

# A STUDY ON CONSUMER PERCEPTION AND SATISFACTION TOWARDS SELF HELP GROUP (SHGs) FOOD PRODUCTS IN NAGPUR AREA

## Amita Katwale

Area Manager,  
Godrej Capital, Aundh, Pune,  
Email ID: katwaleamita221@gmail.com

## Binod Sinha

Professor, Balaji Institute of Modern Management,  
Sri Balaji University, Pune, Maharashtra, India, 411033  
Email ID: binod.sinha@bimmpune.edu.in,

## Surabhi Agarwal

Research Scholar,  
Sri Balaji University, Pune, Maharashtra, India, 411033  
Email ID: surabhi.agarwal@sbup.edu.in

## Abstract

Self-help groups (SHGs) are now a concept that is widely acknowledged. SHGs are said to aid in a country's economic development. SHGs are informal groups of individuals who come together to discuss methods to improve their living conditions. They encourage social capital among those who are less fortunate, especially women. The role of women has changed along with the sociocultural setting. The main objective of SHGs is to foster a culture of banking, which includes borrowing money and paying it back over a certain period of time, and in doing so, encouraging the use of credit to achieve economic success. Nevertheless, women still do not have the expected amount of empowerment. By increasing their consciousness, knowledge, skill, and technology use, women must be given more power, which will advance society as a whole. SHGs are an effective strategy for empowering women. SHGs are a collection of underprivileged rural women who specialize in offering microcredit to launch new companies. Workable methods for empowering women include the growth of entrepreneurship and other revenue streams. It generates income and provides flexible work hours. SHGs can only keep their market share if they understand the attitudes, behaviors, and perceptions of their customers. Because of this, the objective of the study is to investigate consumer awareness, satisfaction, and perceptions of SHG food products in the Nagpur area, which, like any other city, is home to both rich and poor people. Therefore, the researcher attempted to analyse how consumers in the Nagpur area felt about SHGs food products. The study was conducted using simple random sampling and questionnaires, and the results showed that customers are willing to favor food products produced by Self-Help Groups. Nevertheless, factors including the product's price, quality, accessibility to sales and discounts, and handmade nature all influence purchasing choices.

**Keywords:** self-help groups, consumer perception, consumer satisfaction, packaging, price, homemade food, rural, urban

## 1. Introduction

SHGs are characterized as self-managed, peer-controlled, unofficial associations of people from related socioeconomic backgrounds who are eager to cooperate to accomplish shared objectives. Small-scale volunteer

self-help groups, or SHGs, place a high priority on the social defense of the most vulnerable populations, particularly women. In this way, the concept of SHGs effectively affirms the axiom "by the women, of the women, and for the women."

Typical rural women's self-help groups are a great example of how to teach people entrepreneurship. Self-help organizations also promote leadership, motivation, training, community improvement, awareness, and involvement in other social intermediary activities.

As per research done by NaiK & Rodrigues (2015), SHGs, especially those in rural regions, have been exceptionally successful in empowering women. They have identified their financial problems and are taking steps to resolve them. It is being more widely considered as a tool or replacement for providing formal financial services to the impoverished in rural areas.

The effectiveness of SHGs depends on the intimacy and trust that develop among its members. The use of technology has a positive effect on the SHG's marketing performance. SHGs are important since they generate and market items in both urban and rural communities. The task of marketing these goods is challenging because it is more challenging to market these goods in urban regions than it is to promote them using conventional ways in rural areas. SHGs must concentrate on the products' excellent quality, fair price, packaging, and advertising if they want to increase sales. An individual who consumes products made by SHG members is referred to as a consumer. Therefore, a study is being conducted to examine how consumers in the Nagpur area feel about SelfHelp Group (SHG) food products.

The popularity of SHG products is rising right now. These are currently made available in a few places. These handmade goods are likewise available from any dealer or any hypermarket (like Big Bazaar which is involved in its CSR activity by arranging various programs for the marketing and selling of SHG products).

Through several government initiatives and CSR efforts of the major retail chains, SHG products are quickly becoming known to customers. Products of all kinds have been brought to the market. These products span a variety of categories, such as cuisine, home décor, embroidery, candles, wooden products, leather products, dresses, accessories, and more. This study focuses especially on how consumers perceive food products when making purchases. These goods are of high quality and are inexpensive.

## 2. Literature review

In their research article, Vasantha & Thaiyalnayaki (2015) discovered that most members of SHGs work in the food industry. Most respondents prefer to market their items through trade shows and fairs. The product choice is an important consideration since it reveals how difficult it is for the members to promote their goods. They concluded that the SHGs should be better trained to increase marketing awareness as well as marketing potential. Price negotiation and selling the products below the cost price offers substantial challenges in marketing the products. The skill sets they receive from the capacity development training programs equip them

to take on challenges in activities that generate money.

The goal of the study by Rajan and Xavier (2015) was to use the project as a case study to show how other businesses might modify their strategies for company development in rural areas and change their methods of distribution and customer service.

In their study, Malar & Malar (2008) concluded that consumers find SHG items to be moderately priced and accessible. Service, quality, price, and the fact that the goods are homemade all have an impact on purchasing decisions. The product packaging, in the opinion of the customers, needs to be enhanced. Customers should therefore use SHG products more frequently so that it results in true women's empowerment.

Nimbalkar & Berad (2014) talk about the roles that women play in a multitude of fields, such as politics, society, sports, education, and business. The study tries to highlight the importance of trends that support women's emancipation in India. According to the study, women's understanding of the political, economic, and social situation throughout the world could be improved with access to the internet. The researcher made an effort to identify the benefits of information technology that the women in the Ahmednagar area SHGs had access to. The findings demonstrated the importance of information technology for empowering women. SHG's participants thought that information technology might aid women in achieving political, social, and economic power provided resources were made available.

Although the terms "natural," "organic," and "homemade" appeal to the middle class in cities and suburbs that is becoming more health conscious, other factors like hygiene, cleanliness, Brand, product quality, and constant availability of the product also play a significant role in consumer acceptance of the product. Customers prefer well-known brands, hence SHGs are suffering as a result of their lack of marketing and branding initiatives. To boost consumer acceptability, product branding and packaging need to receive more focus. To assist SHGs in growing their market and increasing consumer acceptance of their goods, the government also intends to create marketing societies that will collaborate with marketing cooperatives at the district and state levels. SHGs can sell their goods on a state, national, and international scale (Chakraborty et. al., 2022).

Ahmed et. al., (2014) in their study identified the key package elements, including graphics, size, colour, form, and material used for packing, innovation, wrapper design, product information, producer, and country of origin. They also evaluated how these elements affected consumers' decisions to make purchases. The results of the study indicate that consumers' intentions to buy self-help group items are influenced by their level of involvement, time restrictions, or special consumer characteristics.

Karpagavallia & Ravi (2017) made an effort to assess clients' purchasing intentions for prepared food items. He

conducted a survey and gathered first-hand information in the Bangalore area. The study discovered that consumers are willing to pay more for hygienic and environmentally friendly products. They discovered that because consumer tastes and preferences are continually evolving, retailers should occasionally introduce new products and varieties.

Yi Chang Yang (2017) examined the effects of brand knowledge and competence on how people are regarded. According to the research, perceived quality and consumers' buying goals are significantly correlated.

According to Gurumoorthy (2000), the SHG is a practical substitute for achieving community assistance and rural development objectives in all rural development programs without requiring a secondary commitment to promote entrepreneurial activity and help participants become entrepreneurs. To increase the market for SHG items in India, the Ministry of Rural Development has taken the initiative to list their goods on the center's e-commerce platform. Government support for SHG's brand image, including packaging and price, will be offered.

The study characterized by Mishra (2019) on SHG use of empowering procedures reveals that women's perceptions of empowerment are based on their involvement as active participants in the process. Even though the majority of the women in self-help groups were either illiterate or had poor levels of education, this had no bearing on how a group was established or maintained.

The difficulties that rural women have in starting successful businesses include concerns with pricing, a lack of technical skills, a poor level of education, promoting the product, getting money, etc. However, in a few other areas, such as the development of technical skills & entrepreneurial activities, they require training programs that are to be organised in collaboration with government agencies like NABARD, management of Gram Panchayats, Government literacy programmes, etc. Some of the key issues, such as fundraising, capital investment, and increasing profitability, are taken care of by the Microfinance Institutions & NGOs operating in the rural areas. After joining the SHG & Bank Link initiative, rural women are socio-economically and psychologically empowered. Having access to microcredit has also helped to reduce poverty (Pankajakshi & Shailaja, 2015).

### 3. Research Gap

Overall, the review of the literature shows that, despite research being done on consumer buying perceptions of SHG products, limited direct research has been done taking the demographic factor of the consumers into account. This is because it is challenging to market SHG products in both rural and urban areas using traditional advertising methods. Only if the SHGs comprehend the attitudes, purchasing patterns, and

perceptions of their customers can they maintain their market share. In urban locations, there is fierce rivalry from other players. As a result, the study's primary goal is to examine consumer knowledge, contentment, and perceptions of SHG food products in the Nagpur area, which is home to both rich and poor people like any other city. Numerous SHGs have been set up in and around the city, so conducting this research was found suitable.

## 4. Objectives

### 4.1 Primary Objectives

1. To measure the impact of factors influencing preference towards SHG food products on the satisfaction level of the consumers.
2. To measure the difference between satisfaction levels between rural and urban consumers towards SHG food products.

### 4.2 Secondary Objectives

1. To find out the consumer inclination towards the Self-Help Group food products.
2. To find out the socio-economic factors related to Self-Help Group food products-mobilization of households over the years

## 5. Hypotheses

**H0:** There is no significant impact of price, homemade nature, and packaging of SHG food products on the satisfaction level of consumers.

**H1:** There is a significant impact of price, homemade nature, and packaging of SHG food products on the satisfaction level of consumers.

**2. H0:** There is no significant difference between the level of satisfaction of rural and urban consumers.

**H1:** There is a significant difference between the level of satisfaction of rural and urban consumers.

## 6. Research methodology

The purpose is to know the consumer perception and satisfaction (SLC-Satisfaction Level of Consumers) towards SHG food products in the Nagpur area by considering factors like price affordability (PP), packaging of the product (PA), homemade taste (HN) of the product and also to know the significant difference between the dependent and independent variables. Also, the aim is to find the consumer inclination towards SHG food products. The research is quantitative in nature and the research design is descriptive. The researcher used simple random sampling and the study was conducted in Nagpur city. The primary and secondary data were collected for the study. A total of 313 respondents were surveyed using structured questionnaires with closed-ended questions as well as open-ended discussions. For the analysis tools like regression, t-test, and descriptive analysis were used.

## 7. Data analysis and interpretation

### 7.1 Hypothesis Testing

**H0:** There is no significant impact of price, homemade nature, and packaging of SHG food products on the satisfaction level of consumers.

**H1:** There is a significant impact of price, homemade nature, and packaging of SHG food products on the satisfaction level of consumers.

The dependent variable, the satisfaction level of consumers (SLC) was regressed on predicting variables Price (PP), Packaging (PA), and Homemade nature (HN) to test the hypothesis. SLC significantly predicts PP, PA, and HN as a whole.  $F(3,312)=101.255$ ,  $p<0.001$ , which indicates that the SLC can have a significant impact on PP, PA, and HN. Moreover,  $R^2 = 0.496$  depicts that the model explains 49.6% of the variances in SLC.

Therefore, there is a significant impact of price, homemade nature, and packaging of SHG food products on the satisfaction level of consumers.

Table 1: Summary of Regression Analysis

| Variable | Regression weights | Beta coefficient | R2    | F       | t-value | p-value | Hypothesis supported |
|----------|--------------------|------------------|-------|---------|---------|---------|----------------------|
| 1        | SLC PP             | 0.457            | 0.496 | 101.255 | 7.664   | <0.001* | Yes                  |
| 2        | SLC PA             | 0.220            | 0.496 | 101.255 | 3.796   | <0.001* | Yes                  |
| 3        | SLC HN             | 0.073            | 0.496 | 101.255 | 2.219   | 0.027   | No                   |

Source: Authors' calculation

Note: \* 1% significance level.

**H0:** There is no significant difference between the level of satisfaction of rural and urban consumers.

**H1:** There is a significant difference between the level of satisfaction of rural and urban consumers.

To assess the degree of satisfaction between urban and rural areas, a separate sample t-test was performed. The scores differed significantly ( $t (304.363) = -2.740$ ,  $p=0.007$ ), with the mean score for urban areas being lower ( $M=1.93$ ,  $SD=0.591$ ) than for rural areas ( $M=2.17$ ,  $SD=0.921$ ). There were significant mean differences (mean difference=-0.235, 95% CI: -0.403 to -0.066). As a result, the alternative hypothesis is accepted and the null hypothesis is rejected. As a result, the level of consumer satisfaction in rural and urban areas differs significantly.

### 7.2. To find out the consumer inclination towards the Self-Help Group food products

Count of : Would you like to recommend to others about SHGs food products?

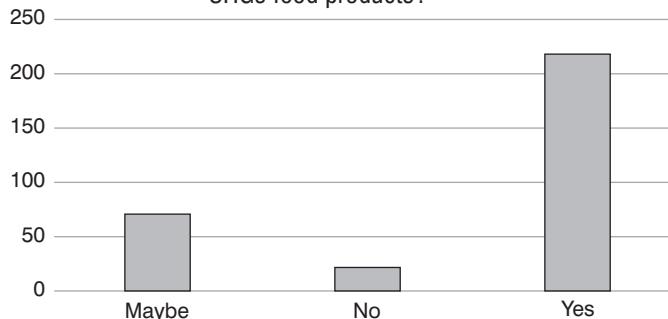


Fig. 1 : Would you like to recommend to others about SHGs food products?

Net Promotor Score (NPS) = % of promoters - % of detractors

= 70% - 7%

= 63%

Therefore, 63% of the consumers are ready to incline towards Self-Help Group food products.

### 7.3 To find out the socio-economic factors related to SHG regarding the mobilization of households over the years

Number of Households mobilised in SHGs

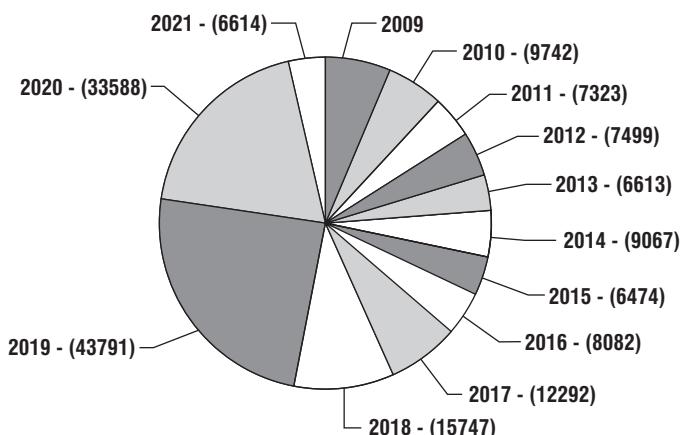


Fig. 2. The mobilization of households from the year 2009 to 2021 in Nagpur district

Source- nrlm.gov.in/

## 8. Findings

It was found that purchase decisions are influenced by factors like the price of the product, quality of the product, discounts, and offers, and the homemade nature of the product. Further data shows that there is a significant impact of price, homemade nature, and

packaging of SHG food products on the satisfaction level of consumers. Also, there is a significant difference between the level of satisfaction of rural and urban consumers and rural consumers are more satisfied than urban consumers.

As per the responses received, 63% of the consumers are ready to incline towards SHG food products. As per government sites, all social categories including SC, ST, minorities, and PWD are mobilized into SHG in Nagpur district. The financial inclusion of SHGs in the established banking system motivates and inspires its members to save money while serving as a conduit for formal banking services to reach them. Also, the government is acting as a facilitator in the growth and development of SHGs.

## 9. Conclusion

SHGs are a potent source of income for women's emancipation. This idea has promoted social change and lifted the status of rural women. The survey showed that consumers were willing to gravitate toward food goods made by the SGHs. The price of the product, quality of the product, discounts, and offers, and the homemade nature of the product are contributing factors for a purchase decision. Price, homemade nature, and packaging of SHG food products are factors that influence satisfaction level of consumers. Also, there is a significant difference between the level of satisfaction of rural and urban consumers and rural consumers are more satisfied than urban consumers.

---

## References

Chakraborty, A., Kumar, N., Chawla, M., Amist, A. D., & Chakraborty, D. (2022). Exploring Purchase Intention of Customers towards Self Help Group Products. *IPE Journal of Management*, 12(1), 89.

Gurumoorthy, T.R. (2000). Self Help Groups Empower Rural Women, *Kurukshestra*, 48(5), 31-37.

Karpagavallia & Ravi. (2017). An empirical study about the behavior of consumers towards green processed food products in south Bangalore region. *Indian Journal of Scientific Research*, 14(1), 207-210.

Malar, S. A., & Malar, S. A. (2008). Consumers attitude and preferences towards self-help group products. *Asia Pacific Business Review*, 4(2), 102-115.

Mishra, N. (2019). Understanding Empowerment through perceptions of Self-Help Group Women in Odisha. *Research and Perspectives on Development Practice*, (23).

Naik, M. J., & Rodrigues, A. (2015). Effect of self-help group on empowerment of women in the state of Goa. *International Journal of Advanced Research in Management and Social Sciences*, 4(8), 140-148.

Nimbalkar, P. S., & Berad, D. R. (2014). Role of Information Technology for Promoting

Pankajakshi, R., & Shailaja, M. L. (2015). The role of Microfinance in empowerment of rural women. *International Journal of Business and Administration Research Review*, 3(9), 201-207.

Raheem, A. R., Vishnu, P. & Ahmed, A. M. (2014). Impact of Product Packaging on Consumer's Buying Behavior. *European Journal of Scientific Research*, 122(2), 125-134.

Rajan, C. R., & Xavier, M. J. (2015). Marketing innovation in partnership with self-help groups: A case study of a farm inputs manufacturer. *Indian Journal of Marketing*, 45(8), 7-17.

Vasantha, S., & Thaiyalnayaki, M. (2015). Challenges of Women Self Help Group Members towards Marketing. *International Journal of Applied Engineering Research*, 10(22), 43082-43088.

Women Empowerment Especially with reference to Members of Self Help Groups in Ahmednagar District. *IBMRD's Journal of Management and Research*, 281-292.

Yi Chang Yang (2017). Consumer Behavior Towards Green Products. *Journal of Economics, Business and Management*, 5(4), 160-167.

## 10. Recommendations and suggestions

- I. SHG's ineffective marketing tactics prevent them from attracting customers. Therefore, efforts should be made to put efficient marketing techniques into practice.
- II. Hypermarkets like Big Bazaar, Dmart, and Reliance Retail ought to assist in the promotion of self-help group food items.
- III. More self-help groups (SHG) food product fairs and exhibitions should be held to empower SHG members.
- IV. NGOs could support SHGs in locating new markets and distribution channels for goods produced or marketed by SHGs.
- V. The government should promote the export of commodities made by SHG group members.
- VI. To address a poor family's overall credit needs, an integrated strategy that includes both forward and backward connections to processing and marketing companies is needed.

## 11. Future Scope of Study

This study is limited to the Nagpur area only so future researchers can conduct the same research in Pan India. Further research will be conducted on how the adoption of social media will help SHGs market their products and contribute to expanding their business,