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ROLE OF NGO (CRHSE) IN ESTABLISHING BRAND IDENTITY OF SHG'S PRODUCTS IN RURAL MARKETS

Abstract

Rural India, a plethora of natural resources and the people harness their traditional knowledge and native skills to produce unique and innovative products with utility values at best prices. But owing to lack of industrial infrastructure and inadequate exposure to business practices, often these products fail to reach wider consumers. Many Non Governmental Organizations (NGOs) have taken the intermediary role of transforming these less known products to branded products. They have initiated revolutionizing the commercialization of the rural products at a wider reach.

This paper discusses the role of Centre for Rural Health and Social Education (CRHSE), Yelagiri Hills, in assisting the rural community, to manufacture and market the rural products. It throws light on how this NGO has brought a change in improving the standard and quality of the products to meet the requirement of the consumers and creating a demand for these products, in and around the villages of Vellore district. It deals with the strategies adopted with respect to the Self Help Groups (SHGs) on the formation, training and guidance provided in manufacturing and marketing and how rural products can be branded or an effective reach to the consumers at a wider range.

Key Words : NGOs, CRHSE, SEM Mahalir Federation and Branding Identity.

Introduction

The growth in the Indian economy has also led to the tides of prosperity making their way, even to the remote parts of the villages in our country. The purchasing power of rural communities has multiplied manifold and its time that this huge potential to be tapped. Rural areas today have evolved into a huge and growing market which is consuming large quantity of products. The marketing strategy for rural markets is different from urban markets as their culture and belief system plays a bigger role in their lives.

Small-scale rural producers in India are often limited to the markets in their vicinity. In the earlier days, it had been a difficult task to sell directly to the urban consumers, instead their products have been bought by the middlemen (Kashyap & Pradeep, 1991)¹.

Today's marketing scenario is upgraded with advancement in technology, brand identity, publicity and awareness. In such a situation, the process of branding the products, especially the aspects of brand activation at ATL (above the level) and BTL (below the level) makes a vital contribution for the marketing journey.

The rural India makes up close to three-fourth of India's population and 51% of the total disposable income which is adequate to ascertain that this market holds a significant amount of potential. But then the per capita calculations would prove the previous statement to be incorrect. However the fact that rural India forms 41% of India's middle class and a mere one percent increase in India's rural income translates to an incredible Rs.10,000 crore of buying power, an evidence enough to know that it holds a promising market (Ashish Mansharamani, Rahul Budhwar and Priyanka Kaushal).²

Rural India, with plethora of natural resources, its people harness their traditional knowledge with native skills to produce unique and innovative products with utility values at best prices. But owing to lack of industrial infrastructure and inadequate exposure to business practices, often these products fail to reach wider consumers. Many Non Governmental Organizations (NGOs) have taken the intermediary role of transforming these less known products to branded products. They have initiated revolutionizing the commercialization of the rural products at a wider reach.

The New Economic Policy brought a number of changes in our economic structure. Slowly and steadily the people faced unemployment and underemployment, rather seriously and, as a result, the purchasing power in the hands of lower middle class and below poverty line have been drastically reduced. Slack in money flow has posed a serious threat to the livelihood issues of the rural mass in particular. Through the intervention and enablement of NGOs, they started to realize that unless they have money in their hands, and invest prudently to produce something that has a demand in the market, their survival will be in doubt.

Under this background the study felt important to understand how CRHSE has given a facelift to the products manufactured by the Self Help Groups and the strategies adopted by CRHSE with respect to the SHGs towards the formation, training and guidance in commercializing their products and to study the impact of brand identity created by Women Self Help Group products. Finally to highlight on the achievements of CHRSE in this aspect, of brand management, has been presented in this paper.

NGOs – Vital force in poverty alleviation

NGOs has been playing an important role in the society for more than three decades. To meet the changing needs of the society, the NGOs had to expand their role, into novel avenues facilitating to enhance the standard of living of the rural community. They have understood the social reality, that they can no longer continue with the model of charity, but the necessity to meet the demands ahead. NGOs play multi-faceted roles as the only direct link between several actors in the economy, both as Community Based Organisations (CBOs) and as Civil Society Organisations(CSOs). The emergence of SHGs among the rural population as CBOs is the outcome of the efforts of NGOs. The situation warranted the effective intervention of a promotional agency with an altruistic outlook for the formation of Self Help Groups (Srinivasan Girija, 2002)³.

The NGOs are involved either as facilitators playing a catalytic role in formation of Self Help Groups and nurturing them in the initiation period or as financial intermediaries by providing loan assistance (micro-credit) to SHGs/individuals, until they are formally linked with Banks. NABARD, RMK and TNCDW, as a strategy, are encouraging small NGOs to take SHG promotion and linkage as an add-on activity (World Bank Report, 2001)⁴. Technical support is also extended in the form of quality training

and capacity building to these NGOs. NABARD, RMK and TNCDW also provide small financial assistance to NGOs for taking up promotion of SHGs in order to obtain both NGOs as well as SHGs (Prasad, R.R. 2003)⁵. The more attractive scheme with less effort is the formation of a “Self Help Group” attached to an NGO, an effective tool to remove poverty and contribute to the rural development. The intermediary role of promoting, facilitating and strengthening of groups have to be taken up by reputed NGOs and their services are indispensable for the development of people living below poverty line, both rural and urban.

CRHSE – A Role Model

Centre for Rural Health and Social Education, located at Yelagiri hills has been established in 1978 and is efficiently, effectively and excellently headed by the founder Director Karmayogi Dr. Bennet Benjamine. The main objectives of the project are to promote self supporting health systems among the rural and tribal people through education and training; to develop a community-based health system which is inexpensive; to evolve programmes promoting the welfare of the women, landless, the unemployed and the socially oppressed in the rural and tribal areas. It has been organizing field-based skills and training in community health and development, provides technical support through programme evaluation and consultancy services, promotes environmental awareness through programmes like formation of eco-cells and community forest action group. Apart from the above, CRHSE has also housed 50 children who are orphaned by the Tsunami strike, in its Human Resource Development Centre (HRDC) on Yelagiri Hills beyond the barriers of Caste, Creed or Community. This programme benefited these children by providing Food, Accommodation, Clothing, Health Care, Education and Placement in life.

CRHSE : Main and Ancillary objectives

The main objective of CRHSE is, “to evolve programmes to promote the welfare of working women, the unemployed, the landless and poor peasants, the down-trodden and of the economically and socially depressed people in the rural and tribal areas”. The ancillary objectives are: to enable SHGs to achieve autonomy and sustainability through Cluster Level Federations, build capacity of CLF for independent and democratic decision-making, hand over responsibilities of support of SHGs so that NGO can concentrate on training, linkages and quality control, to reduce NGOs burden of managing large number of SHGs with increasing outreach. Apart from the above, the CRHSE has taken additional responsibility to facilitate linkage between SHGs and Govt. Banks, Agencies etc., to enhance the bargaining power over the rights, privileges of SHGs, to access development information and marketing linkages, access policy-making bodies, building solidarity, mutually share experiences and expertise, assist weaker SHGs, achieving sustainability through branding their products and assisting them in marketing their products in the rural markets through “SEM” Brand.

“SEM” Mahalir Federation (CRHSE Model)

The CRHSE has developed a model called “SEM” Mahalir Federation. It is a Network of several SHGs in a given area (20 SHGs) for economic and social empowerment of women members and their capacity-building through collective effort. It functions as a democratic body, uniting SHGs for a

common cause ('OF' SHGs, 'BY' SHG and 'FOR' SHGs). CRHSE's implement the above objectives through the following functions:

1. Platform for sharing information, experience and expertise.
2. Strengthening member SHGs.
3. New Group formation.
4. Training & Facilitation of new SHGs.
5. Monitoring and improving performance of SHGs on a monthly basis.
6. Participatory Grading of SHGs.
7. Ensuring Internal Audit once in six months.
8. Motivating SHGs for Community Action Programme.
9. Linking SHGs with Government, Banks, Agencies, Markets, Insurance companies, ETC.
10. Identification and Utilisation of Local Resources.
11. Facilitating Branding and Marketing of SHG products and purchase of stocks.
12. Organising Skill/Training programmes.
13. Facilitating, maintaining proper Books of Accounts, Registers etc.
14. Ensuring adequate representation of women in Panchayats and attendance in Grama Sabha meetings.
15. Lobbying to get infra-structural facilities for villages.
16. Creating awareness and advocacy for women's rights.

Training and Development of SHGs

Self Help Groups are voluntary associations of people with homogenous background and interest, perceived of genuine need to help each other and work together for securing greater economic and financial strength for their development. The groups can both be informal as well as formal having regular thrift and create common fund so that members can avail microcredit (ranging from Rs.300/- to 1000) to meet their immediate domestic needs and as a temporary relief. SHGs are working in a democratic style. The number of members in a group is restricted to 20. Among them a member is selected as an 'animator' and two members are selected as the representatives. The animator is selected for the period of two years. The group members meet every week and they discuss about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programmes etc. Further, NGOs facilitate SHGs to avail Microfinance (beyond microcredit) to invest in any Income Generating Activity.

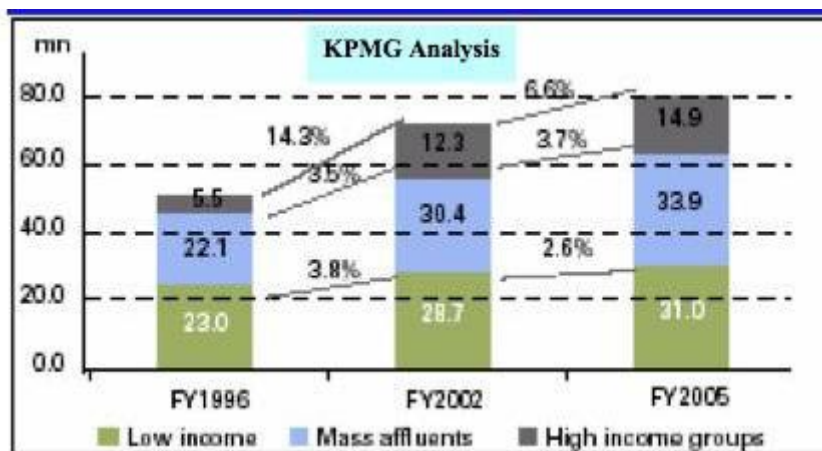
The Human Resource Development Centre at the Yelagiri Hills has been established over the years, systematically and economically and at present financially self-supporting. The financial inputs has come not only from external funding, but to a significant extent from the resources raised locally.

The HRDC can now provide living accommodation for 72 persons, with a large conference hall, seminar room, library, open air meeting place, kitchen and dining hall. The Siddha farm of CRHSE, at Nemur located in a 7.5 acre area has a Training-cum-production Centre, accommodating 20 persons. It is now partially self supporting through its Agricultural Division.

Branding Strategies for SHGs products

Several economic activities are carried over by the SHGs formed by CRHSE, such as, tending Rose Gardens, engaged in Aromatic Flower business, Food Processing business, Agarbatti making, producing perfumes etc. Apart from these they are engaged in petty shop keeping, running provisional stores, medical stores, extending photo-copier facilities to villagers and so on. In their common brand name - "SEM" of their federation, they are united with their diversified activities, and the predominance of this "SEM" brand could be witnessed, in and around Tirupattur, Vaniyambadi Alangayam and Ambur taluks. They have gained the confidence of the consumers through this brand name. The CRHSE has taken a major role in creating a revolution in enabling the SHGs to market their products through the "SEM" brand. It has also taken effective measures to check the quality of the products of SHGs in all the stages – manufacturing, packaging and marketing through their trainers. The graph depicts the KPMG analysis on the growth of income, in the categories of low income group at 3.8% from 1996 to 2002 and 2.6% from 2002 to 2005, mass affluents 3.5% between 1996 to 2002 and 3.7% between 2002 and 2005 and high income groups at 14.3% between 1996 to 2002 and 6.6% between 2002 to 2005, which contributes to the growth of branded rural products .

Graph 1 – Growth in Income (million households)



Source : Ashish Mansharamani, Rahul Budhwar and Priyanka Kaushal, brandchannel.com

The Table 1 given below draws a comparison between the penetration in rural and urban areas for various FMCG product categories.

Table 1 : Penetration and per capita consumption - Rural - urban penetration (2002)

Category	Market Size (US\$ million)	Urban Penetration (%)	Rural Penetration (%)	Total Penetration (%)
High Penetration categories				
Fabric Wash	1210	89.6	82.9	84.9
Personal Wash	938	97.9	90.7	92.8
Packet Tea	635	91.2	82.2	84.9
Low Penetration categories				
Toothpaste	409	69.8	32.3	43.5
Skin	312	36.6	19.8	24.7
Hair Wash	230	40.1	16.3	23.3
Talcum Powder	148	66	36.8	45.1
Branded Atta	107	44	30.2	34.3
Dish Wash	102	54.6	11.5	24.4
Instant Coffee	55	-	-	-
R&G Coffee	30	-	-	-
Ketchups	25	12.5	0.7	4.2
Deodorants	19	-	-	-
Jams	13	-	-	-

Source : Ashish Mansharamani, Rahul Budhwar and Priyanka Kaushal, brandchannel.com
The table shows that the basic FMCG goods have a deep penetration in the rural markets

Achievements of CRHSE in their Journey

The advent of the New Millennium and the third decade, brought to the CRHSE a fresh challenge in their functioning mechanism. CRHSE was given the responsibility of forming nearly 1000 Women SHGs in the Tirupattur taluk area by the Tamil Nadu Corporation for the Development of Women. This also means that it is an enormous task and CRHSE needs to muster all its strength to cope with this new demand and mobilise adequate support from other sources to build a strong movement of women SHGs. This will be a unique experience in their developmental efforts. Some of the implemented tasks of CRHSE are - Formation of more than 1000 women's SHGs allotted to CRHSE, inclusion of 35 SHGs already formed by Government department under CRHSE's supervision, Coordination of nearly 1100 SHGs, encouraging SHGs to get into the habit of regularly saving and obtaining credit from the Banks, training the animators and representatives of all the SHGs (12 modules of 2-days each per month) in leadership and maintenance of their respective SHGs, training for the members of all SHGs formed in 10 modules of one-day each per month (nearly 18,000 women have been covered under this plan), planning and actualizing of linkage programmes of eligible SHGs with government schemes meant for women empowerment, nearly 100 youth SHGs formed in order to train and guide the potential youth for self development and productivity, developing Entrepreneurial and Vocational skills of women and youth belonging to SHGs for income generation and improve their economic self-sufficiency.

Marketing services – A guiding light for the women of SHGs

The centre began to be more active and became the base for launching a movement for empowerment and self reliance of local communities. The movement, called the Social Education Movement (SEM), conceived by the Founder Director Bennet Benjamin had a careful thought out ideological framework with a definite action plan. During this decade as many as 70 units of SEM were organised with their own organizational set up and linkage. The members of the SEM were encouraged to get elected as members of local Panchayats so that genuine participation by the people can be ensured. Several leadership training programmes were conducted at the Training Centre at Yelagiri Hills.

Based on the performance of the CRHSE the invitation has been given by the Government to take up the responsibility of forming and training Self Help Groups (SHGs) in Tirupattur area. The Government decided to involve CRHSE, uniquely placed with a solid base of the community, became the natural choice. The Management Committee discussed very carefully the pros and cons of getting involved in the process and after working out specific guidelines decided to accept the invitation. The CRHSE now proudly claims that it has organized a little over 1000 SHGs and the 18,700 rural and tribal women who are the members have become a very vocal and articulate group. They have been trained in leadership, socio-political entrepreneurial skills and social action to overcome violence against women. The women who have completed their training module have been linked with lending agencies under government programmes for women's development. These SHGs have established a reputation for regular and prompt repayment of loans and have generated savings of almost Rs.2.16 crores through internal lending. CRHSE has once again demonstrated its ability to respond to new challenges in the years to come.

For this study the activities of CRHSE pertaining to women folk has been considered. The NGO had already built 1045 SHGs falling under the Federation of "SEM" Mahalir Manrams (CRHSE Model). It is the network of several SHGs in a given area for economic and social empowerment of women, their capacity building, and it is a democratic body uniting SHGs for common cause. The registered SHGs cover about 18700 rural and tribal women, all of them, who are below poverty line. Their total savings upto March 2009 was Rs. 2,16,88,812 and internal loan amounting to Rs.4,34,56,154. In all 4,14,518 members have been benefited through microcredit. The members of SHG engage themselves in different Income Generating Activities(Report, 2010).⁶

Limitations of the Study

The study focused on only CRHSE and there are many other NGOs which actively engage themselves in promoting SHGs and assist them in their marketing activities. The study confines to the functions of only one NGO ie., CRHSE and limited to the information collected from this institution.

Conclusion

The global brands may try to suppress the rural products in the markets with its communication and publicity hype. In spite of these constraints, the rural products are forced to increasingly become part of global supply chains, and these products need to adapt themselves, not only according to the

changing tastes of the national market, but also according to changes in tastes in the international market. Therefore, developing alternative and additional market linkages for these products is an absolute necessity. Moreover, the low volumes of rural products, high operating costs, high attrition, and absence of local know how and diluted relationships may also create problem in the process. Henceforth, it is essential to make a way out to cope with these odds. A process is essential to explore the market linkages and capacity building for SHGs through a bottom up approach and continuous dialogue with stakeholders of rural enterprise. This process should ensure the participation of rural people as consumers and producers in the globalization mechanism, with better livelihoods and global access to markets. Many more NGOs should take active part in Branding the rural Self Help Groups' products allowing the rural products to face the global challenges and speak of their brand identity.

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