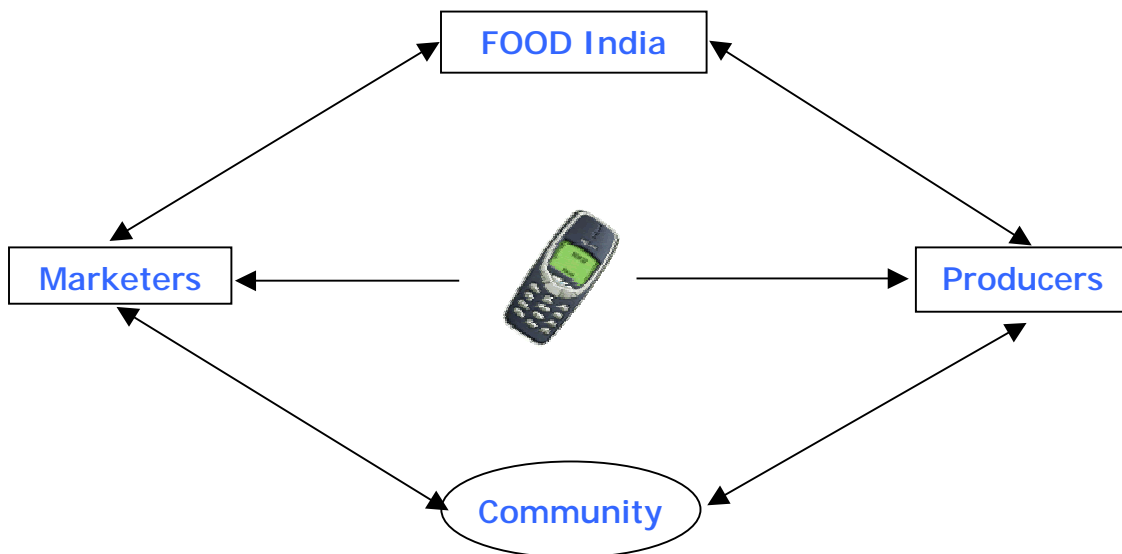


# Inter-city marketing network for women micro-entrepreneurs using cell phone

(Activity ID #466-000317)

## FINAL REPORT



Project implemented by:

Foundation Of Occupational Development (FOOD)

Email: [FOOD@XLWEB.COM](mailto:FOOD@XLWEB.COM)

Web: [FOODINDIA.ORG.IN](http://FOODINDIA.ORG.IN)

Phone: (+91-44) 24848201, 24728189

## TABLE OF CONTENTS

<b>PROJECT SUMMARY</b> .....	<b>4</b>
<b>BACKGROUND</b> .....	<b>5</b>
<b>PROJECT OBJECTIVES</b> .....	<b>5</b>
<b>STORIES</b> .....	<b>6</b>
EVALUATION PROCESS .....	6
PADMA FROM SIVALINGAPURAM .....	7
RANI FROM SIVALINGAPURAM.....	7
CHITRA FROM SIVALINGAPURAM.....	7
RANI FROM EKKADUTHANGAL .....	7
SAROJA FROM EKKADUTHANGAL .....	7
RAJAMMAL FROM MANGALAPURAM .....	7
RAMANI FROM MANGALAPURAM .....	7
MARIAMMAL FROM MUKTHAPUDUPET .....	8
MARY KUMARI FROM MUKTHAPUDUPET.....	8
JOTHIAMMAL FROM MUKTHAPUDUPET .....	8
SUNNATHAMAL FROM MUKTHAPUDUPET .....	8
RAJALAKSHMI FROM MANGALAPURAM.....	8
NAGALAKSHMI FROM VOC NAGAR .....	8
KALAICHELVI FROM VOC NAGAR.....	8
PUSHPARANIAMMAL FROM KK NAGAR.....	9
SEETALAKSHMI FROM AVADI .....	9
GRACY ANTONY FROM WEST SAIDAPET.....	9
MAHALAKSHMI GROUP FROM WEST SAIDAPET.....	9
SANTHA FROM KOTHAVALCHAVADI.....	9
DHANALAKSHMI FROM VIRUGAMBAKKAM.....	9
KRISHNAVENI FROM VANNARAPETTAI .....	9
VIJAYA FROM MGR NAGAR .....	10
PARVATHI FROM THIRUSOOLAM .....	10
SHANTHI FROM PERIYAR NAGAR.....	10
RAJARAJESHWARI & THE ROSA MAGALIR GROUP FROM SENTHILNAGAR .....	10
GLORY CHANDRAN FROM PERIYAR NAGAR.....	10
NAVANEETHAM & MARKETING GROUPS FROM KORATTUR.....	11
RAJAMANI & MARKETING GROUP FROM KORATTUR.....	11
KALAICHELVI & THE NEW LIFE PENGAL GROUP FROM ATHIPET.....	11
GOWRI & THE ELAM MAGALIR GROUP FROM MOGAPPAIR .....	11
KALA FROM KORATTUR.....	11
THIROMOLAIVAYAL PRODUCTION GROUP .....	11
POONGAVANANAM FROM TAMBARAM.....	12
MARY HILDA FROM TIRUMANGALAM.....	12
MUNIAMMAL & MARKETING GROUP FROM PERAMBUR .....	12
INDRA & THE PRODUCTION GROUP FROM VADAPALANI .....	12
VEDAVALLI FROM AVADI .....	12
SARALA FROM PERAMBUR.....	12
DEVAKI FROM ADYAR .....	13
RAGINIAMMAL FROM ADYAR .....	13
PADMAVATI FROM RAMAPURAM .....	13
VASANTHA FROM PORUR.....	13
MALATHI & SANTHAKUMARI FROM NANGANALLUR.....	13

**QUANTITATIVE OUTPUTS ..... 14**  
NO. OF WOMEN GROUPS TAKING PART IN THE PROJECT ..... 14  
PRODUCTS MARKETED THROUGH THE INTER-CITY NETWORK INITIALLY ..... 14  
PRODUCTS CURRENTLY MARKETED THROUGH THE INTER-CITY NETWORK..... 14  
AVERAGE MONTHLY INCOME ..... 14  
ROLE OF MIDDLEMEN ..... 14  
LINKAGES BETWEEN PRODUCTION AND MARKETING GROUPS IN AND AROUND CHENNAI CITY ..... 15  
AVERAGE MONTHLY INCOME OF WOMEN GROUPS (JAN TO OCT 2002)..... 16  
OVERALL SALES OF THE INTER-CITY NETWORK (JAN – AUG 2002) ..... 24  
**LESSONS LEARNT ..... 25**  
**DISSEMINATION ACTIVITIES ..... 27**  
**SUSTAINABILITY ..... 29**  
**CONCLUSION ..... 30**

## PROJECT SUMMARY

Project title: Inter-city marketing network for women micro-entrepreneurs through cell phone

Grantee: Foundation Of Occupational Development (FOOD)

Grant period: From: 4/23/2001 To: 4/23/2002

Grant amount:

Total project cost: US\$ 172,900,000

infoDev grant: US\$ 147,900,000

Brief Quantitative and Qualitative outputs:

This project has established a closed user group communication network for community-based women's organizations to promote inter-city direct sales of products made by them.

This has been accomplished by providing the CBOs with communications links by way of cellular phones to enable them to network for marketing their products. This is a simple way of applying widely available telecommunications technologies to a traditional micro-enterprise sector with a very high proportion of women's participation.

FOOD has organized 200 CBOs in such a way that they can inter-change their produce for marketing - that is, products made by one CBO are sent to a CBO in another area for marketing.

Products being produced and marketed by the women groups include cleaning liquid, soap oil, bath soap, washing powder, washing soap, rice, papads, pickles, juice, masala powders, incense sticks, candles, skirts for kids, gents & ladies wear etc.

This project has also established linkages with the Government of Tamilnadu wherein the Commissioner Municipal Administration has pledged its support to popularize the project and also include it in their regular training programs provided for officials and community organizers so that the project can be up-scaled to more areas.

The project has been selected as finalist out of more than 600 projects from 80 countries for the Stockholm Challenge Awards 2002.

## BACKGROUND

During 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 observe 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 and the products are made in homes, which does not involve much investment in infrastructure. Further the whole family works at the time that is convenient to them. This helps them to maintain their family and at the same time make use of the free time more productively.

Although a majority of the community is a part of a Community Based Organization (CBO), due to lack of communication link (ICT) between CBOs we observed 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 in 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.

## PROJECT OBJECTIVES

The main objectives of this project were as follows,



- Utilizing ICT as a tool for social and economic development of the poor especially women
- Creating direct market for the products made by women groups
- Improving cash flow within the community
- Increasing the income of women thus reducing poverty
- Capacity building of women entrepreneurs
- Creating and strengthening sectoral networks
- Creating a sustainable activity for the CBOs, so that it could implement community development programs with the income generated

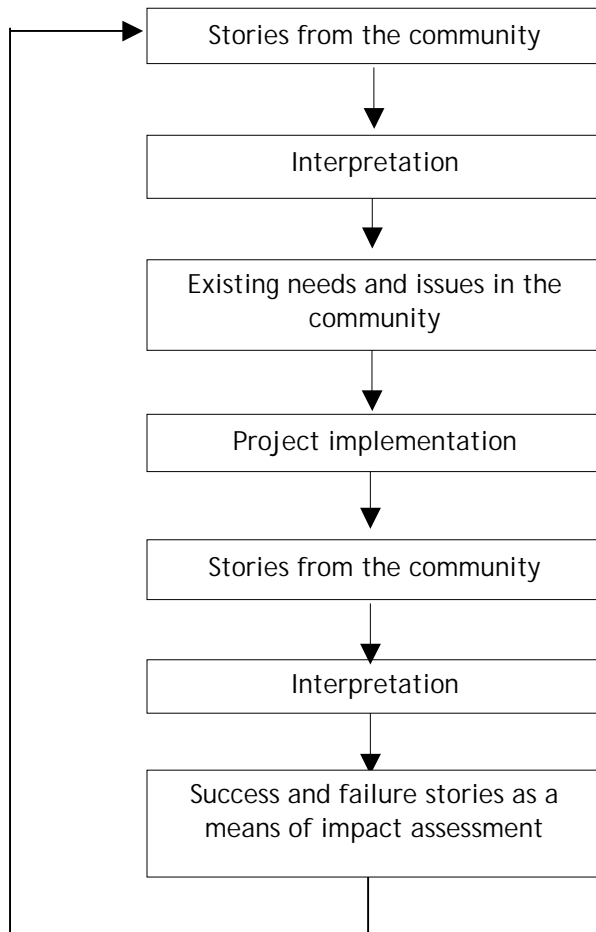
The stakeholders in this project are community based women groups from Tamilnadu (South India).

## STORIES

### Evaluation process

The evaluation process was primarily in the form of collection of stories from the community before the project starts (i.e. their practical problems, needs etc) utilizing PRA and then interpreting them into specific issues faced by the community. Then during and after the projects regular interviews were conducted to collect more stories (i.e. accounts from the community detailing whether the marketing network has made a difference to their day to day life) and then interpret them to enable the project to determine the success or failure rates.

The evaluation process is outlined in the following flowchart.



### **Padma from Sivalingapuram**

Padma's husband had deserted her and she was struggling to earn a livelihood to support her 2 children and herself. When she attended one of the meetings organized by FOOD in her area, Padma was enthusiastic started marketing rice as well as phenoel. In the first month itself she was able to earn Rs 500 by marketing product in her neighborhood, supplied by a remote women group. on providing her a cell phone within a period of 3 or 4 months Padma's confidence has increased he income by ten fold and she has even remarried. Her husband is now assisting her in the marketing activity.

### **Rani from Sivalingapuram**

Rani comes from a poor family and has 3 children. She was trying to supplement her family's income by selling vegetables to houses in her neighborhood. After attending meetings and being trained in utilizing cell phone, Rani is now marketing products made by the inter-city network. Now she has moved from door to door marketing of products to unknown people to marketing her products among known groups.

### **Chitra from Sivalingapuram**

Chitra has 2 children and her husband used to work as security guard. However he husband lost his job and their family was struggling to make ends meet. Chitra joined the inter-city network and has started marketing soap oil, phenoel, pickles, juice items etc. She is now able to support her family with the income she receives from this activity.

### **Rani from Ekkaduthangal**

Rani is manufacturing candles but she was not able to realize much profit out of her activity since there was little demand for her products in her neighborhood. Her husband too had very little income. They have 3 children and were struggling to make ends meet. After attending the meetings organized by FOOD and interacting with other marketing groups she has started selling her candles to the other marketing groups. She has also diversified her activity and is now involved in selling products from other groups in her area too, to supplement her income. The cell phone has eased her job of finding new market contacts and improving her income.

### **Saroja from Ekkaduthangal**

Saroja is 60 years old and is living alone. Her husband has passed away and she has no one to look after her. When she attended the inter-city marketing network meeting organized in her area she decided to market detergent and washing soaps. She has been pretty shrewd in marketing her products and we found that even though she is old she has utilized the cell phone to not only keep in touch with production groups but also requested people in her neighborhood to call her on the cell phone in case they require any products. This way she is able to get new business without having to visit each and every house in her area.

### **Rajammal from Mangalapuram**

Rajammal's husband has been bed-ridden for the last 2 years and her only son is also jobless. Rajammal started marketing neem sandal soaps, pheneol and other cleaning items to the Integrated Sanitation Complex (the ISP is another project of FOOD wherein we have established integrated sanitation complexes in several urban and semi-urban areas of Tamilnadu, offering sanitation facilities like toilets, bathrooms and wash areas) in her neighborhood. She is now earning an average income of Rs 800 per month. She has also expressed an interested to now sell rice.

### **Ramani from Mangalapuram**

Ramani is living in Mangalapuram with her 3 children. She was motivated to join the inter-city network after attending one of the regional workshops. She is now marketing shampoo, soap, washing powder and cleaning powder not only in her area but also to other nearby areas by using her cell phone to keep in touch. She earns an average of Rs 1500 to 2000 per month. She has decided to now specialize in marketing detergent cakes since she sees a good market for it in her area.

#### **Mariammal from Mukthapudupet**

Mariammal had migrated from Andhra Pradesh to Tamilnadu. Her husband is jobless and a drunkard. Mariammal got to know about the inter-city marketing network from her neighbor who attended one of the regional workshops. She has established contact with manufacturing groups and is now selling soaps, detergent cakes, pickles and fruit juice in her area and networking with suppliers using her cell phone.

#### **Mary Kumari from Mukthapudupet**

Mary Kumari comes from a family with an average income. One of her children is mentally retarded and Mary was depressed and withdrawn from the community. After attending a couple of meetings organized by FOOD in her area she was enthused by the community response to the project and decided to take up the marketing activity. She has been able to now earn a reasonable income from the activity and further she has put the cell phone to good use since she cannot leave the side of her mentally retarded son very often. She feels that through this activity she has found an outlet to express herself and put her free time to productive use. She is now even contemplating taking her son along with her whenever she goes out to sell her products.

#### **Jothiammal from Mukthapudupet**

Jothiammal is an old but very active lady. She has been very successful in mobilizing new clients from her products by keeping in touch with them regularly and catering to their requirements. On an average she now earns Rs 1500 per month. She is very enthusiastic and has even started canvassing in the neighborhood to enroll new members in her marketing group.

#### **Sunnathamal from Mukthapudupet**

Sunnathamal's husband is jobless, and she is working as a housemaid to earn an income to keep her family going. After she joined the inter-city network she has started selling cleaning items like detergent cakes and pheneol to houses where she works as a housemaid. She is earning a good income from this activity.

#### **Rajalakshmi from Mangalapuram**

Rajalakshmi's husband is an autorikshaw driver who earns very little income after paying the debts on his autorikshaw. By joining the marketing network and selling detergent cakes, bleaching powder and bathroom cleaning acid to the ISP complex in her area Rajalakshmi has been able to supplement her husband's income.

#### **Nagalakshmi from VOC Nagar**

Nagalakshmi and her husband are old and living alone. Their children do not support them financially. When she came to know about the inter-city network project she decided to market soap oil and pheneol in her area. Now her husband has also started assisting her and they are together marketing a wide range of items in their area.

#### **Kalaichelvi from VOC Nagar**

Kalaichelvi has 5 children. Her husband works for daily wages at the Race Course. She was producing some cleaning items like soap oil and pheneol which she was selling to some nearby houses. After joining the

inter-city network she has now gathered women from her area into a production group and divided the workload. Her group is able to now deliver a larger volume than earlier and they have enhanced their reach by getting in touch with marketing groups from other cities using the cell phone provided to them.

#### **Pushparaniammal from KK Nagar**

Pushparaniammal was working from home and stitching clothes for people living in her area to supplement her family's income. After joining the inter-city network she has been able to find market for her tailoring skills outside of her area. Further she is also procuring products from production groups outside her area and selling it to the customer base she has developed in her area through her tailoring activity. She is now earning an average of Rs 3000 to Rs 3500 per month.

#### **Seetalakshmi from Avadi**

Seethalakshmi's husband is a daily wage worker who earns only about Rs 1000 per month. After attending a couple of meetings organized in her area Seethalakshmi was convinced to joined the marketing group. Over a period of 2 to 3 months she has been able to gain confidence and she is now receiving a steady income of Rs 800 to Rs 1000 per month that supplements her husband's income.

#### **Gracy Antony from West Saidapet**

Gracy's husband has a small shop selling groceries. Both of them attended the inter-city meeting and got enthused by the success stories of other groups. They have now mobilized 3 marketing groups in their area and are now marketing products like tomato, ginger, garlic and onion pickles that Gracy produces at her home. They have also tied up with the marketing group at Mukthapudupet to sell their pickles.

#### **Mahalakshmi group from West Saidapet**

This group is comprised fully of handicapped women. The inter-city network and the cell phone has been a boon to them since due to their disability they are unable to move out anywhere to market their products. The group is making candles and bleaching powder that are being sold to other areas through the network. The group finds the cell phone to be useful in their business activity since they are unable to move around and can now use the cell phone to be in touch with marketing groups.

#### **Santha from Kothavalchavadi**

Santha is living in an area where there are about 300 to 400 houses of the Government Housing Board. She has been able to successfully tap this market by visiting each and every house and introducing her products to them while ensuring prompt deliveries and service. She has asked her clients to contact her on the cell phone at any time of the day and place their orders. She is also using the cell phone to be in touch with production groups that are manufacturing candles, cleaning powder, soaps and packing rice. She now earns an average of Rs 3500 to Rs 4000 a month from this activity.

#### **Dhanalakshmi from Virugambakkam**

Dhanalakshmi was manufacturing candles when we contacted her. However she had only one block and hence the quantity she could produce was very little. She is now also marketing phenol, pickles, masala items etc and able to supplement her income.

#### **Krishnaveni from Vannarapettai**

Krishnaveni is marketing detergents and neem soap in her area. When she expressed an interest in manufacturing incense sticks, we managed to get her sponsored by the Government for attending an entrepreneur development program wherein she learnt how to make incense sticks. She is now not only marketing soaps but also supplying incense sticks to other marketing groups.

### **Vijaya from MGR Nagar**

Vijaya comes from a poor family. She had been making eatables like pickles, masala powders and papads before joining the network. After becoming a part of the inter-city marketing network she has mobilized 10 to 15 women in her area who are jointly manufacturing the food items and then marketing it through the network.

### **Parvathi from Thirusoolam**

Parvathi joined the inter-city marketing and decided to market soaps in her area. However she lost interest in the activity since the products were not fast moving in her area. We motivated her by taking her to visit other marketing groups and also accompany us during regional workshops. She has now become enthusiastic again and has decided to market rice, a fast moving product that has a daily requirement from her clients.

### **Shanthi from Periyar Nagar**

When Shanthi joined the inter-city marketing network we observed that she was very enthusiastic and interacting with other women who attended the meetings. However for 2 to 3 months we found that she was doing little business. We discussed with her about this and finally found out that her husband was objecting to her going out to sell her products. We then met with her husband and managed to convince him. Shanthi is now marketing rice and pickles in her area and her family income has been supplemented by this activity. Her husband has realized that the extra income that they now receive goes a long way in making ends meet and makes it a point to meet us whenever we organize meetings in their area.

### **Rajarajeshwari & the Rosa Magalir Group from Senthilnagar**

This women group was formed in January 2002 by 10 women from Senthilnagar after they attended the meetings organized by us. All of them are house wives yearning to supplement their family income in some way. However there was no unity within the group and it took several orientation and motivation sessions to gradually build social solidarity within the group and enable them to network with other groups. The group has started packing rice that they procure from a nearby rice mill. Within a period of 2 months they have started realizing good profits and are supplying to the other marketing groups in Kolathur, Perambur, Vadapalani and Vyasarpadi. The production group had initially mobilized Rs 10000 towards working capital. The rice mill owner, after seeing the enthusiasm and success of the women group, decided to provide an additional Rs 50000 worth of stock on credit to the group. In addition to packing rice the group is also purchasing Rs 2000 worth of items from other groups and selling it in their area.

### **Glory Chandran from Periyar Nagar**

Glory was making candles and selling it in her area when our team contacted her. Initially we faced problem from her husband who objected to our team visiting her regularly to orient her on the project. Glory has also been able to mobilize other women from her area in order to increase her production capacity. Her production group is now supplying candles to 7 churches and these churches are also supporting the women group by assisting them whenever required. Glory's group now has a turnover of Rs 10000 per month. Unfortunately Glory's husband passed away recently and due to this she was personally affected and unable to concentrate on the manufacturing activity. Due to this her group's output was affected for about 2 to 3 months. However she has now been able to come out of her grief and has decided to keep herself busy in her candle making activity. She also requested us to provide training on making cleaning items like pheneol and bleaching powder. We were able to get in touch with the appropriate Government department that sponsored her group for a training program on entrepreneurship development and manufacturing cleaning items like pheneol and bleaching powder. Further the Ambattur Municipality has decided to give her group a loan under the self help groups scheme wherein they have received money to expand their manufacturing activities.

### **Navaneetham & marketing groups from Korattur**

Navaneetham is convenor for 20 women self help groups in her area. She has been involved in various social welfare activities and has also received entrepreneurship development training that has been organized by the State Government. When she came to know about the inter-city marketing network she immediately decided to bring all the self-help groups under her into this network. Her groups now have an average sale of Rs 10000 to Rs 15000 per month. Further the government has given their group a loan of Rs 1 lakh to further develop the network by starting a soap manufacturing unit. Navaneetham's entrepreneurial spirit has helped her groups to expand this unit rapidly and they have even branded their soaps under the banner of "Sivanthi Soaps". The groups have been able to maintain a very high standard of quality and hence the marketing groups are ready to pick up stock from them. Navaneetham's groups now earn about Rs 25000 per month from the soap manufacturing unit alone. The cell phone has allowed the groups to be in constant touch with each other and with other marketing groups throughout the state and supply them with their products in a timely manner.

### **Rajamani & marketing group from Korattur**

Rajamani mobilized 10 members in to a marketing group after attending the workshop and meetings organized by us in her area. We were able to put the group in touch with rice wholesale merchants in nearby areas. The group is now involved in packing rice into 75kg bags that they then forward to retail shops that the wholesalers supply to. Through this activity the group earns a profit of Rs 2 per kilogram of rice packed. In addition to this the group is also marketing products from the Valasaravakkam production group. They now have a sales turnover of Rs 3000 to Rs 5000 per month.

### **Kalaichelvi & the New Life Pengal Group from Athipet**

Kalaichelvi's production group has 20 members who make small toys and fancy dolls from home. The women have put up small shops in their homes and are selling their products to others in their area. Further they have expanded their marketing reach by utilizing the inter-city cell phone network and now have a monthly turnover of Rs 12000.

### **Gowri & the Elam Magalir group from Mogappair**

Gowri's group was involved in procuring cleaning acid in cans and bottling them for nearby industries. After joining the inter-city network her group has now diversified its activities and is not only bottling acid for industries like battery companies but also supplying household cleaning items to Athipet and Ambattur marketing groups. The group earns an average of Rs 10000 every month.

### **Kala from Korattur**

Kala deals in washing powder that she buys from the Thirumolaivayal production group. She earns about Rs 5000 per month however she is not able to sustain this income since her husband is spending all her income in drink and gambling. We have taken efforts to discuss with her husband about this and are confident of setting right the issue.

### **Thiromolaivayal production group**

There are 6 members in the Thiromolaivayal group that is manufacturing washing powder under the brand name of "Arc". This product has now become quite popular in the marketing network. At one point they were unable to continue since they were asked to vacate the house where they were making the washing powder. After struggling for a couple of months they were able to finally find a new place to put up their manufacturing facilities and business has picked up again.

### **Poongavananam from Tambaram**

Poongavananam is the head of the Integrated Sanitation Complex (ISP complex) self help group in Tambaram. After being oriented to the inter-city network project she was immediately able to mobilize 10 members into her group. Her group is selling bar soaps and cleaning items by putting up a small shop inside the ISP complex itself. The Tambaram Municipality has given a loan of Rs 25000 to her group after seeing their enthusiasm.

### **Mary Hilda from Tirumangalam**

Mary Hilda is in charge of the self-help group established some time back in Tirumangalam. She has 10 members in the group. After joining the inter-city network her group started making incense sticks and turmeric powder that they supplied to other groups in the network. However they have been unable to meet demand since their husbands got irritated after seeing their wife making more money than what they could earn. Due to this ego clash the group had to discontinue their activity.

### **Muniammal & marketing group from Perambur**

Muniammal, a handicapped lady from Perambur, is the group leader of a self-help group in her area that has about 20 women in it. This group was already involved in some small savings schemes promoted by the government. When she learnt about the inter-city network she wanted to find out if her group could earn additional income through this project. After being oriented on the inter-city marketing network project her group has been able to start selling products to about 200 families by building social capital within their community. Muniammal has been so enthusiastic about the project that she even managed to arrange finance for her group members through her own source. Now each family in her group is earning about Rs 600 to Rs 800 per month by selling products like rice, papads and snacks.

### **Indra & the production group from Vadapalani**

Indra and her group started by producing and selling sweets and snacks during the Deepavali festival season in October 2002. Within a few months the group has been able to expand their network widely using the cell phone and they now supply their products to marketing groups to other areas. Indra's group now has a monthly turnover of Rs 40000 and they are looking at expanding to other areas of the state.

### **Vedavalli from Avadi**

Vedavalli's family is involved in daily wage jobs at a construction site near her home. When she came to know about the inter-city network she decided to take up marketing of products as a part-time activity. Over a period of time she has become convinced about the effectiveness of the inter-city network and the utility of the cell phone in keeping in touch with other groups that she has now left her daily wage job and is working full time on the inter-city network. She has also managed to mobilize 20 women into her group and they are now producing candles, phenol etc in addition to marketing products made by other groups. Traditionally, Vedavalli's family has been involved in daily wage jobs that did not offer a permanent income. However after joining the inter-city network she now feels that she can finally have assured income. Her group has also decided to diversify into marketing rice to houses in their area.

### **Sarala from Perambur**

Sarala's husband is involved in procuring pebble stones from Pondicherry and selling it to construction companies in Chennai for use in borewells etc. When FOOD's team sensitized her on the project she was very enthusiastic and decided to mobilize women from her area. Sarala has now mobilized 10 members into a group and is in touch with another group in Pondicherry who is procuring the pebble stones locally and sending it to her. She has now been able to setup a channel to supply pebble stones to construction companies in Chennai. Her husband has also been supportive to her activity and does not mind that his wife is now in competition with him!

### **Devaki from Adyar**

Devaki had heard about self help groups from TV programs and articles in newspapers and magazines. After attending meetings organized by FOOD she realized the power behind organizing a self help group. Devaki then managed to mobilize 4 members into a group and started making snacks and food items that she sold to other areas. Over a period of 5 to 6 months she managed to mobilize nearly 30 women into her group and they are now running a small hotel in their area that not only provides snacks and food but also sells food products made by production groups in Perambur. The group also accepts special orders from other areas for supplying food items for functions like marriages and parties. Out of the income that they earned the group has also bought a grinder and a fridge. They are using the fridge to store milk packets and cool drinks which they sell to houses in their neighborhood. Since the women in this group are housewives the cell phone has been very useful for them to keep in touch with production groups in other areas and to receive special orders from houses in other areas.

### **Raginiammal from Adyar**

The members in Raginiammal's group are all housemaids. By 11am they finish their work and are free to do other activities. The group has utilized their free time to sell products like rice, pickles and food items made by the inter-city network to the houses where they work.

### **Padmavati from Ramapuram**

Padmavati was making phenol that she was supplying to her friends. However she did not know the value of her skills. After being oriented by FOOD's team she realized that she could formalize her activity and supply products not only in her neighborhood but also to other areas as well. She is now supplying cleaning materials through the inter-city network and she has also been able to supply cleaning materials to some big companies like Vetri Software by leveraging the contacts she had through the inter-city network. Padmavati's turnover is now about Rs 50000 per month.

### **Vasantha from Porur**

Vasantha was working in the tailoring unit of a garments export company before she was laid off. After attending the workshop organized by FOOD in her area she realized that she could put her tailoring skills to productive use. She managed to mobilize 5 members into her group and conducted tailoring classes for them at her house. The group has now been able to produce dresses for women and children that they are selling in their area as well as outside through the inter-city network. Vasantha now earns about Rs 3000 to Rs 4000 every month from this activity.

### **Malathi & Santhakumari from Nanganallur**

Malathi and Santhakumari were introduced to the inter-city network by the leader of a community based organization who attended one of the regional workshops. Both the ladies had been involved in AIDS and handicapped welfare programs organized by their self help group. After attending a couple of meetings they were finally convinced and decided to mobilize their own marketing group. They now have 20 members in their group and they making about Rs 26000 per month selling rice, snacks and cleaning products.

## QUANTITATIVE OUTPUTS

### No. of women groups taking part in the project

After 1 month	After 3 months	After 12 months	Current
20	51	125	215

Note: On an average there are 1000 women in a group.

### Products marketed through the inter-city network initially

Neem soap, Toilet soap, Shampoo, Detergent cake, Washing powder and rice packed in poly-bags.

### Products currently marketed through the inter-city network

Phenoyl, Soap oil, Washing powder, Cleaning Acid, Cleaning Powder, Bleaching Powder, Rice, Pickles, Juices, Papads, Masala Powder, Spices, Nutrition flour powder, Candles, Detergents soap, Paper bags, Toys & Dolls, Wire bags, Jam, Pebble stone, garments, incense sticks, etc.

### Average monthly income

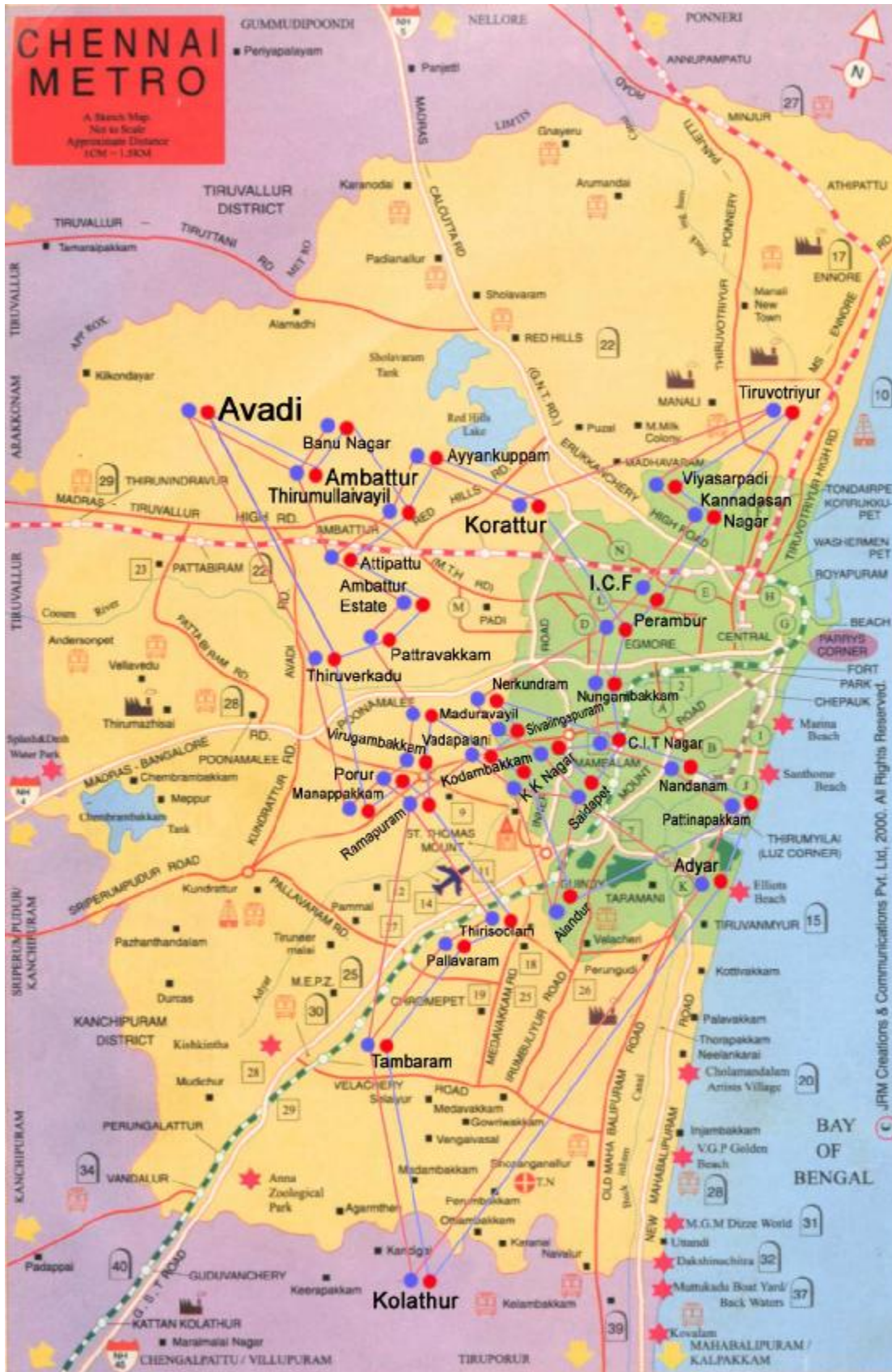
	Before	After 1 month	After 12 months	Current
Production groups	Rs 500	Rs 1100	Rs 14000	Rs 18700
Marketing groups	Rs 0	Rs 605	Rs 10300	Rs 13050

### Role of middlemen

	Before	After 12 months
Average commission paid to middlemen	18 to 30% depending on the product	Nil

The dependence on middlemen is gradually decreasing as demonstrated by the decreasing commissions paid to middlemen since the inter-city network has provided new avenues for marketing to the women production groups spread through out the state in remote areas.

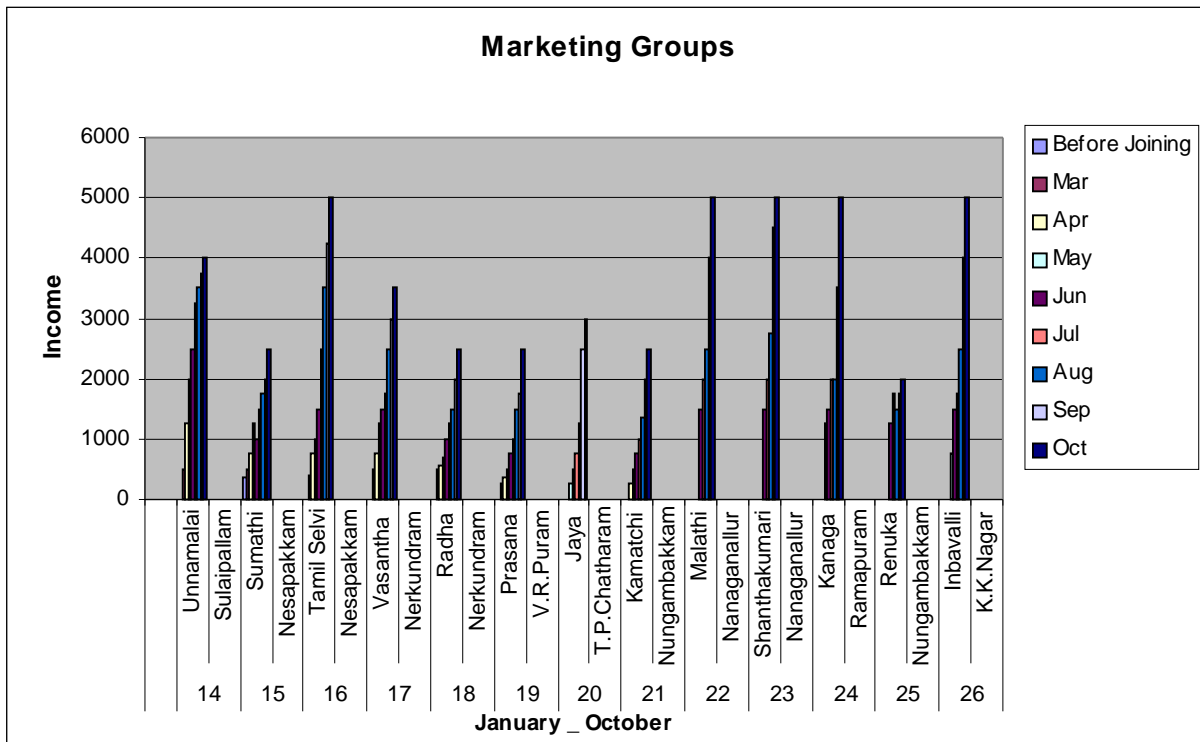
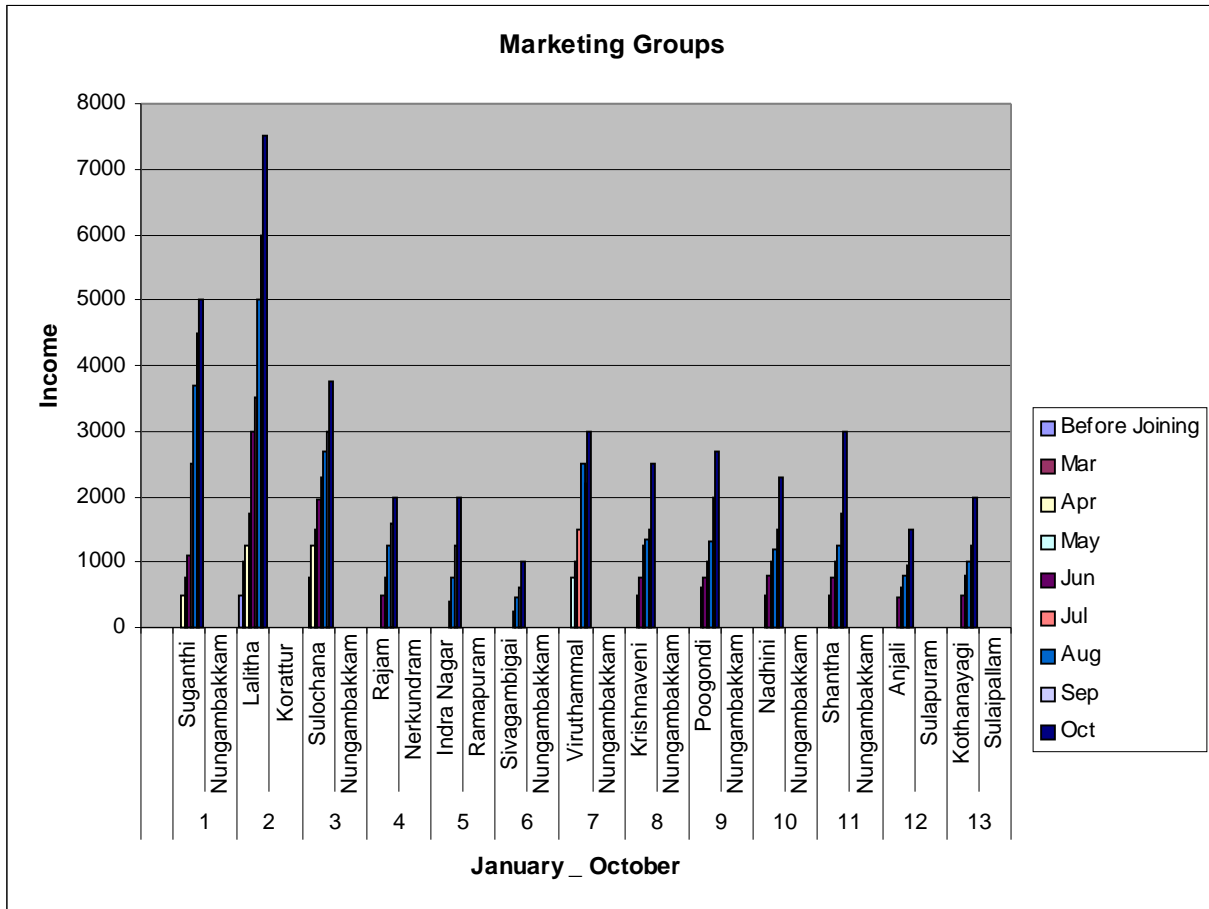
Linkages between production and marketing groups in and around Chennai city

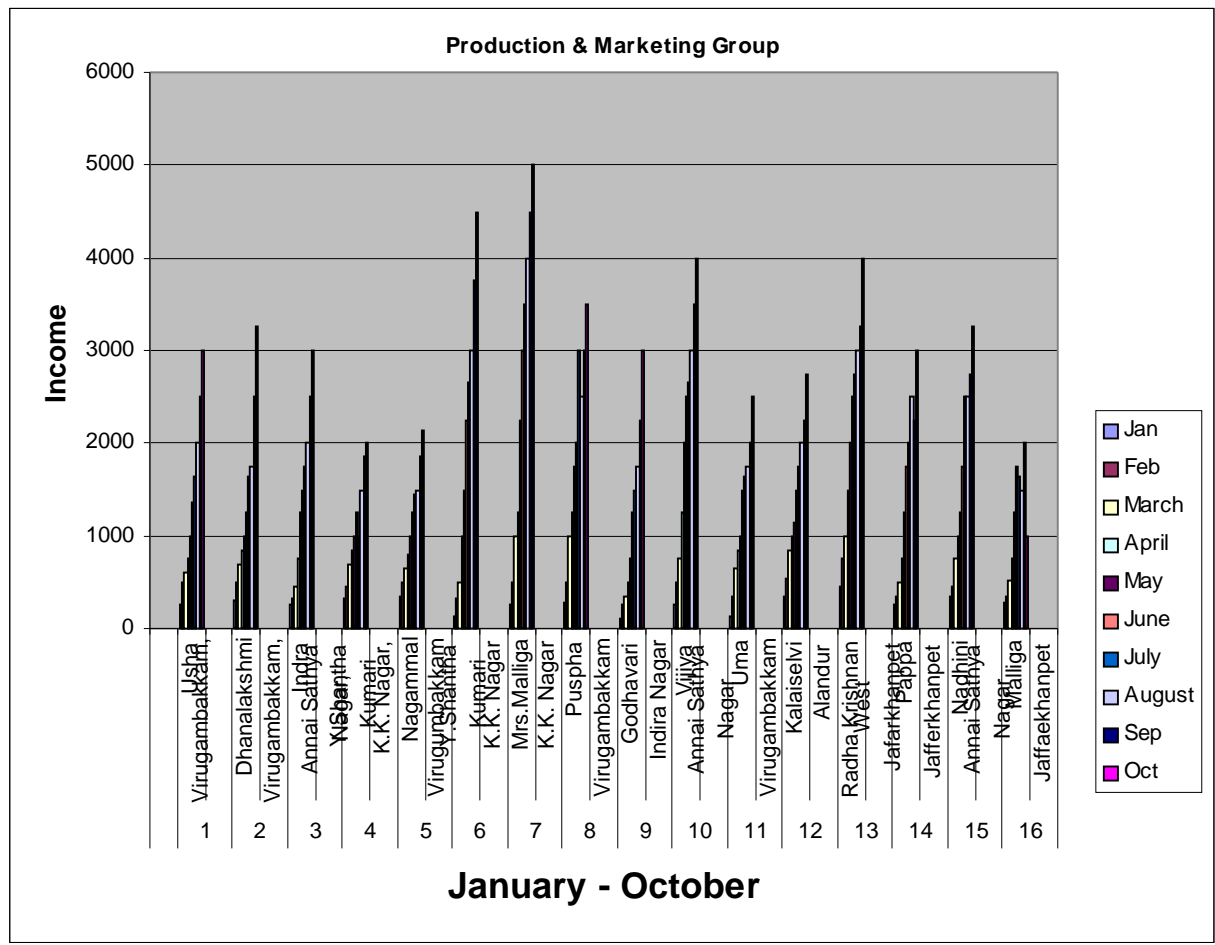
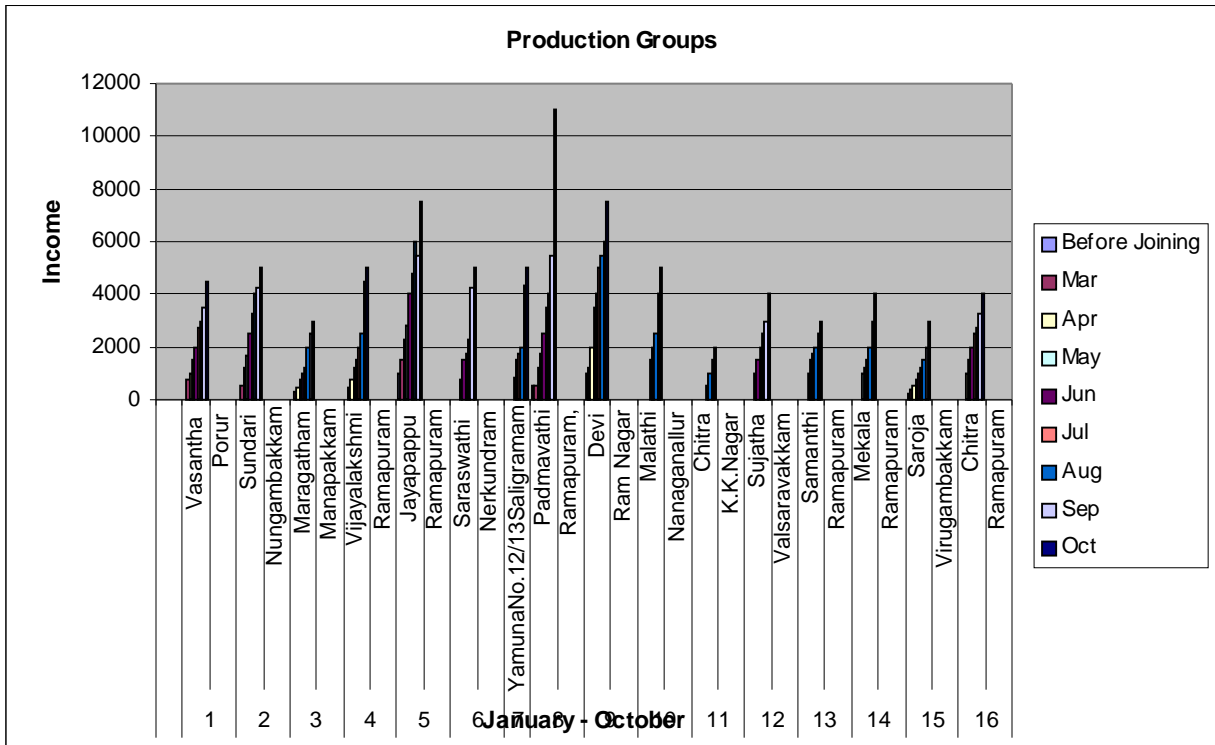


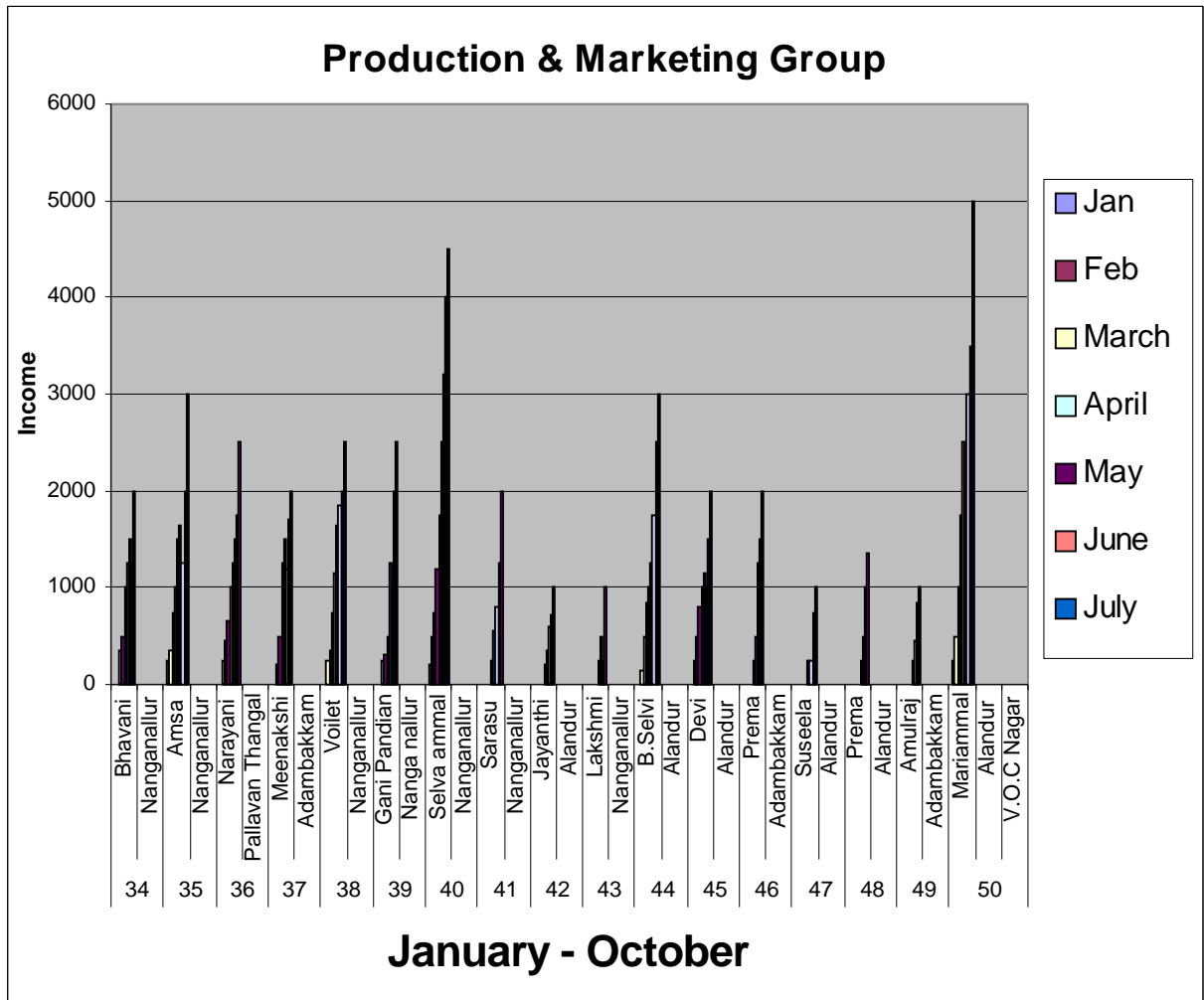
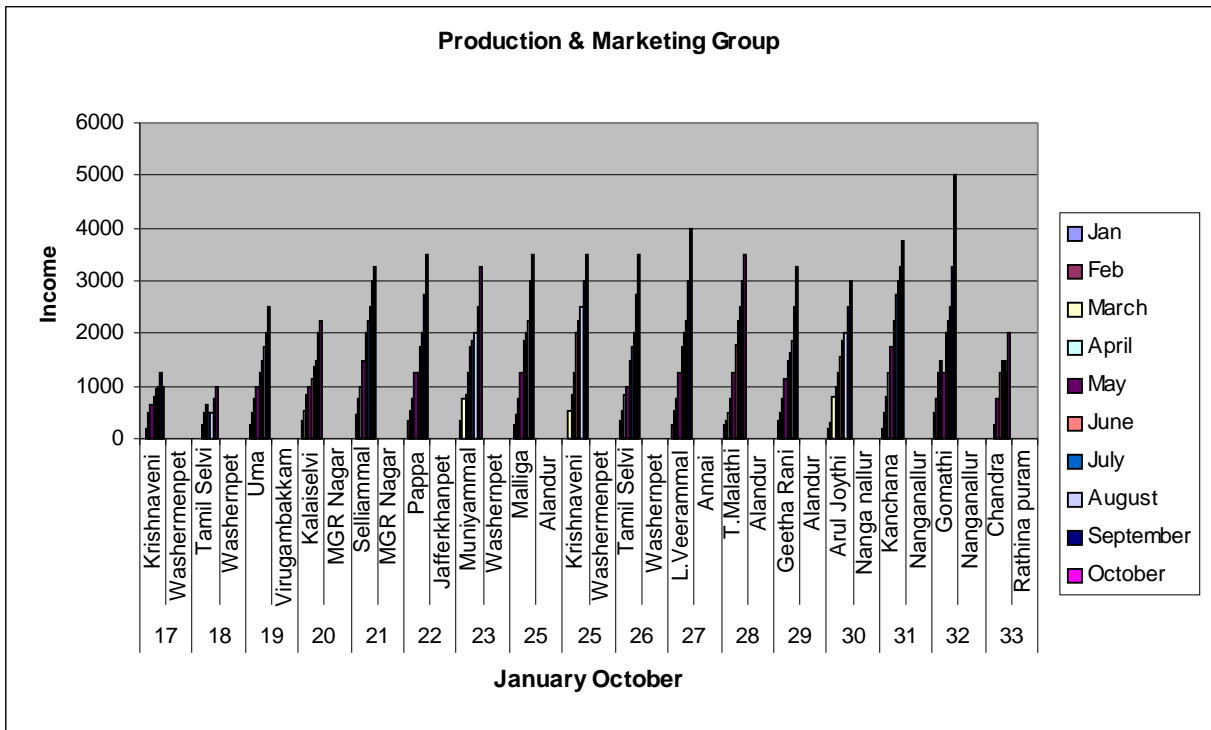
- Area Name
- 1.Tambaram
  - 2.Pallavaram
  - 3.Thirumullaivayil
  - 4.Banu Nagar
  - 5.Attipattu
  - 6.AmbaturEstate
  - 7.Patravakkam
  - 8.Porur
  - 9.KannadasanNaga
  - 10.Manappakkam
  - 11.Ramapuram
  - 12.Nungambakkam
  - 13.Kodambakkam
  - 14.Pattinapakkam
  - 15.Virugambakkam
  - 16.Vadapalani
  - 17.Avadi
  - 18.Ambattur
  - 19.Korattur
  - 20.Kolathur
  - 21.Perambur
  - 22.Viyasarpadi
  - 23.Saidapet
  - 24.K.K Nagar
  - 25.Nerkundram
  - 26.Sivalingapuram
  - 27.Kasikulam
  - 28.ThideerNagar
  - 29.Thirisoolam
  - 30.Alandur
  - 31.KakkanjiNagar
  - 32.I.C.F
  - 33.C.I.T Nagar
  - 34.Tiruvotriyur
  - 35.Ayyankuppam
  - 36.Nandanam
  - 37.Tiruverkadu
  - 38.Maduravoil
- Production  
● Marketing

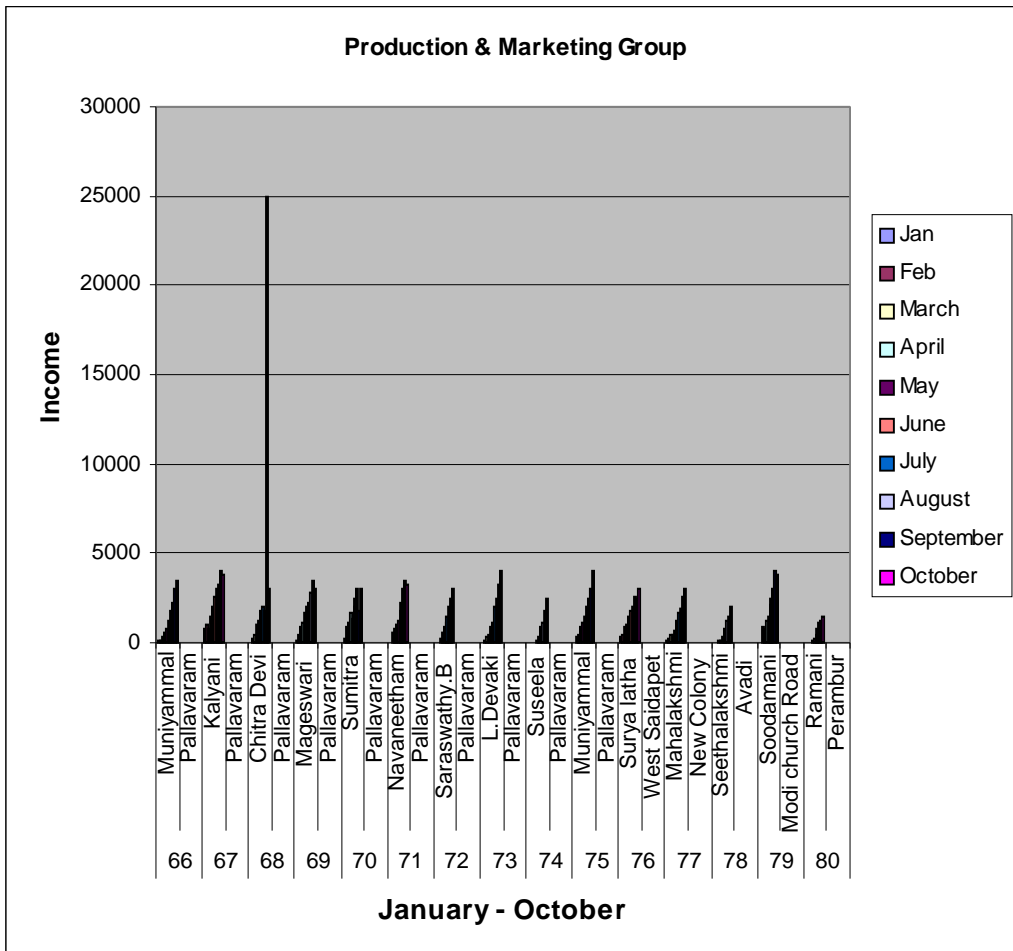
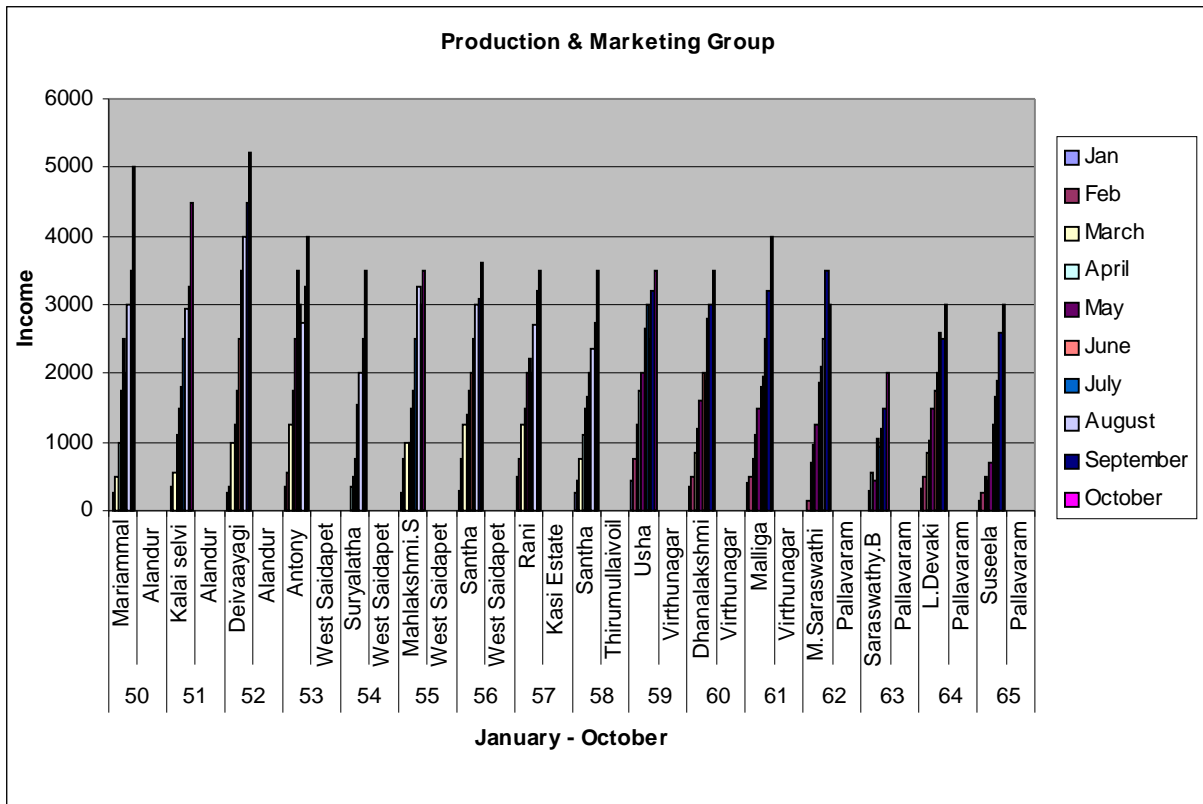
— Production  
— Marketing

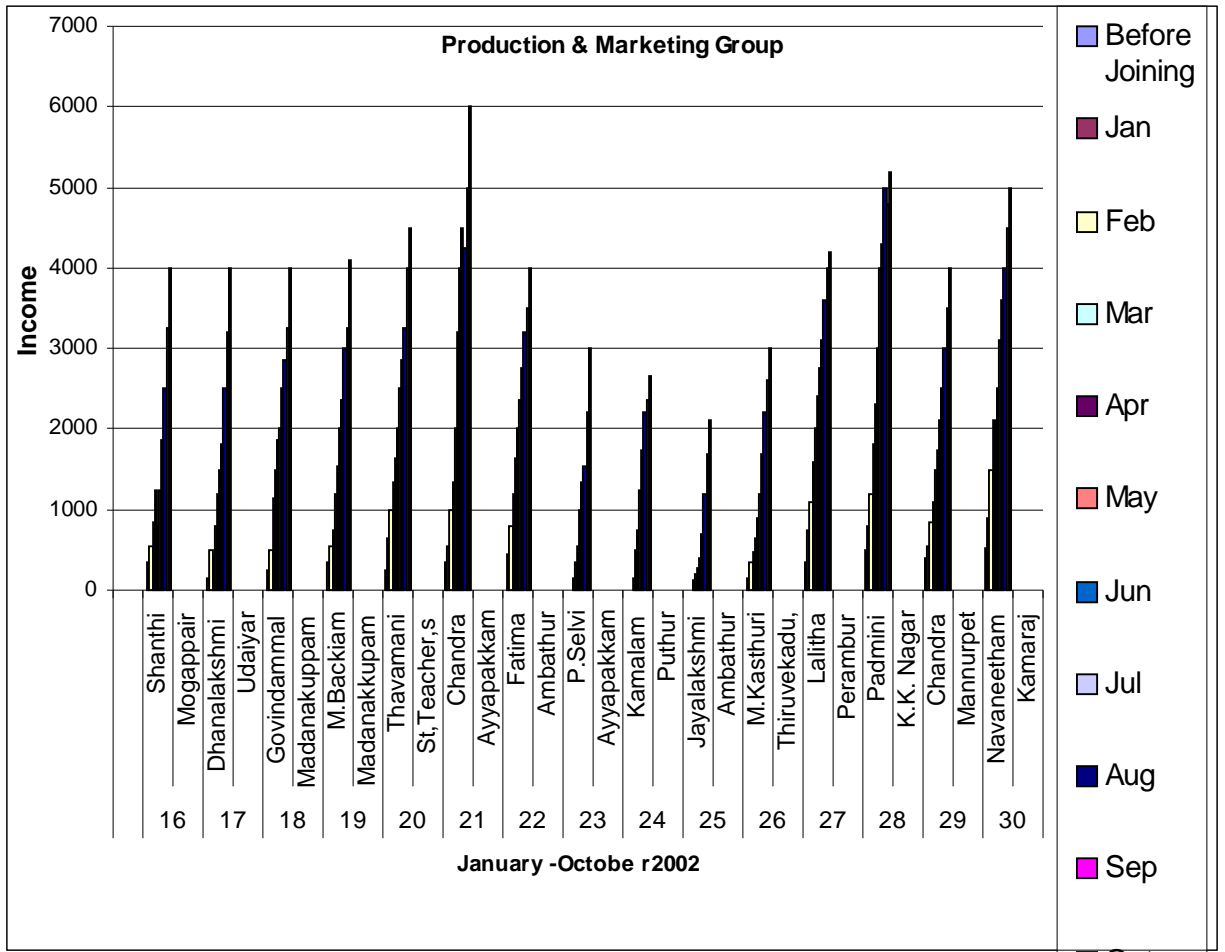
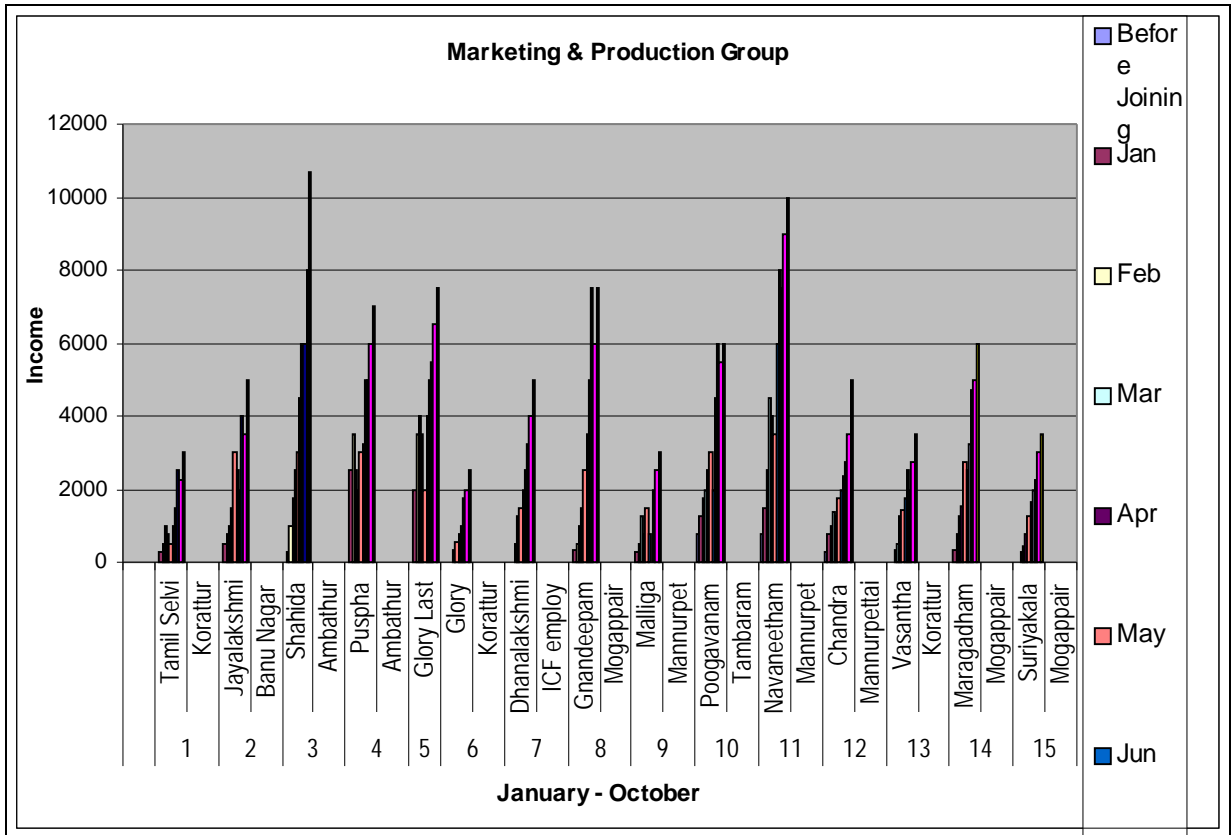
Average monthly income of women groups (Jan to Oct 2002)

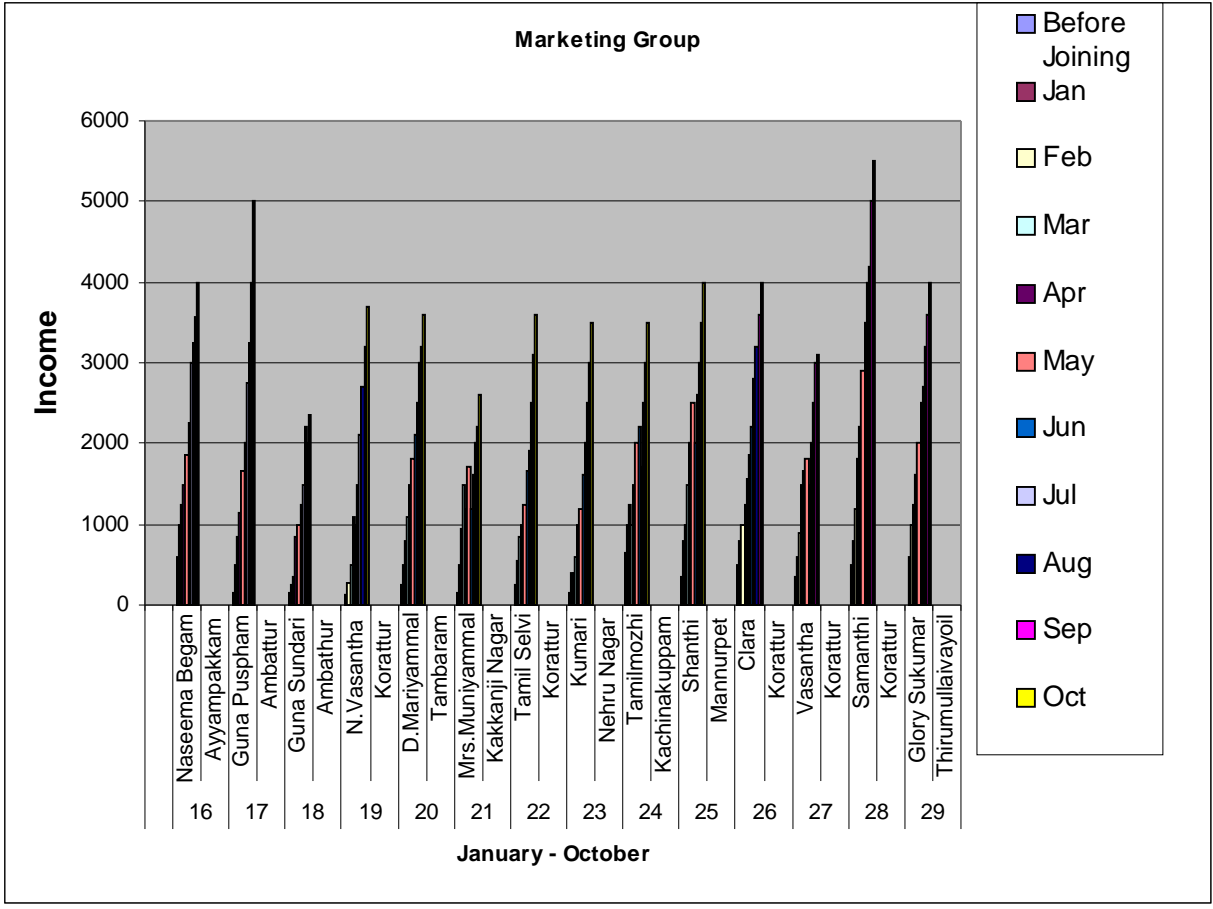
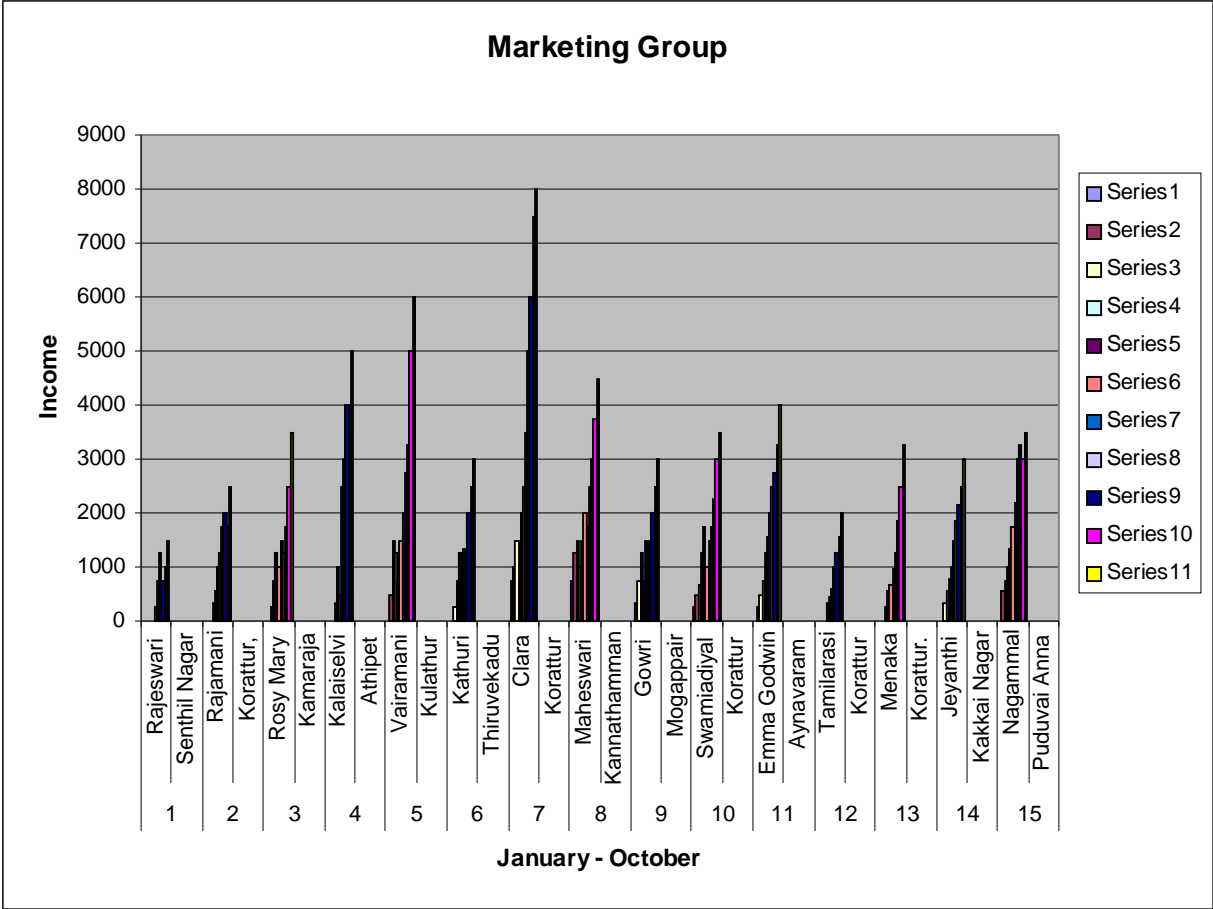




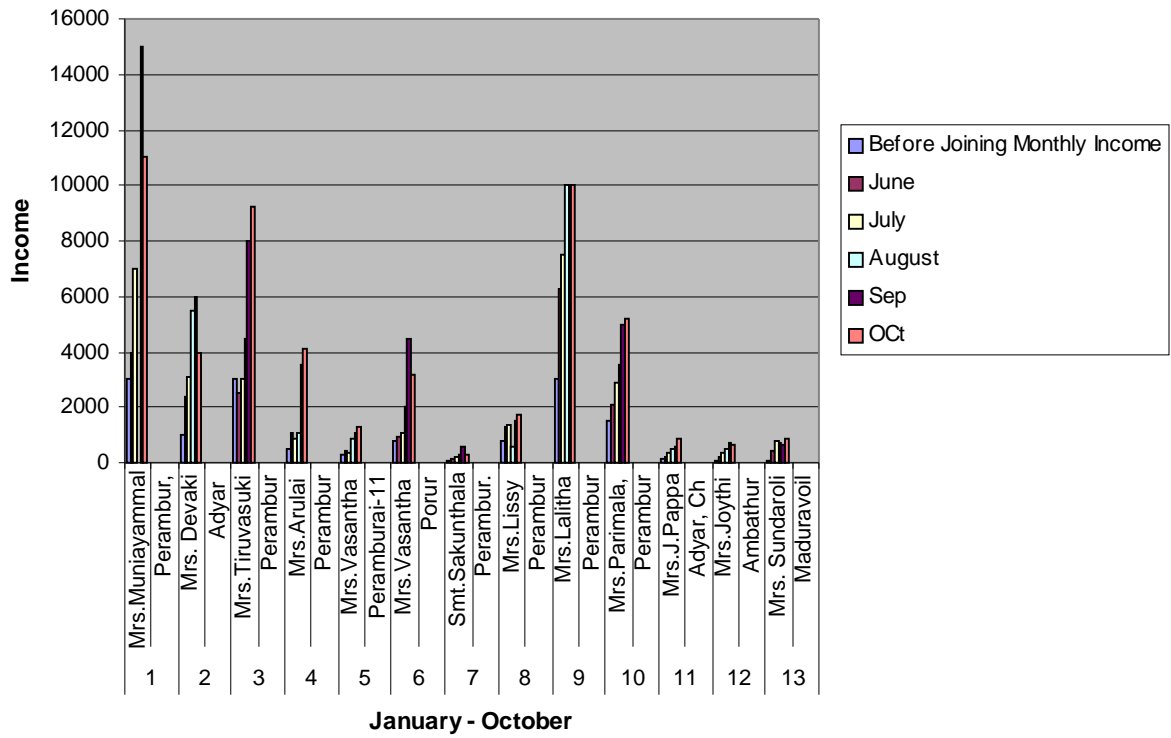




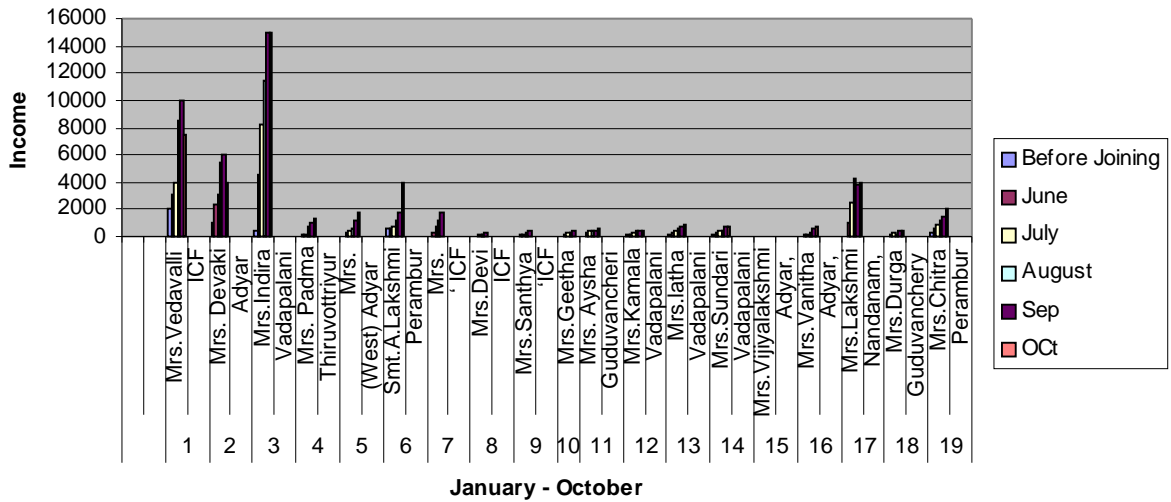


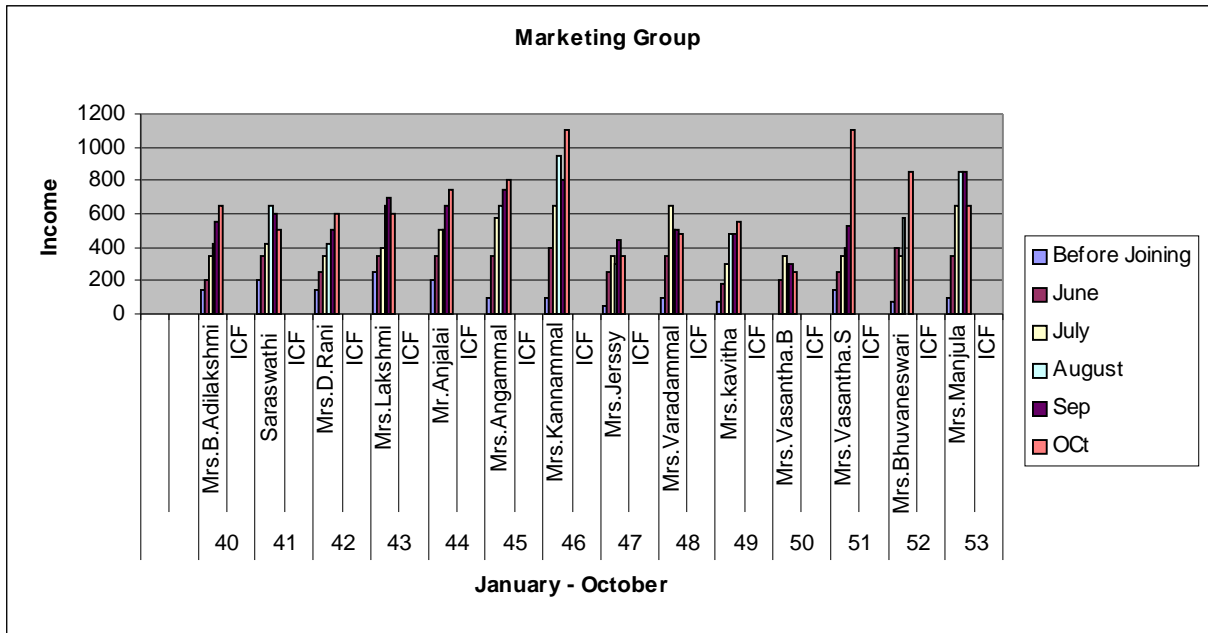
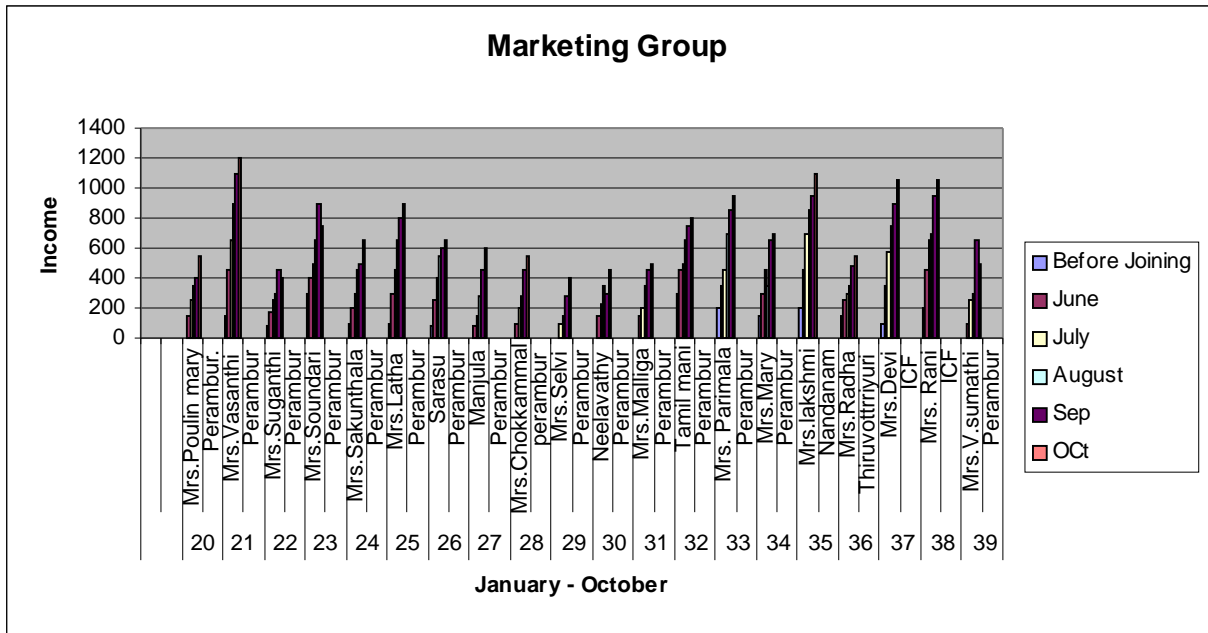


### Production Group

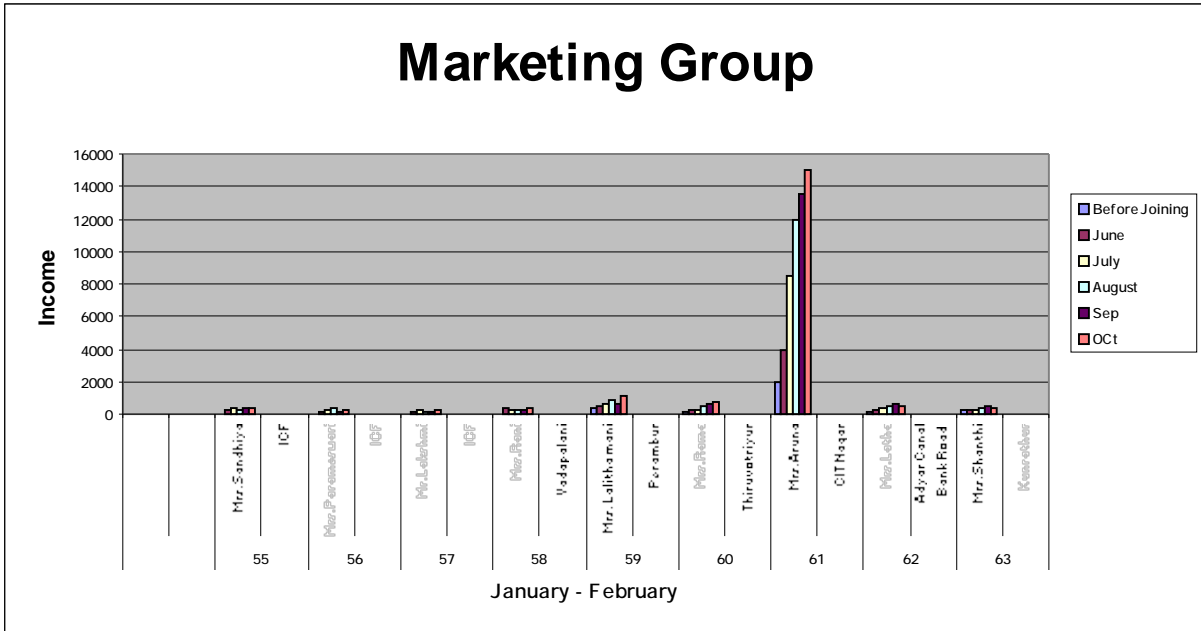


### Marketing Group

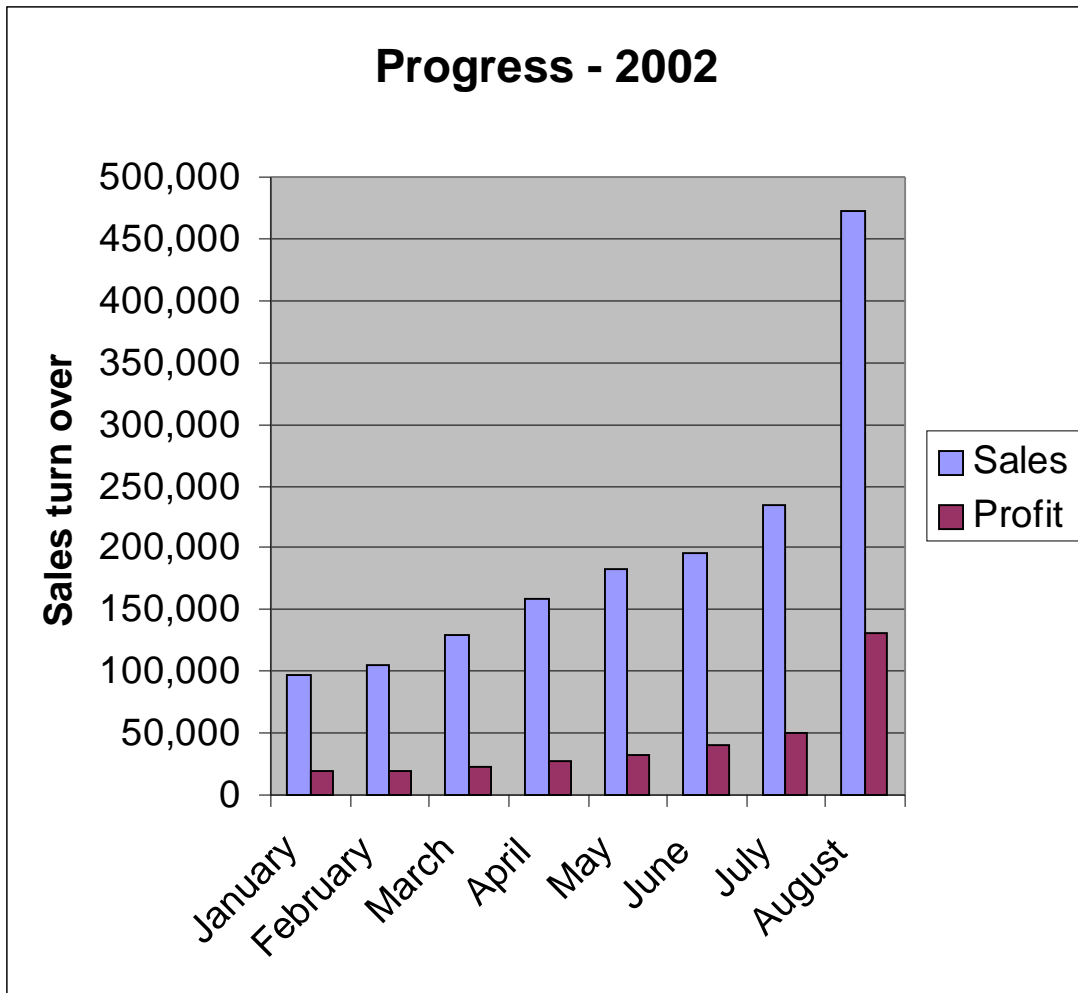




# Marketing Group



Overall sales of the inter-city network (Jan - Aug 2002)

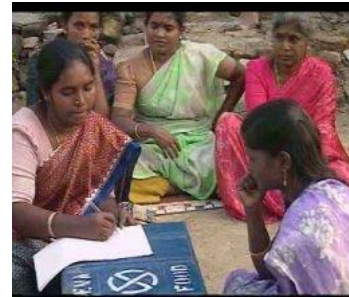


## LESSONS LEARNT

This project is designed to empower women to utilize ICT for achieving the goal of poverty reduction.

What we learnt from our experience is that while the rich have financial capital for promoting their enterprise the poor need to promote social solidarity and social capital so that they can raise their economic condition. One of the best ways to build social solidarity is through community networking. Since the cell phone does not require much of functional literacy to operate and maintain, the community need not undergo extensive training or learn an unknown language in order to network.

For example, we found that after the Gandhigram production group successfully built linkages with the marketing group and the buyers in the community any product produced by them was readily accepted by the marketing groups and sold in the community even though there were many competitors selling similar products in the open market.



The use of cell phones has allowed the women groups to expand their reach and extend their activities to areas where they did not have a presence earlier. Before the start of this project, most of the production groups were restricting themselves to marketing their product either in their neighborhood or selling it to middlemen for a low price. Using cell phones the production groups are now able get in touch with groups in other cities or areas, which was hitherto inaccessible to them. The marketing groups are also able to utilize cell phones effectively for conducting business with clients in their area as well as outside.

By building a good communication network using cell phones the inter-city marketing network has helped women who are culturally bonded to social barriers such as resistance to movement outside their neighborhood, to utilize their free time to market products and hence raise the economic condition of their family.

Further as outlined in the evaluation stories we find that even disabled women are able to participate in the marketing activity by utilizing cell phones to keep in touch with production groups and even with their clients.



Women groups attending a meeting organized by FOOD

While discussing with the community during the course of this project we found that most of the women were previously doing nothing. They were of the opinion that they need capital to enter into any trade and it also involves commuting which means sacrificing their contribution to the family and not providing for the emotional needs of the family especially their children.

One of the major breakthroughs in this project is that it establishes that one can earn as much as required if one can build social capital and this can be achieved by using communication links and supplemented by meeting face-to-face once in way in public places. The communication links have helped the women groups in this project to find livelihood leading to improved income and women economic empowerment.

The other lesson learnt is that building social solidarity and social capital eliminate cash credit requirement for doing business. In many groups it is found the transaction are streamlined wherein the fund revolves within the community. For instance the marketing groups have established good rapport with the production

groups wherein the products are made available to the marketing group on 15 days deferred payment thus eliminating outside lending to the women groups. Cell phone also helps to monitor the functioning of the entire network wherein each groups' credit rating is transparent.

The problem and the challenges we are facing now is that while we are planning to create and organize the sector and promote economic activity by substituting financial capital with social capital, the growth of the network is being viewed by many financing institutions as a gateway for micro-lending and corrupting the women groups with finance. Few groups who have been provided finance have ventured into doing big business. Due to lack of knowledge in financial management they have fallen sick within 3 months of borrowing. We have now sent circulars to the financial institutions not to lend money to the inter-city network groups stating that this project is an attempt to find out how one can be economically empowered without borrowing money from outside source and that the bank's intervention will only mar the basic concept of the program because on one side we see economic empowerment, the other side we see they are getting bonded to the lending agencies. Since micro-credit has set a wrong trend in the minds of many women groups we wanted to prove that building social capital is a better and sustainable option for micro-enterprise development. This we see as an alternative for micro credit.

Providing cell phone for the sake of it has failed at the initial stages wherein the cell phone were taken by the women groups but they could not meet the telephone charges. Further some also started treating it as a toy and making calls erratically, leading to huge phone bills. On an average we found that about 3% of the women groups dropped out from the project due to such reasons. Hence based on the experience at present the cell phones are provided only once the group has reached a comfortable income level wherein they will be able to pay the telephone bills.

One issue that was raised when we introduced the project to outside agencies is why the women groups are given a cell phone and not a fixed line phone. The advantage we found in providing a cell phone is that a cell phone is ideal for communication access in remote areas and moreover the women are always mobile while doing their domestic work, e.g. traveling long distances to fetch water, washing cloths, defecation, to procure their daily rations from Government fair price shops, leaving their children in schools etc. Further since their houses are typically small the women, when they get free time, prefer to get together at a common place and chat. Since they are mobile almost all the time they see the cell phone is the ideal option since they will not miss business contacts. We also find self-realization among the community that a good communication network will improve their income, and especially the use of a mobile phone is more appropriate to them since they will not miss any calls compared to a regular phone wherein they need to be at the phone at all the times else they will miss vital business calls.



Presenting the inter-city marketing network video to women groups

It is observed that women who joined the inter-city marketing network have been able to not only raise income for their family but also have become more self-confident and motivated. The level of enthusiasm among the women is very high and they have learnt to cooperate with each other for mutual benefit.

The awareness created and economic empowerment that this project has offered to the women who have all along been stuck to domestic work has brought them to the front line. Through this program community solidarity has been established and the women groups have become well known in their community. The community organization skills of the women involved in this project have empowered them to leap forward to a level wherein three women from the inter-city group stood and won the local body elections.

In addition to attending meetings organized by the project team the existing women groups from the intercity network were also enthusiastic in organizing shanties (meeting between buyers and sellers)

wherein each meeting had about 200 to 300 women participants from the intercity network. The shanties are conducted in an informal atmosphere where the women groups take the lead and discuss about the project and practical issues faced and suggest solutions as well as display their products for the other groups to buy.

The women groups' initiative of organizing shanties has brought forth one more lesson in that face-to-face meetings are encouraging better networking among the groups through cell phone. During the shanties the women get introduced to each other and later maintain these contacts over cell phone.

Further during the shanties many women brought items made by their groups and were able to sell these products in the shanty itself. Suggestions for new marketable products as well as quality assurance tips also came about as a result of these shanties.

On an average we find that the income contributed by the women from the inter-city network is nearly 10 to 15% of their total family income. We learnt that when a woman makes money she tends to spend the entire income for the welfare of the family compared to men who provide only a part of their income to the family and retain the rest for their personal expenses.

While marketing of most products has been going on smoothly we faced problem with one specific product, which is that of toilet soap. This is mainly because it was labeled as "toilet soap". The word "toilet" in the local context refers to wash places. Hence the community felt this soap was used for cleaning toilets and not for taking bath. This to some extent backlogged the business in the toilet soaps that the marketing groups could do and much of the stock was returned for the labels to be changed to "bath soaps". Such cultural and area-specific issues may arise when the project is taken up in other areas and market surveys before and during the marketing activity will ensure timely intervention.

Our original plan of action was to visit each area and sensitize the women to form production or marketing groups. This process was found to be time consuming and expensive. Further since the groups were newly formed we needed to dedicate more sensitization sessions to ensure that they become motivated and build solidarity to take up the project successfully. Our current plan of action, adopted during the latter half of the project, has been to identify women self help groups through the municipalities. By identifying existing self help groups we have been able to increase the reach of the project faster and further the time and cost requirements have been reduced.

## DISSEMINATION ACTIVITIES

FOOD organized 20 regional workshops on our own as well as jointly with Government departments in the District headquarters throughout Tamilnadu to motivate the existing community groups and identify new groups that are interested in becoming a part of the intercity network. This is an ongoing program

The workshops were organized at the following locations:

- Alandur
- Cuddalore
- Vellore
- Salem
- Coimbatore
- Mettupalayam
- Tuticorin
- Thirunelveli
- Nagercoil
- Sivakasi
- Madurai

- Dindigul
- Trichy
- Thanjavur
- Pollachi
- Karur
- Periyakulam
- Kanchipuram
- Chegalpattu
- Mathuranthagam



Prospective women groups attending a regional workshop organized at District headquarters

The number of participants in these workshops ranged from 30 to 50 people, comprising women self help groups who are already involved in micro-credit activities, individuals from the community, government officials and resource persons drawn from the successful women micro-entrepreneurs who have started with zero income and are presently earning reasonable income through this network.

The overall agenda for the workshops was as follows:

- Introduction to the project (video presentation)
- Key aspects: Self-motivation, Group dynamics, Entrepreneurship, Group perspective, Group formation, Leadership qualities, Group networking
- Practical implementation
- Self-evaluation by existing women groups
- Marketing by building social capital
- Brainstorming sessions with the groups and encouraging them to suggest changes, identify problem areas and come up with new ideas for the intercity network

Success stories were shared among the participants and strategies were highlighted to enable aspiring groups to initiate steps to organize similar micro-enterprise networks by using cell phone as a means to network with other self help groups for marketing their products.

To aid in the effective promotion of the intercity marketing network project FOOD along with infoDev had produced a short video program explaining the basics of the project and the benefits it had for the community. This video program featured interviews with the marketing and production women groups who recounted their personal experiences. This video footage was shown in all the regional workshops conducted by us and was well received by the workshop participants.



A successful women micro-entrepreneur sharing her experiences at a regional workshop



Meeting organized at District headquarters for officials from Government departments and local bodies

Another objective of these workshops were to sensitize the government officials on the project, gauge local feedback and tailor the project to suit local conditions. Hence each of the workshops had invitees from the government departments as well as the elected local bodies members and NGOs. In some instances the participants were also taken on field visits to show examples of the intercity marketing network in action.

In addition to the regional workshops FOOD also organized meetings between women groups twice a month. Such meetings allowed the existing women groups to interact with each other and with FOOD to discuss their marketing and production strategy to improve their activities.

Further to the regional workshops and the regular meetings organized by FOOD the women groups from the intercity network were also enthusiastic in organizing shanty's (meeting between buyers and sellers) wherein each meeting had about 200 to 300 women participants from the intercity network. The shanty's are conducted in an informal atmosphere where the women groups take the lead and discuss about the project and practical issues faced and suggest solutions as well as display their products for the other groups to buy.



Women group getting ready to do business at a shanty

FOOD is also engaged actively in promoting the inter-city marketing network concept in conferences, seminars and workshops attended by its team. Further we have been able to successfully engage the local media to disseminate the outputs from the project and encourage other self help groups to take up the project.

## SUSTAINABILITY

Basic financial sustainability of this project has been ensured by stipulating that women groups that participate should have a corpus fund of Rs. 5000 with them that can be used for the purpose of purchasing products or raw materials. The production groups are providing materials to the marketing groups on 15 days credit wherein the marketing group need not mobilize additional funds to buy products. The women groups in the project are able to now maintain the cell phones provided in the project with the income generated out of their activities. We have further ensured that women groups are provided cell phones only after they reach a minimum income level that will allow them to support the operating costs of the phone.

In addition to financial sustainability we place a lot of importance on the Government adoption of the generic inter-city marketing network model to ensure that the project is expanded to other parts of the state rapidly.

Towards this end we also held discussions with various government departments and now the Government of Tamilnadu has expressed their willingness to partner with us in the project by making available their official machinery to assist us in field level activities and also include this project in their agenda. The Government has pledged their support in popularizing the program among the Government departments and also included the inter-city marketing network activity in their regular training programs provided to officials and community organizations so that the program could be up-scaled to more areas. The Tamilnadu Government has further addressed letters to all the 102 municipalities and 4 corporations in the state to join hands with us in promoting this program throughout the state.

The Tamilnadu Corporation for Women Development (DeW), another Government organization exclusively working for women, has also expressed interest in partnering with us in the project. We have agreed to share our experience and train their women groups to be a part of the cell phone marketing network enabling further scaling up of the project.

Some of the women groups in the inter-city marketing network have now been made regional facilitators so as to look after their region's production and marketing strategy. This has allowed FOOD's team to gradually withdraw from the project's day-to-day functioning and enabling the network to sustain and grow on its own.



A group of students from Sweden that visited FOOD are being oriented on the dynamics of the inter-city marketing network project

## CONCLUSION

The inter-city marketing network has sensitized the community and become self-propelling with little input from our side. New groups have started forming themselves. During the initial stages we were providing the cell phones to the women groups and for many we were even paying the telephone bills for a few months. Now the new women groups have started to buy their own cell phones once they reach a minimum income level. They have realized that networking can help them to become economically sustainable.

While it was proposed to organize 100 women groups during the project period, we have in fact crossed more than 200 groups networking among themselves.

Further the women groups have created regional facilitators that are now coordinating the overall production and marketing strategies and generating ideas for the growth of the network.

The future outline of the program is to we have requested the women groups to contribute 1% of their overall turnover to a common corpus fund for the inter-city network to meet its administrative expenditure and for coordination and development of the program in years to come. This has been agreed upon by the women groups and hence we are sure that the project will be an ongoing program for many years to come.

Please visit the project's home page at <http://foodindia.org.in/intercity/> for further details like project proposal, quarterly reports and PowerPoint presentations.



A disabled women receiving a cell phone