

Inter-city marketing network for women micro-entrepreneurs

infoDev Program Objective: Creating market-friendly environments

infoDev Strategic Activity: Demonstration project

Sector of Proposed Activity: Micro Enterprise Development

Geographic Location of Activity: Tamilnadu, India

Brief description of proposed activities

This project will establish a closed group communication network for community based women organizations to promote inter-city direct sales of products made by artisans and skilled workers.

The above will be accomplished by providing the community based organizations (CBOs) with communications links by way of cellular phones to enable them to network for marketing their products.

We have proposed to organize the existing CBOs in such a way that they can inter-change their produce for marketing. That is to say that products made by CBOs in one city will be sent to a CBO in another city for marketing in their area.

We will link 100 CBOs, with a minimum of 2000 families (population of about 10000 people) as members. The same will be extended to other CBOs upon successful completion of this project.

Issues to be addressed

- Creation of market-friendly environments for micro-entrepreneurs
- Exploiting ICTs for the welfare of the poor
- Promoting social and economic development among the poor

The anticipated outcome

- Increasing the income of women thus reducing poverty
- Organizing the micro enterprise sector which is presently disorganized
- Improve the economic condition of the poor
- Successful utilization of ICT as a tool for social and economic development of the poor
- Establish links among communities with similar interests
- Help create and strengthen sectoral networks
- Compilation and sharing of best practices
- Facilitating creation of an Information Infrastructure
- Leveraging sectoral capabilities for development
- Achieving sustainability in a market environment
- Creating market-friendly environments for micro entrepreneurs
- Models that can be replicated on a larger scale under different environments

ACTIVITY DESCRIPTION

During recent field visits to various cities in Tamilnadu conducted by FOOD staff, we observed that each city has its own set of products that are manufactured using indigenous skills. Most of these products are made with locally available materials and the skills available in production are seldom found in other cities.

For instance, we found that in one of the cities where there were a number of textile knitting mills, the local community was buying the waste material and export rejects from these mills at throwaway prices. They were then producing pillow covers, dresses for children and other goods and selling it in the local market for much cheaper price than what is normally sold by commercial establishments.

In this process we observed that the production cost is almost 50% less compared to the same product produced in other cities. This is mainly because the raw materials are locally available; the products are made in homes that neither involves much investment in infrastructure, nor does it have any specific dress code, work timings etc. Further the whole family works at the time that is convenient to them. This helps them to maintain their family, at the same time, make use of the free time more productively.

Although a majority of the community is a part of a CBO, due to lack of communication link (ICT) between CBOs the major set back we observed is that the producers are dependent on middlemen for marketing their produce outside their local area. This reduces the community's earnings even though their products are of very good quality.

The other major set back is that the cultural system in this part of the country is that women are seldom allowed to go out of the house to sell their products to the public. Due to this the skilled women workers are discouraged from making use of their creative and entrepreneurial skills.

Goals

To overcome the above situation and promote inter-city direct sales of products made by artisans and skilled workers, we propose to provide communication links to 100 CBOs to enable them to interact.

We have proposed to organize the existing CBOs in such a way that they can interchange their produce for marketing. That is to say that products made by CBOs in one city will be sent to a CBO in another city for marketing it in their area.

We will link 100 CBOs, with a minimum of 2000 families (population of about 10000 people), as members. The same will be extended to other CBOs upon successful completion of this project.

Infrastructure

The CBO will be provided with a cellular phone that will be used to get in touch with other CBOs for placing orders and to carry on their business activities. This will also help them to know how competitive they are compared to similar products made in other cities.

Strategy

Initially we will conduct a survey and shortlist products made by the members of various CBOs to know the quantity of produce they can offer for marketing through the CBO network.

The list of products short-listed will be circulated to all the CBOs to enable them to assess the demand for the products in their city.

Based on the demand the CBO that wants to market a particular product will forward the supply request to the respective CBO that is manufacturing it.

The ordered goods will be supplied to the marketer and the manufacturer CBO will receive the payment.

Research and development

Through this program we propose to introduce ICT among women belonging to a special cultural and ethnic group, to enable them to adopt technology to improve their marketing capabilities thus improving their socio-economic condition through income generation activities.

We are planning to use cellular phone links to provide voice access for CBOs composed of women groups for marketing their products.

Beneficiaries

- The poor skilled and semi-skilled are below the poverty line
- Artisans
- Women

Type

ICT as leverage for social development

Benefits

Through this project we have proposed to achieve the following,

- Constructive use of ICT for upliftment of women
- To create direct market for the products made by women and artisans
- To establish state level market for local products
- To remove the middleman in the sale of products made by the CBOs
- To increase the income of participating women
- To create employment for women by enlisting them to market products
- To create a sustainable activity for the CBOs, so that it could implement community development programs with the income generated
- To help organize the micro enterprise sector

Methodology

The following activities will be undertaken under this project,

- Preparation of operation manual
- Visit to 100 semi-urban areas
- Sensitizing the CBOs
- Conducting orientation program for CBOs
- Survey
- Short-listing products made locally
- Training program for the CBOs in management of the network and marketing
- Coordinating the marketing activity
- Organizing regional workshops to create awareness
- Quality assurance
- Evaluation

This is a community participatory approach to human development, hence much of the activities will be handled by the community and the beneficiaries. This reduces administrative cost.

The wireless communication will be cost effective in terms of networking with remote CBOs wherein long distance dialing is not involved. So the CBO can be on line and network with remote CBOs without paying any long distance telephone bills.

The direct marketing approach will help the other CBOs to obtain products at a much lower cost than is otherwise possible.

Many other skilled artisans will venture into micro enterprise and join the network once they are aware of the success of the network. The consumer market will be opened out to the micro-entrepreneurs.

The activities undertaken in this project are replicable and similar concepts can be initiated in any part of the world. This is more so because our development strategy is based on a concept and is not product- or area-specific.

The community groups will utilize their experience to perfect the mechanism and also expand it to other areas and with other CBOs.

There are no high risk factors in this activity.

The low risk factors are that balanced production, timely supply and quality assurance should be ensured.

Mitigation

While the production and marketing are decentralized, the dispatch to different cities will be centralized and this will be done by the CBO in the respective areas.

The CBOs main activity will be to collect all the materials that need to be dispatched and check the products to ensure they are to the prescribed standards at the time of dispatch. The product

will also be checked at the marketing end by the receiving CBO, before releasing it to the consumers.

The CBO will also receive orders for various products from different CBOs and pass it on to the producers. The producers will be requested not to produce in excess of the quantity requested.

Any products left unsold at a particular CBO will be transferred to another CBO that has requested for the same product.

Measurement and evaluation of activities and outcomes

In the first phase of the project, a study will be conducted to access the socio-economic conditions, marketing strategies followed, demand & supply rate of the 100 CBOs that are short-listed.

At the end of the project duration, another study will be conducted on the same parameters, and a comparative study will be made to access the activities proposed.

The empowerment of women with respect to cultural change, in terms of number of women going out for marketing, can be measured or assessed from the result of the comparative study. Also the increase in the number of women now employed, who were earlier unemployed is an indicator of women empowerment.

The economic development will be measured by collecting data on the income of the families throughout the project period.

By checking whether the concept of middleman still exists or not, it will be possible to assess the success of the objective of direct marketing by the CBOs.

Meanwhile steps will be taken to ensure that the leaders of the CBOs do not start acting as middleman but function as mere facilitators. This can be assured by organising the CBOs to work as joint members i.e. in all the proceedings one member of the CBO should accompany the leader of the CBO. The members accompanying the leader should be rotated regularly to ensure transparency.

For measuring the outcomes, secondary data will be obtained by training the leaders of the CBOs to maintain track record of the marketing processes - production, demand & supply details, networking details etc.

The leader of the CBO is supposed to pass on the orders uniformly to all the members of the group. The effective maintenance of the above records and distribution of work is an indicator of the improvement in the management, organization and mobilization skills of the CBOs.

Major milestones

Duration	Activity	Outputs
Phase 1 (30 days)	Preparation of Operation Manual	Operation manual detailing specific activities to be undertaken and the methodology
Phase 2 (90 days)	<ul style="list-style-type: none"> • Sensitizing the 100 CBOs • Orientation programs for CBO members • Survey • Short-listing products made locally by each CBO 	<ul style="list-style-type: none"> • CBOs are oriented towards the project • List of products made by each CBO
Phase 3 (90 days)	Orientation and training program in management of the network and marketing	CBOs are oriented on management and marketing issues
Phase 4 (on-going)	Coordinating the marketing activity	<ul style="list-style-type: none"> • Monitoring of the activities • CBOs start marketing the products
Phase 5 (on-going)	Organizing regional workshops	<ul style="list-style-type: none"> • Evaluating the impact of the project • Awareness creation for the project in new areas • Extending the project to other areas

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