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The marketing pattern of produse by SHG's, and constraint in production, marketing of Mg-Ripa Darima, district: Surguja of Chhattisgarh

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Abstract

This study aims to examine the marketing patterns of products produced by Self- Help Groups (SHGs), focusing on distribution channels and sales strategies. The research highlights the critical role of distribution in making products accessible to consumers and constraints in production and marketing of different products and suggest remedial measures to overcome them. Two primary marketing approaches were identified Direct Selling: Members of Mahamaya SHG actively engage in direct sales by setting up stalls in local markets and establishing their own retail outlets, allowing them to connect with customers directly. Demand-Based Production: The Sanjeevani SHG employs a model where products are created based on consumer demand, facilitating direct sales to customers. The findings indicate that while these marketing strategies empower SHG members and enhance product availability, they also face significant challenges. Constraints such as limited marketing skills, lack of advertisement, and inadequate transportation facilities hinder the effective marketing of SHG products. This study suggests that enhancing marketing capabilities, establishing partnerships with local retailers, and improving product visibility could significantly benefit SHGs in maximizing their market reach and profitability.

Keywords: SHG, MG-RIPA, self-help groups (SHGs)

Introduction

The study examined the socio-economic impact of the Mahatma Gandhi Rural Industrial Park (MG-RIPA) program on self-help groups (SHGs) in the Surguja district of Chhattisgarh. The research focused on evaluating the marketing patterns, and constraints in production and marketing of different products and suggest remedial measures to overcome them. Faced by the SHGs under the MG-RIPA initiative. The findings revealed that the SHG members had diverse SHGs were able to generate reasonable returns, others faced challenges due to limited resources and market access. The marketing patterns of the SHGs were primarily through direct selling, but the study identified several constraints in production and marketing, including lack of skills, poor quality raw materials, limited access to modern tools, financial constraints, inadequate market access, and weak branding and packaging. To address these challenges, the study proposed remedial measures such as improving supply chain management, developing robust marketing strategies, and fostering collaborations with larger market players. The outcome gained from this research contributes to the understanding of rural industrialization's role in socio-economic development and offers practical recommendations for policymakers and practitioners aiming to bolster SHG initiatives within the framework of RIPA. The paper also highlights additional constraints, such as limited advertising, reliance on local markets, and insufficient working hours among SHG members. To address these challenges, the study proposes several remedial measures, including,

Leveraging government support through exclusive SHG product outlets and trade fairs. Collaborating with banks to improve credit access and market reach. Adopting direct marketing techniques, such as social media engagement and catalogues. Enhancing product packaging and branding to attract mass consumers. Expanding market access to state and national levels. By implementing these strategies, SHGs can enhance their production capabilities, improve marketing effectiveness, and ultimately increase sales and profitability for their members.

Review of Literature

Baghel, and Shrivastava (2015) ^[1] Examine the role of Self-Help Group (SHG) in socio- economic development of rural women of Durg district of Chhattisgarh. Social development and economic development were evaluated on the basis of community and individual indicators. The study reveals that both social and economic indicators have significant positive impact on Socio-Economic Development of rural women of Durg district.

Gupta and Rathore (2021) ^[2] studied on the socio-economic and political empowerment of rural women, through the Self-Help Groups (SHGs) in Bilaspur Division, Chhattisgarh, India. The various factors involved as empowerment indicators were individually discussed based on the data collected from the women SHG members (by random sampling). It is found from the study that, there is significant empowerment in all three dimensions. It is also estimated from the Garret Ranking Method, that women after associating with SHG were found economically

empowered most significantly, then the socially and politically. The work will be useful for the policymakers to frame the policy and enhance the degree of women empowerment for the selected area of the study as well as other rural areas.

Malhotra and Baag (2021) studied on the systematic review method to evaluate various studies in domain of Self-help group bank linkage. This study will contribute to theory building on Peer mechanism in domain of group lending. It will add to existing repository of literature reviews in domain of peer mechanism for Joint liability groups. Self-help group bank linkage initiative is aimed at providing access to Microfinance to people at the bottom of pyramid.

Chandrakar, A. *et al.* (2021) [4]. This study examines the business performance of the Mamta Yojna Mahila Self Help Group (SHG) in Durg District, Chhattisgarh, which produces Ready-to-Eat products. The cost breakdown for producing 1 kg of the product includes raw materials (77.62%), labour (11.25%), packaging (4.50%), machinery and electricity (3.26%), and other costs (2.25%), totalling Rs. 44.40. The SHG sold 1,975.30 quintals of the product, with a net return of Rs. 4.05/kg and a total return of Rs. 800,000/year. The MRP and selling price were Rs. 48.50. The net return, input-output ratio, and V.C. ratio were Rs. 4.05, 1:1.09, and 0.84, respectively.

Chandrakar, A. P. *et al.* (2021) [5]. The study examines the business performance and constraints of the Kamdhenu Women Self Help Group (SHG) in Baronda Bazar, Mahas Amund District, Chhattisgarh. Comprising 12 women, this SHG focuses on vermicompost production, yielding 900 quintals annually under the GNY scheme. Key findings include: Demographics: 58% of the members are illiterate, with most aged between 30 and 40 years. Production Constraints: Major challenges include high production and labour costs, lack of raw materials, and product quality issues. Marketing Constraints: Key marketing challenges involve delayed payments from cooperative societies, poor marketing coordination, inability to sell worms, and reliance on cooperative societies for marketing. This study highlights the need for addressing these constraints to enhance the SHG's business performance.

Materials and Methods

The study's methodological framework includes the selection of the study area, sampling methodology, data collection, costing methodology, and analytical tools.

Sampling Methodology

The research was conducted in Darima village, Ambikapur block, Surguja district, Chhattisgarh, focusing on two Self-Help Groups (SHGs): Mahamaya SHG and Sanjeevani SHG, each with 12 members established in November 2023. The study examined three products: candles, registers, and files.

Data Collection

Both primary and secondary data were collected to analyse processing and manufacturing costs. Data on expenditures for raw materials, packaging, fuel, manpower, and equipment depreciation were gathered from SHG records and supplemented by interviews. Constraints faced by SHGs were identified through structured questionnaires.

Data Collection Tools

Interview schedules.

Questionnaires.

Secondary sources.

Tools of Analysis

Frequency distribution.

Weighted frequency average.

5-point rating scale.

Percentage analysis.

Average calculations.

Profile of the Study Area

Chhattisgarh is characterized by diverse geography and a predominantly agrarian economy. Surguja district features mountainous terrain and a significant tribal population, with 90% of its residents engaged in agriculture. The region's economy is influenced by its natural resources and cultural diversity.

Results and Discussion

This research paper aims to examine the marketing patterns of products produced by SHGs, focusing on the distribution channels utilized and the challenges faced in marketing these products.

- To examine the marketing pattern of produce by selected SHG's.
- To examine constraints in production and marketing of different products and suggest remedial measures to overcome them.

To examine the marketing pattern of produce by selected SHG's. Distribution Channels

The distribution channels are crucial for ensuring that products reach consumers effectively. The following sections detail the primary distribution methods employed by SHGs.

1. **Direct Selling:** Direct selling is a prominent method used by SHGs to market their products.
- **Mahamaya SHG:** Members of this group engage in direct sales by setting up stalls in local markets or establishing their own retail outlets. This approach allows them to sell products directly to consumers, eliminating intermediaries and enhancing profit margins.
- **Sanjeevani SHG:** This group adopts a demand-driven approach, producing goods based on consumer requests and selling directly to them. This strategy not only meets consumer needs but also fosters a closer relationship between producers and customers.
2. **Marketing Patterns:** The marketing patterns of SHGs can be analysed through various dimensions, including product types, pricing strategies, and promotional activities.
3. **Product Types:** SHGs typically produce a variety of goods, items like candles, registers and files. The diversity in product offerings allows SHGs to cater to different market segments.
4. **Pricing Strategies:** Pricing is a critical factor in the marketing strategy of SHGs. Members often set competitive prices to attract local consumers while ensuring that they cover production costs and achieve a

reasonable profit margin.

- 5. Promotional Activities:** Promotion remains a challenge for many SHGs. Limited advertising and marketing skills hinder their ability to reach a broader audience. Some groups have started utilizing local fairs and exhibitions to showcase their products, but more

structured promotional strategies are needed to enhance visibility and sales.

To examine constraints in production and marketing of different products and suggest remedial measures to overcome them

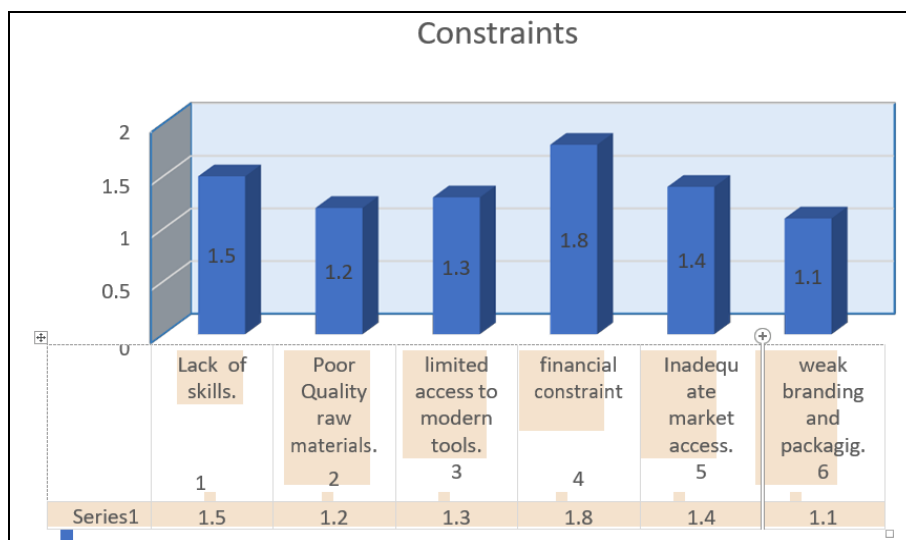


Fig 1: To examine constraints in production and marketing of different products and suggest remedial measures to overcome them.

The constraints faced by Self-Help Groups (SHGs) in the production and marketing of various products under the Mahatma Gandhi National Rural Employment Guarantee Act (MG-RIPA).

The constraints faced by Self-Help Groups (SHGs) in the production.

From the fig (1). The study identifies several key constraints impacting SHG operations, categorized as follows:

- 1. Lack of Skills (Weight: 1.5):** Many SHG members lack the necessary skills and training to produce high-quality products, limiting their ability to meet market demands effectively.
- 2. Poor Quality Raw Materials (Weight: 1.2):** Access to quality raw materials is often inadequate, adversely affecting the competitiveness and quality of the products.
- 3. Limited Access to Modern Tools (Weight: 1.3):** The absence of modern production equipment restricts efficiency and productivity within the SHGs.
- 4. Financial Constraints (Weight: 1.8):** Insufficient access to credit and financial resources significantly hampers the capacity of SHGs to invest in production and marketing.
- 5. Inadequate Market Access (Weight: 1.4):** SHGs face challenges in reaching broader markets beyond their local areas, which limits their customer base and sales potential.
- 6. Weak Branding and Packaging (Weight: 1.1):** Many SHG products suffer from ineffective branding and packaging, making them less appealing to consumers.

The constraints faced by Self-Help Groups (SHGs) in the marketing of various products: Despite the potential benefits, SHGs encounter several challenges in marketing

their products:

- 1. Lack of Marketing Skills:** Many SHG members lack formal training in marketing, which limits their effectiveness in promoting products.
- 2. Unorganized Markets:** The informal nature of many local markets can lead to inconsistent sales and pricing issues.
- 3. High Packaging Costs:** The cost of packaging can significantly impact profitability, especially for small-scale producers.
- 4. Transportation Issues:** Limited access to transportation can restrict market reach and increase costs.

Consumer Awareness: There is often a lack of awareness among consumers regarding the quality and benefits of SHG products, which can hinder sales.

Recommendations

To address the constraints faced by Self-Help Groups (SHGs) under the Mahatma Gandhi National Rural Employment Guarantee Act (MG-RIPA) in their production and marketing activities, the following remedial measures are suggested:

- 1. Skill Development Programs:** Implement training sessions focused on enhancing the production skills of SHG members. Collaborations with NGOs and government agencies can facilitate workshops on quality production techniques.
- 2. Improving Raw Material Access:** Establish partnerships with suppliers to ensure a consistent supply of quality raw materials. SHGs could also explore collective purchasing to reduce costs and improve quality.
- 3. Access to Modern Tools:** Facilitate access to modern

production equipment through government subsidies or loans. Providing shared facilities for tool usage can enhance productivity without significant individual investment.

4. **Financial Support and Credit Access:** Strengthen financial linkages by partnering with local banks and microfinance institutions to provide easier access to credit. Financial literacy programs can help SHGs manage their finances better.
5. **Market Expansion Initiatives:** Develop strategies to reach broader markets beyond local areas. This can include participating in trade fairs, establishing online sales platforms, and forming cooperatives to enhance market presence.
6. **Branding and Packaging Improvements:** Invest in branding and packaging to make products more appealing. Training on effective marketing strategies and design can help SHGs create a strong brand identity.
7. **Advertising and Promotion:** Increase awareness of SHG products through targeted advertising campaigns. Utilizing social media and local community events can help reach a wider audience.
8. **Collaboration with Retailers:** Form partnerships with local retailers and supermarkets to increase product visibility and accessibility. This could also include setting up permanent stalls in high-traffic areas.
9. **Training Programs:** Providing marketing and business management training for SHG members can enhance their skills and confidence in promoting their products.
10. **Collaboration with Local Businesses:** Establishing partnerships with local supermarkets and e-commerce platforms can increase product visibility and accessibility.
11. **Improved Packaging:** Investing in attractive packaging can enhance product appeal and potentially increase sales.
12. **Utilization of Technology:** Developing mobile applications or online platforms for marketing can help SHGs reach a wider audience and streamline sales processes.
13. By implementing these measures, SHGs can overcome existing constraints, enhance their production capabilities, improve marketing effectiveness, and ultimately increase sales and profitability.

Conclusion

In conclusion, this research highlights the significant constraints faced by Self-Help Groups (SHGs) under the Mahatma Gandhi National Rural Employment Guarantee Act (MG-RIPA) in their production and marketing efforts. Key challenges identified include a lack of skills, poor quality raw materials, limited access to modern tools, financial constraints, inadequate market access, and weak branding and packaging. These obstacles not only hinder the quality and competitiveness of SHG products but also restrict their market reach and profitability. The marketing patterns of products produced by SHGs reveal both opportunities and challenges. While direct selling and diverse product offerings provide a solid foundation for marketing, the lack of skills, market organization, and consumer awareness pose significant barriers. By

implementing targeted strategies, SHGs can enhance their marketing effectiveness, ultimately leading to improved economic outcomes for their members. The continued support and development of SHGs are crucial for fostering women's empowerment and economic growth in rural communities. To address these issues, a series of remedial measures have been proposed. These include implementing skill development programs, improving access to quality raw materials, facilitating access to modern production tools, and strengthening financial support systems. Furthermore, expanding market access through partnerships with local businesses and enhancing branding and packaging strategies are crucial for increasing product visibility and appeal. By adopting these strategies, SHGs can effectively overcome existing challenges, enhance their operational capabilities, and improve their marketing effectiveness. This, in turn, will lead to increased sales and profitability, empowering SHG members and contributing to sustainable economic development in their communities.

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