

A STUDY OF WOMEN ENTREPRENEURS IN INDIA

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ABSTRACT

Women's participation in the work force of India is low compared to advanced countries'. A special problem area is the white-collar jobs which most women have to leave after marriage and child birth. Some of such women go in for entrepreneurial activities. A qualitative survey of motivations, constraints and success/failure of such homepreneurs/mompreneuers gave the following results.

Women have been running successful home-based businesses in the field of weaving, baking, block printing, etc. for many years. Today's women have ventured into many new fields powered by computer technology, internet and enhanced communication systems. Today's mompreneurs have children and are mostly well educated. They are not the chief earners of their families but work for other reasons like supporting the families and personal economic independence. The educated mompreneurs have joined in order to utilize their education and raise their own status. They work from cities and deal mainly in garments and toys.

Some reasons why women choose entrepreneurship over employeeship at this stage could be work place issues, restriction imposed by family members and compulsion arising from socio-economic situation. They prefer occupations that allow them to work from home mainly for family reasons and for relaxed work atmosphere. They use the resources in the family including the labour of their younger generation but are reluctant to use its financial resources. Without the family's support procurement of loan is difficult too.

Most new entrepreneurs are first-time entrepreneurs, they operate their business solo. They avoid employing assistants before completing five - six years as they find it unprofitable. A significant number of mompreneurs market their products directly to the customers. They typically use social media platforms like WhatsApp and Facebook (FB) to reach out to prospective clients. They share the product specifics along with price and promotion details. Many mompreneurs are open to the customers physically visiting their premises to verify the product before buying, if they have ready stock with them.

Some are listed on business directories like those offered by Google and JustDial.com. Most offer customers the option of 'cash-on-delivery' or a short credit period for all goods sold. Even after five to six years, profit remains low. Besides their lack of marketing skill, the key obstacle mompreneurs experience is the perception of others as their lack of seriousness. Their challenge lies in the following factors:

- (1) Ability to deliver the promised good within the specified time,
- (2) Handling of returned goods, and
- (3) Dissatisfied customers.

Key word: Women Entrepreneurs, homepreneurs/mompreneurs

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1. INTRODUCTION

Women constitute around half of the total population of India. But, as per *The Economist*, women in India are less likely to be a part of the earning population than any other country in the G20. The Indian women contribute to only one-sixth of the country's economic output. If they joined the workforce in greater strength, India will be one of the richer nations of the world.

These numbers reflect only a part of the reality. The fact is that even those who are employed, choose to move out of the workforce sooner or later. There are several reasons why women do so. Many of these women join back the wealth creation mode as an employee, though sometimes it may be in a different capacity. A growing trend, however, is observed among women entering the world of entrepreneurship and building their own businesses.

Women have been running successful home-based businesses in the field of weaving, baking, block printing etc. for many years. Today's women have ventured into many newer fields powered by computer technology, internet and enhanced communication systems. Women in business are increasingly becoming a force to reckon with.

Many of the businesses are run by women from their homes. Thus was born the term 'Homepreneur' or 'Mompreneur'.

Who Is a Homepreneur?

As per the Oxford English Dictionary, the word entrepreneur is defined as 'A person who sets up a business or businesses, taking on financial risks in the hope of profit'. The Cambridge English Dictionary describes an entrepreneur as 'Someone who starts their own business, especially when this involves seeing a new opportunity'. Many others have followed suit (Cromie and Hayes - 1988; Moore - 1990; Begley - 1995; Solymossy - 1997) and defined entrepreneurs. Though not overtly mentioned, these definitions imply the business set-up is a formal structure.

Homepreneur is an entrepreneur who runs the business from his or her home. As indicated by the name, these enterprises do not always have a formal structure. In fact, many a time, the homepreneurs are single person actors. Without getting into the type of business handled by them, we can broadly classify some emerging types of Homepreneurs as

- Mompreneurship – A business operation run by women who are also mothers
- Kidpreneurship – A business started by people who are under 18 years and are still in school

Why do we want to study Women Homepreneurs or Mompreneurs?

Women tend to leave the work force for certain reasons. Many researches have indicated the key among these reasons as being 'family-life' or 'motherhood'. Some likely reasons why women choose entrepreneurship over employee-ship while re-joining workforce could be work place issues, restriction imposed by family members, compulsion arising from economic

situation or lack of suitable options. There might be other reasons too, but the reasons themselves do not justify the women's need to turn entrepreneurs.

A second aspect is their choice or decision of working from home instead of a more formal 'office' space. There are designers and garment manufacturers, interior decorators, exporters and editors; there are retailers and e-tellers – all flourishing from their home office. What is it that drives these women to not have an 'office'? How do they manage in terms of sourcing, stocking and selling?

The present study has attempted to know the various factors that motivate women to become homepreneurs or mompreneurs. The study also aims to know the marketing practices used by these homepreneurs to market their products and the problems faced by them. This paper, therefore, aims to analyse the following about the mompreneurs

1. The factors that motivate the women to become homepreneurs
2. The approach taken to market their products
3. The problems faced and their definition of success

Profile of the Mompreneurs

The first variable used to classify the mompreneurs was the 'number of years they have been operating'. Due to reasons mentioned later, the research did not include establishments that were less than six months in operation. All participants in the research are currently operational.

'Location of the firm' is the second variable considered. Location here refers to the city the business operates from since all businesses considered are city based. Rural areas have not been included as rural economy follows a different set of dynamics.

The third variable considered is the 'type of product being dealt with'. These products include

- garments – stitched and unstitched; men, women and kids wear
- toys – handmade and mass-produced

These women are of different ethnicities or background though this was not considered as a variable for the research.

One aspect that emerges as important during the analysis was whether the mompreneurs were first generation businessperson or not. This was therefore introduced as a variable during the analysis stage.

2. OBJECTIVES

The research aim was to understand whether the women entrepreneurs feel that their choice has been the right one, and whether they consider themselves successful. 'Success' here connotes monetary success as well as personal *success/satisfaction*.

The objectives of the research were:

- To identify the factors influencing the mompreneurs
- To know the marketing practices adopted by mompreneurs,
- To identify the problems faced by the mompreneurs
- To analyse their business performance

3. RESEARCH METHODOLOGY

Qualitative techniques like Ethnography and Depth-Interviews were used to collect first-hand data. Ethnography is the systematic study of people and cultures while Depth-interviews is one-on-one discussion. This data was augmented through their following their business-related activities on Social Media like Facebook, WhatsApp, Instagram and Pinterest. The data collected was then analysed using qualitative techniques.

The research was conducted over a prolonged time period, between 2013 and 2016. A total of 72 mompreneurs from different parts of the country were consulted and interviewed.

4. FINDINGS

Socio-Economic Footprint

A large proportion of the mompreneurs have children and live in an extended family set-up. 'Extended' here means the presence of at least one parent – from either the man's or woman's side. The age of these mompreneurs vary between 25 and 60 years, though a large portion is in the 30-45 years age band.

Most mompreneurs are well educated, some even holders of post-graduate degrees. They often have prior exposure to work and hence they approach the idea of entrepreneurship in a professional manner. They are not the chief wage earner of the family, nor do they intend to be one.

These women belong to different affluence levels ranging from lower middle class to comfortably rich.

Entrepreneurial Footprint

A relatively equal mix is observed of first generation and second generation mompreneurs. Many of those belonging to business families have got knowledge from their parents, and some had been trained on the job also.

Maximum are experienced only up to 7-8 years that is, they have been operating as business enterprises for a maximum period of 7-8 years. A large proportion, though, started operations less than 2 years ago. Majority of those having started new are first-time entrepreneurs.

Mompreneurs believe in starting business in areas that require little or no initial investment. They are unwilling to use their family's earnings for their business ventures. Many of them start unsure whether they will be able to continue in this field for long while some others start by testing themselves and their capabilities. They do not believe that they will be able to procure loans for their venture since most register after certain number of years in operation. Once they register, though, they feel they can procure the required loan amount. Many of these businesses are operated solo, or with partner but has no employees. They believe in outsourcing areas they are themselves not comfortable to handle rather than have a team as that incurs 'cost' or requires 'investment'. Those with employees, typically,

- have been more than 5 years in operation
- are from business families
- are not shy of investing

These mompreneurs prefer employing other women over men.

It is interesting to note that location of enterprise has little or no effect on the type of business the mompreneurs venture into. Rather, it is driven by

- life-stage: Young mothers often tend to venture into toys, children's garments and accessories

- perceived to be in demand: Women's clothing is the most sought-after product followed by accessories and children's toys (not clothes).

Reason for choosing the entrepreneurial route

Most ventured into entrepreneurship because of their intention to be financially independent. Being educated, though may not be in business, they do not want their education and training to go waste. Some others want to augment the family income with the objective of having a better and more secure future.

The key reasons that are mentioned, for choosing the entrepreneurial route were

- Augment finances of the family
 - These are women who have financial responsibilities that exceed the regular salary of the family. The women therefore take up entrepreneurship in order to support the family income.
- Continue the family tradition and / or utilise own training
 - Most of these women are either from business background or were employed elsewhere. Those from business families believe they have the capability to take the 'family tradition' ahead. Those with prior experience have the angst of employment willing to be their own boss while utilising their skills.
- Using time efficiently
 - These are well educated women who have left the workforce for a variety of reasons. They choose to become entrepreneurs to utilise their time and education in an optimum way which being their own boss allows them to be while allowing them reasonable income.
- Societal upliftment / Status enhancement
 - These women are different from those who simply want to augment the family income. They associate 'esteem' and 'prestige' with any increase in income as that allows them to upgrade their lifestyle.

Selection of Product

A high proportion of mompreneurs chooses women-oriented or feminine product line when venturing into business. Criteria for selection being

- Ready market
- Relatively less investment
- Quick returns

Women's garments and accessories are some of the most common products chosen by the mompreneurs. There is a ready market for them that promises high sales volume, hence profitability.

It is important that the mompreneurs connect with the product they chose to market at a personal level also. Seldom do they select product they do not believe in; their rationale being, 'if I cannot use it, how can I convince others for the same?'

Many Mompreneurs also opt for product lines that require minimal investment. Since they do not consider their business to be the provider of the family, they are unwilling to disturb the regular source of income. The regular income after all, provides for the bread and butter of the family.

A key challenge they face is that there is often little or no differentiation between products marketed by these home entrepreneurs. Their lack of production ability resulted in loss of competitive advantage. Few, though, managed to introduce differentiation through customization of products.

Sourcing and Storage of Products

The mompreneurs sourced the products from the open market. Many are unable to source from manufacturers directly due to the small size of operation. Those that are new in entrepreneurship, in fact, experience higher degree of difficulty in procuring goods due to the lack of reasonable knowledge. With the increase in age and size of enterprise, procurement problems are lessened.

Most faced difficulty in stocking products - difficulty emanating from the lack of dedicated space within the home for conducting business. They, therefore, followed the Japanese concept of Just-in-Time (JIT) inventory management. The just-in-time inventory system is a strategy that aligns raw-material orders directly with production schedules; in this case the sales schedule. The mompreneurs use this inventory strategy to decrease difficulties arising from less storage space thereby increasing efficiency by lowering inventory costs.

Two distinct features of those Mompreneurs having own storage facility are

1. Their business has been in operation for 5 years or more
2. They have added to the range and type of products they handle and sell

Method Adopted to Sell Products

Sales as a practice is not considered an easy affair. Competition is high because the entry barrier is low which translates into more new entrants in this sector. Business growth in such scenario is significantly slower.

Most mompreneurs do not own a brick and mortar store. They often face difficulties like

- Ability to deliver the promised good within the specified time
- Handling of returned goods
- Dissatisfied customers

These difficulties are somewhat higher than that of brick and mortar business, and especially higher for those who follow the JIT sourcing policy i.e. those businesses without storing facility. This policy inadvertently means that

- The sellers are not in control of quality or authenticity of the products. There are times when they are not physically able to check the product prior to despatch. This has a direct impact on the satisfaction levels of the customers and hence their own reputation.

- The sellers have little control of the transportation scheduling. Since these women homepreneurs are neither manufacturers nor stockists, they don't have transportation facilities. They must depend on the transportation or distribution schedule of their source. This affects not only speed of distribution; it also poses difficulty if customers want to return the products thereby affecting satisfaction levels significantly.

Many mompreneurs avoid selling through intermediaries. They feel conducting profitable sale through intermediaries is not always feasible. It adds an additional layer between them and the customer thereby increasing the chances of dissatisfied customers.

A significant number of mompreneurs, therefore, market their products directly to the customers. They use Social Media platforms like WhatsApp and Facebook (FB) to reach out to prospective clients. They share the product specifics along with price and promotion details. Some are also listed on business directories like that offered by Google and JustDial.com

Approach towards advertising

Due to budgetary constraints, mompreneurs are unable to advertise on mass media. Rather, they rely on social media to advertise their product offerings. The major difference between mass media and social media is that during mass media consumption, the audience can be a passive search mode. Social media, on the other hand, allows the audience to interact much more with the brand.

Pricing policy

Many a time, mompreneurs operate on thin margins. They follow a 'cost plus' pricing policy to ensure sale of products and earn target returns.

Some factors that affect the pricing of products are

- Missing brand name: Most do not operate under any specific brand name. The name of the business owner is mostly used while transacting with customers. Lack of branding means lower brand pull which directly affects the pricing policy.
- Lack of evident differentiation: Most procure products from the open market and resell incorporating little or no differentiation. Mompreneurs are unable to charge premium due to lack of evident differentiation and fear of losing business to competition if they charge the products higher.
- Competition with organized retail: Mompreneurs do not have a structured and formal distribution channel and don't operate through formal retail channels. In order to pull customers, they price their products at a level lower than the retail price,

These factors along with significant competition from other mompreneurs affect the pricing policy adopted. Most mompreneurs aim to ensure a minimum sum from the sale of their products. There was no loss experienced by most of the mompreneurs whether they are first-generation or second-generation entrepreneurs, except for the initial period.

Returns on Investment

A somewhat large proportion of mompreneurs have experienced monetary loss in the initial years of operation. The loss resulted from inexperience with various factors of operating a business.

As the age of the enterprise increased, capability to manage the balance between cost and sale price enhanced ensuring losses did not recur. Profit, though, is not very high even after 5 years of operation. This low profit can be attributed to

- Higher cost price of goods over the years
- Inability to increase sales price of goods in similar proportion

Most offer customers the option of ‘cash-on-delivery’ or a short credit period for all goods sold. This policy is not preferred by the women entrepreneurs, but they feel that this provides them with an edge over other competitors, especially the more organised retail sector. This policy also ensures retention of customers.

Difficulties Experienced in Operating Business Successfully

Homepreneurship can be one of the solutions to the problem of unemployment leading to improvement of the living conditions of the masses, especially women. Being a homepreneur provides a woman with economic freedom that can be at par with men.

It is quite clear that women choose entrepreneurship or own-business as the most feasible option available to meet their goals. However, they sometimes suffer setbacks due to various difficulties.

It is well established that marketing skills are important for the success of any business. It involves not only selling to the customer but understanding the needs of the target customer and meeting this requirement. The product thus created needs to have a clear marketing strategy that will be most suitable for the business. Marketing, as we know it, involves a matching process between the capabilities of a business unit and the needs of a customer to achieve the goals of both parties. With newer avenues like Specialized Malls, E-Commerce, Fairs and fetes, one would expect that markets have opened across the Globe for businesses. The truth is, often these markets remain elusive for the homepreneur due to their limited ability to reach out to distant markets thereby affecting their success in business. The need is therefore to understand the approach the mompreneurs take towards marketing.

The key obstacle women entrepreneurs or mompreneurs experience in the perception of others with respect to their ‘seriousness’ towards conducting business. This perception is often borne by family members as well as outsiders and other professionals they encounter. They feel that the males tend to not take them seriously since they are entering what has always been known for male dominion. The men, they feel, prefer the women continue their role as a caregiver while they don the mantle of the provider.

This perception affects the mompreneurs in more ways than one.

- One, the banks are often seen to be reluctant to lend these entrepreneurs finances to start or grow their business. Since they do not use the ‘family income’, most mompreneurs are left with little money to start and operate their business.
- Two, many mompreneurs are unable to register their business immediately on starting. They are expected to have a male partner (preferably someone from the family). Alternately, they are expected to show certain growth over a period before being able to register.

These factors combined hinder the mompreneurs’ ability to invest significantly in procurement of materials and / or development of facilities. They are unable to purchase in large quantities and derive benefit of bulk purchase. Also, employing labour to grow their business becomes an issue.

Marketing efforts of the mompreneurs fall short due to lack of finances, manpower as well as *due to* insufficient training. Since many lack prior training in operating a business, they feel the need to be trained. It is felt that proper training is likely to help them perform better and let them compete fairly against the players in the retail sector.

Some amount of family constraint is experienced by many, but they believe that once they accept, family support becomes a key to success. Immediate family support is considered more important than extended family support.

A homepreneurship offers tremendous opportunities for women. If the mompreneurs are able to function without much prejudice and with proper support, each can emerge as successful entrepreneurs.

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