



Problems and Challenges Among Women Entrepreneurs in Network Marketing in Chennai City

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ABSTRACT

This study compares perceived problems and challenges among the women entrepreneurs who involved with network marketing in Chennai city. A pre-tested questionnaire was employed as the tool to collect primary data and the primary data was collected from 347 women entrepreneurs in Chennai city. This paper especially compares among the women entrepreneurs on problems and challenges. Further the study analysed the impact of certain demographic factors on perceived problems and challenges among the women entrepreneurs. The result reveals that the women entrepreneur groups with respect to certain demographic factors namely, 'above 45 years of age', 'schooling/diploma' educated, 'married entrepreneurs' and 'upto 5 years of experienced' have expressed more problems than other groups. Marital status and size of the enterprise have significant impact on perceived problems and challenges followed by experience, form of ownership and educational qualification.

KEYWORDS : Women Entrepreneurs, Network Marketing, Problems and Challenges

Introduction

Entrepreneurship is the dynamic process of creating incremental wealth (Ponstadt, 1998). This wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitments of providing values for some product or service. Furthermore, Timmons (1989) defined it in such a way that: Entrepreneurship is the process of creating and building something of value from practically nothing. That is, it is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled. In addition, Hisrich (2005) defined "Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence. From the definitions given above, it is possible to conclude that in almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behavior that includes: (1) initiative taking, (2) the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account, (3) the acceptance of risk or failure.

Factors affecting entrepreneurship

Though entrepreneurship has its own advantages, it is not free of problems. For this there are a number of factors. Samiti (2006), Tan (2000) classified the basic factors that affect entrepreneurs in to two broad categories – economic and social. The economic factors include competition in the market; lack of access to the market, lack of access to raw material, lack of capital or finance, lack of marketing knowledge; lack of production/ storage space; poor infrastructure; inadequate power supply and lack of business training. The social factors include lack of social acceptability; having limited contacts outside prejudice and class bias; society looks down upon; attitude of other employees; and relations with the work force. Besides this, Gemechis (2007), Hisrich (2005), ILO (2009) added Social and cultural attitude towards youth entrepreneurship; entrepreneurship education; administrative and regulatory framework; and business assistance and support; barriers to access technology are crucial factors that affect entrepreneurial success.

Women Entrepreneurs and Network Marketing

Network marketing is a subset of direct selling and is also known as, "multi-level marketing". Multi-level marketing is also called networking marketing, which is a way of distributing and selling products and services through a chain of independent distributors rather than through traditional retail outlets. Network marketing is definitely an ideal career choice for any women who has the desire, the right attitude, and who understands what really all is about and what it takes to be an entre-

preneur. Women are caretakers and are well suited to the network marketing. Statistics report us that women participate about 73.00 per cent of the total direct sellers in the world. According to the Indian Direct Selling Association (IDSA) report, women participates about 60.00 per cent direct sellers in India. Apart from the basic entrepreneurial competencies, there are certain Human Resource Management (HRM) competencies, which are highly indispensable to each and every business. Women have traditionally brought to their network marketing business in their advanced social and people skills. Majority of the people believe that network marketing is a "selling" business, but women know that it is really about sharing and building long term relationships that lasts, and successful women use these sharing and caring skills as a major tool in the recruitment process.

Statement of the Problem

According to World Bank (2005), ILO (2003), (SMIDEC, 2004), report that women entrepreneurs are affected by lack of entrepreneurial, managerial and marketing skills; bureaucracy and red tape; lack of accessibility to information and knowledge; difficulties accessing financial resources/Lack of capital; lack of accessibility to investment (technology equipment and know-how); nonconformity of standardization, lack of quality awareness and lack of mutual recognition schemes; Product and service range and usage differences; language barriers and cultural differences; risks in selling abroad; inadequate behaviours of multinational companies against domestic entrepreneurs of government supply-supporting programs; and lack of government incentives for internationalization of enterprises; and low access to appropriate technology.

Though Network marketing is all about people, which means it is a relationship-building business and women are natural at building strong long-lasting relationship. Network marketing is fairly of recent origin and women folk mostly from the middle class who possess the urge to achieve economic independence have grabbed this opportunity of self-employment as a means to contribute to the welfare of their family and society. Studies reveal that in India, the women strength lies in the commitment and dedication, weaknesses relate to the inability of women to take calculated risk. There is also the potent threat of competition from small and big units and the necessity of leaving enterprise due to family pressures. The growth and development of network marketing industry is drastically influenced by the essential component human resources (Gurmeet and Belwal, 2008; Kamal et al., 2009; Katerina, 2011 and Yvonne, 2012). Hence, the researcher aimed at knowing the perception of women entrepreneurs who involved in network marketing enterprises at Chennai on their problem and challenges.

Scope of the Study

This research is proposed to examine the problems and challenges etc. The present study is undertaken at Chennai in women entrepreneurs who have network marketing business of the company brands namely, Conybio, Tupperware, Amway, Oriflame, Avon, Modicare etc. The researcher has experienced that this sector has problems lack of many factors during the pilot study. Hence, the women entrepreneurs who deal with network marketing business are selected as respondents.

Objectives of the Study

- To compare the Problems and Challenges among the women entrepreneurs in network marketing according to their demographic variables.
- To find out the impact of demographic factors on Problems and Challenges of women entrepreneurs in network marketing.

Hypotheses

H1: There are significant differences among the women entrepreneurs in network marketing in their perceived Problems and Challenges.

H2: The demographic factors of women entrepreneurs in network marketing have significance impact on Problems and Challenges.

Limitations of the Study

This study has certain limitations such as, the study curtails the problems and challenges is alone considered; It does not cover in-depth the work factors of the respondents such as, women participation etc. Further, the study does not confine the rural respondents and other family environments etc.

Studies Related With Women Entrepreneurship on their Problems and Challenges

Since 1978 the growth in the number of businesses owned by women has been phenomenal; in 1984 the Small Business Administration reported that the number of self-employed women had increased from 1.7 million in 1977 to 3.5 million. One-fourth of the small businesses in the United States are now owned by women. Women started businesses at a rate six times faster than men from 1974 to 1984, but generated less than ten percent of the total business receipts in the United States. This reflects the fact that most businesses owned by women tend to be small service-related enterprises (Marion, 1987).

Apart from examining barriers which may prevent women from expanding their businesses the findings address a new paradigm of women in small business. This paradigm captures the multiple trajectories that women follow in their businesses the type of businesses that they operate and their relation to the stages of a woman's/business life cycle (Leonie and Wendy, 2000). Robert (2000) discusses the issues around learning, entrepreneur development, mentoring and the matching of mentors to client entrepreneurs. The researcher then considers whether "just-in-time", targeted training and support provided directly or facilitated by a mentor may be more cost-effective in the long run than a more traditional up-front prescribed training approach.

Treating entrepreneurship as a social process constrained by time and place allows it to gain new meanings and understandings of security, reliability, risk-moderation that it has not previously seen to possess (Ulla, 2005). The attraction of home-based business ownership is driven predominantly by the flexibility afforded to lifestyle and the ability to balance work and family. While these advantages were more salient for women than for men, gender per se was not a determining factor in why operators started a home-based business (Elizabeth *et al.*, 2008). Lorna and Colette (2010) have reported that women entrepreneurs face gender-specific barriers surrounding access to: networks of information, assistance, finance and investment funds, in addition to socio-cultural barriers. Muhammad and Pegram (2010) have understood that the gender-related challenges of Pakistani women entrepreneurs, the barriers perceived by women entrepreneurs in Islamic Pakistan can be alleviated through women-only training that allows participants to develop capital and competences.

Daphne *et al.* (2011) there is a strong indication that Africa has sizeable hidden growth potential in its women. Female entrepreneurship in Nigeria is driven by micro-financing as well as family dynamics that work to shape and influence the birth of a business. Hanifa *et al.* (2011) have identified some barriers that women face at the startup stage, and in addition – their entrepreneurial motivations and driving forces, satisfactions and frustrations, they face some barriers at the startup of their venture, emanating mainly from the lack of support, society and traditions, and personal and family reasons. Souza and Jelena (2012) have explored how women entrepreneurs encountered persistent gender stereotypes, a paucity of female role models, resistance from associates within and outside of their organizations, and societal pressures to maintain appropriate levels of work-family balance.

Research Methodology

The study is to examine the problems and challenges faced by the women entrepreneurs are compared with respect to the demographic factors of respondents who are involved themselves in the network marketing at Chennai City. Hence, the method adopted for this research is descriptive in nature, which explains the relationship among these factors. The women entrepreneurs who have been involved in the network marketing business of the company brands namely, Conybio, Tupperware, Amway, Oriflame, Avon, Modicare etc. at Chennai City. The sample size for the present study is 347. The samples are selected for the study by using multi-state simple random sampling. A well-designed and pre-tested questionnaire which has 32 statements concerning Problems and Challenges developed by the researcher. By adopting Likert's five-point scale (Strongly Agree – 5, Agree – 4, Neutral – 3, Disagree – 2, Strongly Disagree – 1) was used to measure the responses. The questionnaire was pre-tested by using reliability analysis and the reliability (α) is obtained to be 0.90. The statistical tools such as, One-Way Analysis of Variance, Independent Sample 't' test and Regression Analysis are used for data analysis.

Distribution of the Demographic Characteristics of the Women Entrepreneurs

Among the respondents 36.6 percent of them are in the age group of 36 – 45 years, 33.7 percent respondents are in the age group of Above 45 years and 29.7 percent respondents are in the age group of upto 35 years. 31.41 percent of the respondents are professionals. 12.10 percent of respondents are post graduates. Schooling/ Diploma, under graduates are 63 percent respectively and the remaining 11.82 percent belongs to others. Among the three enterprise sizes of respondents, Small size occupies 85.3 percent of the distribution followed by Medium and Large size shows 11.8 and 2.9 percent distribution respectively. 98.3 percent of respondents are married and 1.7 percent of respondents are Single. Experience profile explains majority (65.1 percent) of them falls in the experience between 11 and 20 years. 21.6 percent of the respondents are having the experience of 6- 10 years. 7.5 percent of the respondents are having the experience of Above 20 years whereas 5.8 percent of the respondents are having the experience of Upto 5 years. 62.5 percent of the respondents have one dependent whereas 19.0 and 18.4 percent of the respondents have two and three dependents, respectively. 65.7 percent of respondents have nuclear family setup whereas the remaining (34.3 percent) have joint family setup. 71.5 percent of the respondents have Family Business whereas the remaining (28.5 percent) of the respondents have Joint Ownership.

Perceived Problems and Challenges of the Women Entrepreneurs with respect to their Demographic Factors

The descriptive statistics of the women entrepreneurs on their perceived problems and challenges with respect to their demographic factors are presented in Table 1. According to the age, the result shows a significant outcome ($F = 16.479$; $p = 0.001$), which means that the entrepreneurs differ significantly with respect to their age towards their perceived Problems and challenges. The post hoc test result shows that entrepreneurs who crossed 45 years of age (mean = 3.83; $SD = 0.32$) have perceived more Problems and challenges compared to other groups. According to the educational qualification, insignificant outcome ($F = 19.099$; $p = 0.00$) is obtained, which means that the entrepreneurs do differ significantly towards their perceived Problems and challenges.

Table 1. Descriptive statistics of women entrepreneurs on their perceived problems and challenges in network marketing

Demographic Variable	Category	N	Mean	S.D.	'F'	'p'
Age	Upto 35 years	103	3.76	0.35	16.479	0.001**
	36 - 45 years	127	3.59	0.35		
	Above 45 years	117	3.83	0.32		
Educational Qualification	Schooling/ Diploma	92	3.84	0.30	19.099	0.00**
	Under graduation	63	3.63	0.37		
	Post graduation	42	3.64	0.36		
	Professionals	109	3.57	0.32		
	Others	41	3.65	0.35		
Size of the enterprise	Small	296	3.78	0.35	46.039	0.00**
	Medium	41	3.62	0.33		
	Large	10	3.29	0.06		
Marital Status	Married	341	3.65	0.34	2.447 [#]	0.015**
	Single	6	3.73	0.37		
Years of Experience	Upto 5 years	20	3.72	0.29	1.077	0.358
	6 - 10 years	75	3.69	0.36		
	11 - 20 years	226	3.73	0.33		
	Above 20 years	26	3.67	0.39		
No. of Dependents	One member	217	3.69	0.40	5.252	0.001**
	Two members	66	3.71	0.35		
	Three members	64	3.80	0.27		
Family Type	Joint Family	119	3.71	0.34	1.739 [#]	0.083
	Nuclear Family	228	3.65	0.39		
Form of Ownership	Joint Ownership	99	3.62	0.33	46.039 [#]	0.001**
	Family Business	248	3.29	0.06		

- 't' value; * - p < 0.05; ** - p < 0.01

The entrepreneurs who completed schooling/diploma (mean = 3.84; SD = 0.30) have perceived higher Problems and challenges compared to other groups. Size of the enterprise-wise, there a significant difference at the 0.01 level (F = 46.039; p = 0.00) towards Problems and challenges since small size enterprise (mean = 3.78; SD = 0.35); Medium (mean = 3.62; SD = 0.33); and Large (mean = 3.29; SD = 0.06). According to the marital status, there is a significant result (t = 2.448; p = 0.015), which means that the entrepreneurs differ significantly at the 0.01 level. Single (unmarried) entrepreneurs (mean = 3.73; SD = 0.37) have more Problems and challenges compared to married entrepreneurs (mean = 3.65; SD = 0.34). Years of experience-wise, there is a significant result (F = 1.077; p = 0.358), which means that the entrepreneurs do not differ significantly with respect to their years of experience towards Problems and challenges. Number of dependents-wise, there is a 0.01 level significant difference (F = 5.252; p = 0.001); the post hoc test result shows that entrepreneurs who have three dependents (mean = 3.80; SD = 0.27) have perceived higher Problems and challenges than other groups. The entrepreneurs do not differ significantly at the 0.05 level with respect to their family type. Entrepreneurs who are at joint family type (mean = 3.71; SD = 0.34) have perceived higher Problems and challenges towards their organization compared to the entrepreneurs who are at nuclear family type (mean = 3.65; SD = 0.39). Form of ownership-wise, there is a significant result (t = 46.039; p = 0.001), among them and entrepreneurs who have Family Business (mean = 3.29; SD = 0.06) experience more Problems and challenges than Joint Ownership (mean = 3.62; SD = 0.33). It is implied from this study that the results support for the hypothesis-1.

Influence of Demographic Factors on Problems and Challenges

The impact of demographic factors on Problems and Challenges is presented in Table 2.

Table 2. Results of Regression Analysis for the influence of selected demographic factors on Problems and Challenges

R	R Square	Adjusted R square	F	P-value
0.386	0.149	0.137	12.285	0.000**

Predictors: (Constant), Form of Ownership, Education, Family type, Marital Status, Size of the enterprise, Experience, Age, Number of Dependents

Coefficients

Demographic factors	Unstandardized Coefficients		Standardized Coefficients	t	P-value
	B	Std. Error	Beta		
(Constant)	64.255	1.690		38.013	0.000
Age	-.372	.239	-.069	-1.555	0.120
Experience	2.188	.587	.166	3.726	0.000**
Education	.848	.491	.074	1.727	0.085**
Size of the enterprise	-1.573	.320	-.235	-4.917	0.000
Marital Status	-.921	.187	-.230	-4.939	0.000
Number of Dependents	-.123	.186	-.027	-.662	0.508
Family type	.238	.598	.021	.398	0.691
Form of Ownership	-.572	.270	-.114	-2.117	0.035*

Dependent Variable: Problems and Challenges;

* - Significant at 0.05 level; ** - Significant at 0.01 level

From the multiple regression tables it is observed that the value of co-efficient of regression (R²) is 0.149 which implies that 14.90 percent of the variation on the Problems and Challenges is explained by the independent variables used in the study. ANOVA has been performed to check the significance of R². The F value obtained is 12.285 (P<0.001) and hence it is concluded that there is significant relationship between the dependent variable Problems and Challenges and the independent variables demographic characters. The table reveals that among the different independent variables only size of the enterprise (t = 4.917), marital status (t = 4.939), experience (t = 3.726), education (t = 1.727), and form of ownership (t = 2.117) have significant results. This shows that these independent variables highly influence the dependent variable, Problems and Challenges. However, among the significant independent variables, marital status and size of the enterprise have higher influence on the Problems and Challenges followed by Experience, Form of ownership and education. Other variables like age, number of dependents, and family type do not influence significantly towards the dependent variable. The results partially support for the hypothesis-2.

DISCUSSION

The prior studies suggest that the entrepreneurs are motivated by a high need for achievement, a slightly high need for dominance and moderate needs for affiliation and autonomy (Jean Lee, 1996; Joel, Vicky and Ngoh, 2007; Dave Kinnear, 2003; Ingmari and Svante, 2005, Jonathan and Mark, 2011). Although many studies have thoroughly investigated in developed countries, recent researchers have revealed to examine the problems and challenges of entrepreneurs. Studying the problems and challenges of women entrepreneurs who have network marketing business is more important, since the number of women entrepreneurs in this domain is increasing. Though studies conducted in conventional practices, there is a lack of empirical studies conducted in network marketing women's problems and challenges. Hence, the researcher hopes that study focused on problems and challenges of women entrepreneurs in network marketing might induce such target groups to replace their negative mindset with win-win strategies. The result reveals that the women entrepreneur groups with respect to certain demographic factors namely, 'above 45 years of age', 'schooling/diploma' educated, 'married entrepreneurs' and 'upto 5 years of experienced' have expressed more problems than other groups. Marital status and size of the enterprise have significant impact on perceived problems and challenges followed by experience, form of ownership and educational qualification. But other variables like age, number of dependents, and family type do not influ-

ence significantly.

SUGGESTIONS

Based on the obtained results, certain suggestions are given to the women entrepreneurs in order to sustain in the network marketing. These are:

- Organizing for orientation and skill training on selected trades, of their choice and suitability and providing consultancy and guidance, continuously for effective team building.
- Awareness on, career building and attitudinal change towards enterprise formation and to delegate empowerment at all the levels.
- Effective training on building up self-confidence and communication skills to identify and solve the problems and challenges.
- The policy makers have to insist for increase access to new technologies and scientific knowledge on project formulation, implementation.
- The experienced women entrepreneurs would interact with others in order to share the successful stories for gaining experiences

CONCLUSION

The social and economic benefits of working are driving entrepreneurship more than increased education or household income. Government of India motivates especially women entrepreneurship to start small scale industries by means of products and process orientation etc. Industrial revolution and new economic policy has a significant impact on increasing gainful employment in many fields. Self-esteem and economical freedom is being increased mainly through women entrepreneurship. Entrepreneurship of women is not only deemed as powerful to facilitate their participation in income generating activities, but also as a tool to foster self-reliance to increase their potentials and to enhance the sense of achievement and self-esteem. There is also the potent threat of competition from small and big units and the necessity of leaving enterprise due to family pressures. The question of women's equality needs to be studied. Hence, this study was conducted in Chennai city among the women entrepreneurs. Further the researcher recommends that there is a lot of scope for further researches in this area under different industrial sector and geographical locations of women entrepreneurs.

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