

Chapter 7

Marketing of Microfinance for Rural Women: Evidences from Rajasthan

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ABSTRACT

Microfinance, the provision of financial services to poor and under-served societies, has emerged as one of the most promising possibilities for stimulating rural economic development through local enterprise. Banking sector in India has proved to be one of the largest sectors in the Indian financial system. Earlier banks restrained from lending to the poor due to high transaction cost and high credit risk involved in dealing with such kind of population. Microfinance programme aims at reaching out to the poor population especially women thus fulfilling the objectives under the financial inclusion.

OBJECTIVE OF THE CHAPTER

1. Overview of the microfinance programme in India.
2. To study the marketing strategy being adopted for promotion of microfinance in India for rural women.
3. To study the challenges faced by MFI in marketing for rural women

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CASE LET: RAMDEVRA SELF HELP GROUP (SHG)

Total No. of Members: 11 women.

Activity: Churi making.

Sponsored Bank: State Bank of Bikaner and Jaipur(SBBJ) sanctioned microfinance loan: 1.50 lakhs during 2013.

Microfinance Loan Recovered Till Date: 72000 thousand.

The SHG group Ramdevra Self Help Group received microfinance loan amount in two different instalments. Vocational training of “Churi making” was provided to them from Department of Women’s and Child development, Rajasthan, India. While interacting with the SHG members it has come to author’s notice that they purchase raw materials from local vendors and supply to local people only. From the income generated, they are also paying the interest to the bank. The remaining amount they distribute among themselves in the form of savings. Each women member of group is gaining an average of Rs. 520/- per month. Thus, the government and SBBJ helped the women in their socio-economic development. Women are now being involved in the decision-making activities of the household and are able to meet their household expenses. They are self-sufficient to run their businesses on a long term basis and plan to expand their business in the nearby vicinity also. The SHG women members are grateful to the government and SBBJ who made efforts to convince them that women can also earn by themselves and can help in their development as well as the development of the family as a whole.

INTRODUCTION

The very onset of the century has called for sustainable turnarounds in the global economy. Intangible assets in the form of services are a part of our economy as the centre of the activity is people who are not passive as compared with the product (Irons, 1997). Services include human element and as such it calls for designing of services in such a manner that it calls for more interaction among the people and service provider. Financial service plays a very crucial role in the developing countries.

In banking services, the price component is being overlooked by the customers as they perceive it as a service produced without a price. Banking services are not associated only with cash transactions; they are also into marketing of services. However, poor people find it difficult to have access to the other services of bank as the interest rates are very high. However, it is essential for any country to include rural people in the mainstream business as without their contribution, the development of the nation cannot take place. So, in order to fill the gaps, microfinance service of

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