



## Self Help Groups in Tripura And Marketing of the Products: an Overview.

### KEYWORDS

Self- Help Groups, economic activities, marketing, finished products, quality assurances.

### HARIPADA DATTA

Assistant Professor in Commerce DEPARTMENT OF COMMERCE, MBBCOLLEGE, AGARTALA, PIN:799004

**ABSTRACT** *Self-Help Groups or SHG movement is said to represent an alternative development strategy, one that involves the process of social and economic empowerment to the economically weaker sections of the society. Till March, 2013, there were 39,082 SHGs in Tripura state. SHGs can take up economic activities, which are suitable and perceived to be profitable to them. In a survey undertaken by the DRDA (District Rural Development Agency), 90 percent of the SHGs have been found to have taken up economic activities relating to agriculture, animal husbandry, handloom and handicraft sectors. It has been seen that the Self Help Groups engaged in making of various products have not been getting their due market even though there is wide appreciation of the products and has huge market potential. This study is an attempt to review and analyze the causes, problems and future perspective of SHG movement in Tripura and also to search some suggestive solutions.*

Self-Help Group or in-short SHG is now a well-known concept. It is now more than two decade old. Self Help Groups (SHGs) are voluntarily organized small groups of 10-20 people facing similar problems, generally belonging to economically weaker sections of the society. These groups promote small savings among their members. The savings are kept with the bank. This is the common fund in the name of the SHG from which small loans are given to its members. After a prescribed period, if the group is functioned fulfilling the prescribed norms, the bank extends the required credit to the SHGs. The SHGs can take up economic activities, which are suitable and perceived to be profitable to them. In Tripura context, it has been seen that most of them have been taking up economic activities relating to the primary sector. In a survey undertaken by the DRDA (District Rural Development Agency), 90 percent of the SHGs have been found to have taken up economic activities relating to agriculture, animal husbandry, handloom and handicraft sectors. Familiarity with the occupation or economic activity has been the main factor behind this trend. Self-help groups owing to their limited experiences and exposure to running business enterprises need to build their capacities in the area of marketing with the help of well informed and practicing marketing consultant (Vinaygamoorthy, Saranyaand and Prema, 2013). Marketing practices of SHGs are very important for long sustainability of SHGs.

**Objective of the Study:** The principal objectives of the study are to:

- i. Assess the present status of SHGs in Tripura
- ii. Highlight various kinds of products made by the SHGs
- iii. Review the present status of distribution channels of SHGs products
- iv. Find out the problems and difficulties in marketing faced by the SHGs
- v. Examine the activities of promotional and developmental agencies supporting the SHGs.
- vi. Analyses the necessary steps be taken to improve the marketing linkages for the products

#### Data Sources:

The study is basically based on secondary data and information available in literature, DRDAs (District Rural Development Agencies), records of the Rural Development Department, Economic Review of Tripura and conversation with a few members of SHGs and Internet.

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#### Status of SHGs in Tripura:

In Tripura, the formation of SHGs initiated in April 1999 but the real movement has been started in the financial year 2003-04. There were 25,425 SHGs in the state as on 31<sup>st</sup> March, 2004. Out of which 14,015 (55.12%) were women SHGs. The formation of SHGs in Tripura is executed under different Nodal Agencies with the help of the Rural Department, Government of Tripura and other financial institutions, a detail outline of which is given below.

#### SHGs under Swarnajayanti Gram Swarozgar Yojana (SGSY):

The SGSY is one of the most important ongoing programme for the self-employment of rural poor. The scheme was launched in the State of Tripura on 1st April 1999 after restructuring the erstwhile four schemes. It is a holistic scheme covering all aspects of self-employment such as organization of the poor into SHGs, Training, credit technology, infrastructure and marketing. The main objective of the SGSY is to bring the assisted BPL families above the poverty line by ensuring appreciable increase in income over a period of time through training and by providing them income generating assets through a mix of Bank credit and subsidy from Government. The scheme is funded by the Central and State governments at the ratio of 90:10 and has been implemented by DRDA, Panchayat Raj Institution, Commercial Banks and Regional Rural Banks. The scheme aims at establishing a large number of micro enterprises in the rural areas.

Status of SGSY up to financial year 2012-13 since inception in eight districts of Tripura is presented in Table: 1

**Table:-1**

Name of Districts	SHG Type						Total SHG
	Wom-en SHGs	ST SHGs	SC SHGs	RM SHGs	1 <sup>st</sup> graded SHGs	2 <sup>nd</sup> graded SHG out of 1 <sup>st</sup> graded SHGs	
West	3512	2366	856	201	5094	2194	5882

North	2201	1120	864	451	3521	1871	3995
Gomati	2422	2677	1208	457	4121	1829	5540
Dhalai	2385	3227	880	100	3646	1924	5511
South	3025	1575	1245	25	3583	1886	5875
Sepahijala	3326	1412	1004	1041	4701	2942	5166
Khowai	2556	2207	836	34	2692	1456	4102
Unakoti	737	737	557	537	2360	1167	3018
Total	20956	15321	7450	2846	29718	15272	39089

Source: RD Department, Tripura

ST=Schedule Tribe, ST=Schedule Caste RM=Religious Minorities

It has been seen that in the year 2012-13, there were 39,089 SHGs out of which 20,956 SHGs were formed by women. These SHGs are focusing on vulnerable sections of the rural poor. On an average 53.61 percent of SHGs are formed by women. These SHGs are run by women for women, being a community-based programme. Similarly out of 39,089 SHGs Schedule Tribe, Schedule Caste and Religious Minorities represent 39.2, 19.06 and 7.28 percent respectively of the total SHGs. It may be remarked that more than 76 percent SHGs are successfully crossed first grade whereas only 39.06 percent SHGs are passed the second grade.

#### National Rural Livelihood Mission (NRLM):

Due to some shortcomings of SGSY, the Government of India restructured SGSY as the National Rural Livelihood Mission (NRLM) after 2012-13. In Tripura, NRLM started its journey during financial year 2013-14. The Mission is known as Tripura Rural Livelihood Mission (TRLM) in Tripura. The preliminary objectives of NRLM/TRLM are to organize the poor women into affinity (Rao, M.P.) based SHGs for practicing micro savings and micro credit within the group. About 7,555 functional women SHGs of eight districts of Tripura were formed during 2013-14 which had already been registered under SGSY earlier.

#### Tripura State Support Project on Self-Help Groups (TSSPS):

The Rural Development Department, Government of Tripura has launched a new project 'Tripura State Support Project on SHGs' (TSSPS) on 4th December 2008. It is a State Plan Scheme being implemented in Tripura since 2009-10. There is a provision for providing soft loan maximum of rupees 25,000 at the rate of 4 percent interest and equal amount from Tripura State Co-operative Bank. The main objective of the project is to form SHGs in rural as well as in urban areas with the BPL families and the APL families marginally above to BPL. The fund for implementation of the project is being provided by the Government of Tripura. Bankers including NABARD have agreed to assist in the implementation of the "Tripura State Support Project on SHGs".

The State Government has nominated 'Swavalamban Society' as the Nodal Agency for implementation of the Scheme. The Tripura State Co-operative bank Ltd. has been entrusted with providing credit linkage. A total allocation of fund rupees one crore is earmarked for the year 2011-12. The achievement under TSSPS during 2011-12 is summarized in Table no. 2.

Table:-2

District	Target for providing soft loan to SHGs	SHGs sponsored to Banks	Sanctioned by Banks	Credit Disbursed
West	950	993	805	200
South	500	244	65	45
North	300	302	105	60
Dhalai	250	250	225	145
Total	2,000	1,789	1,200	450

(Undivided four Districts)

Source: RD Department, Tripura.

Credit disbursement ratio in relation bank loan sanctioned to the number of SHGs is not satisfactory. The average credit disbursement ratio is 37.5 percent in which South District shows the highest 69.23 percent and West Districts shows the lowest 24.84 percent only. In the district of West Tripura, each Gram Panchayat was to form one SHG in a month and 12 SHGs in a year under SGSY. The SHG movement received such equally enthusiastic response from other district also and some Panchayat exceeded the target. Although some of the old SHGs have been vanished due to financial discipline and other causes. Most of them are being revived and credit linked. The Bharat Gyan Vigyan Samiti, Tripura Micro Study, found that while group formation had a significant impact on social indicators and led to accumulation of handsome savings by SHGs, the impact on poverty alleviation was minimal, since SHGs concentrated more on thrift (Gandhi and Udayakumari 2010) and credit activities in first few months and economic activities are taken up only later after Group stabilization.

#### Products Manufactured by the SHGs:

It has been seen that the SHGs are engaged in a lot of economic activities. They take up agriculture, horticulture, poultry, goater, piggery, duckery, sericulture, and plantations etc. It is more often found that one single SHG takes up more than one economic activity. In that way they can diversify their area and can also earn more money.

SHG members create a large number of products. They produce agricultural products like vegetables and food grains. It is generally said that every tribal women is a weaver. So many SHGs produce handloom items like *loon-gi*, *pachhra*, *chadder*, *sharis* on a commercial basis. Many SHGs produce various food items like *muri*, *papads*, *spices*, *jam*, *jelly* etc. Products made of cane and bamboo like *agarbatti sticks*, *bamboo shoots*, *mats* and various *bamboo furniture like partition*, *cane sofa*, *garden chair*, *dining chair*, *baby chair*, *centre table*, *morah*, *apple morah*, *flower pot*, *container*, *fruit basket*, *different basket*, *running mat*, *table mat*, *chatai*, *door screen*, *ladies bag*, *hand fan*, *port folio bag*, *table mirrors*, *small mirrors*, *decorative trays*, *ornaments panels*, *decorative pillar* etc. Cane and Bamboo products are very popular in the State of Tripura as well as other part of the country. Some SHGs produce jute items, clay items, stuffed toys and various essences etc.

#### Marketing of the Products and Distribution channels:

Marketing capabilities may include capacity to explore the new market and also the skill to bargain with the buyers to have better price for the products. The social, educational and economic background of the SHG members would also determine their marketing capability. A distribution channel moves goods from producers to consumers (Kotler and Armstrong, 1996). At present, SHGs products reach to its final consumers through both direct and indirect channels. Various SHGs use various marketing

channels at various times. Lion share of SHGs products are marketed at their local markets using traditional **direct distribution channels** like as:

- (i) **Door-to door selling:** Some SHGs women indulge in door-to-door marketing. They like to market their products to known people, relatives and other SHG members as their customers. This provides less scope of sales and they end with lesser profits.
- (ii) **Traditional local markets/village market/haat:** The members of the SHGs are using this traditional channel for marketing their products directly to the customers. Generally it is hold once or twice in a week and the SHGs members do not have any permanent stall or store. They have to market their products under open sky or field. A village market is attended by people of different villages and there are different kinds of news and information. In this case the sellers and buyers are acquainted with each other and products are sold on cash or credit basis through bargaining.
- (iii) **SHGs melas (fair) at block and District level:** One of the most popular avenues for the SHGs to market their products is the Self Help Group *melas* (fairs) organized by the Government in different blocks and the district headquarters. For this purpose market stalls, including facilities in growth centers, have been created by the State Government in block level and are utilized by SHGs for marketing of their products. Normally, such fairs are organized once in a year. In these *melas*, the stalls and other infrastructure support is provided by the Govt.
- (iv) **Regional SHG melas called 'SARAS':** The Government of India also organizes regional Self Help Group *melas* called 'SARAS' in various States on annual basis. Self Help Groups from different States participate in these fairs. Majority of the expenses are borne by the Central Govt. The State Govt. provides infrastructure and other supports where the *mela* is physically held. The Government of India has also provided a stall in Delhi Haat, Pitampura, New Delhi, in which DRDAs are sending SHGs for marketing their products.

These *melas* helps the Self Help Groups in many ways. Firstly, the SHGs is able to sell their products to customers hailing from outside their locality. In this process, their products get exposed to the customer base that is different from the normal one. Secondly, it has been seen that the margin earned on the sale of the products during the *melas* is much higher than those sold during the normal times. This results in higher profits for the groups thus enhancing their income and capital that can be used for up gradation and expansion of their venture. Thirdly, these fairs provide a common platform for interaction among the Self Help Groups.

#### Indirect marketing channels:

It contains one or more intermediary levels between SHGs and customers. SHGs products reach to the consumers through retailers or wholesalers. Sometimes it is also seen that middlemen like retailer procures products from different kinds of SHGs. Bamboo and cane items from artisans, cloth items from weavers and food items from manufacturers generally procure by retailers and they market its to the customers.

#### Problems of Marketing faced by SHGs:

The Self Help Groups, in general, face a lot of constraints in marketing of their products. Marketing the finished products is the most challenging task (dshghch) to the

members of the SHGs in Tripura. It has been stated earlier that SHGs do not produce a single product. Due to lack in marketing skills more often they are unable forecast the future demand of their products. At times, variety is considered desirable but in case of these SHGs, focus is lost and they are not able to develop core competence in any of the products. For that reason, quality of the products also suffers in the sense that sharpening of skills in one or two products are normally expected to result in better quality. Marketing problem of the SHGs is not confined to the issue of quality and quantity of products manufactured by them. Being devoid of any professional knowledge about the cost analysis and marketing behavior, pricing of products is also not to their advantage. They remain satisfied with the small margins, which they get on their products.

Marketing of the products of SHGs engaged in this sector is the weakest link in the entire chain of modern concept. Different aspects of weakness revealed from the study which can be enumerated as follows:

- (i) Poor finishing of the product
- (ii) Lack of design of the product as per the contemporary and present day demands
- (iii) Acting as the suppliers of the raw materials rather than producer of the finished products made of bamboo and cane
- (iv) Not meeting the demand of outside industries in terms of volume
- (v) Absence of advertising of the product outside the state
- (vi) No branding of the products
- (vii) Poor packaging
- (viii) Absence of attractive show rooms in the metropolitan centers
- (ix) Lack of attention to capacity building of the SHGs on marketing
- (x) Transport bottlenecks due to geographical remoteness of the State from the mainland
- (xi) Other infrastructure bottlenecks like shortage of storage space etc.

#### Role of Promotional and Development Agencies:

The Government initiated the Self Help Group approach to development as a part of well-planned strategy to alleviate poverty in the rural areas. State Government is giving emphasis to form federation/ clusters of SHGs so that they emerge agencies for supporting marketing. Active role of the financial institutions, particularly nationalized commercial banks and regional rural banks has been envisaged in the entire exercise. The line departments are supposed to provide technical support to the SHGs in their economic activities. Many critics have pointed out that the role of different agencies has not been up to mark in the entire exercise. Whatever be the criticism, vital role played by these agencies can't be denied. The fact that the Self Help Group approach has got acceptance and credibility among general masses in the rural areas is a live testimony to this. NGOs have also later on added to the efforts of the Government, financial institutions and other Government agencies.

#### Conclusion

Marketing guides the entire organization. The goal of marketing is to create customer satisfaction. In this respect it may be remarked that diagnosis of the ailment is the first step to finding the cure. This is true of the SHGs working in Tripura also. Economic wellbeing of the groups can undergo drastic improvement provided marketing of their products is taken care of. Corrective steps should be adopted in this regard can be summarized as follows:

- i). Encouraging the Self Help Groups to use a little bit of machinery to improve finishing of the products
- ii). Providing training and professional technical help to the Self Help Groups in improving design of the products

- iii). Provision of transport subsidy to the products to be sold outside the state to make them more competitive with the mainland products
- iv). Improvement in packaging by setting up the centralized packaging units in the state especially suited for the bamboo and cane products
- v). Attractive advertising campaign of the handicraft products of Tripura
- vi). Massive brand building exercise for the handicraft products of the State by the Government
- vii). Making the Govt. show rooms of the handicraft products by improving their environs and the brochures meant for publicity
- viii). Extensive capacity building exercise for the Self Help Groups exclusively on marketing

The above-mentioned measures are not exhaustive but indicative. The SHGs have to operate in the market economy where market forces determine the fate of any product in terms of price and quality. Quality assurance has a cost, but it is a cost that can be realized back in terms of long-term business prosperity and goodwill (**Ramaswamy and Namakumari, 2002**). The Government regulations can help these groups in facing competition in the arena of market but it cannot keep them on its crutches for very long. On the other hand, it is the social obligation of the Government to add so much muscle to capability of the Self Help Groups that they are not left behind in the race of beating the greatest curse of poverty.

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