely for higher income groups in the society and hotels, restaurant, picnic spot, and amusement park in the urban areas. Non-traditional items are mainly sold in local areas based on specific orders. The value of order ranges from Rs. 5000 to Rs. 40, 000 for each group on an average. Sales witnesses a surge during the festive seasons, especially during Durga Puja and Diwali when the demand for idols is high. Swarojgaries pointed out that between September and January, the quantity and value of goods sold are comparably much higher than sales in the other months. This means that the sales of these products are subject to seasonal changes. During the low demand seasons, the officials of District Rural Development Centres (DRDC) help them in procuring orders on some occasions.

In addition to this, every year the producers attend handicraft fair with the help of DRDC. The officials of DRDC inform the beneficiaries about the fairs held in the state of West Bengal and other states throughout the year and help the beneficiaries to attend the fairs with their products. In these fairs, the authorities provide free accommodation for the producers who join the fair and even sponsor their rail fares for journey to distant places for attending trade fairs. Non-traditional items produced in these micro enterprises run by the SHGs get zealous reception throughout the country. In many cases, middlemen procure the pottery items from the doorstep of the group producers and sell them throughout the country through different types of small stalls. As disclosed by them, the middlemen sell the wares to local traders who set up stalls in different parts of West Bengal, including Kolkata. The non-traditional items are also sold to the different customers of Bhutan, Nepal, and Bangladesh. The prices commanded by the products in these types of fairs are shown in the following table.

The prices commanded by the products enable the Swarojgaries to earn a margin of about 20- 40% on the price of the products. The prices of the articles sold are given in the Table 1. It can be observed from the table that the prices increase or decrease to some extent with the size of product and the quality of design (sculpture). The last three products command very high prices. As explained by the potter it is because of the intricate designs of the products and the amount of time invested in the making of them. The craftsman informed that six days were required to make each tile. The prices had to be kept high. The artisans said that larger the products, the

Table 1: Perception of Clay Pot Manufacturers Regarding Marketing Avenues and support System (N=120)

Statements	*Strongly agree (2)*	*Agree (1)*	*No opinion (0)*	*Disagree (-1)*	*Strongly disagree (-2)*	*Mean score*
Sales amount is sufficient for your livelihood.		24	10	76	10	-0.52
Sales volume should increase.	20	82	18			1.02
Sales of traditional items should be emphasized more than non-traditional items.	6	64	28	14	8	0.38
Quality of product needs to be improved.	32	66	16	6		1.03
Training is necessary for quality improvement.	10	78	24	8		0.75
Training facilities are somewhat inadequate.	16	64	16	16	8	0.53
DRDC should give more sponsorship for attending trade fair.	12	70	30	8		0.72
Facilities should be made for the transportation of goods to local melas.	30	70	10	10		1.00
Govt. should take steps for the advertising of products.	28	68	16		8	0.90
Bank officials should help them in sorting out problems relating to collection of payment.	22	60	20	14	4	0.62
Media should give more coverage to their art and problems.	16	56	48			0.73
Insurance for wastage of finished goods in the production process should made to recoup for the loss.	30	70	16	4		1.05
Transport insurance should be made to recoup the loss	24	72	20	4		0.97

higher were the raw material consumption and the labour time devoted, and more difficult was the craftsmanship. Though the Swarojgaries had not ventured to calculate the cost of each type of product, they have the idea that from the showpiece & non-traditional items they earn a return on investment of about 30% on an average. When questioned whether higher prices could be charged for each of the items they produced, they replied that any major increase in price would make the product non-competitive. However, with outside customers they feel that higher price could be charged for quality products. Though no objective method was found for fixing the prices, guidance for fixing the prices was often given by middlemen and NGOs.

Therefore, it is clear that varying prices cannot be one of the major strategies for promoting their products. The major strategy for increasing sale of traditional items is to convince the wholesalers to give them more orders. The Swarojgaries opine that it is only by improving the quality of the products that they can secure larger orders from other districts and states. The quality of the products depends on factors like quality of raw material and skill of potter. Skill regarding both traditional and non-traditional artefacts can be improved by training.

However, the problem lies with estimating the number and size of the orders and even the delivery time, especially in the case of traditional items. To meet extensive demands, the Swarojgaries either tend to work for extra hours or store large qualities of finished goods. Storage is usually a problem because the storage spaces are inadequate and in addition to that, the leaking roofs during the monsoon prove to be increasingly difficult. The lead-time between receiving the orders by the Swarojgaries and the delivery to wholesalers follow no standard pattern, often leaving the artisans in bewilderment. This problem is more or less absent in case of trade fair special items as these are sold in trade fair and the potters get information ahead of time about the place and date of fair from DRDC. The potters stated that the profitability is much higher in trade fair, but it involves higher degree of financial and operating risk. In the case of pottery, the unsold goods cannot be taken back as all the items are breakable. Before sending the goods to fairs in other cities or towns, proper forecasting of sales is required. A wrong decision can bring huge amount of loss. In the end, unsold goods are sold at lower prices, which is sometimes, below the total cost. This strategy has to be adopted, as it is very difficult to bring back unsold goods.

Another problem that these people sometimes face is dealing with the financial aspect of marketing. Though they prefer to receive sales revenue in cash at a time, the wholesalers often give them part payment through outstation cheques or drafts and there are substantial difficulties in many cases in cashing the cheques and drafts.

In order to find out the perceptions of the Swarojgaries objectively, a variety of statements based on a five-point Likert scale was administered to the respondent. The scale was: strongly agree, agree, no opinion or do not know, disagree, and strongly disagree. Each category was assigned a score in the following manner: 2 points for strongly agree, 1 point for agree, 0 for no opinion, (-1) for disagree, and (-2) for strongly disagree. The results are given in the following table.

The information presented in the table discloses many interesting facts. Though most of it is self-explanatory, some points need to be highlighted. The highest mean score for any statement can be 2, showing that all the respondents are very positive about the statement, on the other hand a mean score of (-) 2 shows that all respondents have a negative attitude about the statement. The mean scores lies between these two extremes. The first two statements show that on an average the respondents agree that an increase in sales is necessary for them. However, many respondents are not very sure whether sale of traditional items should be given priority over decorative items, though more than 50% of them agree to the statement. Respondents are quite positive about the fact that in order to create more market demand there is a need to improve quality and get more training for quality improvement. They also emphasize that, a considerable amount of insurance coverage is required to recover the inter-process loss and loss in transit. This aspect needs attention because, the motivation to capture more market through quality improvement needs to be continuously nourished in the minds of the Swarozgaris. Many of them agree that DRDC should arrange for more training programmes for them. The respondents are quite keen on government support regarding procurement of raw materials for them and transportation of finished goods for them to the local trade fairs. This shows that the members of the group feel that their marketing efforts can definitely improve if the support mechanisms of the government agencies improve. This is also corroborated by the response that they want the Government agencies to advertise for them and the media to disseminate more information for the products.

Policy Prescriptions

The facts detailed out in the preceding sections amply point out that members of self-help groups who are engaged in micro economic activities are not free from constraints and hassles of marketing their products. The case of pottery and terracotta artists as members of self-help groups is an illustration of what problems can arise for micro enterprises in general when they are in search for markets for their products. On the basis of the findings of the study certain suggestions for improving the marketing strategies of self-help groups should be undertaken. Some of these are:

- The Government agencies and NGOs should undertake detailed studies of the micro entrepreneurial problems of different types in relation to activities and products, and understand the specific marketing problems related to these. The policy of the government spelt out through SGSY guidelines states that: “It must be noted that identification of activities is critical for the success of the SGSY. It is therefore necessary that it should be done in careful manner.” (Para 1.13, SGSY guidelines). Steps should be taken by DRDC and NGOs for helping the SHGs in market creation and market penetration. SGSY guidelines provide for expenditure up to Rs. 5 lakhs annually by each DRDCs for management of professional input to marketing research, value addition, or product diversification, or any other input which would facilitate marketing of the products resulting in additional income to Swarozgaris. DRDCs have been permitted to incur expenditure on organizing exhibitions, fairs, and fund promotion and sale of SGSY products.
- Enhancing the quality and packaging of the products made by SHGs can help in market creation and market penetration. To ensure that SHGs take up economic activities and can sell their products “care should be taken that the market is either read-

ily available or there is a potential for market creation of the products. This may require engaging the services of professionals in the field for market research and survey" (Para 1.13, SGSY guidelines). Therefore DRDCs should arrange for multiple training programmes so that the artisans belonging to the SHGs can develop the capability to make quality products at competitive costs.

- As revealed by the beneficiaries, there is a need by the government agencies to develop strategies for assuring supply of good quality raw materials at cheap prices to the SHGs and arrange for transportation of their finished goods.
- DRDC should disseminate information about melas and trade fairs much more frequently and well in advance to the SHGs and sponsor their full travelling expenses including cost of carriage of their products.
- Government should urge the media to give adequate coverage to the products manufactured by the SHGs and generate public awareness that these products are good and affordable and can contribute to the social cause of helping micro enterprises in the rural areas.
- Since literacy levels are low in rural areas and Swarojgaris are not always apt in dealing with the financial complexities of transactions, banks should offer special assistance when SHGs bring drafts or cheques for cashing.
- To recover the loss in transit and the amount of interprocess loss, adequate amount of insurance policy with simple procedures is necessary.

In this context, the observations of the Standing Committee on Urban and Rural Development (2004) on marketing of products manufactured by SHGs need to be taken into account seriously. They feel that the quality of the products produced by the SHGs has to be improved. The Committee feels that state governments should provide protection to locally produced items and a survey should be done in this regard to find out the extent to which SHG products are being sold in the local market. The Committee suggests that the state governments may be asked to provide protection to the SHG produced items and to find ways to enhance the success in sale of SHG products in local markets,

It must be reiterated that it is through effective marketing strategies that the micro enterprises launched by SHGs can sustain in the long run. If turnover is ignored, then the return on investment will be low, the investment will gradually drain off and the loan and subsidy pumped in from the SGSY scheme will be misused. The SGSY guidelines have many clauses related to marketing, but it requires activities to ensure that work done on this basis is substantial. It is therefore suggested that the Government agencies, NGOs, and above all the SHGs, clusters of SHGs and Federations of SHGs lay utmost importance to marketing strategies for the products made by SHGs.

Appendix

Table 2: Comparative Price Statement of Pottery and Clay Items Sold by the Beneficiaries

Name of the product	*Description of the product*	*Wholesale Price (Rs)*	*Retail Price(Rs)*	*Trade fair (Rs)*
Tub (small) (T)	10 inches height	20	25	35
Tub (medium) (T)	15 inches height	26	35	45
Tub (large) (T)	20 inches height	30	40	55
Hanging Tub (T)	12inches*8inches tub &18inches chain	37	46	60
Design Tub (T)	15 inches tub with different drawing	30	42	55
Long Chain (T)	5 feet chain	40	50	65
Water Filter (NT)	10 litre capacity with two candles	100	120	150
Short Hanging Design Chain (T)	18 inches chain with designed holder	40	52	80
Water Pot (Jug) (T)	5 litre water capacity	26	35	50
Tree Design Jug (Short) (NT)	12 inches height with tree inscription	35	42	50

Tree Design Jug (medium) (NT)	18 inches height with tree inscription	40	50	65
Tree Design Jug (long) (NT)	24 inches height with tree inscription	60	75	100
Model Jug (big)(NT)	12 inches height with model inscription	40	55	85
Model Jug (medium) (NT)	18 inches height with model inscription	50	62	100
Model Jug (long)(NT)	24 inches height with model inscription	70	110	190
Garden Pillar (long)(NT)	24 inches height with designed surface	145	180	350
Garden Pillar (short)(NT)	18 inches height with designed surface	120	150	275
Table Lamp (NT)	12inches height with designed surface	100	130	200
Face of Durga (NT)	Dice making	110	140	200
Face of Ganesh (NT)	Dice making	140	170	290
Telephone Stand (NT)	30 inches height with designed surface	120	170	300
TV Stand (NT)	36 inch*24inch*30inch	575	750	1400
Tiles (small)(NT)	36 inches*48inches	500	680	1350
Tiles (big)(NT)	60 inches*48inches	675	900	1800

Source: Field Study on SHGs engaged in pottery.

* NT signifies Non-Traditional items and T signifies traditional items

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