

Microfinance and Marketing Support for Women Entrepreneurs: Customer Reach and Business Performance

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Abstract: Women entrepreneurship plays an increasingly important role in employment generation, income diversification, poverty reduction and inclusive economic development. However, women entrepreneurs, particularly those operating micro and small enterprises, frequently face constraints related to access to finance, market information, customer acquisition and marketing capabilities. Microfinance can provide essential financial resources for business initiation, working capital and expansion, whereas marketing support can assist entrepreneurs in identifying customers, promoting products and developing wider markets. The present study examines the relationship between microfinance access, marketing support, customer reach and business performance among women entrepreneurs. The study uses a quantitative research framework based on a simulated dataset of 300 women entrepreneurs to demonstrate the proposed statistical analysis. Microfinance access, marketing support, digital marketing, customer reach and business performance were measured using multi-item five-point Likert scales. Descriptive statistics, Cronbach's alpha, Pearson correlation, multiple regression and mediation analysis were employed. The simulated results indicate positive relationships among microfinance access, marketing support, customer reach and business performance. Customer reach shows a significant positive association with business performance and demonstrates a potential mediating role between financial/marketing resources and enterprise performance. The results support the proposition that financial resources alone may not be sufficient for sustainable enterprise growth and that market-oriented support can strengthen the productive use of microfinance. The study recommends an integrated finance-plus-marketing approach for women entrepreneurship programmes, combining microfinance with digital marketing, market information, customer relationship management, networking and business-development services.

Keywords: Microfinance, Women Entrepreneurs, Marketing Support, Customer Reach, Business Performance, Digital Marketing, Financial Inclusion, Women-Owned Enterprises

Introduction

Women entrepreneurship has become an important component of inclusive economic development. Women-owned enterprises contribute to household income, employment generation, local economic activity and livelihood diversification. Despite these contributions, women entrepreneurs continue to face several structural constraints, including limited access to formal finance, restricted market opportunities, inadequate business networks and insufficient marketing and digital capabilities.¹ Access to finance is one of the most important constraints affecting the establishment and expansion of small enterprises. Evidence from India indicates that women-owned firms experience disadvantages in access to institutional credit and also show differences in firm size, growth and efficiency compared with male-owned firms. Chaudhuri et.al.² found that women-owned firms were more likely to experience credit disadvantages and underperformance in several enterprise indicators.

Financial access can influence entrepreneurship by providing capital for working capital, inventory, equipment and expansion. Garg et.al.³ found that improved proximity to formal banking facilities increased non-agricultural entrepreneurship in rural India, demonstrating the importance of financial access for entrepreneurial activity. Microfinance is particularly relevant to women entrepreneurs operating microenterprises because conventional financial institutions may require collateral, formal financial histories and documentation that small entrepreneurs may not possess. Microfinance can therefore provide an alternative source of entrepreneurial capital.⁴

However, access to finance does not automatically result in improved business performance. A woman entrepreneur may obtain a loan and increase production, but business growth ultimately depends on the ability to reach customers and convert production into sales. Marketing capabilities are therefore an important complement to financial resources. Digital marketing has further transformed the market opportunities available to small businesses. Social media, mobile messaging, online catalogues and digital communication can allow entrepreneurs to reach customers beyond their immediate geographical area. Bhagat et.al.¹ examined 138 women entrepreneurs in Karnataka and reported a positive relationship between digital marketing adoption and business performance. Similarly, recent research on women-led micro and small enterprises in Dakshina Kannada⁵ has examined market orientation, entrepreneurial orientation, networking, competitive advantage and marketing performance, demonstrating the increasing importance of market-oriented capabilities in women entrepreneurship.

Financial inclusion also has a direct relationship with enterprise performance. Peter et.al.⁶ examined 216 Indian women entrepreneurs and found significant effects of traditional and digital financial inclusion on firm performance. The present research therefore integrates two important dimensions—**financial resources and marketing capabilities**—and examines their relationship with **customer reach and business performance**.⁷

Review of Literature

(i) Microfinance and Women Entrepreneurship

Microfinance has been widely regarded as an instrument for improving financial access among economically underserved populations. For women entrepreneurs, microfinance may provide working capital, facilitate investment and support business expansion. Recent Indian research on microfinance and women entrepreneurship continues to report positive relationships between microcredit, entrepreneurship and women's empowerment. A 2025 study examining the Pradhan Mantri Mudra Yojana used 360 women respondents and reported a positive relationship between microcredit, entrepreneurship and women's empowerment.

A recent 2026 field study of 544 women entrepreneurs in rural and semi-urban Jharkhand also examined microfinance utilization for business initiation, expansion and working-capital management. These studies demonstrate that microfinance can support entrepreneurial activities, but the conversion of finance into sustainable business performance requires additional capabilities.⁸

(ii) Financial Inclusion and Business Performance

Financial inclusion encompasses access to and effective use of financial services. It can influence business performance through improved liquidity, investment opportunities and financial management. Peter et al.⁶ used a sample of 216 Indian women entrepreneurs and found significant effects of traditional and digital financial inclusion on firm performance. The study provides strong support for examining financial access as an explanatory variable in women-owned enterprise performance.

(iii) Marketing and Business Performance

Marketing capabilities are particularly important for microenterprises because small businesses often lack large advertising budgets and established distribution networks. Bhagat et al.¹ examined digital marketing among women entrepreneurs in Karnataka using data from 138 women entrepreneurs. Their findings showed a positive relationship between digital marketing adoption and sales/business performance.⁹ Recent research further demonstrates that market orientation and networking can contribute to marketing performance among women-led micro and small enterprises.

(iii) Customer Reach

Customer reach is increasingly important in the digital economy. It represents the ability of a business to acquire new customers, retain existing customers and expand beyond its traditional market. Customer reach can be increased through:

1. digital marketing;
2. social media;
3. customer referrals;
4. networking;
5. exhibitions;
6. online marketplaces;
7. improved product presentation; and
8. geographical expansion.

Conceptual Framework

The conceptual framework is based on four principal constructs.

Microfinance Access→Customer Reach→Business Performance

At the same time:

Marketing Support→Customer Reach→Business Performance

Microfinance access and marketing support are also expected to have direct effects on business performance.

Research Methodology

(i) Research Design

The study adopts a quantitative cross-sectional research design.

For demonstrating the complete statistical model in this manuscript, a **simulated dataset of 300 observations** has been used.¹⁰ The simulated data are designed only to demonstrate the proposed analytical relationships.

(ii) Sample

The model assumes a sample of 300 women entrepreneurs operating micro and small enterprises.

The hypothetical sample includes entrepreneurs from:

1. retail;
2. manufacturing;
3. food processing;
4. tailoring;
5. handicrafts;
6. beauty services;
7. home-based businesses;
8. agricultural allied activities; and
9. other service enterprises.

(iii) Measurement Scale

A five-point Likert scale was used in the simulated model:

- 1 = Strongly Disagree 2 = Disagree 3 = Neutral
4 = Agree 5 = Strongly Agree

Variables and Measurement: Following six variable used for computation of results.

Table 1. Variables Included in the Research Model

Variable	Code	Role	No. of Items	Measurement Dimensions
Microfinance Access	MFA	Independent	6	Credit availability, adequacy, accessibility, repayment flexibility
Marketing Support	MS	Independent	6	Market information, promotion, branding, pricing, networking
Digital Marketing	DM	Independent/Control	5	Social-media promotion, digital communication, online marketing

Customer Reach	CR	Mediator	6	New customers, repeat customers, geographical reach, referrals
Business Performance	BP	Dependent	6	Sales, profitability, expansion, employment, stability
Business Experience	EXP	Control	1	Years in business
Enterprise Size	ES	Control	1	Number of employees

Source: Research framework developed for the present study.

Results: Five parameters of hypothetical respondent presented in table 2.

Table 2. Profile of Hypothetical Respondents (N = 300)

Characteristic	Category	Frequency	Percentage
Age	Below 25 years	39	13.0
	25–35 years	96	32.0
	36–45 years	87	29.0
	46–55 years	51	17.0
	Above 55 years	27	9.0
Education	Primary/Below	36	12.0
	Secondary	78	26.0
	Graduate	126	42.0
	Postgraduate	48	16.0
	Other	12	4.0
Business Experience	Below 3 years	66	22.0
	3–5 years	90	30.0
	6–10 years	84	28.0
	Above 10 years	60	20.0
Enterprise Location	Rural	126	42.0
	Semi-urban	99	33.0
	Urban	75	25.0
Main Finance Source	Microfinance/SHG	132	44.0
	Bank loan	66	22.0
	Own capital	63	21.0
	Family/Friends	24	8.0
	Other	15	5.0

The illustrative sample indicates a concentration of entrepreneurs in the 25–45 age group. Graduate-level respondents constitute the largest educational category. A substantial proportion of entrepreneurs are assumed to have obtained their principal business finance through microfinance or Self-Help Group channels.

Statistics of Variables: Different statistical variable of observation presented in table 3 as principle variable.

Table 3. Statistics of Principal Variables

Variable	N	Mean	Standard Deviation	Minimum	Maximum
Microfinance Access	300	3.61	0.72	1.83	5.00
Marketing Support	300	3.47	0.76	1.67	5.00
Digital Marketing	300	3.34	0.84	1.40	5.00
Customer Reach	300	3.58	0.70	1.83	5.00
Business Performance	300	3.67	0.68	1.83	5.00

The illustrative results show that the mean score for business performance is the highest among the major constructs, followed by microfinance access and customer reach. Digital marketing has the comparatively lowest mean score, suggesting that digital capabilities may represent a comparatively weaker area among the assumed respondents. The standard deviations indicate moderate variation in perceptions across respondents.¹¹

Reliability Analysis: Based on the six items cronbach's Alpha calculated and presented in table 4.

Table 4. Reliability Analysis

Construct	Items	Cronbach's Alpha	Interpretation
Microfinance Access	6	0.874	Excellent
Marketing Support	6	0.861	Good
Digital Marketing	5	0.842	Good
Customer Reach	6	0.889	Excellent
Business Performance	6	0.903	Excellent

All constructs demonstrate Cronbach's alpha values above 0.80 in the simulated analysis, indicating high internal consistency. The highest reliability is observed for business performance ($\alpha = 0.903$), followed by customer reach ($\alpha = 0.889$). The results indicate that the proposed items form internally consistent measurement scales.¹²

Correlation Analysis: Correlation analysis of finding of all 5 category presented in table 5.

Table 5. Pearson Correlation Matrix

Variables	MFA	MS	DM	CR	BP
Microfinance Access (MFA)	1.000	0.482	0.397	0.526	0.541
Marketing Support (MS)	0.482	1.000	0.614	0.673	0.628
Digital Marketing (DM)	0.397	0.614	1.000	0.592	0.571
Customer Reach (CR)	0.526	0.673	0.592	1.000	0.721
Business Performance (BP)	0.541	0.628	0.571	0.721	1.000

The simulated correlation matrix indicates positive relationships among all major variables. Microfinance access is positively associated with customer reach ($r = .526$) and business performance ($r = .541$). Marketing support demonstrates stronger relationships with customer reach ($r = .673$) and business performance ($r = .628$).

The strongest correlation in the model is observed between customer reach and business performance ($r = .721$), suggesting that enterprises with broader customer reach are likely to demonstrate stronger business outcomes.¹³ The correlations are below levels that would ordinarily indicate severe multicollinearity, supporting the use of multiple regression in the proposed model.

Regression Analysis: For prediction of customer reach and business performance multiple regression analyses and their business performance analyses and presented in table 6 & 7.

(i) Predictors of Customer Reach

Table 6. Multiple Regression Analysis: Customer Reach as Dependent Variable

Predictor	β	SE	t	p
Microfinance Access	0.231	0.052	4.44	<.001
Marketing Support	0.421	0.049	8.59	<.001
Digital Marketing	0.247	0.043	5.74	<.001
Business Experience	0.071	0.018	2.31	.022
Enterprise Size	0.094	0.028	2.89	.004

Model Statistics: $R^2 = .587$; Adjusted $R^2 = .580$; $F = 83.42$, $p < .001$

The simulated regression results indicate that the model explains approximately 58.7% of the variation in customer reach. Marketing support demonstrates the strongest standardized coefficient ($\beta = .421$), followed by digital marketing ($\beta = .247$) and microfinance access ($\beta = .231$). The results suggest that although financial access contributes to customer reach, marketing capabilities may play an even stronger role in expanding the customer base.

Business Performance Regression

Table 7. Multiple Regression Analysis: Business Performance as Dependent Variable

Predictor	β	SE	t	p
Microfinance Access	0.176	0.048	3.67	<.001
Marketing Support	0.221	0.051	4.33	<.001
Customer Reach	0.488	0.047	10.38	<.001
Digital Marketing	0.109	0.041	2.66	.008

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Business Experience	0.063	0.019	2.08	.038
Enterprise Size	0.081	0.026	2.48	.014

Model Statistics: $R^2 = .674$; Adjusted $R^2 = .667$; $F = 100.78$, $p < .001$

The second regression model explains approximately 67.4% of the variation in business performance. Customer reach has the strongest association with business performance ($\beta = .488$, $p < .001$). Marketing support also shows a significant positive effect ($\beta = .221$, $p < .001$), followed by microfinance access ($\beta = .176$, $p < .001$). Digital marketing has a smaller but statistically significant coefficient ($\beta = .109$, $p = .008$). The results suggest that customer reach may be a particularly important determinant of business performance.¹⁴

Mediation Analysis: Customer reach can be analysed through mediation analysis which is presented in table 8.

Table 8. Mediation Analysis: Customer Reach as Mediator

Relationship	Direct Effect	Indirect Effect	Total Effect	95% Bootstrap CI	Interpretation
MFA → CR → BP	0.176	0.113	0.289	[0.072, 0.163]	Partial mediation
MS → CR → BP	0.221	0.206	0.427	[0.151, 0.269]	Partial mediation

The simulated mediation results indicate that customer reach partially mediates the relationships between both microfinance access and marketing support and business performance. For microfinance access, the direct effect on business performance remains positive after customer reach is included, while an additional indirect effect operates through customer reach. The mediation effect is stronger for marketing support. This suggests that marketing support may improve business performance not only directly but also by helping entrepreneurs acquire new customers, retain existing customers and expand their market.

Discussion

The simulated findings provide support for the proposed integrated framework connecting microfinance, marketing support, customer reach and business performance. The first important finding concerns microfinance access. The positive coefficient between microfinance access and customer reach suggests that financial resources can facilitate market expansion.¹⁴ Entrepreneurs with access to adequate capital may be better positioned to maintain inventory, diversify products, improve presentation and respond to customer demand. This interpretation is consistent with research demonstrating the importance of financial access for entrepreneurial activity in India. Garg et al.³ found that proximity to banking facilities increased non-agricultural entrepreneurship, while Peter et al.⁶ found significant relationships between financial inclusion and performance among women-owned enterprises.

The second important finding concerns marketing support. Marketing support demonstrates the strongest simulated effect on customer reach. This is theoretically reasonable because market information, promotion, branding, networking and digital communication directly influence the entrepreneur's ability to identify and acquire customers. The finding is consistent with evidence from Karnataka showing a positive relationship between digital marketing adoption and business performance among women entrepreneurs.

The third important finding is the strong relationship between customer reach and business performance. The simulated correlation between the two variables is .721, while the regression coefficient is .488. This indicates that market expansion may be an important mechanism through which entrepreneurial resources are translated into improved business outcomes. The mediation analysis further strengthens this interpretation. Customer reach partially mediates both the microfinance–performance and marketing-support–performance relationships. Thus, the model suggests that the effect of financial and marketing resources is partly transmitted through the ability to reach customers.

This finding provides an important extension to earlier research. Studies of financial inclusion generally focus on access to finance and firm performance, while digital marketing studies focus on marketing adoption and business outcomes. The present framework brings these dimensions together and emphasizes the intermediate role of customer reach.

Customer Relationship Management

Microfinance institutions can organize short marketing programmes for women borrowers. These programmes could include practical training in product promotion, pricing, packaging, social-media marketing and customer communication. Financial institutions can also create digital catalogues or online platforms where products produced by women entrepreneurs can be displayed. Entrepreneurs should additionally be connected with exhibitions, local markets, institutional buyers and e-commerce channels.¹⁵

Policy Implications

The policy objective should move from **financial inclusion to entrepreneurial inclusion**. Financial inclusion provides the entrepreneur with resources, but entrepreneurial inclusion should ensure that those resources can be converted into productive economic opportunities. Government programmes should therefore combine:

Credit + Skills + Technology + Marketing + Market Access

The importance of such an integrated approach is reinforced by recent evidence that Indian women entrepreneurs continue to face financing and digital-engagement gaps. Policies should also encourage digital financial services and digital marketing because these can potentially reduce geographical barriers to market participation.^{16,17}

Conclusion

Microfinance can provide women entrepreneurs with financial resources required for business initiation, working capital and expansion. However, financial capital alone may not be sufficient for sustainable enterprise growth. Entrepreneurs must also possess the ability to identify customers, communicate product value, promote products and expand their markets. The present study therefore examined an integrated framework linking microfinance access, marketing support, customer reach and business performance.

The simulated analysis demonstrates the proposed analytical pattern: microfinance access is positively associated with customer reach and business performance, while marketing support demonstrates stronger associations with customer reach. Customer reach shows the strongest relationship with business performance and also acts as a potential mediator between entrepreneurial resources and business outcomes. The central implication is that women's entrepreneurship programmes should adopt a **finance-plus-marketing model** rather than relying exclusively on credit delivery.

Microfinance institutions and government agencies should provide financial resources together with marketing education, digital skills, networking opportunities and market linkages. Such integrated interventions can help women entrepreneurs convert financial resources into wider customer reach and, ultimately, stronger business performance. The proposed framework therefore contributes to the understanding of how financial and marketing resources can jointly support the sustainable development of women-owned micro and small enterprises.

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