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Training Status and Adoption of Marketing Channels by Members of Self-Help Group

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HIGHLIGHTS

- The training programs were of short duration and focused on income-generation activities
- The SHG members were involved in the individual level sale of products while very few were involved in the contract sale.
- Social participation, extension contact, extension participation, and economic motivation of members indicators were highly correlated with training status and adoption of marketing channels

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ABSTRACT

The study was undertaken in 2022 in Bundelkhand region of Uttar Pradesh to assess the training status, adoption of marketing channels, and effect of the socio-personal and economic profile of SHG members on their training level and marketing channel adoption. The findings revealed that the majority of SHG members were small and marginal farmers who exhibited medium to high levels of social exposure, mass-media use, and social participation. The majority of the respondents had participated in some training programme, held at a nearby place. Individual sales and group sales were the most preferred marketing channel adopted by SHG members. Higher education, social contacts, and media exposure were found to be associated with a higher level of training and higher adoption of diverse marketing channels. The study advocates the need for specialized and need-based training programmes for SHG members to increase their participation and adoption of group marketing to gain leverage through economies of scale.

INTRODUCTION

Self-help groups (SHGs) have emerged as an effective method of organizing small and marginal farmers into a group to enhance their combined capabilities and resources (Slathia et al., 2006; Das et al., 2018; Shinogi et al., 2021). In developing countries like India, where a vast majority of farmers have a land holding of less than five acres, building social capital is critical to agricultural development (Swanson, 2006). SHGs have been recognized as a reliable and efficient mode of technology transfer, but it needs a positive attitude of SHG members is a prerequisite (Nair, 2012). The training programme will have a significant impact on the knowledge level of SHG members while the experience and family size had contributed significantly (Yadav et al., 2021). The Government of India and State authorities alike have increasingly realized the importance of devoting attention to the economic betterment and development of the rural poor (Harikant et al., 2016). The impact of Self-Help Groups (SHGs) is noteworthy in terms of self-worth like self-confidence cum capacity building by providing self-employment opportunities to meet the economic crisis. In rural areas, self-help groups (SHGs) are rapidly becoming an effective means of enhancing members' economic and social

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standing (Slathia et al., 2015; Kaur et al., 2017). India is working hard to increase access to credit in rural areas by organizing rural people into self-help groups and encouraging members to set up bank accounts specifically for saving, which is managed by SHG (Lakshmi & Vadivalagan, 2011). The concept of women's empowerment has got a boost with the emergence of many women-centric and controlled self-help groups. The women's SHGs have served as a platform for marginal rural women to develop skills and increase their earnings (Sharma & Verma, 2008).

Despite the rapid growth of SHGs in India, several constraints hinder these groups from achieving their full potential. SHGs are finding it extremely difficult to cope with customers' perception of SHG products being substandard in comparison with industrial products which leads to a drop in sales and profit margins (Maheshwari & Goyal, 2016). The distribution of the many goods made by self-help groups such as bakery products, pickles, chutney confectionary, toys, paper products, chalk, candle, incense sticks, spices, greeting cards, herbal products, dairy products, pottery, vessels, handicrafts, etc. is a major challenge due to absence of well-developed marketing channels (Nayak & Mahanta, 2008). Further, the absence of marketing intelligence, proper infrastructure, and lack of management skills make it even more difficult for SHGs to compete with big businesses. This calls for need-based training programmes which are designed specifically to meet the requirements of members of self-help groups, impart management skills, and build strong manpower capable of effectively managing the SHGs (Vanithamini & Menon, 2012). Also, it is important for SHGs, to have a firm grasp on the concept of marketing strategies to gain substantial leverage in the marketing of their products through proper marketing segmentation, channel choice, and an effective mix of other marketing elements (Surender & Sherawat, 2016). This study was conducted with the objectives to understand the training status of SHG members, find out the marketing channels adopted by SHG members, and study the effect of the socio-personal & economic profile of SHG members on their training status and adoption of marketing channels.

METHODOLOGY

There are currently 72,88,539 SHG members spread across 6,95,403 SHGs in the state of Uttar Pradesh (Ministry of Rural Development, GoI, 2023). Chitrakoot and Banda districts which fall under the Bundelkhand region of Uttar Pradesh were selected purposively, based on a high concentration of self-help groups and a lack of previous studies in the region. Further, two Development Blocks were selected, randomly from each district, and from each (Development Block two villages were selected, randomly. Manikpur and Mau blocks were selected from the Chitrakoot district whereas, Baberu and Naraini blocks were selected from the Banda district. The villages selected for the study were Chureh Kesharua and Saraiyan from Manikpur Development Block, Semara and Turgava from Mau block, Baberu Gramin and Augasi from Baberu block, and Badausa and Karatal from Naraini block. As of 2022, there are 133 SHGs actively working in selected villages of Manikpur and Mau blocks of Chitrakoot district, of which Chureh Kesharua had 58 SHGs followed by Saraiyan (41), Semara (20) and Turgava (14), respectively. The total number of active members from these SHGs in the selected villages was 1,433. Similarly, 134 SHGs have been functioning in selected villages of Baberu and Naraini Block of Banda districts, of which Baberu Gramin had 59 SHGs followed by Karatal (44), Augasi (17) and Badusa (14), respectively. The total number of active members in these SHGs was 1,623 (Ministry of Rural Development, GOI, 2023). A sample of 30 respondents was selected randomly from each of the selected villages, thus a total sample size of 240 respondents was used for the study. A descriptive research design was used for this study as the focus was on explaining the current situation of the SHG members regarding training status and adoption of marketing channels. The data was collected through personal interviews of selected respondents using a well-structured interview schedule. The collected data were tabulated and categorized for statistical analysis using MS Excel and SPSS (Version 27). Statistical tools such as frequency, percentage, mean, standard deviation, weighted mean score, ranks, and correlation analysis were used to obtain results and draw meaningful inferences based on the objectives of the study.

RESULTS

Training status of SHG members

The results related to the training status of SHG members showed that all respondents participated in some kind of training that was aimed at increasing their income (Table 1). A little over one-third of the respondents received some agriculture and dairy or food processing training. About 45.00 per cent of respondents received up to two training in the last three years while about the same number of respondents received three to four training in the last 3 years. Only a small fraction of respondents participated in more than four training programmes. The findings of the study also revealed that most of the SHG members (84.58%) participated in a training programme conducted at the native village and the majority

Table 1. Training profile of the SHG members

Category	Frequency	
	Yes (2)	No (1)
Type of Training		
Income generating	240 (100.00)	00 (00.00)
Dairy and Agriculture	85 (35.42)	155 (64.58)
Food Processing	90 (37.50)	150 (62.50)
Other	62 (25.83)	178 (74.17)
Number of Training (last 3 years)		
1-2	114 (47.50)	126 (52.50)
3-4	107 (44.58)	133 (55.42)
Above 4	19 (07.92)	221 (92.08)
Place of Training		
Village	203 (84.58)	37 (15.42)
Nearby village	97 (40.42)	143 (59.58)
Block headquarter	83 (34.58)	157 (65.42)
District headquarter	129 (53.75)	111 (46.25)
Duration of Training		
Less than	221 (92.08)	19 (07.92)
One week	66 (27.50)	174 (72.50.)
Two weeks	08 (03.33)	231 (96.67)
One month	02 (00.83)	238 (99.17)

of respondents had also attended some training programme at the district headquarters. About 40.00 per cent of respondents had also attended training in nearby villages. Also, most of the training programmes attended by respondents were of short duration i.e., less than one week followed by a one-week training programme. Only a very small number of training programmes were of duration greater than two weeks. This could be because training programmes organized for self-help group members are practical and focused on developing a certain skill required to perform a certain activity. Also, since most of the members of SHG were small and marginal farmers, the duration of training was kept short so that, it did not hinder their livelihood activities.

Marketing channels adopted by the members to improve their sales of products

The findings on the adoption of marketing channels revealed that self-help group members used a diverse range of marketing channels to sell their products (Table 2). Individual sale (Rank 1) was adopted by more than two-thirds of respondents while the majority of respondents also adopted group sale (Rank 2). Only a small percentage of respondents made contract sales or used FPOs and other intermediaries for marketing their products. It can be inferred from the above findings that despite various programmes targeted towards SHG-market linkages, SHG members were yet to gain the benefit of organized marketing. Most practiced individual selling, individual sales, which did not allow them to gain leverage of attaining economies of scale. They ended up gaining lesser prices than through attaining economies of scale and they ended up gaining lesser prices as compared to those who marketed their produce in groups or through contract sales.

Table 2. Marketing channels adopted by SHG members

Category	Frequency		TWS	WMS	Rank
	Yes (2)	No (1)			
Individual sale	167(69.58)	73(30.42)	407	01.71	I
Group sale	142(59.17)	98(40.83)	382	01.59	II
Contract sale	54(22.50)	186(77.50)	294	01.22	III
Sale through FPOs and intermediaries	45(18.75)	195(81.25)	285	01.19	IV

*Multiple Responses

Relationship with training status and adoption of marketing channel

The results about the relationship between the socio-personal and economic profile of respondents with their training status and adoption of marketing channels revealed that age, education, landholding, mass media exposure, social participation, cosmopoliteness, extension contacts, extension participation, and economic motivation had a positive and significant relationship with the training level of the respondents (Table 3). Also, higher extension contacts, cosmopoliteness, social participation, mass media exposure, and extension participation were associated with higher training levels. It was found that as the social exposure and communication network of respondents increased, they came in contact with experts and subject matter specialists and were motivated towards the need for training to learn and develop new skills. The economic motivation was also found to be highly correlated with training level. The respondents with higher economic motivation exhibited a greater interest in training to acquire new skills for increasing their income and were willing to travel greater distances for participating in training programmes. It was also found that the landholding and family income of respondents showed a non-significant relationship with their training level, which brought us to the conclusion that higher economic status did not correspond to higher training levels.

Table 3. Correlation between the socio-personal profile of respondents and their training level and preferred marketing channels

Independent variables	Pearson correlation coefficient	
	Training level	Adoption of marketing channels
Age	0.219*	-0.237*
Education	0.670*	0.610**
Landholding	0.192^{NS}	0.089^{NS}
Family income	0.119^{NS}	0.102^{NS}
Mass media exposure	0.312**	0.202*
Social participation	0.502**	0.501**
Cosmopoliteness	0.644**	0.416**
Extension contacts	0.247*	0.361**
Extension participation	0.402**	0.523*
Economic motivation	0.579**	0.547*

**Significant level=0.01, *Significant level=0.05, NS= non-significant

Similarly, for the adoption of diverse marketing channels, the results revealed that education, mass media exposure, social participation, cosmopoliteness, extension contacts, extension participation, and economic motivation had a positive and significant relationship with the adoption of diverse marketing channels among the respondents (Table 3). This could be attributed to the fact that higher levels of education, extension contacts, cosmopoliteness, social participation, mass media exposure, and extension participation brought greater social exposure and enhanced the communication network of respondents. They came in contact with sellers and agents from different regions and were able to adopt diverse marketing channels for selling their products. Economic motivation was also found to be highly correlated with the adoption of diverse marketing channels. The respondents with higher economic motivation exhibited greater willingness to adopt different marketing channels for getting better prices for their products and increasing their earnings. Age was found to be negatively correlated with the adoption of diverse marketing channels. This could be attributed to the fact that while young and middle-aged respondents were ready to adopt diverse channels for marketing their products, older respondents were somewhat conservative and stuck to traditional marketing channels. It was also found that the landholding and family income of respondents showed a non-significant relationship with their adoption of marketing channels, which pointed to the conclusion that higher economic status did not correspond to the adoption of diverse marketing channels.

DISCUSSION

The findings on the age and education level of respondents were similar to Bharathi & Chhaya (2009) & Uma (2012), who revealed that most SHG members belong to the middle age group and have a basic school education. Also, the study revealed that small and marginal farmers with limited resources tend to organize themselves into self-help groups as opposed to farmers with larger landholdings. This was also reported by Badatya & Puhazhendi (2002); Anjugam & Ramasamy (2007), who stated that the majority of SHG members were small and marginal farmers with low annual income, which motivates them to form self-help groups to gain collective strength. The findings on social and extension participation can be attributed to their need for improvement in their social standards. Devalatha (2005) also reported that almost all the members of SHG were socially active. She also opined that, after becoming involved in SHGs, members participated in various social activities as they felt a greater sense of responsibility to their community. Also, as part of the self-help group, the members took part in several extension programs meant for their training and empowerment. This helped them to gain exposure and develop new contacts (Singh et al., 2011).

As most of the members of SHG were small and marginal farmers, the duration of training was kept short so that, it did not hinder their livelihood activities. Sandhya (2015) also revealed that most of the trainings were meant for income generation and were held in native villages for a short duration i.e., less than one week. Furthermore, the study concluded that SHG-FPO linkage was another area that needed special attention, to empower the SHG members through collectivism. FPOs have greater resources at their disposal and SHGs can serve as their suppliers. An FPO could be linked with multiple SHGs marketing their product through FPO which then sell it to the market either processed or unprocessed at higher prices and shares the benefits with SHGs (Shinogi et al., 2021). Deininger & Liu (2009); Deshmukh & Naik (2017), also advocated the need for SHG-market linkage and the benefit of adopting group sales for marketing their product to gain fair prices and for attaining socio-economic empowerment of SHG members. The social participation, extension contact, extension participation, cosmopoliteness and economic motivation were all positively and highly correlated with training level and adoption of marketing channels by SHG members. The findings were similar to Vanithamani & Menon (2012); Singh et al., (2015); Kumari et al., (2019) & Nain et al., (2019) who revealed that higher social exposure, educational qualification, and mass media use were positively related to training level and adoption of modern marketing channels by the self-help group members.

CONCLUSION

All SHG members had participated in some income-generating training programme in the last 3 years and the majority of them had participated in more than one training programme held either at the native village or a nearby village. The individual sale was the most preferred marketing channel adopted by SHG members followed by group sale. Higher education, media exposure, economic motivation, and social contacts were found to be associated with higher training levels and the adoption of diverse marketing channels. Economic status determined by landholdings and family income exhibited no direct relationship with training level and adoption of marketing channels. It could be implied from the study that while SHG members participate in the training programmes, their participation was limited to only a few trainings. This calls for a policy shift to make training activities organized by government and non-government institutions more focused on the perceived needs of the SHG members. Also, the benefit of organizing in SHG could only be realized by pooling resources among members and by adopting group marketing to gain economies of scale.

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