INTERACTIVE EFFECTS OF GREEN MARKETING STRATEGIES
AND COMPETITIVE CAPABILITY ON PERFORMANCE OF SMEs
IN NORTH-EAST NIGERIA

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ABSTRACT

In the face of rising competition and incessant calls for companies to devise means of reducing the negative impacts of marketing activities on the environment, this study explores the effects of green marketing strategies on organizational performance, with moderating effects of competitive capability within the SMEs environment. Using the descriptive survey design, primary data was collected from 208 respondents (mostly management cadre) of small and medium manufacturing firms in North-east Nigeria by means of a structured questionnaire. The Partial Least Squares – Path Modelling (PLS-PM) was employed in assessing the hypothesized model. Results indicated direct and positive effects of the three dimensions of green marketing strategies: ecology-oriented environmental actions ($\beta = 0.311$; $t = 6.117$), process-oriented environmental actions ($\beta = 0.364$; $t = 5.233$), and market-oriented environmental actions ($\beta = 0.298$; $t = 3.042$) on company performance. However, only two of the three moderated effects were confirmed as the interaction of competitive capacity and process-oriented environmental actions ($\beta = -0.084$; $t = 0.893$) was shown to be insignificant. The results provide various implications for managers, leading to suggestions for future researches.

Keywords: Green Marketing Strategies; Competitive Capability; Organizational Performance; SMEs Subsector

RESEARCH HIGHLIGHTS

1. Although, the green marketing concept is relatively recent, having gained popularity between the 1980s and 1990s (Garg and Sharma, 2017), the idea has a long history, and can be traced to the works of Kotler (1972), who pioneered the advocated the inclusion of social and ecological issues into marketing theory and practice (Trivedi et al., 2018).

2. Review of literature reveals that green marketing concept can be observed and measured through three major dimensions: ecology-oriented actions (EOEA), process-oriented actions (POEA), and market-oriented environmental actions (MOEA).

3. Findings from the current study provides support for the direct significant effect of the three dimensions of green marketing on company performance at the SMEs level, and these positive influences are potentially strengthen by company’s competitive capabilities.
**GRAPHICAL ABSTRACT**

Fig. 1. Research model: **p<0.01, two-tail; *p< 0.05, one-tail; n.s = not significant**

**Research Objectives**

The purpose of this research is to examine the interactive effects of green marketing strategies and competitive capability on performance of SMEs in North-east Nigeria. Specifically, it seeks to determine the direct effect of the three dimensions of green marketing strategy – ecology, process and market orientations – on SMEs corporate performance, and to also investigate the moderating effects of company’s competitive capabilities on these relationships. These objectives are borne out of the increasing calls on companies to adopt policies and practices that not only satisfy customers’ needs and wants, but also give adequate considerations to the social and ecological concerns as advocated by Kotler (1972) under the concept of corporate societal marketing.

The green marketing concepts aligns with the social responsibility and sustainability concepts and emphasize that companies’ operations and marketing activities be executed in a manner that promotes, or at least, preserves society’s well-being (Bello & Yekini, 2019). Researchers have over the years devoted considerable efforts at understanding the concept, and how its adoption has impacted on business performance. However, these research efforts have largely been skewed in favour of the advanced economies and large manufacturing firms. The current research aims to provide insights from developing economies perspectives.

**Methodology**

The study adopts the quantitative approach, with structured questionnaire as the main instrument for data collection. To this end, previously validated measures were adapted from studies on the subject matter. Items for measuring green marketing strategy were adapted from Fraj et al. (2011) and Kim et al. (2015). A set of five items each were developed
for the the ecology, process and market dimensions of green marketing strategy. Similarly, twelve items for corporate performance were adapted from Fraj et al. (2011). The four items measuring competitive capability were adapted from Ar (2012) and Tang (2006). All variables were measured on a Likert-scale of 1 = Strongly Disagree to 5 = “Strongly Agree”.

Participants in the study comprised management and supervisory staff of small scale firms in the six states that make up the North-east region of Nigeria (i.e., Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe). A total of 300 questionnaires were administered using a combination of judgemental and convenient sampling. Analysis was conducted using the partial least square – path modeling (PLS-PM).

**Results**

A total of 208 valid responses were used for analysis. Measurement model assessment through PLS indicated that the measures attained validity and reliability requirements after some weak items were deleted. The structural model analysis and tests of hypotheses were performed in two phases. The first phase results revealed that the three dimensions of green marketing strategy – ecology, process and market – have direct positive effects on corporate performance. For the second phase of hypotheses tests, which focused on the interactive effects of competitive capabilities, the interaction of competitive capability with ecology dimension and market dimension on corporate performance were significant. However, the interaction of competitive capabilities with the process dimension on corporate performance was shown to be insignificant.

**Findings**

Findings from this study have further confirmed the growing importance of green marketing strategies for companies, even at the SMEs level. The results could be a useful reference for various stakeholders in encouraging adoption of green marketing orientation and practices by companies in Nigeria and beyond. Furthermore, the findings also provide additional impetus for companies to improve on their competitive capabilities, especially given the increasing wave of environmental awareness and consciousness on the part of consumers and other major stakeholders. Hence, companies need not wait to be compelled by regulatory agencies before adopting green marketing practices.

**References**


**Author’s Biography**

**Dr. Kamarudeen Babatunde Bello** Lectures at the Modibbo Adama University, Yola. He is an alumnus of the Universiti Teknologi Malaysia, where he obtained a PhD in Management in 2017. He has about seventeen (17) years teaching and research experience, with specialisation in marketing, consumer behavior, and data analytics. He has also at different times served as a Visiting Lecturer and Adjunct Assistant Professor at the American University of Nigeria, Yola. He has over 20 publications in national and international journals.

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