

Chapter 3

Aligning Sustainable Consumer Behaviour and Profitability of Listed Indigenous Small Businesses in Sub-Saharan Africa: Towards Achieving Sustainable Development Goal 12

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ABSTRACT

Small businesses play a vital role in the increasing emphasis on sustainability and the growing demands of environmentally conscious consumers; these efforts frequently fall short, as indicated by the rise of unsustainable practices within the small business ecosystem. Therefore, it is crucial to examine the impact of sustainable consumer behaviour on the profitability of selected listed indigenous small businesses in Nigeria, the most populous and biggest consumer market in Africa. The study population consists of staff of the selected small businesses in Nigeria. Data were analyzed using descriptive and inferential (linear regression) statistics at 5% significance level. The study found that sustainable consumer behaviour has no positive and significant effect on the profitability of selected small businesses in Nigeria. The study highlights and recommends that small businesses should

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continue to leverage various sustainable marketing strategies and awareness to reconcile consumer behaviour and environmental responsibility and align this with the economic goals of the businesses.

INTRODUCTION

Small and medium-scale enterprises (SMEs) are crucial for economic growth, job creation, and innovation. Various initiatives have aimed to enhance their performance, yet these efforts often fall short, as evidenced by declines in profitability, market share, and customer satisfaction. These setbacks are frequently linked to inadequate sales promotion strategies. To address this issue, it is essential to investigate how sales promotion impacts the performance of selected SMEs in Ogun State, Nigeria, to identify effective promotional tactics that can drive growth and improve overall firm performance. Globally, the performance of small and medium-scale enterprises (SMEs) has been facing significant challenges, leading to a decline in their overall success (Loury-Okoumba & Mafini, 2021). Factors such as economic instability, increased competition, and rapidly changing market dynamics contribute to this downturn. According to Mugisha et al. (2020), many SMEs struggle with limited access to capital, technological advancements, and skilled labor, which hampers their ability to innovate and expand. Poor strategic planning, including ineffective sales promotion and marketing efforts, further exacerbates the situation (Mugisha et al., 2020). This decline in performance is often reflected in reduced profitability, shrinking market share, and declining customer satisfaction, highlighting the urgent need for targeted interventions to support and revitalize the SME sector globally (Apaloo et al., 2022). In the United States, small and medium-scale enterprises (SMEs) are experiencing a significant decline in market share due to several key factors. Intensified competition from large corporations and e-commerce giants, which benefit from economies of scale and advanced technological capabilities, is a major challenge (Mugisha et al., 2020). Additionally, many SMEs face difficulties in adapting to rapid technological changes and digital transformation, leading to a loss of competitiveness. The COVID-19 pandemic further exacerbated these issues by disrupting supply chains and altering consumer behavior towards online shopping, areas where SMEs often lag behind larger firms (Pallapu & Kate, 2022). Furthermore, limited access to capital and resources hampers their ability to invest in marketing, innovation, and growth strategies, resulting in a diminished market presence. This decline underscores the need for policies and support systems that can help SMEs compete effectively and regain their market share (Asgary et al., 2020). Small and medium-sized enterprises (SMEs) in the United Kingdom are witnessing a notable decline in market share, driven by several interrelated factors. One significant issue

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