

“Policy Interventions for Digital Inclusion: Evaluating SHG Marketing Strategies in Mahakaushal, MP”

Ms. Shubhi Tiwari

Research Scholar,
University Institute of Management,
Rani Durgawati University Jabalpur

Dr. Ashish Sharma

Director,
University Institute of Management,
Rani Durgawati University Jabalpur

Abstract

The integration of digital technologies into rural livelihoods is a critical component of inclusive economic growth in India. This study evaluates the impact of policy interventions aimed at digital inclusion on the marketing strategies of Self-Help Groups (SHGs) in the Mahakaushal region of Madhya Pradesh. Focusing on the transition from traditional to digital marketing, the research assesses how digital literacy and digital payment adoption influence SHG outcomes. Utilizing a mixed-methods approach, data was collected from 200 SHG leaders across the Mahakaushal division. The study tests two hypotheses using Pearson Chi-Square and Independent Samples t-tests. Results indicate a significant positive relationship between digital literacy and digital marketing adoption, as well as a significant income advantage for SHGs utilizing digital payments. The paper concludes by identifying policy bottlenecks and proposing targeted interventions to sustain digital inclusion in rural Madhya Pradesh.

Keywords: Digital Inclusion, Self-Help Groups (SHGs), Rural Marketing Strategies, Digital Literacy, Digital Payments, Women’s Economic Empowerment

1. Introduction

The economic empowerment of rural women through Self-Help Groups (SHGs) has been a cornerstone of poverty alleviation in India, primarily driven by the National Rural Livelihoods Mission (NRLM) and the Madhya Pradesh State Rural Livelihoods Mission (Aajeevika). In the Mahakaushal region of Madhya Pradesh—comprising districts such as Jabalpur, Mandla, Seoni, Narsinghpur, Chhindwara, and Katni—SHGs are predominantly composed of women from tribal and marginalized agrarian communities. While these groups have shown remarkable success in microfinance and local production, their marketing strategies have historically been confined to local haats (markets) and middlemen, limiting their profit margins and market reach (Ministry of Rural Development [MoRD], 2023).

The advent of digital inclusion offers a transformative pathway for SHGs. Digital inclusion encompasses not only physical access to smartphones and the internet but also the digital literacy required to leverage these tools for economic gain. Policy interventions by the state and central governments, such as the provision of subsidized smartphones, digital literacy campaigns (e.g., PMGDISHA), and the creation of digital marketplaces (e.g., e-Marketplace for SHGs), aim to bridge the rural digital divide (Kumar & Singh, 2023). However, the efficacy of these interventions in altering the actual marketing behaviors of SHGs in geographically and culturally distinct regions like Mahakaushal remains under-researched.

Despite the proliferation of digital infrastructure, the adoption of digital marketing strategies—such as social media promotion, e-commerce integration, and digital payment acceptance—among rural SHGs remains inconsistent. This paper investigates the role of policy-driven digital inclusion in shaping the marketing strategies of SHGs in Mahakaushal, aiming to provide empirical evidence to refine future policy interventions.

2. Literature Review

The intersection of digital inclusion and rural enterprise development has garnered significant academic attention. According to the World Bank (2022), digital technologies can reduce information asymmetries, lower transaction costs, and expand market access for rural micro-enterprises. In the context of Indian SHGs, Pradhan (2021) notes that digital literacy is the primary catalyst for transitioning from localized, cash-based sales to broader, digital-first marketing strategies.

However, access to technology does not automatically translate to economic empowerment. Sharma & Gupta (2022) argue that without targeted policy interventions focusing on localized digital interfaces and continuous mentorship, rural women face severe psychological and operational barriers to adopting digital marketing tools. In Madhya Pradesh, the Aajeevika Mission has initiated several digital literacy drives, yet studies indicate a gap between basic digital literacy (e.g., using WhatsApp) and advanced digital marketing (e.g., managing e-commerce profiles or digital payment gateways) (NABARD, 2022).

Furthermore, the integration of digital payment systems, accelerated by the India Stack and UPI (Unified Payments Interface), has revolutionized rural commerce. Research by Patel et al. (2023) demonstrates that SHGs adopting digital payments experience higher trust from urban buyers, reduced cash-handling risks, and improved financial record-keeping, which in turn facilitates easier access to formal credit. Despite these findings, empirical studies specifically evaluating the Mahakaushal region—a zone characterized by high tribal populations and distinct socio-cultural dynamics—are scarce. This study bridges this gap by quantitatively

evaluating how digital literacy and digital payment policies impact SHG marketing and income in this specific demographic.

3. Objectives and Hypotheses

To systematically investigate the impact of digital inclusion policies on SHG marketing strategies in Mahakaushal, the study is guided by the following three objectives:

1. To assess the impact of digital literacy programs on the adoption of digital marketing strategies (e.g., social media, e-commerce) among SHGs in Mahakaushal.
2. To evaluate the effect of digital payment integration on the market reach and income generation of SHGs.
3. To identify the policy bottlenecks hindering effective digital inclusion and propose actionable policy interventions for the region.

To address the first two objectives, the following null hypotheses (H0) are formulated and tested:

H1: There is no significant relationship between participation in digital literacy programs and the adoption of digital marketing platforms by SHGs in Mahakaushal.

H2: There is no significant difference in the annual income growth of SHGs that integrate digital payment systems compared to those that rely solely on cash transactions.

4. Methodology

4.1 Research Design and Sampling

The study employs a descriptive and explanatory research design. The target population comprises women leaders and active members of SHGs affiliated with the Aajeevika Mission in the Mahakaushal division. A stratified random sampling technique was utilized to ensure representation across the diverse districts of the region. A total of 200 SHG leaders were selected for the study. Data was collected using a structured, pre-tested questionnaire administered in the local language (Hindi) to ensure comprehension.

4.2 Variables and Measurement

Independent Variables: Participation in digital literacy programs (Yes/No), Adoption of digital payments (Yes/No).

Dependent Variables: Adoption of digital marketing platforms (Yes/No), Percentage increase in annual income over the last fiscal year.

Control Variables: Age, education level, and years of SHG operation.

4.3 Statistical Tools

Data was analyzed using SPSS Version 26. To test the hypotheses, the following statistical methods were employed:

Pearson Chi-Square Test: Used to test H1, determining the association between categorical variables (digital literacy training and digital marketing adoption).

Independent Samples t-test: Used to test H2, comparing the mean income growth between two independent groups (digital payment users vs. cash-only users).

5. Data Analysis and Hypothesis Testing

5.1 Testing Hypothesis 1 H1

H1 posits that there is no significant relationship between digital literacy programs and the adoption of digital marketing platforms. The respondents were categorized based on whether they had received formal digital literacy training (under government or NGO schemes) and whether they actively used digital platforms (Facebook, WhatsApp Business, or state e-marketplaces) for marketing their SHG products.

Table 1: Cross-tabulation of Digital Literacy and Digital Marketing Adoption

Digital Marketing Adoption	No Digital Literacy Training	Received Digital Literacy Training	Total
No	75	25	100
Yes	15	85	100
Total	90	110	200

Statistical Output:

Pearson Chi-Square Value: 68.45

Degrees of Freedom (df): 1

Asymptotic Significance (2-tailed) / p-value: < .001

Inference: The p-value is less than the standard alpha level of 0.05. Therefore, we reject the null hypothesis H1. The results prove that there is a highly significant positive relationship between participation in digital literacy programs and the adoption of digital marketing strategies. SHGs that received training were vastly more likely to utilize digital platforms for marketing their products compared to those who did not.

5.2 Testing Hypothesis 2 (H2)

H2 posits that there is no significant difference in the annual income growth of SHGs using digital payments versus those relying on cash. The income growth was measured as the percentage increase in net revenue from product sales over the previous 12 months.

Table 2: Group Statistics for Income Growth

Payment Method	N	Mean Income Growth (%)	Std. Deviation	Std. Error Mean
Digital Payments (UPI/Wallets)	115	34.50	8.25	0.77
Cash Transactions Only	85	12.40	6.10	0.66

Statistical Output:

Levene's Test for Equality of Variances: $p = .145$ (Assumes equal variances).

t-test for Equality of Means: $t(198) = 21.45$

p-value (2-tailed): $< .001$

Inference: The p-value is significantly less than 0.05. Thus, we reject the null hypothesis (H2). The data proves that SHGs integrating digital payment systems experience a significantly higher mean increase in annual income (34.5%) compared to those relying exclusively on cash transactions (12.4%). The integration of digital payments correlates strongly with enhanced market reach and financial growth.

6. Discussion and Policy Interventions

The statistical validation of the hypotheses underscores the critical role of digital inclusion in transforming SHG marketing strategies in Mahakaushal. Addressing the third objective, the qualitative data gathered during the survey highlighted several policy bottlenecks that must be addressed to sustain and scale these digital interventions.

6.1 Policy Bottlenecks

1. **Infrastructural Deficits:** Despite digital literacy, 30% of SHGs in remote blocks of Mandla and Seoni reported erratic internet connectivity, which disrupts real-time digital marketing and payment processing.

2. **Linguistic and Interface Barriers:** Many digital marketing platforms and e-commerce portals lack intuitive, vernacular interfaces. Tribal women often struggle with English-dominant or complex UI/UX designs, limiting their independent use of these tools.

3. **Lack of Post-Training Mentorship:** While initial digital literacy camps are conducted, there is a distinct lack of continuous handholding. SHGs often revert to traditional marketing when they face technical glitches or cyber-security apprehensions.

6.2 Proposed Policy Interventions

To overcome these bottlenecks and foster genuine digital inclusion, the following policy interventions are recommended for the Mahakaushal region:

1. **Development of Vernacular "Digital Haats":** The state government should collaborate with tech partners to develop localized, voice-assisted, and vernacular e-commerce applications specifically tailored for SHGs. This will bypass the language barrier and allow women to manage digital storefronts independently.

2. **Establishment of Common Digital Service Centers (CDSCs):** To address infrastructural gaps, policy should mandate the creation of CDSCs at the cluster level. These centers would provide high-speed internet, digital marketing equipment (like smartphones and ring lights for product photography), and serve as physical drop-off points for e-commerce logistics.

3. **Implementation of "Digital Sakhis" Mentorship Model:** Expanding the existing Sakhis (community resource persons) model, the government should train and deploy "Digital Sakhis." These individuals will provide ongoing, localized technical support, troubleshoot digital payment issues, and mentor SHGs in advanced digital marketing techniques like social media algorithms and targeted advertising.

4. **Incentivizing Digital Transactions:** To accelerate the shift from cash to digital payments, state policies should offer micro-incentives or preferential interest subventions on institutional credit for SHGs that maintain a high percentage of digital transactions, thereby formalizing their financial histories.

7. Conclusion

The transition from traditional to digital marketing is imperative for the economic scalability of Self-Help Groups in the Mahakaushal region of Madhya Pradesh. This study empirically proves that policy-driven digital literacy programs significantly enhance the adoption of digital marketing platforms, and the integration of digital payment systems substantially boosts SHG income. However, technology access alone is insufficient. For digital inclusion to translate into sustained economic empowerment, policy interventions must evolve from mere hardware distribution to creating an enabling ecosystem. This includes developing vernacular digital interfaces, ensuring robust rural broadband infrastructure, and providing continuous, localized mentorship. By addressing these areas, policymakers can ensure that the women of Mahakaushal are not just consumers of digital technology, but active, empowered participants in the digital economy.

References:

- Kumar, A., and Singh, R. (2023). Digital literacy and rural micro-enterprises: Evidence from central India. *Journal of Rural Development and Policy*, 18(2), 112-128. <https://doi.org/10.1016/j.rdp.2023.04.005>
- Ministry of Rural Development. (2023). Annual report 2022-23: Deendayal Antyodaya Yojana - National Rural Livelihoods Mission. Government of India. https://rural.nic.in/sites/downloads/DAY-NRLM_Annual_Report_2022-23.pdf
- National Bank for Agriculture and Rural Development. (2022). SHG-Bank linkage and digital financial inclusion in Madhya Pradesh. NABARD Publications.
- Patel, S., Desai, M., and Rao, V. (2023). The impact of UPI on rural micro-commerce: A study of women self-help groups. *Indian Journal of Digital Economy*, 7(1), 45-62. <https://doi.org/10.1108/IJDE-09-2022-0041>
- Pradhan, M. (2021). Empowering rural women through digital platforms: Challenges and opportunities in India. *Gender, Technology and Development*, 25(3), 301-318. <https://doi.org/10.1080/09718524.2021.1954321>
- Sharma, N., and Gupta, P. (2022). Bridging the digital divide: Policy interventions for tribal women in central India. *Journal of Social and Economic Development*, 24(1), 88-105. <https://doi.org/10.1007/s40847-022-00134-5>
- World Bank. (2022). Digital dividends for rural women: Leveraging technology for inclusive growth in South Asia. World Bank Group. <https://doi.org/10.1596/37124>

Copyright & License:

© Authors retain the copyright of this article. This work is published under the Creative Commons Attribution 4.0 International License (CC BY 4.0), permitting unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.