

## Impact of Digital Marketing on Microfinance Schemes for Women Entrepreneurs

By

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### Abstract

These days, digital marketing is extremely common and affordable. Through the development of the internet, the information age has brought numerous fields and specialties together. From e-commerce sites to virtual reality simulations, many areas have now been fully digitalized. This transition has also affected marketing, particularly during the Covid-19 pandemic when the world underwent a digital shift. This paper seeks to identify the challenges associated with microfinance schemes for women entrepreneurs' through digital marketing and to obtain new insight into it. It is a descriptive research that places a particular emphasis on one Self Help Group [SHG] of Hulimavu, Bangalore, with 100 women in it. The information gathered through focus group discussions and bank manager interviews. Recruited 15 participants for six groups and 10 participants for one group with a moderator for each group. Focus groups were held in a two-way format at various things. Each conversation lasted between 45 minutes to an hour. Comparative analysis has been used to analyze the acquired data. Most of the participants belonged to the Middle Income Group (MIG) and Lower Income Group (LIG) of SHG. The sources of income, educational background, repayment capacity, and technological awareness are all thoroughly examined in the discussion. In parallel, the Bank's assessment of the various MFS marketing strategies examines the accessibility and determines whether the material is getting to the intended audience. The report offers useful advice on how various tactics might be used to boost MF's digital marketing. The social and economic impact of successfully implementing the marketing plan is discussed in the paper.

**Keywords:** Self-help groups, Middle-income groups, Lower-income groups, Microfinance schemes

### Introduction

The information age has connected many fields and disciplines through the advent of the internet. Many aspects have now become completely digitalized, starting from e-commerce stores to virtual reality simulations. Marketing has also undergone this transition, especially during the Covid-19 pandemic when the entire world took a digital shift.

Digital marketing is a type of direct marketing that uses interactive media like emails, websites, online forums and newsgroups, interactive television, mobile communications, etc. to connect buyers and sellers electronically. (Panchal, 2018) It has many benefits that fit any aspiring and well-established entrepreneurs' criteria for a cost-effective marketing strategy. Although, digital marketing is now utilized by many sectors such as banking, education and others, who wish to create an online presence and a brand identity. Fintech businesses, peer-to-peer lenders, new categories of digital payment systems, and even crypto currencies, startups established in an all-digital environment and free of historical delivery patterns, are new competitors putting pressure on traditional financial institutions. According to Cognizant,

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financial institutions have relied on inertia and the relative difficulty of switching providers in their fight against customer attrition, just as they have in the past. Cognizant claims that financial institutions are now beginning to use digital, mobile, and other tech-centric techniques to fight back as they become more aware of the threat from outsiders who are disrupting the business.

Banking companies are adopting tactics that appear and feel much more like those employed in other industries as they begin to acknowledge that their brands may actually be overtaken by competitors who are more inventive, nimble, and rapid (e.g., retailing) (Pilcher, 2016) Banking has taken into digital marketing for many of their services, especially microfinances for women entrepreneurs among self-help groups in India. Micro finance schemes provided by the bank are a major turning point for these women entrepreneurs, it has become the starting point to acquire capital easily and more efficiently. Many self-help groups seek these schemes from the nearest banks around them. This also adds onto the CSR module that the Bank has to encompass. This study looks into the Self-Help Group in Bangalore as well as Banks that offer microfinance schemes to women entrepreneurs and how the digital marketing undertaken by the banks, impacts the accessibility to these schemes for the women entrepreneurs. The methods used were focus group interviews as well as interviews with bank managers. While, suggestions can be made to utilize the practicality that customer led theory poses for both the entrepreneurs and Bank as an organization.

With the transition from analogue to digital, marketing is not an exception. Digital marketing, social media marketing, and search engine marketing are all becoming more and more popular as technology advances. Internet users are growing quickly, and since digital marketing relies heavily on the internet, it has benefited the most. The way that consumers shop is changing, and they are leaning more toward digital marketing than traditional marketing. This review article aims to investigate the influence of digital marketing and its significance for both consumers and advertisers. This essay begins with an introduction to digital marketing before focusing on its themes, the distinction between traditional and digital marketing, as well as the advantages, disadvantages, and significance of digital marketing in the modern world.

## **Review of Literature**

It is impossible to deny that the world is rapidly transitioning from a simple to a digital one. People are investing more money in online content, thus businesses who find it difficult to incorporate this reality into their advertising plan must swiftly adapt. The more time people spend online each year, the more their use of digital platforms becomes increasingly integrated into their daily lives. Promoting digital media is the fundamental goal of "Digital India." Because consumers may access digital platforms from anywhere in the world at any time, businesses must switch from traditional to digital marketing strategies. In the unlikely case that businesses don't use the internet to market their goods and services, they won't be able to compete and will eventually go out of business. Customers who wish to purchase any product online may simply obtain product information and compare it to other products without having to go to a physical store or shopping center. It demonstrates that people are more likely to buy things online than they are to go to a physical store. Companies must adapt their advertising strategies and utilize new platforms for marketing as customer purchasing habits change. (Prajapati, 2020) We understand that Digital marketing only caters to those audiences that are able to afford the technological benefits and allows them to be the target audience for the same.

In order to end poverty, the Self-Help Group (SHG) programme is a practical strategy. In terms of the nation's empowerment efforts and initiatives to end poverty, it was started as a self-employment programme. The government launched the SHG programme in the Belgaum District of Karnataka State in 2000 with the goal of enlisting more impoverished women in order to give them greater political, social, and economic clout. However, the growth of Women Self Help Groups (WSHGs) in terms of their size, membership, collection of assets, and distribution of those monies among beneficiaries is very gradual. To make the development of WSHGs in the district strong and durable, effective efforts from all directions are urgently needed. The logical idea of "Self-Help through Mutual Help" was first created by women. In a culture where men predominate, women lack the resources to pay for their personal expenses or make their own decisions. The government has made a real effort to enlist more women in the SHG movement in order to give them more authority in the state as a whole and in the district in particular on the political, social, psychological, and economic fronts. However, the growth of WSHGs remained stable or unchanged until 2005–2006, indicating that the SHG programme was not well-liked in the district and that there was a dearth of motivational efforts on the part of the motivators. To ensure that the members' financial needs were met, the development of the fund was also unattractive. (Pangannavar, 2014)

The Self Help Group (SHG) Bank Linkage programme, which is the most prevalent microfinance strategy in India, is examined in detail together with the existing level and pattern of access to credit for India's rural poor. The analysis in the paper makes extensive use of a group of underprivileged Maharashtrians. Author conducts a survey through Jalgaon District to determine the effectiveness and awareness of microfinance among the general population. The authors took into account two neighborhood banks and four nationalized banks from Jalgaon to analyze the effects and participation of individuals in microfinance. Local banks including People Bank and Jalgaon District Central Co-Operative Bank (JDCC) were taken into consideration for the study. Other nationalized financial institutions, including ICICI, Axis, Bank of Baroda, and Canara. The two key conclusions in this article are that women participate more in self-help groups and that microfinance is used by small businesses. The majority of individuals favor local banks over nationalized banks, according to a comparison of local and nationalized banks. There is virtually little evidence from this study that microfinance is actually helping the core poor. This essay also examines how microfinance has affected poverty and the MDGs. (Ingale & Pathan, 2011) Microfinances play a very important role for Self help group mobilization.

In a country like India, where, according to World Bank data, 60% of the population is dependent on agriculture and 70% of the population lives in rural areas, micro-finance can be a key tool in supplying financial services to the underprivileged and those with low incomes. In a developing nation like India, micro-finance is viewed as a helpful tool for socio economic improvement. It is anticipated to have a big impact on development and reducing poverty. The purpose of the current research is to examine the effectiveness and contribution of microfinance institutions to India's growth. The survey found that between the years 2015–16 and 2016–17, there was a rise in the percentage of MFIs obtaining loans from banks, going from 9.8% to 257.6%. In 2015, the percentage of loans used for revenue production stayed constant, and in 2017, it rose to 94%. The indicators of the general financial structure, such as the return on equity and return on assets, as well as the capital adequacy ratio, have risen over this time, and the total assets of MFIs have experienced a severe fall. (Mohd, 2018)4

Based on this we understand how Microfinances become essential to the rural community and also acts a catalyst towards women empowerment translated through self help groups. As the main source to acquire the said micro finances are banks, the usage of digital marketing on the

said microfinances marketing by banks, are to be studied to understand how well it reaches the intended audience. And if the different benefits of such schemes are really reaped by those for whom it is created.

## Objectives

- To understand the role of banks in facilitating microfinances to women entrepreneurs.
- To study and understand if microfinance schemes are accessible to the target beneficiaries via digital marketing.
- To obtain an insight into the technological awareness possessed by members of Self Help Groups.

## Methodology

The methodology opted for the study here is the qualitative approach with focus group discussion and in-depth interviews as the methods. A study like this requires focus group discussion for it helps understand subjective reality objectively, which becomes essential for understanding the role of digital marketing in the accessibility of Microfinance schemes. To get around the perspective of the Banks and their marketing strategy a semi-structured in-depth interview was the preferred method. Focus group discussions are widely employed as a qualitative strategy to comprehend social topics in depth. Instead of using a statistically representative sample of a larger population, the strategy seeks to collect data from a deliberately chosen group of people. Despite the fact that this strategy has been widely used in conservation research, it has not received any critical evaluation. Additionally, there are no simple rules that conservation researchers can follow. (O. Nyumba et al., 2018) The use of the qualitative approach has increased over the past few decades in a variety of sectors. It can be used to look into various facets of social interaction for the advancement of society. Qualitative research offers literary or descriptive explanations of the study's hypotheses. When a researcher wishes to analyze the data in a much more descriptive way, they may choose for a qualitative technique. It provides a deeper and more comprehensive insight of the civilization being studied. (TÜMEN AKYILDIZ, 2021) A crucial qualitative research technique is the interview, which allows the researcher to gather information directly from the participants. Interviews are important in revealing perspectives, experiences, values, and several other features of the population under study. They are frequently used in conjunction with other research methodologies like surveys, focus groups, and others. Goals are always the focus of interviews. An interview may be performed at a variety of locations, including a school, college, market, a respondent's home, and others, with the aim of getting the needed information from the respondent. In addition, the number of ways that an interview can be done has increased as a result of technological advancement. Unlike before, a meeting is no longer required to include an interview. (GOODMAN, 2001)

## Sample material

1. Nari Shakti-Union Bank of India
2. Shishu Mudra Loan (STP)-Union Bank of India
3. Mahila Udyog-Karnataka Bank Ltd
4. The Dena Shakti Scheme

## **Findings**

As per the focus group discussion, more than 70% of the members in the self help group belonged to the Middle Income Group[MIG]. Their annual income was below thirtyone thousand, and others belonged to Lower Income group[LIG]. Even after putting their effort in SHG, they were depending more on local money lenders to meet their necessities by paying huge interest.

When we discussed the educational qualification of the members, the majority of the members pursued education from 10th to 12th grade. They were not fluent in the English language. They were just able to read but were finding it difficult to comprehend. They possess many skills ranging from cooking, tailoring, painting, beautification, art, craft work, block printing and to painting which was the crux of entrepreneurship.

When we discussed the awareness of credit schemes for women entrepreneurs, most of the responses were either totally or partially unaware. Also they were unable to capture the information through social media. The lending was happening with the help of some of the leaders. The relation with direct banking was too poor. Most of them have a poor history of online transactions.

## **Interview with Bank Manager**

As per the bank manager, they are supporting the customers by providing necessary information to those who are visiting the branch. When we consider the marketing strategy, the Bank is providing advertising in all of the social media. From the above discussion it is understood that even though the Government is providing so many schemes for women entrepreneurs the marketing strategies adopted by the banks are not making it available for the beneficiaries to access the same. This is mainly because of the capacity to buy smartphones and awareness of the use of smartphones by the target audience of the Microfinance schemes. The message about the scheme is not reaching the targeted beneficiaries.

## **Conclusion**

Awareness is the key that will ensure that the target audience gets the benefits of such Microfinance schemes. This awareness starts at the SHG. Awareness includes basics of smartphone, laptop and other technical knowledge, micro finance schemes and the procedure to access the same. NGO assistance can be another key intervention to bring about a more fair change. The digital marketing can be extended to text message, radio and doordarshan whose target audience are more on par with that of the schemes. Fixing target for banks for a minimum no of dispersal on such schemes. Frequent review to ensure the accessibility is ensured.

Through this study we understand the developmental schemes that are given to uplift a community needs to look into the social abode and the cultural-political scenario for that highly impacts the manifestation of development.

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