

# The Effect of Green Marketing Practices on Market Performance of Selected Manufacturing SMEs in Lagos State, Nigeria

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## Abstract

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Small and Medium-sized Enterprises (SMEs) are critical to the economy of any Nation as they contribute to the Gross Domestic Product (GDP) of both developed and developing Nations through employment, education, income generation as well as poverty reduction. Despite their prominent roles in supporting socio-economic stability, SMEs face numerous challenges that hinder their market growth and performance due to little or non-green marketing practices. Extant literatures have been carried out on green marketing practices (GMPs) in various areas but non-has established the gap leading to the effect of GMPs on market performance of SMEs in Lagos State, Nigeria adopting same proxies. This study investigated the effect of green marketing practices on market performance of selected manufacturing SMEs in Lagos State, Nigeria. A survey research design was adopted for this study alongside with research philosophy and approach. Population comprised 11,643 registered owners and managers of manufacturing SMEs in Lagos State, Nigeria. A sample size of 484 was determined using Cochran's formula. A proportionate random sampling technique was applied for the selection of respondents. Data were collected via a structured, closed-ended, and validated questionnaire. Cronbach's alpha reliability coefficients for the constructs ranged from 0.846 to 0.875. The response rate was 94.0%. Data analysis involved both descriptive and inferential statistics using multiple regression analyses, conducted at a 5% significance level. The findings revealed that green marketing practices had a significant effect on marketing performance ( $Adj.R^2 = 0.297$ ,  $F(4, 450) = 49.038$ ,  $p < 0.05$ ). The study concluded that green marketing practices have a statistically significant positive effect on market performance of manufacturing small and medium-sized enterprises in Lagos State, Nigeria. The study recommended that SME owners/managers should reinforce green marketing practices in the entire organisation through internal capacity building to ensure consistent implementation and foster a sustainability-oriented culture. Given the insignificant statistical effects of green products on market performance, owners/managers of SMEs should invest in product innovation and R&D to enhance the market appeal of their products.

**Keywords:** *Green distribution, Green marketing practices, Green price, Green product, Green promotion, Market performance, Small and medium-sized enterprises*

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### **Background to the Study**

Small and medium-sized enterprises (SMEs) are recognised as key drivers of growth and development in the economies of both developed and developing countries. They significantly contribute to gross domestic product (GDP) growth, job creation, income generation, poverty alleviation, and innovation, promoting social inclusion. SMEs comprise a large proportion of all businesses and account for a substantial share of total private-sector employment. However, despite their significant contributions to the socio-economic development of developed and emerging economies, SMEs are burdened by multiple problems that negatively affect their market performance. These challenges are more evident in developing economies, where SMEs operate in challenging environments that adversely affect performance across market. Hence, this study investigated the effect of green marketing practices on market performance of selected manufacturing SMEs in Lagos State, Nigeria.

The Association of Chartered Certified Accountants (ACCA) asserts that SMEs encounter global challenges such as rising energy costs, expensive raw materials and other inputs, supply chain disruptions, wage pressures, a lack of skilled workers, and increased regulations (ACCA, 2023). Rising energy costs and expensive raw materials are having negative impacts on SMEs, leading to a decline in the market and financial performance of SMEs. High inflation affects SMEs in North America, raising the price of raw materials and other inputs. In addition, SMEs face labour shortages, trade barriers, supply chain disruptions, and socio-political tensions. In the United States of America (USA), the McKinsey Global Institute reports that SMEs significantly contribute to the US economy, employing nearly 60% of the private-sector workforce and generating almost 40% of national value-added. However, their productivity is only half that of large companies, compared to 60 per cent in other advanced economies. Similarly, the United States (US) Chamber of Commerce reports that rising inflation has increased SMEs' expenses and is eroding their already thin profit margins. Additionally, many SMEs struggle to access business capital due to rising interest rates. Furthermore, SMEs face challenges in meeting their employees' salary expectations and demands, making it difficult to retain their best talent and attract new workers. High inflation and rising interest rates cumulatively raise SMEs' expenses and affect their financial performance. These factors pose significant challenges to SMEs' ability to grow sustainably.

The sustainability of SMEs in Europe is negatively affected by financial uncertainty, hiring difficulties, inflation, rising interest rates, and increased energy and raw materials costs (Annual Report on European SMEs 2022/2023). In the United Kingdom (UK), SMEs account for 50 per cent of total revenue and 44 per cent of the workforce (McKinsey & Company, 2020). However, they face several challenges that adversely affect their performance and, thus, sustainable growth. According to the Lloyds Banking Group, SMEs in the UK are experiencing slower growth rates due to rising energy and raw material costs, reduced sales resulting from diminished consumer purchasing power, and ongoing political and social uncertainty. Rising energy and raw material costs, as well as reduced consumer purchasing power, are contributing to poor market and financial performance. Furthermore, Clark (2024), in a Statista report, identifies increasing costs, political uncertainty/future government policies, legislation, regulation, red tape, and supply chain issues as problems affecting SMEs

in the UK. SMEs employ 55 percent of Germany's more than 45.8 million employees, generate over half of the value added, and provide over 75 percent of the country's apprenticeship and vocational training opportunities (Deutschland.de, 2024). Nevertheless, their sustainable performance is impacted by supply bottlenecks and the rapid increase in raw material prices (SME Diagnosis 2021: Savings Bank Finance Group).

SMEs in Asia face limited access to finance, low research and development (R&D) expenditure, underdeveloped sales channels, and low levels of financial inclusion (Asian Development Bank, 2016), all of which adversely affect their sustainability. In China, SMEs face challenges including access to finance, administrative and financial burdens, talent acquisition and retention, supply chain disruptions, and the adoption of new technologies. According to Muriithi (2017), African SMEs face significant challenges, including access to financing, inadequate electricity supply, a lack of managerial expertise, and limited access to reliable information, government support, and political instability. Furthermore, the lack of skilled workers and management skills, location and networking issues, technological challenges, lack of information and knowledge, poor access to international markets, lack of support services, stringent policies and laws, taxes and regulations, poor product demand, and administrative inadequacies constitute challenges faced by SMEs in Africa (Kanu, 2022). These challenges hinder market performance and sustainable growth of SMEs in Africa. In Ghana, access to finance poses a significant challenge for SMEs, militating against their sustainability. SMEs are not only subjected to cumbersome bank loan procedures but are also discouraged by the high interest rates charged by banks (Adjabeng & Osei, 2022). Inability to access finance for investment purposes has resulted in poor market performance.

SMEs in Nigeria face numerous challenges that hinder their sustainable growth. The 2023 Social Statistics Report by the National Bureau of Statistics (NBS) observes a 45 per cent decline in the total number of individuals operating as small-scale entrepreneurs across various economic sectors, decreasing from 246,200 in 2020 to 170,098 in 2022 (Tunji, 2024). The decline in the number of small-scale entrepreneurs has worsened the unemployment situation and thus led to a decline in the social performance of SMEs in Nigeria. Rising consumer awareness of environmental issues, such as global warming and environmental pollution, along with a preference for businesses engaged in eco-friendly behaviour, has influenced SMEs to embrace green marketing practices as a strategy to grow and retain customers, gain a competitive advantage, and ensure business sustainability (Bruno et al., 2023). Green marketing practices encompass the behaviours of businesses that consider the environmental impact of their operations in their quest to satisfy customer needs and wants (Chikere, 2023). Green marketing can help SMEs gain a long-term competitive advantage, improve their reputation and market positioning, and attract environmentally conscious customers (Yunusa et al., 2024).

Extant literature has averred that green marketing practices have a significant positive impact on firms' market performance (Ahmad et al., 2020; Eko et al., 2023). Green marketing practices enable firms to stand out in a crowded and competitive market and appeal to a growing segment of environmentally conscious consumers (Eko et al., 2023). Yunusa et al.

(2024) emphasised the importance of green marketing practices, noting that SMES adopting these strategies achieved superior performance compared to their competitors in profitability, sales growth, market share, financial outcomes, and overall market performance. Despite the significant positive impact of green marketing practices on marketing, environmental, social, and financial outcomes and, consequently, organisational sustainability, the current landscape in Nigeria highlights a notable gap in the adoption and execution of green marketing strategies among SMEs. Numerous small and medium-sized enterprises in the country continue to use traditional marketing methods that overlook environmental considerations. This reluctance to embrace green marketing practices is primarily due to insufficient awareness of their potential and the perceived difficulties of their implementation (Yunusa et al., 2024).

Extant literature on green marketing practices and market performance has produced results suggesting a positive relationship between green marketing and market performance (Agusdin et al., 2023; Ahmad et al., 2020; Barreto et al., 2024; Eko et al., 2023). However, there is a significant gap in the literature focusing on the influence of green marketing on the market performance of SMEs in Nigeria. This has created a research gap that is worth investigating. market performance in terms of repeat customer patronage is one of the indicators of the growth and sustainability of businesses. Chikere (2023) observes a decline in consumer patronage of food and beverage firms in Nigeria due to a shift in consumer preferences towards green products. He suggests that these firms adopt green marketing practices to reverse the decline in demand, as “it is believed that green marketing practices can help food and beverage firms in Port Harcourt increase customer patronage for their brands” (Chikere, 2023: p.75).

Hence, this study aims to examine the effect of green marketing practices on market performance of selected small and medium-sized manufacturing enterprises in Lagos State, Nigeria. To achieve this objective, a research hypothesis was formulated;

**H<sub>0</sub>1:** Green marketing practices have no significant effect on the market performance of manufacturing small and medium-sized enterprises in Lagos State, Nigeria.

### **Literature Review**

This section dealt with the conceptual, empirical and theoretical review of the variables both dependent and independent.

### **Market Performance**

Scholars have observed a lack of consensus on the meaning and measurement of the construct “market performance” (Agusdin et al., 2023; Barreto et al., 2024). while some scholars have adopted both financial and non-financial metrics to measure market performance, others have focused on non-financial metrics (Dahmiri et al., 2024; Hidayatullah et al., 2019; Puspaningrum, 2020). Market performance measures the success of new products, sales growth, and annual profit or net income (Dahmiri et al., 2024). It is a concept used to gauge a company's product's market success. In other words, market performance reflects a company's marketing achievement (Salim et al., 2021). Market performance plays a crucial role not only in winning the competition but also in a company's development, as high market performance

enhances the overall sustainability of the business (Dahmiri et al., 2024; Puspaningrum, 2020). Market performance refers to the extent to which a firm's environmental practices and strategies satisfy customer needs while generating a competitive advantage that drives market growth, increases sales, strengthens customer loyalty, attracts new customers, enhances brand awareness, and improves customer perceptions (Agyabeng-Mensah et al., 2020). A company's overall performance reflects its market performance because an improvement in a company's market performance signals an improvement in its overall performance. Market performance reflects a company's success or failure in selling its products. Christina et al. (2022) consider market performance from the perspective of customer satisfaction and loyalty, arguing that it is a measure of market value taking into consideration the benefits offered to consumers and the cost of delivering the benefits.

Market performance refers to the measurable outcomes derived from a company's overall activities, particularly its marketing efforts within the organisation (Hidayatullah et al., 2019). When opportunities are identified and exploited in the marketplace through the production of goods and services that meet the needs of customers, the increased sales revenue, market share growth, and customer loyalty arising from those activities signify market performance (Zakiyali et al., 2023). The researchers of this study define market performance as the outcomes of marketing initiatives designed by an organisation to gain a competitive advantage, satisfy customer needs, and achieve its organisational objectives.

### **Green Marketing Practices**

Consumers' awareness of environmental problems, such as global warming and pollution, has compelled businesses to adopt green marketing practices to build customer trust, strengthen their brand image, and gain a competitive advantage. This is because Green Marketing Practices are pivotal to minimising the harmful effects of environmental degradation, greenhouse gas emissions, air and water pollution, and poor waste management resulting from businesses' irresponsible behaviour in carrying out their operations. According to Bruno et al. (2023), green marketing practices include offering safe and sustainable products and services, adopting eco-friendly methods to prevent pollution, promoting green awareness through advertising, and utilising energy-efficient vehicles for distribution.

Chikere (2023) suggests that Green Marketing Practices constitute a marketing orientation that prioritizes environmental preservation and conservation to meet customers' wants. According to the author, Green Marketing Practices involve businesses integrating sustainability into their production processes, choosing suppliers committed to eco-friendly practices, adopting environmentally responsible packaging, promoting products based on their environmental benefits, and implementing sustainable distribution methods to minimize pollution during transportation (Chikere, 2023). Green Marketing Practices are part of how businesses emphasize sustainability and incorporate it into their interactions with internal and external stakeholders. From the researchers' perspective, green marketing practices consist of the activities undertaken in the design, production, distribution, and promotion of goods and services that are environmentally friendly.

### **Green Product**

Green products are those whose manufacturing processes produce less waste and use fewer raw resources or non-toxic recycled materials, eco-packaging, minimal packaging, and energy-efficient sources. These products are not harmful to humans or the environment. This statement aligns with the opinion of Kaur et al. (2022), who observe that green products are designed to be safe for both human health and the environment because they minimize air pollution, support recycling efforts, and help conserve natural resources, ensuring sustainability for future generations. Sdrohia and Zarotiadis (2019) view the definition of a green product within the context of technology, asserting that it minimises its environmental impact throughout its entire life cycle, in line with current technological advancements and scientific understanding. The primary purpose of green products is to ensure the protection or enhancement of the environment. Hence, Meenakshi et al. (2023) state that green products are designed to safeguard or improve the environment throughout their production, use, and disposal by conserving resources and minimising the use of hazardous substances, pollution, and waste. From the literature review, the researcher defines a green product as any product that is made to reduce or minimise its harmful effects on consumers and the environment.

### **Green Price**

Green price represents the cost customers incur to acquire eco-friendly products and services in return for the benefits they receive. Pricing is a crucial element of marketing strategies, as it is the only element in the marketing mix that generates revenue for businesses. Various authors have advanced different definitions of green price. Alhamad et al. (2023) state that green pricing involves establishing price points for environmentally friendly products and services that consumers are willing to pay. This definition is supported by the view of Lapian and Tumbel (2018), who suggested that setting a green price should balance the economic and environmental costs of production and marketing while ensuring value for customers and maintaining reasonable profits for the business.

Mehmood and Bhaumik (2023) define green pricing as a company's strategy to promote sustainable goods and services. Green product pricing is seen as a way for manufacturers to adjust their prices based on investments in green product development and the company's future resilience (Wahyuningfiyas & Novianto, 2023). Green prices should be set to make eco-friendly products affordable for more customers while still allowing companies to make a profit. This aligns with Narimanfa and Nezhad (2022), who describe green pricing as setting prices for eco-friendly products that balance consumer sensitivity to cost with their willingness to pay more for environmentally friendly goods. Based on the literature review, the researchers in this study, define green price as the price an organisation sets for a green product that is determined by environmentally friendly factors for the purpose of attracting eco-conscious customers to buy the product.

### **Green Distribution**

Green distribution involves selecting efficient physical or virtual channels for purchasing products and delivering them to the final consumer without causing significant environmental harm. Traymbak and Aggarwal (2019) consider green distribution as the effort to manage

logistics and reduce transportation emissions, thereby minimising environmental carbon emissions. Green distribution involves selecting channels that minimise environmental impact (Alabo & Anyasor, 2020). Channel selection should prioritise environmentally safe locations with minimal contamination, as most environmental damage occurs during the transportation of raw materials and finished goods (Alabo & Anyasor, 2020). In addition, to ensure the success of green distribution, channel members should be involved in green product development, reuse and disposal arrangements, and ensure that customers can return recyclable materials. Choosing where and when customers can access green products is significant in implementing a green distribution strategy. Thus, businesses should position their products to provide convenience for their customers, as few will take the extra effort to look for green products for the sake of it. Green distribution alters conventional distribution practices by integrating environmental consciousness into the process of moving goods and services from one point to another (Anucha, 2019). The characteristics of green distribution include green logistics, pollution prevention, reverse logistics, reusable packaging materials, local sourcing of raw materials and products, and reduced energy consumption. From the researchers' perspective, green distribution is the efficient movement of goods and services from the point of production to the final consumers with minimal environmental harm.

### **Green Promotion**

Green promotion encompasses all marketing communication elements used to convey a green product's eco-friendly features and benefits to a target audience, aiming to influence their behaviour and intention to purchase. These communication elements include green advertisements, green marketing materials, green signage, white papers, websites, public relations, sales promotions, direct marketing, on-site promotions, videos, and presentations that highlight the benefits of the product or service to the environment or society (Mani & Ndubuisi, 2023). Green promotion involves a business communicating genuine product information to a target audience, highlighting its environmental commitments and efforts to ensure that the products are safe for both the environment and society. Green promotion is a green marketing strategy designed to stimulate demand among eco-conscious consumers by stressing the environmental benefits of the products and services (Oyekunle et al., 2024). The primary purpose of green promotion is to link the product with the environment, promote a healthy and environmentally friendly lifestyle, and convey the company's image as being environmentally responsible (Sumarmi et al., 2022). Green promotion is characterised by transparent and authentic communication, trust building, promoting an eco-friendly lifestyle, and highlighting the environmental benefits of green products and services. In this study, the researchers see green promotion as the communication of the environmental features and benefits of a product to a target audience in order to influence their green behaviour.

### **Green Marketing Practices and Market Performance**

Agusdin et al. (2023) investigated the impact of green marketing orientation on Market performance and suggested that green product development has a positive influence on Market performance. Among its key findings, the study revealed that the development of green products leads to improved Market performance. Barreto et al. (2024) found, in their analysis of sustainable green supply chain practices and market performance, that sustainable

innovation practices in supply chains are positively related to market performance. Eko et al. (2023) examined green marketing practices and the Market performance of financial technology (FinTech) companies in Nigeria. They concluded that green financial services, digital marketing, and electronic banking- sub-variables used to measure green marketing practices- significantly and positively affect Market performance. The findings suggested that green product, price, distribution, and promotion significantly and positively influence competitive advantage and market performance. The study concluded that green marketing strategies create a competitive advantage, which, in turn, improves market performance. Nuryakin and Maryati (2022) examined the effect of green marketing orientation on SMEs' green Market performance, mediated by green marketing and competitive advantage. They found a significant positive impact of green innovation on green Market performance. Additionally, they suggested that green competitive advantage significantly and positively influences green Market performance. Agyabeng- Mensah et al. (2020), in their study of green logistics management practices and market, environmental, social, and financial performances, found that green logistics management practices did not significantly affect Market performance. They noted that adopting environmental certificates and training policies without practical application does not enhance existing customer loyalty or attract a significant number of new customers. Braik et al. (2023) studied green marketing practices and sustainable organisational sustainability in the context of developing countries and made the following observations: green promotion has a significant and positive effect on the firm's economic (marketing) performance; green pricing showed no effect on the firm's economic (marketing) performance; green distribution do not influence the firm's economic (marketing) performance; and green product does not affect the firm's economic (marketing) performance.

### **The Natural Resource-Based View**

Hart propounded the natural-resource-based view in 1995. It is an extension of the resource-based view (Hart, 1995; Hart & Dowell, 2011), and it posits that firms can gain a competitive advantage by addressing the challenges posed by the natural environment. According to Wang et al. (2024), the natural-resource-based view encompasses three essential strategic capabilities: product stewardship (e.g., securing exclusive access to resources), pollution prevention (e.g., minimising waste and emissions), and sustainable development (long-term social, economic, and environmental sustainability). Furthermore, strategic capabilities that address environmental issues, such as pollution reduction, product stewardship, and sustainable development, can significantly enhance a firm's competitive performance (Hart, 1995). The natural-resource-based view assumes that a firm's ability to develop an environmental sustainability strategy to mitigate environmental constraints enhances its competitive edge. Hart and Dowell (2011) posit that natural resources and capabilities improve profitability by reducing pollution. Additionally, they assert that environmental resources, strategies for pollution prevention, and organisational capabilities enhance sustainable performance (Hart & Dowell, 2011).

Critics of the natural-resource-based view argue that an excessive focus on environmental sustainability can increase a firm's operational costs (Roxas et al., 2017). Others have criticised the theory's feasibility due to the tacit nature of resources and their inherent heterogeneity, scarcity, inimitability, and non-substitutability (McDougall et al., 2019).

Despite these criticisms, proponents of the natural-resource-based view argue that it underscores the role of the natural environment and resources in creating a sustainable competitive advantage (Hart, 1995). It helps organisations to maximise both sustainability and competitiveness (McDougall et al., 2019). Additionally, it provides a framework for understanding the relationship between environmental and natural resources and financial performance (Wang et al., 2024). The natural resource-based theory can enable SMEs to gain a competitive advantage by responding positively to the challenges posed by the natural environment. Such a positive response would develop their strategic capabilities and lead to their sustainability.

### **The Triple Bottom Line (TBL) Theory**

Elkington (1994) introduced the concept of the Triple Bottom Line (TBL) and argued that organisational success must be measured by financial, social, and environmental performance. The Triple Bottom Line emphasises that companies should not only pursue economic profit but also consider the social and environmental impacts of their activities. This theory encourages businesses to measure and report performance across these three dimensions (profit, people, and planet) to achieve sustainable balance (Nurjaman, 2024).

This theory assumes that organisations are responsible for addressing three interconnected dimensions of sustainability: economic, social, and environmental. The assumption emphasises that businesses should create value simultaneously across all three areas. The theory also assumes that sustainable business practices can contribute to long-term success and competitiveness. (Nkup et al., 2024). The Triple Bottom Line theory is relevant to connecting green marketing practices to organisational sustainability by considering the economic, social, and environmental aspects of sustainability.

Critics of the theory highlighted the challenge of measuring and quantifying environmental and social impacts as one of the theory's limitations (Nkup et al., 2024). They stated that while financial performance can be easily measured using monetary metrics, social and environmental impacts are often more subjective and difficult to quantify. The other limitation is that the theory may not provide clear guidelines on balancing trade-offs between the three dimensions, as organisations may face conflicting priorities and limited resources (Nkup et al., 2024). Conversely, supporters of the theory argue that it provides a framework for business organisations to approach sustainability holistically, by acting as stewards of society and the planet, thereby protecting themselves as sustainable and responsible (Alowais, 2024). Additionally, it enables business concerns seeking sustainability to focus on long-term social and environmental outcomes rather than short-term financial goals (Arowoshegbe & Emmanuel, 2016). The Triple Bottom Line theory is relevant in influencing SMEs to consider the economic, social, and environmental impact of their green marketing practices. The theory offers SMEs an opportunity to create value for multiple stakeholders, making it a viable tool for organisational sustainability (Nkup et al., 2024).

## **Methodology**

This study adopted a positivist research philosophy and research approach to examine the effect of green marketing practices on the sustainability of manufacturing SMEs in Lagos State, Nigeria. A survey research design was adopted for this study. Population comprised 11,643 registered owners and managers of manufacturing SMEs in Lagos State, Nigeria. A sample size of 484 was determined using Cochran's formula. A proportionate random sampling technique was applied for the selection of respondents. Data were collected via a structured, closed-ended, and validated questionnaire. Cronbach's alpha reliability coefficients for the constructs ranged from 0.846 to 0.866. The response rate was 94.0%. Data analysis involved both descriptive and inferential statistics using multiple regression analyses, conducted at a 5% significance level.

## **Analysis**

### **Restatement of Research Objective One and Research Question One**

**Objective One:** Investigate the effect of green marketing practices on market performance.

The first objective of the study was to investigate the effect of green marketing practices on market performance. The respondents were asked to express their opinions on questions about green product, green pricing, green distribution, and green promotion. A six-point Likert-type scale was used to analyse their responses. These points served as weights for calculating each item's score which were used in the the multiple regression summary table. The findings in Tables 1, 2, 3, 4 which could not be displayed due to limited space followed with the analyses and interpretations. The descriptive statistics for market performance was presented as well in another table 5 followed with the interpretations.

### **Restatement of Research Hypothesis One**

**H<sub>0</sub>1:** Green marketing practices have no significant effect on the Market performance of manufacturing small and medium-sized enterprises in Lagos State, Nigeria.

To test the hypothesis that green marketing practices have no significant effect on the Market performance of manufacturing small and medium-sized enterprises in Lagos state, Nigeria, multiple linear regression was utilized, and the results are presented in the Table below

**Table 1:** Summary of results of Multiple linear regression analysis for the effect of green marketing practices on the market performance of manufacturing small and medium-sized enterprises in Lagos State, Nigeria.

N	Model	B	Sig.	T	ANOVA (Sig.)	R	Adj. R <sup>2</sup>	F (4,450)
455	(Constant)	6.518	.000	4.857	0.000 <sup>b</sup>	.551 <sup>a</sup>	0.297	49.038
	Green Product	.036	.334	.968				
	Green Price	.372	.000	7.207				
	Green Distribution	.099	.004	2.906				
	Green Promotion	.228	.000	4.484				
Predictors: (Constant), Green Product, Green Price, Green Distribution, Green Promotion, Green Product								
Dependent Variable: Market performance								

**Source:** Field Survey Data (2025)

### Interpretation

Table above presents the results of the multiple linear regression analysis for the components of green marketing practices on the market performance of selected manufacturing small and medium-sized enterprises (SMEs) in Lagos State, Nigeria. The results showed that Green Price ( $\beta = 0.372$ ,  $t = 7.207$ ,  $p < 0.05$ ), Green Distribution ( $\beta = 0.099$ ,  $t = 2.906$ ,  $p < 0.05$ ), and Green Promotion ( $\beta = 0.228$ ,  $t = 4.484$ ,  $p < 0.05$ ) all have a positive and significant effect on market performance. In contrast, Green Product ( $\beta = 0.036$ ,  $t = 0.968$ ,  $p > 0.05$ ) had a positive but insignificant effect on market performance in selected manufacturing small and medium-sized enterprises (SMEs) in Lagos State, Nigeria. This implies that while green price, green distribution, and green promotion are important determinants of market performance, green product does not significantly influence Market performance.

The correlation coefficient ( $R$ ) of 0.551 supports this result and indicates that green marketing practices have a moderate positive relationship with market performance of selected manufacturing small and medium-sized enterprises in Lagos State, Nigeria. The coefficient of multiple determination, Adjusted R-squared of 0.297 indicates that about 29.7% of the variation in market performance can be accounted for by the green marketing practices, while the remaining 70.3% is explained by other variables not captured in the model.

The predictive and prescriptive multiple regression models are thus expressed:

$$MP = 6.518 + 0.036GPROD + 0.372GPRIC + 0.099GPDIST + 0.228GPPROM + U_i \text{ --- Eqn(i) (Predictive Model)}$$

$$MP = 6.518 + 0.372GPRIC + 0.099GPDIST + 0.228GPPROM + U_i \text{ --- Eqn(ii) (Prescriptive Model)}$$

Where:

MP = Market performance

GPROD = Green Product

GPRIC = Green Price

GPDIST = Green Distribution

GPRON = Green Promotion

The regression model indicates that when the components of green marketing practices are held constant at zero, the market performance would be 6.518, which is positive. In the predictive model, only the green product variable is insignificant; therefore, firms can de-emphasize it, which is why it is excluded from the prescriptive model. The results of the multiple regression analysis, as shown in the prescriptive model, suggest that when the components of green marketing practices (green price, green distribution, and green promotion) increase by 1 unit, market performance would also increase by 0.372, 0.099, and 0.228, respectively, and vice versa. This suggests that implementing green pricing strategies and promoting green initiatives would yield the greatest improvement in market performance for the selected small and medium-sized manufacturing enterprises (SMEs) in Lagos State, Nigeria.

Additionally, the F-statistic ( $df = 4, 450$ ) = 49.038,  $p = 0.000$  ( $p < 0.05$ ), indicates that the overall model is significant in predicting how green marketing practice components affect market performance. This suggests that green price, green distribution, and green promotion are key factors influencing the market performance of the selected manufacturing small and medium-sized enterprises (SMEs) in Lagos State, Nigeria. Therefore, the null hypothesis ( $H_0$ ), which states that green marketing practices have no significant impact on market performance of selected small and medium-sized enterprises (SMEs) in Lagos State, Nigeria, was rejected.

### **Discussion**

The results of the multiple regression for hypothesis one on the effect of green marketing practices (green product, green price, green distribution, and green promotion) on the Market performance of selected manufacturing small and medium-sized enterprises in Lagos State, Nigeria, revealed that green price, green distribution, and green promotion had a positive and statistically significant effect on market performance. In contrast, green product had a positive but insignificant effect on market performance. This finding has empirical and theoretical implications.

Empirically, the findings of the multiple regression for hypothesis one on the effect of green marketing practices (green product, green price, green distribution, and green promotion) on market performance support the study of Agusdin et al. (2023), which averred that green marketing practices had a positive influence on market performance. Additionally, Barreto et al. (2024) found that green marketing practices had a positive impact on market performance. Eko et al. (2023) stated that green marketing practices have a positive and significant impact on market performance. The study concluded that green marketing strategies create a competitive

advantage, thereby improving market performance. Similarly, Nuryakin and Maryati (2022) found a significant and positive relationship between green marketing practices and green market performance. However, Agyabeng-Mensah et al. (2020) found that green logistics management practices had no significant effect on market performance. The same view is held by Braik et al. (2023), who posited that green marketing practices had no significant effect on market performance.

Theoretically, the research findings align with the Natural Resource-Based View (NRBV) and the Triple Bottom Line (TBL) framework, as they support the variables examined in this study. The theoretical implications of the NRBV and TBL in the context of this study, which analysed the impact of green marketing practices on the market performance of selected manufacturing small and medium-sized enterprises, are discussed because they demonstrate how leveraging environmental resources can create a competitive advantage and lead to better market performance.

The Natural Resource-Based View (NRBV) suggests that a firm's ability to develop an environmentally sustainable strategy to mitigate environmental constraints improves its competitive edge. This is because an interaction between a firm and its natural environment can enhance its capabilities, enabling it to gain a competitive advantage. This advantage often translates to improved market performance. The NRBV posits that natural resources and capabilities improve market performance by increasing profitability through securing exclusive access. The NRBV is relevant to SMEs, which face competitive pressures and so need strategic capabilities to be competitive and explore new markets. It underscores the relevance of green marketing practices in providing a competitive advantage that drives market performance.

The Triple Bottom Line (TBL) posits that firms should consider economic, social, and environmental factors simultaneously to achieve long-term success and competitiveness. The TBL is relevant in shaping green marketing practices to consider people and the environment in their operations in order to better consumer perception and corporate image, which will lead to better market performance. The TBL provides SMEs with a framework for leveraging the strategic capabilities derived from their access to natural resources, enabling them to make a positive impact on society and the environment. The positive impact will foster customer loyalty, thereby enhancing market performance. Considering the support of the Natural Resource-Based View (NRBV) and the Triple Bottom Line (TBL) for the effect of green marketing practices on market performance, the study therefore rejects the null hypothesis (H<sub>0</sub>) that green marketing practices have no significant effect on the Market performance of manufacturing small and medium-sized enterprises (SMEs) in Lagos State, Nigeria.

### **Conclusion and Recommendations**

The study concluded that green marketing practices have a significant effect on market performance of selected manufacturing small and medium-sized enterprises in Lagos State, Nigeria. Overall, the hypothesis tested was rejected. Based on the “summary of findings”, the hypothesis tested revealed that: -Green marketing practices have a significant effect on market

performance.

Based on the findings of this study, the researcher makes the following recommendations to relevant stakeholders:

1. Owners/Managers of SMEs should continue to prioritise green marketing practices to strengthen market performance, and ensure the sustainability of their businesses. The practice should pervade the entire organisation through internal capacity building to foster a high performance - oriented culture.
2. Given the insignificant statistical effects of green products on market performance, owners/managers of SMEs should invest in product innovation and R&D to enhance the market appeal of their products.
3. There should be proper monitoring of the regulatory body to ensure best industry practice.

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