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# **Effect of Green Marketing Practices on Sustainable Business Development: The Case of ASKU PLC**

**By:**

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**A Thesis Submitted to the School of Graduate Studies of the Addis Ababa University, College of Business and Economics for the Partial Fulfillment of the Requirement of the Degree of Masters in Business Administration (Management Stream)**

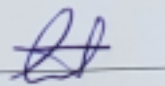
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June 2024  
Addis Ababa, Ethiopia

## Declaration

I, Hani Maruf, declare that this thesis, titled "Effect of Green Marketing Practices on Sustainable Business Development," was completed by myself under the supervision of Asres Abitie (Ph.D.) and that it has not been submitted to any other university for any degree. I also confirm that all the authors stated throughout this paper have been duly acknowledged.

Declared by: Hani Maruf

Signature 

Date: 2/7/24

## Certification

This is to certify that Hani Maruf worked on the research paper titled "Effect of Green Marketing Practices on Sustainable Business Development: The Case of ASKU PLC," under my supervision. I certify that this thesis is her original work and that it can be used to fulfill a partial of the requirements for the award of a master's in business administration.

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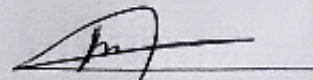
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## **Abstract**

*Few researchers took an interest in conducting studies related to green marketing and sustainable business development, their emphasis was on Sustainable and Responsible Consumption of Eco-Friendly Products, the Impact Green Investment and Green Marketing have on the performance of business, the effect of green marketing practices on business performance of medium and large-scale manufacturing companies. Despite this, there is limited research concerning green marketing practices with sustainable business development. They haven't shown the effect of green marketing practices on sustainable business development in Ethiopia. This research tried to fill the gap by addressing that. The study mainly focuses on examining the effect of green marketing practices on sustainable business development in the case of ASKU PLC. The study evaluated the practices in green products, prices, places, promotions, people, processes, and physical evidence. The research thoroughly examines whether green marketing practices and sustainable business development correlate positively. Based on this, the sustainable business development of ASKU PLC would be a dependent variable and other measures such as green products, prices, places, promotion, people, processes, and physical evidence are independent variables. The study employs descriptive and explanatory research design and uses a quantitative approach to present research findings. The research is conducted on a targeted population of employees at ASKU PLC. The motive in selecting the company specific to this study is based on their offering of various products and their adoption of green marketing practices. The researcher employs a simple random sampling technique in selecting samples from the given population. Primary data relevant to the study were collected through structured questionnaires, by hard copies, was distributed to a sample size that represents the population. The questionnaires were distributed to three different product types. The researcher gathered 182 (80%) of the data, from a sample size of 227. The data collected were analyzed, and the findings were interpreted based on the listed hypothesis, regression model, and descriptive and inferential statistics. The findings revealed that green marketing practices have a positive and significant effect on the sustainable business development of ASKU PLC.*

**Keywords:** *green marketing, practices, sustainable, business development, green product, green price, green place, green promotion, green people, process, and physical evidence.*

# **CHAPTER ONE**

## **INTRODUCTION**

This chapter is concerned with describing the topic and aim of the research. The major titles that are explained are the background of the study, the background of the company, the problem statement of the study, the research questions, the study objectives, the significance and scope of the study, the definition of terms, and the organization of the research.

### **1.1. Background of the Study**

There has been a growing concern among people relating to environmental and sustainability issues over the past few decades. Reddy (2017), stated that due to the concerns of the public for the environment, many firms have already begun modifying their processes. The author further stated that consumers' attention and demand have grown because of the dangers in the environment like global warming and air pollution. Kalafatis (1999), revealed that the current emergence of environmental professionals, awareness of customers concerning green issues, the adverse effects posed by organizations, and the coverage given by the media regarding the environment have elevated the concern given.

In response to that, sustainable solutions were demanded to mitigate the threat posed to the environment. Thus, as stated by Kilumile (2016), the rise in health and environmental problems across the globe paved the way for the popularity of green marketing. Das (2012), revealed that the importance given to green marketing has grown because of the growing concern for the safety of the environment which has been raised by governments and people across different nations. The study on green marketing is important since the environment is our dwelling place and covers the protection and preservation of the environment and values necessary for the survival of humankind (Reddy, 2017).

According to Peattie (2001), the evolution of green marketing is comprised of three stages: ecological phase, environmental phase, and sustainable phase. In stage one, every activity of marketing was intended to fight the rise in environmental issues and propose solutions. The second stage was about executing clean technologies for the environmental problems. The final stage, and still in progress, started around the late nineties and early twenties. Ginsberg & Bloom (2004), stated that green marketing aims to build a sustainable economy by covering the full cost of production and consumption.

Every business has a crucial role to play in creating a more sustainable future for the society it serves and green marketing can facilitate businesses in their endeavor for sustainable growth. Choudhary & Gokarn (2013), define sustainable development as a kind of development that creates sustainable consumption, drives economic development and advocates activities focused on environmental protection. Sustainable development and green marketing share the same goal, keeping the environment clean while satisfying the consumption needs of society. Ganda (2020), in his paper titled “Green Marketing and Sustainable Development,” mentioned that the first-ever report concerning sustainability came from the World Commission on Economic Development (WCED). This sustainability report was called “Our Common Future” which was published in 1987, it was also called the Brundtland Report. After that, further research on the topics of sustainability grew popular. Currently, green marketing and sustainability have become an integral concern for businesses because of the pressures faced by government agencies and society at large, this pressure is even greater for companies engaged in large-scale manufacturing of products. Thus, this research was conducted to investigate the effects of green marketing practices on sustainable business development in the case of ASKU PLC.

## **1.2. Problem Statement of the Study**

Choudhary & Gokarn (2013) indicated that, currently people are not only utilizing natural resources to gratify their desires but also to satisfy their greed. The authors further stated that because of that social, economic, and environmental challenges have caused restraints on our lives. There is a lack of interest in green products and purchasing in the society at large and only some people show interest in it enough to take action about it. Grunert (1993) indicated that only a small portion of consumers play a consistent role in showing their care for issues about the environment and prove that they do in their purchasing periods. It’s not that people lack awareness about the environmental problems that exist around them, the issue is their willingness to take action concerning the matter. Chan and Yam-Tang (1998) pointed out that, according to their research findings, despite customers having sufficient awareness about the environment and displaying curiosity about issues related to green practices, they might not buy eco-friendly products. The cause for this might be green myopia. Peattie (2005) further supports this by indicating that despite numerous eco-friendly products being introduced with green features, the purchasing behaviors and inclinations of consumers haven’t been altered. This raises a concern in the long run as a lack of adaptation to green practices will surely harm the environmental, social, and economic scale.

Green marketing experienced consistent challenges to its adaptation. These challenges are not only limited to consumers but also at organizational and governmental levels. Singal, Garga, and Singla (2013) specified that the most common challenges green marketing faces are the need for standardization, being seen as a novel concept, and requiring perseverance and patience. Sarkar (2012) agrees with this but adds green myopia is a challenge that needs to be avoided. Green myopia, a concept used to designate short-sightedness, happens when products are designed to be green across different features but lack customer benefit and satisfaction. Since customer benefits and satisfaction play a crucial role, as stated by the author, they should be given adequate attention to avoid green myopia. Furthermore, the author warns not to price green products too high as it might cause them to lose their acceptability in the market.

Singal, Garga, and Singla (2013) warn that there is a need to set up a standard quality control board to label products as well as license them as green and eco-friendly, but there are no standardization standards that can certify if a product is green or organic. This is because the concept of green marketing is new to the masses and adequate efforts have to be made to make them acceptable. Nonetheless, through time the concept of green marketing is reaching firms and government bodies and is starting to be seen as beneficial. Kimario (2014) found that innovations related to green practices have a major impact on how a firm performs, indicating the role green marketing plays in sustainable business development endeavors in organizations. In line with that, this study focused on the effects of green marketing practices on sustainable business development in the case of ASKU PLC.

In the case of Ethiopia, Neway (2012) points out that the city of Addis Ababa, just like any other African city, is experiencing pollution in its environment. As specified in a report by The Environmental Economics Unit (2008), the greatest problem in Ethiopia that is related to the environment is the issue of vulnerability, this includes the unpredictability of its climate and degradation of land and water pollution. It further states that problems in harming biodiversity, air pollution in urban regions, discarded toxicants, and waste of consumers are seen to be major issues.

Few researchers took an interest in conducting studies related to green marketing like Addisu (2018), who focused on Sustainable and Responsible Consumption of Eco-Friendly Products in Ethiopia. Zhang and Berhe (2022), studied the Impact that Green Investment and Green Marketing have on the performance of business in Ethiopia's Chinese textile companies. Adela, Ayalewu,

and Rahman (2013), did a study on the effect of green marketing practices on the business performance of medium and large-scale manufacturing companies in the Sidama Region. Conversely, concerning sustainable development, some researchers like Pender, Gebremedhin, Benin, and Ehui (2001) did a study on strategies for sustainable development in the Ethiopian highlands as well as Ahmed and Mohammed (2015), did a study on the route for sustainable development in Ethiopia. Despite this, there is limited research concerning green marketing practices with sustainable business development. This research tried to fill the gap by addressing that there is limited research concerning green marketing practices with sustainable business development and the effect of green marketing practices on sustainable business development hasn't been addressed. This research's objective was to investigate the effects of green marketing practices (green product, green price, green place, green promotion, green people, green process, and physical evidence) on sustainable business development in the case of ASKU PLC.

### **1.3. Research Questions**

Based on the problem stated above, the following research questions were developed as follows:

1. How do green products affect the sustainable business development schemes of ASKU PLC?
2. How does green price affect the sustainable business development schemes of ASKU PLC?
3. How does green place affect the sustainable business development schemes of ASKU PLC?
4. How does green promotion affect the sustainable business development schemes of ASKU PLC?
5. How do green people affect the sustainable business development schemes of ASKU PLC?
6. How does the green process affect the sustainable business development schemes of ASKU PLC?
7. How does physical evidence affect the sustainable business development schemes of ASKU PLC?

## **1.4. Objectives of the Study**

### **1.4.1. General Objective**

The main objective of this study was to investigate the effect of green marketing practices on sustainable business development in the case of ASKU PLC.

### **1.4.2. Specific Objectives**

1. To identify how green products affect the sustainable business development schemes of ASKU PLC.
2. To investigate how green prices affect the sustainable business development schemes of ASKU PLC.
3. To examine how green places affect the sustainable business development schemes of ASKU PLC.
4. To determine how green promotion affects the sustainable business development schemes of ASKU PLC.
5. To investigate how green people affect the sustainable business development schemes of ASKU PLC.
6. To identify how green processes affect the sustainable business development schemes of ASKU PLC.
7. To examine how physical evidence affects the sustainable business development schemes of ASKU PLC.

## **1.5. Significance of the Study**

The findings of this research will provide adequate information concerning the effects of green marketing practices on ASKU PLC's sustainable business development activities. It guides the marketing department and senior managers of ASKU PLC in decision-making regarding sustainability issues. The findings from this study will indicate which green marketing practices are contributing to the sustainable business development endeavors of the company. Adequate recommendations will be given, that would help the company boost the areas of its green marketing practices and fully contribute to its sustainable business development goals. Additionally, the study can contribute to the knowledge concerning green marketing practices on sustainable business development in Ethiopia. It can also pave the way for other researchers to investigate further into the topic.

## 1.6. Scope of Study

This study investigates the effects of green marketing practices on the sustainable business development of ASKU PLC. The company is a bottling firm that consists of a variety of products: Aqua Addis Natural Spring Water, Royal Tonic Water, and RC Orange Soft Drink. The company is located in Burayu, Oromia region.

This research is limited to the company ASKU PLC and thus, the research is focused on the bottled water and beverage products manufactured by the company. The findings of this study only apply to the company and further studies and pieces of evidence are essential to make any generalizations on the effects of green marketing practices on sustainable business development.

## 1.7. Definition of Terms

**Green marketing:** although green marketing is defined differently by different authors, the definition was adopted by Polanski (1994). He defines green marketing as the entire marketing events designated to enable and create any interactions to gratify human desires and needs in a way that doesn't have harmful effects on the environment. It contains green products, green prices, green promotion, green places, green people, green processes, and physical evidence inside it.

**Green product:** Eneizan et al. (2019) define green products as those products that aid the environment by decreasing, averting, or removing undesirable effects on air, water, and soil. These products are thus, considered to be eco-friendly.

**Green price:** Obaid, T., & Alnawaiseh, M. (2017) define green price as the premium prices that are added to products and return the costs of going green by increasing the promotion cost. The authors denote that going green is a costly process as it requires making modifications like installing new technology and equipment, external cost absorption, training of personnel, and converting waste into recyclable products.

**Green promotion:** Promotion seeks to connect the firm with its customers and transfer its orientation and environmental image (W-H. Goh et al., 2019). Arseculeratne & Yazdanifard (2014) indicate that green promotion campaigns are a great instrument for teaching shareholders about a firm's effort, accomplishment, and commitment to the environment.

**Green place:** Goh (2019) defines green place as a management style that emphasizes providing eco-friendly products from producers to consumers while taking in mind all the environmental-related concerns.

**Green people:** Solvalier (2010) defines green people as staff members who are enlightened on and are actively involved in matters or corporate cultures that are related to green.

**Green process:** Alhadid & As'ad, (2014) define green process as the processes that are associated with pollution-prevention, energy-saving, waste recycling or no toxic waste, remanufacturing material, reuse, and using clean technology.

**Physical evidence:** Zeithaml & Bitner (2003) defined physical evidence as the environment where the service delivery takes place, the location where the service provider and the customer mingle, and any concrete commodities that can enable the performance or communication of the service provided.

**Sustainable business development:** Dyllick & Hockerts (2017) define sustainable business development as an organization's ability to take advantage of all the opportunities presented by environmental, economic, and social aspects that can promote sustainable value for the stakeholders involved.

## **1.8. Organization of the Research**

There are five chapters in the study. Chapter One is about introductory aspects such as the introduction, the background of the study, the background of the company, the problem statement of the study, research questions, objectives of the study, significance of the study, scope of the study, and organization of the research. Chapter Two is a literature review and gives a theoretical and empirical basis for the study. Chapter Three deals with research methodology and Chapter Four is about data analysis and discussion. Finally, Chapter Five summarizes findings, conclusions, and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter discusses the existing knowledge of green marketing practices and sustainable business development, examines relevant theories from various scholars, researchers, and practitioners, and summarizes theoretical concepts and empirical studies.

#### **2.1. Theoretical Review**

A theoretical review examines concepts that focus on the topic under study and explains the definition, and the relationship between the study's dependent and independent variables.

##### **2.1.1. Green Marketing**

The introductory phase of green marketing started in the 1970s, at the time the environmental movement started. However, the idea of green marketing arose in the business community in the 1990s, at the time firms started labeling their products eco-friendly and safe. This green labeling created consumer awareness, and many companies promulgated green marketing practices. According to Polonsky (1994), green marketing is defined as a set of activities designed to create and facilitate any exchange envisioned to satisfy human needs or desires, such that the satisfaction of these needs and desires happens with minimal negative impact on the natural environment. This definition displays that green marketing has to consider the interests of consumers and society in general. Polanski (1994), defined green marketing as the entire marketing events designated to enable and create any interactions to gratify human desires and needs in a way that doesn't have harmful effects on the environment. It contains green products, green prices, green promotion, green places, green people, green processes, and physical evidence inside it. Miryala and Mennakanti (2016) stated that green marketing practices prove to be waste-reducing, time-saving, money-saving, and healthy. Jain and Kaur (2004), stated that green marketing involves all marketing activities established to stimulate and sustain consumers' eco-friendly attitudes and manners. Lazar (2017), defined green marketing practices as an all-encompassing marketing activity in which goods and services are produced, distributed, consumed, and disposed of in an environmentally protective manner. Hasiloglu and Kalburan (2018) stated that firms that practice green marketing can have increased employee commitment, improved performance, increased profitability, and increased market share. Since green initiatives consist of substantial investment,

a firm will not be willing to invest unless it believes that such investment will result in increased revenues and market acceptability. Similarly, Agarwal (2017) stated in his study that business firms that practice green marketing in their operations gain increased financial performance and a higher market share. Similarly, Maziriri (2018) mentioned that implementing green marketing practices provides different benefits for an organization such as increasing the firm's business performance and market share. This study adopted Polanski's (1994), definition of green marketing as it can adequately represent the concept laid out in this research.

## **2.1.2. Theories of Green Marketing and Sustainable Business Development**

### **2.1.2.1. Theory of Planned Behavior**

According to Ajzen (1991), the theory of planned behavior is a model of rational choice whereby the single and direct psychological predecessor for behavior is intention. This indicates that intention governs how we behave in the end. Albayrak et al. (2011) denote that intentions are further fashioned by three distinct characteristics of consumers which are: Attitudes of the behavior, Norms, and Perceived behavioral control.

Attitude towards a behavior shows the degree to which a person has a favorable evaluation of the behavior in question. In the context of green marketing, attitude shows the individual's intention towards purchasing environmentally friendly products. For example, a customer might buy a green product based on a favorable evaluation of the product because it is environmentally friendly. Subjective norm is the perceived social pressure to perform the behavior. In the context of green marketing, the perceived social pressure is in purchasing green products. For example, buying a green product to gain the approval of others who engage in green purchasing behavior. Perceived behavioral control refers to the perceived ease or difficulty of performing the behavior and it is assumed to reflect experience as well as anticipated impediments and obstacles. In the context of green marketing, it is the perceived behavioral control that makes customers buy green products because they perceive it to be easy, and less difficult to perform as well as a good experience. For example, if a person perceives green purchasing behavior as an easy task to perform and also has prior experience of it being easy, they will engage in buying green products. As a general rule, the more favorable the attitude and subjective norm concerning a behavior, and the greater the perceived behavioral control, the stronger an individual's intention to perform the behavior under consideration. The relative importance of attitude, subjective norm, and perceived behavioral

control in the prediction of intention is expected to vary across behaviors and situations. Thus, in some applications, it may be found that only attitudes have a significant impact on intentions, in others attitudes and perceived behavioral control are sufficient to account for intentions, and in still others all three predictors make independent contributions. This theory was chosen for the study at ASKU PLC because they offer their products for consumers, therefore knowing their consumers intentions and preferences towards green products is essential in order to satisfy their customers needs and desires.

### **2.1.2.2. Circular Economy Theory**

Murray et al. (2017) indicated that a circular economy is the opposite of a linear economy, where natural resources are transformed straight into waste and pollution through production. Thus, a circular economy minimizes the harmful effects on the environment. Murray et al. (2017) indicate that it rehabilitates the damages done during acquisitions of resources and ensures that wastes are as little during the production process and across the product life cycle. To achieve this, a company should integrate it into its business model. Geissdoerfer et al., (2017); and Lewandowski (2016) point out that the circularity degree can be increased in the business model of the company by integrating elements such as remanufacturing, reusing, recycling, and refurbishing procedures inside the designs. The authors further stated that this business model could decrease externalities and depleting resources by concentrating on two interconnected concepts: “design to redesign” and “closed loop economy”. Design to redesign focuses on processes related to redesigning old-style operations to circular operations. Closed loop economy, according to Murray et al., (2017), focuses on the method of restorative value creation like using materials types that are made to safely re-enter the biosphere, biological nutrients, and technical nutrients (intended to circulate at high quality but not entering the biosphere). Baldassarre et al., (2019); and Cantele et al. (2020) pointed out that, this will create a network centered on value addition related to waste minimization, material use reduction, reduction in pollution, resource reuse, and eco-friendly business process generation. To accomplish this, proper efforts have to be exerted by businesses and governments as well. According to Fehrer & Wieland (2020), this requires joint alignment in institutions which can stabilize the tensions in adaptation between environmental stewardship, social mission, and economic growth in and across sectors.

This theory was chosen for the study as ASKU PLC has evolved in circular economy activities. The company has integrated practices such as reuse and recycling into its business models and is

involved in environmental stewardship activities. The company is not only involved in social activities related to sustainable environmental protection but also engages in the minimization of waste, reduction of pollution, and resource reuse.

#### **2.1.1.1. Green Product**

Eneizan et al. (2019) mentioned that green products are those products that aid the environment by decreasing, averting, or removing undesirable effects on air, water, and soil. A green product is an eco-friendly product that has little damage to the environment, is designed for longevity, and is ethically sourced. They are products with environmentally friendly packaging and green labels. A product made of raw material must be manufactured in such a way that does not destroy natural resources. It has been discussed various times in previous research that waste management has high importance in this regard. Arseculeratne and Yazdanifard (2014) mentioned that every business has the responsibility of reducing environmental pollution in its production process and needs to develop eco-friendly packaging and design that has the capability of reducing environmental pollution and hazards.

#### **2.1.1.2. Green Price**

Obaid, T. & Alnawaiseh, M. (2017) mentioned that the green price is the premium price that is added to products and returns the costs of going green by increasing the promotion cost. It is the amount of money paid for a green good or service. Since people tend to put price as a critical thought, marketers need to provide additional values that improve many aspects of the products. It may be better performance, design, function, visual appeal, or taste. Peattie (2009), mentioned that the price ultimately determined for a product reflects the pricing strategies that have been set for it, which in turn reflects the marketing objectives and strategy for the product. Ottman, (2008) mentioned that if there is perceived added value to the product, consumers are willing to pay a higher price. Obaid, T. & Alnawaiseh, M. (2017) denoted that going green is a costly process and also expensive as it requires making modifications like installing new technology and equipment, external cost absorption, training of personnel, and converting waste into recyclable products. However, these costs are added to the final product. Marketers must have the rationality for such costs, and customers should be encouraged to pay such premium prices. It is only possible when these imperative actions are justified by persuasive messages in the product advertisement. Many businesses have already experienced that a huge part of the unit cost is

packaging cost. However, the prices of green products can be reduced by reducing the packaging materials used (Arseculeratne and Yazdanifard, 2014).

#### **2.1.1.3. Green Place**

Goh (2019) defines a green place as a management style that emphasizes providing eco-friendly products from producers to consumers while taking into mind all the environmental-related concerns. It refers to the selection of distribution channels and strategies used to reach customers in such a way that reduces environmental damage. It consists of minimizing transportation emissions which is managing logistics to cut down transportation emissions, exploring local sourcing options to reduce the carbon footprint, and optimizing supply chain efficiencies. Businesses can reduce their ecological footprint by practicing sustainable distribution such as reducing the distance between production and consumption. This shows that they are socially responsible and environmentally conscious which enhances their brand image. Many damages to the environment might occur while the goods are under transportation. Therefore, firms must take safety precautions in the delivery of their products (Arseculeratne and Yazdanifard, 2014).

#### **2.1.1.4. Green Promotion**

Green promotion seeks to connect the firm with its customers and transfer its orientation and environmental image (W-H. Goh et al., 2019). It refers to communicating the value of green products and their positive impacts. Businesses in green marketing educate consumers about the environmental and social benefits of their offerings by integrating sustainability into their marketing activities. Green promotion is a critical aspect of green marketing campaigns. Arseculeratne & Yazdanifard (2014) indicate that green promotion campaigns are a great instrument for teaching shareholders about a firm's effort, accomplishment, and commitment to the environment. Companies use social media platforms, and digital marketing channels to engage customers and create awareness about sustainability issues. Collaborations with environmental organizations and influencers can further amplify the message and foster a community of like-minded individuals.

#### **2.1.1.5. Green People**

Solovei (2010) defines green people as staff members who are enlightened on and are actively involved in matters or corporate cultures that are related to green. Larashati et al. (2012) mentioned

that green people are those who are involved in the establishment of green products or services. They should have a green mindset and must be experts in implementing this thinking in daily activities. Arseculeratne & Yazdanifard (2014) mentioned that green people are those who are aware of eco-friendly products, can effectively communicate the firm's green values to consumers, and have an influential factor in consumer's willingness to buy. Therefore, employees of a firm should be well-trained about environmental-related issues with a positive attitude since the reputation of the firm rests in their hands. Mintu-Wimsatt et al. (2020) mentioned that engaging with stakeholders, such as suppliers and distributors, who share the same environmental goals can further support the green marketing practice.

#### **2.1.1.6. Green Process**

Alhadid & As'ad, (2014) define green processes as the processes that are associated with pollution-prevention, energy-saving, waste recycling or no toxic waste, remanufacturing material, reuse, and using clean technology. It refers to the practices and operations that support sustainable manufacturing and distribution. It involves reducing waste through recycling and upcycling, adopting energy-efficient technologies, and implementing responsible sourcing standards. By improving these processes regularly, businesses can minimize their environmental impact and use resources efficiently. Solovei (2010) mentioned that green processes also involve the greening of the entire service life cycle, including raw materials, production, logistics, transportation, warehouses, stores, and offices. Larashati et al. (2012), stated that the greenness of the entire system should be prioritized to ensure the successful implementation of a comprehensive green marketing strategy. Comprehensive green marketing implementation can be established by keeping in mind the greenness of the entire system. Solovei (2010) mentioned that a company that successfully differentiates its brand in an honest, credible, and enduring manner practices an extreme green strategy, which fully incorporates environmental issues and responsibilities into its business strategies.

#### **2.1.1.7. Physical Evidence**

Zeithaml & Bitner (2003) defined physical evidence as the environment where the service delivery takes place, the location where the service provider and the customer mingle, and any concrete commodities that can enable the performance or communication of the service provided. It includes factors such as energy-efficient store designs, sustainable materials, and eco-friendly

packaging. It also involves the company website, case studies and testimonials, sustainability credentials, and office space or buildings. By prioritizing physical evidence, businesses can showcase their commitment to sustainability and create a positive brand image while meeting the growing demand for environmentally conscious products. The physical evidence must ensure that the greenness for every part of the system is implemented. Arseculeratne and Yazdanifard (2014) mentioned that consumers require concrete information on the capacity of green products to solve and avoid environmental problems. Therefore, customers should be provided with physical evidence of the overall effectiveness of greenness across the organization, from the organizational operations and strategies to the products traded in the marketplace (Larashati et al., 2012).

### **2.1.2. Sustainable Business Development**

Dyllick & Hockerts (2017) define sustainable business development as an organization's ability to take advantage of all the opportunities presented by environmental, economic, and social aspects that can promote sustainable value for the stakeholders involved. It refers to seeking balance in business activities between environmental, economic, and social objectives to achieve sustainable development. Szczepańska-Woszczyzna and Pysz (2016) mentioned that sustainable business development involves the application of sustainability principles to business operations. Sustainability in this case means ecological sustainability, sustained economic growth, and social sustainability. Environmental, economic, and social sustainability is very important in the contemporary business world. Environmental sustainability is the ability to continue with business operations without causing a significant negative impact on the environment. This can be achieved by deploying environment-friendly or green marketing strategies. Economic sustainability is more focused on profit generation and long-term growth. The primary aim of any business is to make a profit and have a significant market to create brand value in the long run. Social sustainability commences with ensuring that the basic human needs of fairness, justice, and equality are met. This can be achieved through supporting the economic sustainability of the business and by creating a supportive environment that raises the living standards of the community members.

### **2.1.3. Green Marketing and Sustainable Business Development**

According to Shaukat & Ming (2022), green marketing involves the use of marketing resources in a way that meets customer requirements for green products and services and is compatible with the protection of the environment. Zhuang et al. (2021) mentioned that green marketing consists

of three main drivers which are psychological, social, and economic factors. The first factor is concerned about health, safety, and animal rights. The second factor is concerned about the environment, society, and public policy. The third factor is concerned with legal, regulatory, and economic factors. The core objective of green marketing is to satisfy the needs, and wants of consumers, to produce and promote products that involve environmental sensitivity, and to generate profit for the company. Businesses can reduce their carbon emissions and appeal to eco-friendly customers by prioritizing sustainability in product design and manufacturing. By offering sustainable and eco-friendly products or services, businesses can meet the growing consumer demand for environmentally conscious alternatives. This entails using ethically sourced materials, reducing waste throughout the production process, and designing products with longevity in mind. Adopting sustainable manufacturing practices reduces the company's carbon emissions. This positions the brand as a leader in the green market. Wishnu Wardana et al. (2022) mentioned that a business faces a variety of challenges related to the micro-environment which is the enterprise itself and its macro-environment which are external factors that can influence a business, such as global warming, declining raw materials, ozone-layer depletion phenomena if it fails to balance its activities on the grounds of environmental, social, and economic standards of society. As Xilin et al. (2022) indicated, sustainability in marketing and business operations is getting much attention in many societies. Ehrenfeld (2008) defined sustainability as the medium through which humans and other life will flourish on the earth forever. Sustainability is a medium just as reducing waste and pollution helps a company save money, using resources in sustainability can improve the long-term viability of a business concern. According to the USA National Environmental Policy Act (1969), sustainability refers to the creation and maintenance conditions under which individuals and the environment can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans. This definition offers a deeper understanding of sustainability. A business organization must use resources in such a way that can serve humans everlastingly to become a sustainable organization. Kumar Bhardwaj et al. (2020) mentioned that more and more companies are positioning their activities towards sustainable development, including integrating environmental efforts across their supply chains, adopting clean technology, implementing green marketing strategies, and producing environmentally friendly products and services. Marketers have to aim towards sustainable consumption and protect the environment to sustain success in their business. Sustainability involves integrating ecological,

social, and economic considerations into decision-making processes by designing strategies that preserve or protect the quality of the environment. Integration of sustainability into marketing strategies and operations results in a reduction of environmental impact, an increase in competitive advantage, and a reduced strain on limited resources (Shaukat & Ming, 2022). Sustainable development in businesses is of great relevance in today's world (Shaukat & Ming, 2022). The existing literature provides valuable insights into the influence of various green marketing mix components on sustainable business development. However, there is a need for more comprehensive and integrated research that examines the combined effect of all 7Ps of the green marketing mix on sustainable business development.

## **2.2. Empirical Review**

An empirical review examines previous empirical studies to answer specific research questions based on previous research work in the same research area. Empirical findings are one of the important components of literature review in research studies of any type. It helps to reveal the gap that the researcher wants to find out and how it is executed. It is a place where it is reviewed some important issues which are directly related to the research question.

### **2.2.1. Relationship between Green Marketing and Sustainable Business Development**

Green marketing (environmental marketing), as defined in the above reviews, refers to the practice of promoting products and services based on their environmental benefits or environmentally friendly attributes (Ottman, 1993). Green marketing includes the development of eco-friendly products and the use of sustainable production.

Gizaw and Tsega (2020) studied the effect of green product innovation on the sustainable performance of manufacturing firms in Ethiopia. According to the findings of their research, it is indicated that the development of eco-friendly products, like the use of renewable materials, has a positive relationship between a firm's sustainability and positive impact on the environment. Respondents of the survey in the study emphasized the importance of consumer awareness and government support in promoting green product innovation.

According to the research conducted by Eshetu and Mammo (2019) titled *The Role of Green Supply Chain Management Practices in Improving the Environmental and Social Performance of Manufacturing Companies in Ethiopia*. The study stated green supply chain practices, such as

reverse logistics, eco-design, and green procurement that contribute to the overall sustainability of a particular business. This leads to a strong relationship between green supply chain management and the improvement of the environmental and social performance of manufacturing companies. The researchers, in their recommendations, emphasized the need for stronger collaboration among supply chain firms and the development of industry-based guidelines to support the implementation of practices.

In the research conducted by Haile and Fantahun (2021) on the impact of green branding on consumer purchasing decisions in the Ethiopian context; the study found that consumers are highly willing to pay a so-called premium for products and services that are perceived as environmentally friendly for different reasons. Similar to the previous researchers stated above; in their research, they highlighted the importance of effective communication on environmental credentials.

"The relationship between green marketing practices and the development of sustainable business models in the Ethiopian hospitality industry" was researched by Bekele and Teferi (2020). They have found out that the integration of environmental considerations in business strategies like waste management, and usage of renewable energy sources would in the future lead to enhanced financial stability and a highly esteemed brand reputation.

The research above stated the successful implementation of green marketing practices in Ethiopia. However, it is highly contingent and negligent upon addressing the existing challenges, such as limited consumer awareness, the perceived trade-offs between sustainability and profitability, and lack of supporting policies and if they even exist implementations. Addressing and solving these challenges through cooperative efforts among businesses, consumers, government bodies and multinational corporations can assist in bringing optimal efficiency in the green market and sustainability in Ethiopia.

### **2.2.2. Green Product**

Dangelico and Pujari (2010) in their quantitative research found that the development of environmentally friendly products had a positive influence on the environmental and economic performance of firms. There is also similar research conducted in a different time and place by Agyekum et al. (2015). They reported that the introduction of eco-friendly products was a significant predictor of sustainable business practices among Ghanaian manufacturing companies.

### **H1: Green Product has a positive effect on Sustainable Business Development.**

#### **2.2.3. Green Price**

A research conducted by Laroche et al. (2001) demonstrated that consumers were willing to pay a premium for green products, suggesting that the adoption of green pricing strategies could support sustainable business development. Similarly, research made in Greece by Tsakiridou et al. (2008) further enhanced the previous research findings, showing that Greek consumers were more likely to purchase organic products when the price premium was reasonable.

### **H2: Green Price has a positive effect on Sustainable Business Development.**

#### **2.2.4. Green Place**

Wu and Pagell (2011), examined the role of green logistics and distribution in enhancing the environmental and economic performance of firms. Their findings and results indicated the implementation of sustainable distribution practices. The use of environmentally friendly transportation and the optimization of supply chain networks contributed to improved sustainable business outcomes.

### **H3: Green Place has a positive effect on Sustainable Business Development.**

#### **2.2.5. Green Promotion**

Research conducted by Hartmann et al. (2005) found that the use of environmental claims in marketing communications had a positive impact on consumers' attitudes and purchases towards green products, thereby supporting sustainable business development. In Addition to this research, Leonidou et al. (2011) further emphasized the importance of green promotional activities in enhancing a firm's environmental and financial performance.

### **H4: Green Promotion has a positive effect on Sustainable Business Development.**

#### **2.2.6. Green People**

Despite the lack of evidence focusing specifically on these principle, some studies have suggested and emphasized that these element of the green marketing mix can indirectly contribute to improved environmental and economic performance. As an example, Jabbour and Santos (2008) highlighted the role of green human resource management practices in fostering sustainable organizational capabilities.

## **H5: Green People have a positive effect on Sustainable Business Development**

### **2.2.7. Green Process**

Regardless of the lack of evidence focusing specifically on this principle, some studies have suggested and emphasized that these elements of the green marketing mix can indirectly contribute to improved environmental and economic performance. For example, research conducted by Lai and Cheng (2016) demonstrated the importance of green process management in enhancing a firm's environmental and operational efficiency.

## **H6: Green Process has a positive effect on Sustainable Business Development.**

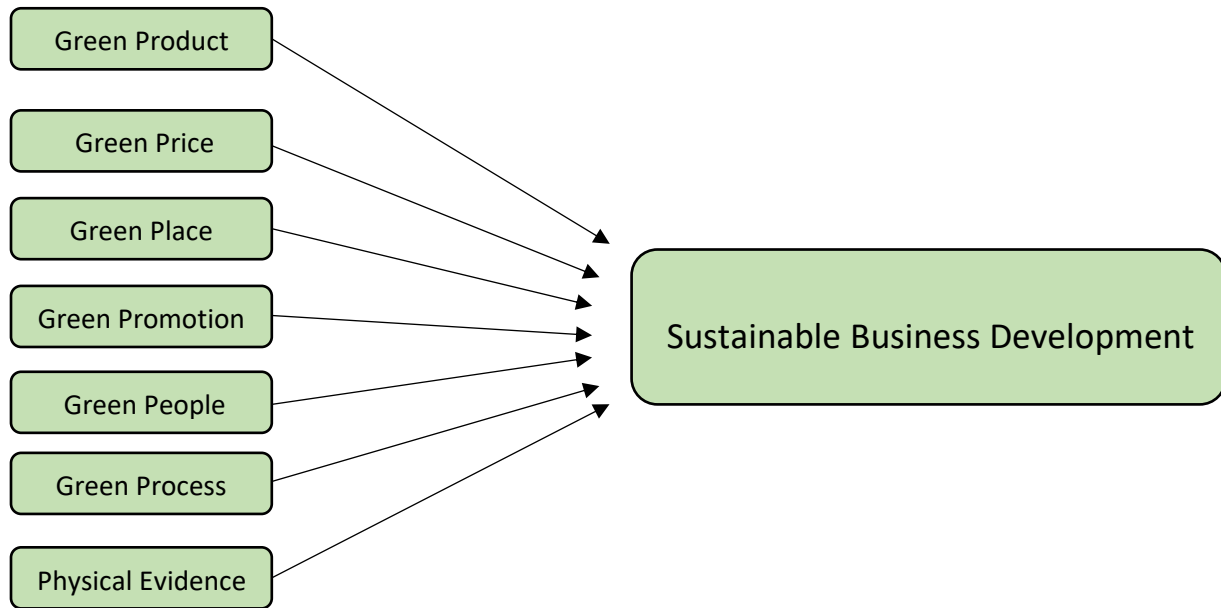
### **2.2.8. Physical Evidence**

Even though there is a deficiency of evidence focusing specifically on this principle, some studies have suggested and emphasized that these elements of the green marketing mix can indirectly contribute to improved environmental and economic performance.

## **H7: Physical Evidence has a positive effect on Sustainable Business Development.**

## **2.3. Conceptual Framework**

Mathieson (2007), defined conceptual framework as a written or virtual product that explains the main things to be studied, the key variables involved, the concepts, and the relationships between them either in a graphical or narrative form. It is used to display the relationship that exists between the independent variables and the dependent variable. Therefore, this study examined the effects of green marketing practices on sustainable business development in the case of ASKU PLC. The independent variables in this study are green products, green prices, green places, green promotion, green people, green processes, and physical evidence. The dependent variable is sustainable business development. As a result, the conceptual framework for this research is as follows:



**Figure 1: Conceptual Framework**

## **2.4. Research Hypothesis Summary**

The development of hypotheses is essential to prove the importance of the investigation. The hypothesis is formed based on a survey of the literature. The researcher found limited research on a related topic in Ethiopia, and most of the studies focused on the impact of green marketing on consumer behavior and sustainable development rather than the effect of green marketing on sustainable business development. Additionally, the studies talked about marketing in general rather than specifically addressing green marketing. Therefore, the researcher saw comparable studies conducted internationally even though the environments and effects vary.

Hypothesis 1 Green Product has a positive effect on Sustainable Business Development.

Hypothesis 2 Green Price has a positive effect on Sustainable Business Development.

Hypothesis 3 Green Place has a positive effect on Sustainable Business Development.

Hypothesis 4 Green Promotion has a positive effect on Sustainable Business Development.

Hypothesis 5 Green People have a positive effect on Sustainable Business Development.

Hypothesis 6 Green Process has a positive effect on Sustainable Business Development.

Hypothesis 7 Physical Evidence has a positive effect on Sustainable Business Development.

## **2.5. Measures of Variables**

**Dependent variable:** sustainable business development is the dependent variable for this study. According to Dyllick & Hockerts (2017), sustainable business development is an organization's ability to take advantage of all the opportunities presented by environmental, economic, and social aspects that can promote sustainable value for the stakeholders involved. It is measured through its environmental, economic, and social impact.

**Independent variables:** Following a review of the literature and identification of a positive relationship between green marketing practices and sustainable business development, seven dimensions of green marketing practices; green product, green price, green place, green promotion, green people, green process, and physical evidence are identified as independent variables of green marketing practices.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGIES**

This chapter is concerned with the research methodology used in conducting the research. Data collection instruments applied in the research process are discussed in detail. The research design, research approach, target population, sample size and sampling techniques, data type and collection method, data analysis method, reliability and validity of the data, and ethical considerations are discussed in detail.

#### **3.1. Background of the Company**

ASKU PLC belongs to the set of companies being managed through ABIG Management Services PLC. Getachew (2019) stated in his paper “Challenges and Prospects of Sales Operations Systems in Ethiopian Bottled Water Industries: The Case of ASKU PLC” that the company is engaged in food and beverage manufacturing. The company was established by Ethiopian stakeholders in 1999 under an investment holding company called ABIG which provides its services to a range of businesses engaged across different sectors like health care, food and beverages, merchandise trading, petrochemicals, construction, and real estate. The author also stated that ASKU PLC is found in Oromiya Region, Burayu town 19 Kilometers from Addis Ababa along the Addis-Ambo road. The manufacturing plant has an area coverage of 45,000 square meters. Upon its establishment, the company developed the site to create an environmentally friendly ecological system. It was environmentally friendly and also developed an impressive green area to bring back the badly affected fauna and flora that once used to live there.

Their beverage manufacturing plant currently operates three different bottling lines of varying capacities, dedicated to its different product lines, which are Aqua Addis Natural Spring Water, RC Orange Soft Drink, and Royal Tonic Water, currently working round the clock. These three plants are located separately within the compound. Aqua Addis consistently scores top marks as “My Most Favourite Brand” in consumer surveys. It is the market leader in its segment and is distributed nationwide. ASKU PLC’s leadership made the strategic choice to continually invest in ensuring the company’s long-term future and market dominance, most notably evident in its vertical integration with its sister companies providing its main production inputs.

The company holds a stronghold within bottled water distribution across the country and is considered to have a lion's share in the bottled water market. ASKU PLC is also the exclusive franchise bottler for all RC brands of RC Cola International, a division of Cott Beverage USA; it is within the East African region, which currently produces only RC Orange flavor. Additionally, it also produces Royal Tonic Water, which is popular in Ethiopia. The company applies the seven green marketing practices throughout its production processes.

The company currently provides full-time and contractual employment opportunities to over two thousand employees in Ethiopia. It supports the livelihood of thousands more by providing indirect employment opportunities to people currently engaged in distribution, wholesale, and retail for its portfolio of products.

### **3.2. Research Design**

According to Carr, Babin, Zikmund, and Griffin (2003), research design is a wide-ranging design that outlines the steps and techniques to be used to gather and analyze data. It provides an outline or strategy for research. The researcher used explanatory and descriptive research design to answer the research questions and achieve the objectives of the study. A descriptive research design was used to describe the characteristics of the population, which is the effect of green marketing practices on sustainable business development in the case of ASKU PLC. Explanatory research design was used to explain the why and how of the relationships between the dependent variable (sustainable business development) and independent variables (7 Ps of green marketing). Explanatory research design assisted the researcher in going beyond description and discovering the causal tools for potential sustainable business development determined by green marketing practices.

### **3.3. Research Approach**

The researcher used a quantitative approach to present research findings and to numerically quantify the strength of the existing relationship between green marketing practices and sustainable business development. A survey was used for this research, according to Creswell (2008), it offers a quantitative and numerical explanation of the general population's opinions and attitudes by evaluating the sample.

### 3.4. Data Type and Collection Method

According to Carr, Babin, Zikmund & Griffin, (2003), a survey is a procedure used for gathering primary data by communications and interactions with a sample of people who represent the population. The researcher used primary data sources and data collected from all permanent employees of ASKU PLC. The primary data was obtained through a structured questionnaire consisting of closed-ended questions. A five-point Likert scale was used to gather quantitative data on green products, green prices, green places, green promotions, green people, green processes, physical evidence, and sustainable business development. The Likert scale indicates how strongly the respondents agree or disagree with a statement in which (1) indicated strongly disagree, (2) indicated disagree, (3) indicated neutral, (4) indicated agree, and (5) indicated strongly agree. The researcher administered a pilot test to ensure the clarity, understandability, and effectiveness of the questionnaire, it was conducted with a small sample group.

### 3.5. Target Population

The objective of the research was to identify the effect of green marketing practices on sustainable business development, to achieve this objective, the target population of the study was all permanent employees of ASKU PLC.

### 3.6. Sample Size and Sampling Technique

According to Kothari (2006), the sample size is the number of representatives selected from the total population of research. The target population of this study was a total of 526 permanent employees. A simplified formula provided by (Yamane, 1967) was applied to determine the required sample size.

$$n = \frac{N}{1 + Ne^2}$$
$$n = \frac{526}{1 + 526(0.05)^2}$$

$$n = 227$$

Where,

- ✓ n –indicates the sample size the research uses
- ✓ N- indicates the total number of employees in the target population

- ✓ e- indicates the acceptable sampling error (5%) at a 95% confidence level
- ✓ 1- indicates the probability of the event occurring

Accordingly, from the total 526 populations, the researcher approached 227 respondents. The proposed sampling technique for this population was a simple random sampling technique to ensure that the sample subjects of the population have equal chances of being selected for the research without any bias.

### **3.7. Data Analysis Method**

Data was collected from respondents through questionnaires and were analyzed using descriptive statistics (such as mean and standard deviation), and inferential statistics (such as multiple linear regression using the software SPSS 21). According to Acciani, Amoruso, Patrono, Vacca, and Vergara (2008), descriptive statistics is used for collecting, grouping, and inspecting regarded data, referred to as population, under consideration by assigning the appropriate descriptive model. Additionally, inferential statistics is used, when it is essential to infer the conduct of the entire population from a subset of the sample data.

Quantitative analysis was used to describe the respondents' personal and professional profiles. It was described by using frequency and percentage. The responses collected about the dependent and independent variables were explained and summarized using mean and standard deviation. Correlation analysis was used to find out the strength and direction of the relationship between the dependent and independent variables. Regression analysis was used to understand how well each independent variables describe the dependent variable.

The formula of the regression model is as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \epsilon$$

Where; Y = Sustainable Business Development

X1 = Green product

X2 = Green price

X3 = Green place

X4 = Green promotion

X5 = Green people

X6 = Green process

X7 = Physical evidence

$\varepsilon$  = error term

### 3.8. Reliability and Validity of the Data

Reliability and validity of data are vital to presenting a research paper clearly and concisely. Altheide and Johnson (1994), mentioned that reliability describes a measure's constancy and is associated with knowledge stability. The researcher employed pilot study to reduce participant bias, limit errors made by participants when filling out questionnaires, and prevent inaccuracies made by the researcher. Cronbach's Alpha test reliability was used in this study to measure the internal consistency of the questionnaire. Internal consistency indicates how closely all the test items assess the same idea or structure. The result of a study's Cronbach Alpha coefficient is between 0 and 1. Acceptable Cronbach's Alpha values range from 0.70 to 0.95. According to Tavakol & Dennick, (2011), Cronbach's Alpha verifies the study's reliability. The table below shows the Cronbach's alpha values of the variables used in the study.

Table 3.1: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	Number of Items
0.903	32

No	Variables	Cronbach's Alpha	Number of Items
1	Green Product	0.873	4
2	Green Price	0.917	4
3	Green Place	0.805	4
4	Green Promotion	0.842	4
5	Green People	0.894	4
6	Green Process	0.901	4
7	Physical Evidence	0.878	4
8	Sustainable Business Development	0.791	4

Source: Own Survey, 2024

As shown above, in Table 4.12, the average of all variables is 0.903, putting it in the range of 0.70 to 0.95.

According to Cohen et al. (2007), content validity refers to the extent to which the measuring instrument (e.g. questionnaire) fairly and comprehensively covers the domain. Thus, in the context

of the present study, content validity was conducted with the degree to which the designed questionnaire items fairly and accurately represent the main variables discussed in literature reviews. These variables include green products, green prices, green places, green promotion, green people, green processes, physical evidence, and sustainable business development. All questions were prepared following the pieces of information presented in the literature review section.

### **3.9. Ethics in Research**

Research ethics relating to the rights of human subjects in fieldwork such as the right to informed consent, the right to privacy and confidentiality, and the right not to be deceived or harmed as a result of participation in the research was emphasized in this study. When it comes to research studies, research ethics is fundamental and required across the research. The prospective participants were fully informed about the procedures and risks involved in the study and gave their consent to participate in the survey. They were informed that their participation is voluntary and they may readily withdraw at any time. The prospective participants were also assured that their participation would not result in any adverse consequences and that all information provided would be treated with the strictest confidentiality. Additionally, this research practiced the principle of anonymity i.e. the participants remained anonymous throughout the study even to the researcher. Finally, all the references, materials, and websites used in the research are appropriately acknowledged to avoid plagiarism concerns.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION

This chapter is concerned with presenting the data analysis and the results generated from the study. The data were analyzed using the Statistical Package for Social Science (SPSS) version 21.

#### 4.1. Response Rate

The questionnaires were distributed to all permanent employees of ASKU PLC, and the researcher enhanced the sample size by 10% to improve the response rate and decrease invalid data. As shown in the table below, the researcher gathered 182 (80%) of the data, from a sample size of 227.

*Table 4.1: Response Rate*

No	Name of Company	Total population of employees	Sample size	Response	Response rate %
1	ASKU PLC	526	227	182	80%

*Source: Own Survey, 2024*

#### 4.2. Demographic Description of Respondents

This section of the study is concerned with the respondent's demographic characteristics. The respondents' data for the study includes; gender, age, education, and work experience. The frequency, percentage, and cumulative percentage of respondents are presented below. Based on the table below, the researcher explains in detail about each frequency group.

*Table 4.2: Demographic Description of Respondents*

NO	Item	Description	Frequency	Percentage	Cumulative Percentage
1	Gender	Male	89	49%	49%
		Female	93	51%	100%
2	Age	<30 Years	54	30%	30%
		31-40 Years	34	19%	49%
		41-50 Years	59	32%	81%
		>51 Years	35	19%	100%
3	Education	Certificate	22	12%	12%
		Diploma	22	12%	24%
		First Degree	63	34%	58%
		Masters	54	30%	88%

4	Work Experience	Ph.D.	21	12%	100%
		0-5 Years	59	32%	32%
		6-10 Years	58	32%	64%
		11-15 Years	38	21%	85%
		>16 Years	27	15%	100%

Source: own survey, 2024

As shown in Table 4.2, 49% of the study participants were male (89) and 51% were female (93). This indicates a slight difference in participation between the two genders.

When it comes to the age of the respondents, the majority of participants in this study fall within the 41-50 years age range, making up 32% of the total (59 participants). 30% of the participants fall under the less than 30 years old age range (54 participants). 19% of the participants are between 31 and 40 years old (34 participants) and another 19% are above 51 years old (35 participants). The majority of the employees are in the age range of 41-50 years old, this indicates that the majority of the employees are middle-aged adults.

Regarding education, 34% held first degrees (63 participants), and 30% held masters (54 participants). 12% held certificate programs (22 participants), another 12% held diplomas (22 participants), and again another 12% held Ph.D. programs (21 participants). According to this data, a cumulative 64% (117 participants) of the respondents had a higher educational background.

Regarding working experience, 32% of the respondents have been employed for 0-5 years (59 participants), and another 32% (58 participants) have been employed for 6-10 years. 21% (38 participants) of the respondents have been employed for 11-15 years. The remaining 15% (27 participants) have been with the firm for more than 16 years. This indicates that the company has a majority of employees with less than 10 years of experience which means that most of the respondents are young to middle-aged workforce than senior workforce.

### 4.3. Respondents Department or Field of Knowledge

This section of the study is concerned with the respondent's department or field of knowledge. As a result, respondents' data for the study include Aqua Addis Water, Royal Tonic Water, and RC Orange Soft Drink. Based on the table below, the researcher explains each frequency group.

Table 4.3: Department distribution of the participants

No	Respondents Department or Field of Knowledge	Frequency	Percentage	Cumulative Percentage
1	Aqua Addis Water	63	35%	35%
2	Royal Tonic Water	62	34%	69%
3	RC Orange Soft Drink	57	31%	100%

Source: own survey, 2024

As shown above, 35% of the participants were from Aqua Addis Water (63 participants), 34% were from Royal Tonic Water (62 participants) and 31% of the participants were from RC Orange Soft Drink (57 participants).

#### 4.4. Descriptive Analysis of Green Marketing Practices and Sustainable Business Development

The main objective of the research was to investigate the effect of green marketing practices on sustainable business development in the case of ASKU PLC. Questions about sustainable business development and green marketing practices such as green products, prices, places, promotion, people, processes, and physical evidence were raised and the issues were addressed.

The respondent's level of agreement with the statement was compared using mean and standard deviation scores. According to Eboh, (2009), the mean is measured as the sum of observations divided by the total number of observations, it is defined as the mean in mathematics, and it is the arithmetic average of total observations. Likert scale was used as the survey's measuring system, with a maximum of 5 points, with 1 representing "strongly disagree", 2 representing "disagree", 3 representing "neutral", 4 representing "agree" and 5 representing "strongly agree." Davis (1971) has stated that a mean score of less than 3.39 is considered a low perspective, 3.40-3.79 is considered a moderate perspective, and 3.80 and above is regarded as a high perspective. As Eboh (2009), stated, the standard deviation is used to determine the amount of dispersion, how spread out the data is, and how far each observed value differs from the mean. A low or modest standard deviation reflects that the majority of the observed data is closely clustered around the mean.

#### 4.4.1. Practices in Green Product

Table 4.4: Descriptive Statistics on Practices in Green Products

No	Item	Mean	Std.
1	We offer eco-friendly products that have little damage to the environment, are designed for longevity, and are ethically sourced.	3.57	1.32
2	We offer products with environmentally friendly packaging and green labels.	3.51	1.08
3	Our products made of raw materials are manufactured in a way that does not destroy natural resources.	3.46	1.07
4	We believe that every business is responsible for reducing environmental pollution in their production process.	3.46	1.05
	<b>Aggregate Practices in Green Product</b>	<b>3.50</b>	<b>1.13</b>

Source: Own Survey, 2024

As shown in Table 4.4, when employees were asked if their company offers eco-friendly products that have little damage to the environment, are designed for longevity, and are ethically sourced, the score was mean of 3.57 and SD (1.32), indicating that the majority of the employees have a moderate perspective. Similarly, when they were asked if their company offers products with environmentally friendly packaging and green labels, the result was a score of a mean of 3.51 and SD (1.08), indicating that the majority of the employees have a moderate perspective.

When they were asked if their products made of raw materials are manufactured in a way that does not destroy natural resources, the result was a score of a mean of 3.46 and SD (1.07), which indicates that the majority of the employees have a moderate perspective. Similarly, when they were asked if they believe that every business is responsible for reducing environmental pollution in its production process, the result was a score of a mean of 3.46 and SD (1.05), indicating that the majority of the employees have a moderate perspective.

The aggregate mean value of practices in green products was 3.50 and SD (1.13), indicating that employees' practice in green products is moderate in ASKU PLC. As a result, even if there is moderate practice in green products at ASKU PLC, they should advance their green product for a better outcome.

#### 4.4.2. Practices in Green Price

Table 4.5: Descriptives Statistics on Practices in Green Price

No	Item	Mean	Std.
1	Our products have perceived added value such as better performance, design, functionality, visual appeal, or taste.	3.15	1.36
2	Our price ultimately determined for our product reflects the pricing strategies that have been set for it, which in turn reflects the marketing objectives and strategy for our product.	3.16	1.24
3	We believe customers are willing to pay higher prices for green products.	3.47	1.08
4	We believe the prices of green products can be reduced by reducing the packaging materials used.	3.48	1.04
	<b>Aggregate Practices in Green Price</b>	<b>3.31</b>	<b>1.18</b>

Source: Own Survey, 2024

As shown in Table 4.5, the first question, "Does your products have perceived added value such as better performance, design, functionality, visual appeal, or taste?" had a mean of 3.15 and an SD (1.36), indicating that the majority of respondents have a low perspective. Similarly, when they were asked if their price ultimately determined for their product reflects the pricing strategies that have been set for it, which in turn reflects the marketing objectives and strategy for their product, the result was a score of a mean of 3.16 and SD (of 1.24), indicating that the majority of the employees have a low perspective.

When they were asked if they believed customers are willing to pay higher prices for green products, the result was a score of a mean of 3.47 and SD (1.08), indicating that the majority of the employees have a moderate perspective. Similarly, when they were asked if they believed the prices of green products could be reduced by reducing the packaging materials used, the result was a score of a mean of 3.48 and SD (1.04), which indicates that the majority of the employees have a moderate perspective.

The aggregate mean value of green prices was 3.31 and SD (1.18), indicating that employees' practice in green prices is low in ASKU PLC. As a result, ASKU PLC must concentrate on encouraging employees to practices green prices.

### 4.4.3. Practices in Green Place

Table 4.6: Descriptives Statistics on Practices in Green Place

No	Item	Mean	Std.
1	We select distribution channels and strategies used to reach customers in such a way that reduces environmental damage.	3.47	1.28
2	We minimize transportation emissions which is managing logistics to cut down transportation emissions, exploring local sourcing options to reduce the carbon footprint, and optimizing supply chain efficiencies.	3.39	1.14
3	We reduce our ecological footprint by practicing sustainable distribution such as reducing the distance between production and consumption.	3.47	1.05
4	We take safety precautions in the delivery of our products.	3.38	0.97
	<b>Aggregate Practices in Green Place</b>	<b>3.43</b>	<b>1.11</b>

Source: Own Survey, 2024

According to Table 4.6, the first question, “Does your company select distribution channels and strategies used to reach customers in such a way that reduces environmental damage?” had a mean of 3.47 and an SD (1.28), indicating that the majority of respondents have a moderate perspective. The second question, “Does your company minimize transportation emissions which is managing logistics to cut down transportation emissions, exploring local sourcing options to reduce the carbon footprint, and optimizing supply chain efficiencies?” had a mean of 3.39 and SD (1.14), indicating that the majority of the employees have a low perspective.

When they were asked if they reduce their ecological footprint by practicing sustainable distribution such as reducing the distance between production and consumption, the result was a score of a mean of 3.47 and SD (1.05), indicating that the majority of the employees have a moderate perspective. When they were asked if they take safety precautions in the delivery of their products, the result was a score of a mean of 3.38 and SD (0.97), indicating that the majority of the employees have a low perspective.

The aggregate mean value of practices in green places was 3.43 and SD (1.11), indicating that employees' practices in green places is moderate in ASKU PLC. As a result, despite moderate practice in green places in ASKU PLC, they should advance their green place practices for a better outcome.

#### 4.4.4. Practices in Green Promotion

Table 4.7: Descriptives Statistics on Practices in Green Promotion

No	Item	Mean	Std.
1	We educate consumers about the environmental and social benefits of our offerings by integrating sustainability into our marketing activities.	3.58	1.28
2	We believe green promotion campaigns are a great instrument for teaching shareholders about a firm's effort, accomplishment, and commitment to the environment.	3.25	1.19
3	We use social media platforms, and digital marketing channels, to engage customers and create awareness about sustainability issues.	3.32	1.00
4	We collaborate with environmental organizations and influencers to further amplify our message and foster a community of like-minded individuals.	3.55	1.04
	<b>Aggregate Practices in Green Promotion</b>	<b>3.42</b>	<b>1.13</b>

Source: Own Survey, 2024

As shown in Table 4.7, when employees were asked if they educate consumers about the environmental and social benefits of their offerings by integrating sustainability into their marketing activities, the result was a score of a mean of 3.58 and SD (1.28), indicating that the majority of the employees had a moderate perspective. When they were asked if they believe green promotion campaigns are a great instrument for teaching shareholders about a firm's effort, accomplishment, and commitment to the environment, the result was a score of a mean of 3.25 and SD (1.19), indicating that the majority of the employees had a low perspective.

When they were asked if they use social media platforms, and digital marketing channels, to engage customers and create awareness about sustainability issues, the result was a score of a mean of 3.32 and SD (1.00), indicating that the majority of the employees had a low perspective. When they were asked if they collaborate with environmental organizations and influencers to further amplify their message and foster a community of like-minded individuals, the result was a score of a mean of 3.55 and SD (1.04), indicating that the majority of the employees had a moderate perspective.

The aggregate mean value of practices in green promotion was 3.42 and SD (1.13), indicating that employees' practice in green promotion is moderate in ASKU PLC. As a result, despite moderate

practice in green promotion at ASKU PLC, they should enhance their green promotion practices for a better outcome.

#### 4.4.5. Practices in Green People

*Table 4.8: Descriptives Statistics on Practices in Green People*

No	Item	Mean	Std.
1	Our employees have a green mindset and are experts in implementing their thinking in daily activities.	3.61	1.28
2	Our employees are aware of eco-friendly products, can effectively communicate the firm's green values to consumers, and have an influential factor in consumer's willingness to buy.	3.36	1.10
3	Our employees are well-trained about environmental-related issues with a positive attitude since the reputation of the firm rests in their hands.	3.42	1.04
4	We engage stakeholders, such as suppliers and distributors, who share the same environmental goals to further support the green marketing practice.	3.69	1.06
	<b>Aggregate Practices in Green People</b>	<b>3.52</b>	<b>1.12</b>

*Source: Own Survey, 2024*

As shown in Table 4.8, when employees were asked if they have a green mindset and are experts in implementing their thinking in daily activities, the result was a score of a mean of 3.61 and SD (1.28), indicating that the majority of the employees had a moderate perspective. When they were asked if they were aware of eco-friendly products, could effectively communicate the firm's green values to consumers, and have an influential factor in consumer's willingness to buy, the result was a score of a mean of 3.36 and SD (1.10), indicating that the majority of the employees had a low perspective.

When they were asked if they were well-trained about environmental-related issues with a positive attitude since the reputation of the firm rests in their hands, the result was a score of a mean of 3.42 and SD (1.04), indicating that the majority of the employees had a moderate perspective. When they were asked if they engaged stakeholders, such as suppliers and distributors, who share the same environmental goals to further support the green marketing practice, the result was a score of a mean of 3.69 and SD (1.06), indicating that the majority of the employees had a moderate perspective.

The aggregate mean value of employees' practices in green people was 3.52 and SD (1.12), indicating that employees' practices in green people are moderate in ASKU PLC. As a result, even if there is a moderate practice in green people at ASKU PLC, they should enhance their green people practices for a better outcome.

#### 4.4.6. Practices in Green Process

*Table 4.9: Descriptives Statistics on Practices in Green Process*

No	Item	Mean	Std.
1	Our firm reduces waste through recycling and upcycling, adopts energy-efficient technologies, and implements responsible sourcing standards.	3.48	1.34
2	Our firm minimizes its environmental impact by using resources efficiently.	3.31	1.15
3	Our firm prioritizes the greening of the entire service life cycle, including raw materials, production, logistics, transportation, warehouses, stores, and offices.	3.47	1.15
4	Our firm differentiates its brand in an honest, credible, and enduring manner.	3.30	1.14
	<b>Aggregate Practices in Green Process</b>	<b>3.39</b>	<b>1.19</b>

*Source: Own Survey, 2024*

As shown in Table 4.9, when employees were asked if their firm reduced waste through recycling and upcycling, adopted energy-efficient technologies, and implemented responsible sourcing standards, the result was a score of a mean of 3.48 and SD (1.34), indicating that the majority of the employees had a moderate perspective. When employees were asked if their firm minimized its environmental impact by using resources efficiently, the result was a score of a mean of 3.31 and SD (1.15), indicating that the majority of the employees had a low perspective.

When they were asked if their firm prioritized the greening of the entire service life cycle, including raw materials, production, logistics, transportation, warehouses, stores, and offices, the result was a score of a mean of 3.47 and SD (1.15), indicating that the majority of the employees had a moderate perspective. When they were asked if their firm differentiated its brand in an honest, credible, and enduring manner, the result was a score of a mean of 3.30 and SD (1.14), indicating that the majority of the employees had a low perspective.

The aggregate mean value of practices in the green process was 3.39 and SD (1.19), indicating that employees' practices in the green process are low in ASKU PLC. As a result, ASKU PLC must concentrate on encouraging employees to practice green processes.

#### 4.4.7. Practices in Physical Evidence

*Table 4.10: Descriptives Statistics on Practices in Physical Evidence*

No	Item	Mean	Std.
1	Our firm consists of energy-efficient store designs, sustainable materials, and eco-friendly packaging.	3.68	1.21
2	Our firm prioritizes physical evidence, showcases its commitment to sustainability, and creates a positive brand image while meeting the growing demand for environmentally conscious products.	3.42	1.03
3	Our firm's physical evidence ensures that the greenness for every part of the system is implemented.	3.54	1.03
4	Our firm provides customers with physical evidence of the overall effectiveness of greenness across the organization, from the organizational operations and strategies to the products traded in the marketplace.	3.40	1.17
<b>Aggregate Practices in Physical Evidence</b>		<b>3.51</b>	<b>1.11</b>

*Source: Own Survey, 2024*

As shown in Table 4.10, when employees were asked if their firm consists of energy-efficient store designs, sustainable materials, and eco-friendly packaging, the result was a score of a mean of 3.68 and SD (1.21), indicating that the majority of the employees had a moderate perspective. Similarly, when they were asked if their firm prioritized physical evidence, showcased its commitment to sustainability, and created a positive brand image while meeting the growing demand for environmentally conscious products, the result was a score of a mean of 3.42 and SD (1.03), indicating that the majority of the employees had a moderate perspective.

When the employees were asked if their firm's physical evidence ensures that the greenness for every part of the system is implemented, the result was a score of a mean of 3.54 and SD (1.03), indicating that the majority of the employees had a moderate perspective. Similarly, when they were asked if their firm provided customers with physical evidence of the overall effectiveness of greenness across the organization, from the organizational operations and strategies to the products traded in the marketplace, the result was a score of a mean of 3.40 and SD (1.17), indicating that the majority of the employees had a moderate perspective.

The aggregate mean value of employees' practices in physical evidence was 3.51 and SD (1.11), indicating that employees' practices in physical evidence are moderate in ASKU PLC. As a result, despite moderate practices in physical evidence at ASKU PLC, they should advance their physical evidence practices for a better outcome.

#### 4.4.8. Practices in Sustainable Business Development

*Table 4.11: Descriptives Statistics on Practices in Sustainable Business Development*

No	Item	Mean	Std.
1	Our firm takes advantage of most of the opportunities presented by environmental, economic, and social aspects that can promote sustainable value for the stakeholders involved.	3.37	1.36
2	Our firm operates without causing a significant negative impact on the environment.	3.42	1.04
3	Our firm aims to make a profit and have a significant market to create brand value in the long run.	3.35	1.09
4	Our firm supports the economic sustainability of the business by creating a supportive environment that raises the living standards of the community members.	3.46	1.16
	<b>Aggregate Practices in Sustainable Business Development</b>	<b>3.40</b>	<b>1.16</b>

*Source: Own Survey, 2024*

As shown in Table 4.11, when employees were asked if their firm took advantage of most of the opportunities presented by environmental, economic, and social aspects that can promote sustainable value for the stakeholders involved, the result was a score of a mean of 3.37 and SD (1.36), indicating that the majority of the employees had a low perspective. On the other hand, when employees were asked if their firm operates without causing a significant negative impact on the environment, the result was a score of a mean of 3.42 and SD (1.04), indicating that the majority of the employees had a moderate perspective.

When the employees were asked if their firm aimed to make a profit and have a significant market to create brand value in the long run, the result was a score of a mean of 3.35 and SD (1.09), indicating that the majority of the employees had a low perspective. On the other hand, when employees were asked if their firm supports the economic sustainability of the business by creating a supportive environment that raises the living standards of the community members, the result was a score of a mean of 3.46 and SD (1.16), indicating that the majority of the employees had a moderate perspective.

The aggregate mean value of practices in sustainable business development was 3.40 and SD (1.16), indicating that employees' practices in sustainable business development are moderate in ASKU PLC. As a result, despite moderate participation in sustainable business development at ASKU PLC, they should advance their sustainable business development plans for a better outcome.

#### 4.5. Inferential Analysis

Inferential statistics holds all techniques that help us to discover detailed correlations between variables. They offer a very effective technique for testing numerical data questions (Barnes & Lewin 2005). Inaccuracies or errors in sample estimation can be taken into account using inferential statistics. Thus, P-values and confidence intervals must be used in inferential statistics to measure the data's accuracy. A p-value of less than 0.05 signifies a 5% probability that the estimate does not accurately reflect the population parameter due to sampling error. We can not say that the sample size is significant if the p-value is greater than 0.05 (Gibbs, Shafer & Miles 2017). A 95% confidence interval is often interpreted as indicating a range within which we can be 95% certain that the true effect lies.

##### 4.5.1. Correlation Analysis

According to Davis (1971), the interpretation of correlation coefficients is labeled as strong relationship by values of 0.70 or higher, substantial association by values of 0.50-0.69, moderate relationship by values of 0.30-0.49 and weak relationship by values of 0.10-0.29 and negligible relationship by values of 0.01-0.09.

Table 4.12: Correlation Analysis

		Correlations							
		Green Product	Green Price	Green Place	Green Promotion	Green People	Green Process	Physical Evidence	Sustainable Business Development
Green Product	Pearson Correlation	1							
	Sig. (1-tailed)								
	N	182							
Green Price	Pearson Correlation	.481**	1						
	Sig. (1-tailed)	.000							
	N	182	182						
Green Place	Pearson Correlation	.453**	.480**	1					
	Sig. (1-tailed)	.000	.000						

	N	182	182	182					
Green Promotion	Pearson Correlation	.460**	.484**	.333**	1				
	Sig. (1-tailed)	.000	.000	.000					
	N	182	182	182	182				
Green People	Pearson Correlation	.540**	.503**	.418**	.438**	1			
	Sig. (1-tailed)	.000	.000	.000	.000				
	N	182	182	182	182	182			
Green Process	Pearson Correlation	.495**	.546**	.475**	.573**	.570**	1		
	Sig. (1-tailed)	.000	.000	.000	.000	.000			
	N	182	182	182	182	182	182		
Physical Evidence	Pearson Correlation	.602**	.573**	.419**	.532**	.545**	.568**	1	
	Sig. (1-tailed)	.000	.000	.000	.000	.000	.000		
	N	182	182	182	182	182	182	182	
Sustainable Business Development	Pearson Correlation	.628**	.603**	.502**	.670**	.635**	.618**	.691**	1
	Sig. (1-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	182	182	182	182	182	182	182	182

\*\* . Correlation is significant at the 0.01 level (2-tailed).

*Source: Own Survey, 2024*

Table 4.12 shows that practices in green products have a Pearson correlation coefficient with green price ( $r=.481$ ,  $p < 0.05$ ), green place ( $r=.453$ ,  $p < 0.05$ ), green promotion ( $r=.460$ ,  $p < 0.05$ ), green people ( $r=.540$ ,  $p < 0.05$ ), green process ( $r=.495$ ,  $p < 0.05$ ), physical evidence ( $r=.602$ ,  $p < 0.05$ ), and sustainable business development ( $r=.628$ ,  $p < 0.05$ ).

The second variable, the green price has a Pearson correlation coefficient with green product ( $r=.481$ ,  $p < 0.05$ ), green place ( $r=.480$ ,  $p < 0.05$ ), green promotion ( $r=.484$ ,  $p < 0.05$ ), green people ( $r=.503$ ,  $p < 0.05$ ), green process ( $r=.546$ ,  $p < 0.05$ ), physical evidence ( $r=.573$ ,  $p < 0.05$ ), and sustainable business development ( $r=.603$ ,  $p < 0.05$ ).

The third variable, the green place has a Pearson correlation coefficient with green product ( $r=.453$ ,  $p < 0.05$ ), green price ( $r=.480$ ,  $p < 0.05$ ), green promotion ( $r=.333$ ,  $p < 0.05$ ), green people ( $r=.418$ ,  $p < 0.05$ ), green process ( $r=.475$ ,  $p < 0.05$ ), physical evidence ( $r=.419$ ,  $p < 0.05$ ), and sustainable business development ( $r=.502$ ,  $p < 0.05$ ).

The fourth variable, green promotion has a Pearson correlation coefficient with green product ( $r=.460$ ,  $p < 0.05$ ), green price ( $r=.484$ ,  $p < 0.05$ ), green place ( $r=.333$ ,  $p < 0.05$ ), green people ( $r=.438$ ,  $p < 0.05$ ), green process ( $r=.573$ ,  $p < 0.05$ ), physical evidence ( $r=.532$ ,  $p < 0.05$ ), and sustainable business development ( $r=.670$ ,  $p < 0.05$ ).

The fifth variable, green people has a Pearson correlation coefficient with green product ( $r=.540$ ,  $p < 0.05$ ), green price ( $r=.503$ ,  $p < 0.05$ ), green place ( $r=.418$ ,  $p < 0.05$ ), green promotion ( $r=.438$ ,  $p < 0.05$ ), green process ( $r=.570$ ,  $p < 0.05$ ), physical evidence ( $r=.545$ ,  $p < 0.05$ ), and sustainable business development ( $r=.635$ ,  $p < 0.05$ ).

The sixth variable, green process has a Pearson correlation coefficient with green product ( $r=.495$ ,  $p < 0.05$ ), green price ( $r=.546$ ,  $p < 0.05$ ), green place ( $r=.475$ ,  $p < 0.05$ ), green promotion ( $r=.573$ ,  $p < 0.05$ ), green people ( $r=.570$ ,  $p < 0.05$ ), physical evidence ( $r=.568$ ,  $p < 0.05$ ), and sustainable business development ( $r=.618$ ,  $p < 0.05$ ).

The seventh variable, physical evidence has a Pearson correlation coefficient with green product ( $r=.602$ ,  $p < 0.05$ ), green price ( $r=.573$ ,  $p < 0.05$ ), green place ( $r=.419$ ,  $p < 0.05$ ), green promotion ( $r=.532$ ,  $p < 0.05$ ), green people ( $r=.545$ ,  $p < 0.05$ ), green process ( $r=.568$ ,  $p < 0.05$ ), and sustainable business development ( $r=.691$ ,  $p < 0.05$ ).

The dependent variable, sustainable business development has a Pearson correlation coefficient with green product ( $r=.628$ ,  $p < 0.05$ ), green price ( $r=.603$ ,  $p < 0.05$ ), green place ( $r=.502$ ,  $p < 0.05$ ), green promotion ( $r=.670$ ,  $p < 0.05$ ), green people ( $r=.635$ ,  $p < 0.05$ ), green process ( $r=.618$ ,  $p < 0.05$ ), and physical evidence ( $r=.691$ ,  $p < 0.05$ ).

In conclusion, the above Pearson correlation matrix in Table 4.13 shows that all seven independent variables have a positive and significant relationship with the dependent variable and each other with a significant value of  $p < 0.05$ .

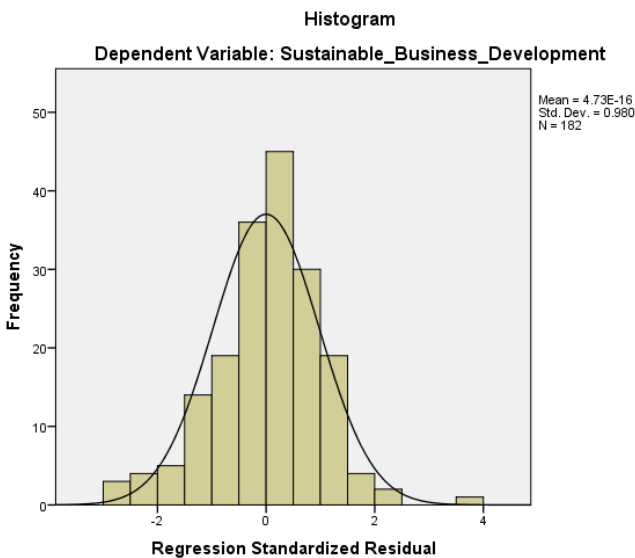
#### **4.5.2. Regression Analysis**

Regression analysis is one of the most popular statistical techniques for examining multifactor data. It provides a theoretically clear approach to examining how different variables interact. Multiple regression models are useful in studies with two or more independent variables (Chatterjee & Hadi 2006). The study used multiple regression models because there are seven predictors or independent variables; green products, green prices, green place, green promotion, green people, green process, and physical evidence. The assumption test is a statistical test used to determine the relationship between variables, such as normality, homoscedasticity, linearity, multicollinearity, and no autocorrelation. These were examined to verify that no violations were made and the results are presented.

## I. Normality Assumption Test

According to Pandis & Tsagris (2021), the normality assumption is used to check whether the data has a normal distribution or not. It helps to ensure the probability of observing the data by random chance which is the accuracy of p-values. P-values are more reliable when there is a normal distribution. If the distribution of the data is normal, the histogram of the sample data will appear to be a bell-shaped curve in the center.

Figure 4. 1: Normality Assumption Test (Histogram)



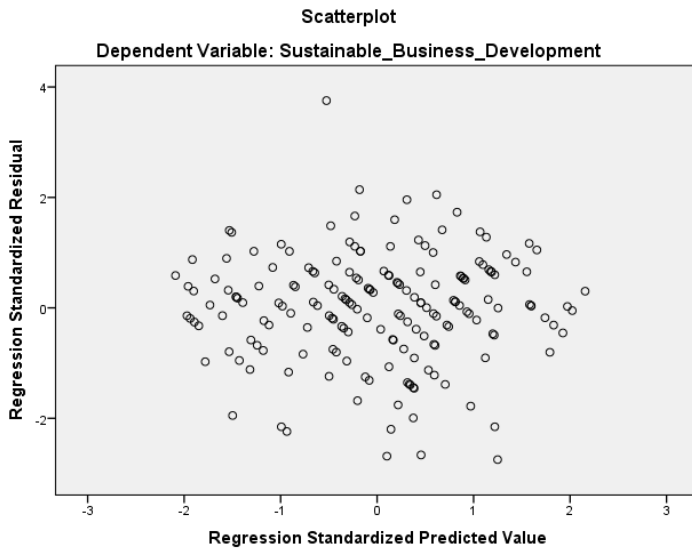
Source: Own Survey

As shown in Figure 4.1, the data distribution is normal because the histograms indicate a bell-shaped curve in the center which indicates normal distribution.

## II. Homoscedasticity Assumption Test

Apeanti, (2016), mentioned that the homoscedasticity assumption states that the variance of the residual terms should be constant at each level of the independent variable. It ensures that the test is sensitive to the actual relationship between variables, not just random variations in the data spread. It refers to a scatterplot where the points are randomly scattered around the regression line with a consistent distance.

Figure 4. 2: Homoscedasticity Assumption Test (scatterplot)



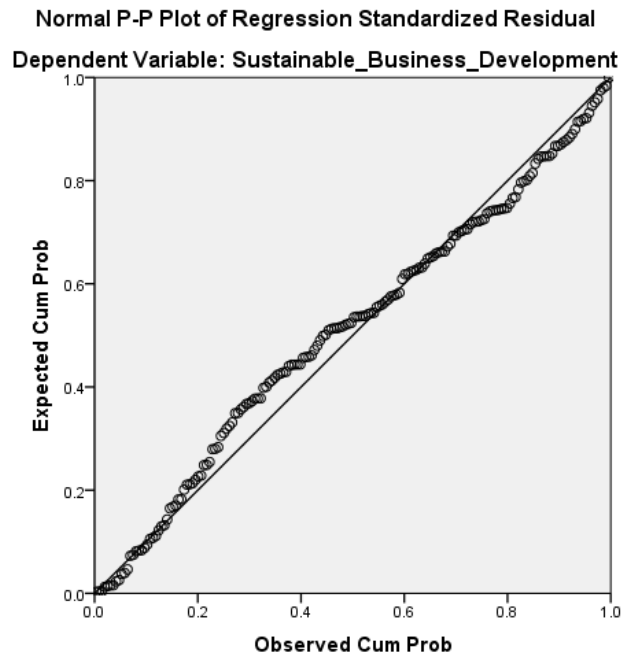
Source: Own Survey

This assumption was tested using the scatter plot in Figure 4.2. The majority of the scores are concentrated in the middle of the scatter plot. This scatter plot distribution shows that the homoscedasticity assumption was satisfied.

### III. Linearity Assumption Test

Barnes & Lewin (2005), mentioned that the stronger the linear association between the independent variables and the dependent variable, the more flat-shaped or straight a scatter graph appears to be. It ensures that the model accurately reflects the underlying relationship between the variables. The scatter diagram shows whether the residuals are closer to the diagonal line or not and the more closer they are to the diagonal line the more the relationship is considered linear.

Figure 4. 3: Linearity Assumption Test (P\_P Plot)



Source: Own Survey

As shown in Figure 4.3, this assumption was tested using a P-plot and the distribution of the residuals is very close to the diagonal line while some are centered on the line, this indicates that the relationship that exists between the dependent variable (sustainable business development) and the independent variables (green marketing practices) shows a linear relationship therefore, it can be concluded that the study fulfilled the linearity assumption test.

#### IV. Multicollinearity Assumption Test

According to Kutner, Nachtsheim, Neter, & Wasserman (2004), multicollinearity is a condition where one independent variable is almost similar to other independent variables during the analysis of the regression model, the similarity will influence parameter predictions.

Adeboye, Fagoyinbo, & Olatayo, (2014), mentioned that VIF identifies the size of the multicollinearity-related inflation in the standard errors associated with a certain beta weight. VIF values greater than 2.50 indicate comparatively strong multicollinearity. A high degree of multicollinearity is indicated by a low level of tolerance. If a tolerance is 0.4 and below, multicollinearity exists.

Table 4. 13: VIF and Tolerance Statistics for Multicollinearity

Parameter	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Green Product	<b>0.535</b>	<b>1.869</b>
Green Price	<b>0.540</b>	<b>1.853</b>
Green Place	<b>0.668</b>	<b>1.498</b>
Green Promotion	<b>0.586</b>	<b>1.707</b>
Green People	<b>0.549</b>	<b>1.820</b>
Green Process	<b>0.475</b>	<b>2.105</b>
Physical Evidence	<b>0.468</b>	<b>2.136</b>

Source: Own Survey

As shown in Table 4.13, all of the tolerance levels are above 0.4 and the VIF is less than 2.50 indicating that there is no multicollinearity between any of the independent variables.

#### V. Autocorrelation Assumptions Test

Durbin-Watson statistic (DW) is used to determine the occurrence of serial residual correlation. Autocorrelation often referred to as serial correlation is the cross-correlation of a signal with itself. A model's ability to accurately describe the underlying trend is tested using the DW (Shukor, M. S & Shukor, M. Y. 2014). Karadimitriou, & Marshall, (2015), indicated that there is no autocorrelation issue when the Durbin-Watson value is between 1.5 and 2.5.

Table 4. 14: Autocorrelation Assumptions Test (Durbin-Watson)

Model	Durbin-Watson
1	1.784

Source: Own Survey

As shown in Table 4.14, there is no autocorrelation issue with the data because the Durbin-Watson is 1.784.

#### 4.5.3. Regression Analysis Results

The linear regression model of the study is:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \varepsilon.$$

Where, Y = Sustainable Business Development

X1 = Green Product

X2 = Green Price

X3 = Green Place

X4= Green Promotion

X5= Green People

X6= Green Process

X7= Physical Evidence

$\varepsilon$  = error term  $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$  and  $\beta_7$ = constant and coefficient of the independent variables.

#### 4.4.6.1. Model Summary

As shown in the model summary table (Table 4.15), the researcher examined how well the regression model fits the data; this table includes the R, R Square, Adjusted R Square, and the standard error of the estimate.

Table 4. 15:Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.836 <sup>a</sup>	.699	.686	.45419

Source: own survey, 2024

A. Predictors:(Constant), Green Product, Green Price, Green Place, Green Promotion, Green People, Green Process and Physical Evidence

B. Dependent Variable: Sustainable Business Development

R-square (the coefficient of determination) is a measure of how well the regression model fits the observed data, it informs the percentage of the dependent variable; sustainable business development, that can be determined based on the predictors; Green Product, Green Price, Green Place, Green Promotion, Green People, Green Process, and Physical Evidence that are shown in the above table (Table 4.15) the dependent variable was explained by 0.686, or 68.6%, of the independent variables. The remaining 31.4 % can be explained by other variables.

#### 4.4.6.2. ANOVA Table

ANOVA test called the F Ratio compares the variability between groups to the variability within groups. The ANOVA result indicates whether there is a statistically significant difference in the means of the groups as a whole (Barnes & Lewin 2005).

Table 4. 16: ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	83.201	7	11.886	57.618	.000 <sup>b</sup>
Residual	35.894	174	.206		
Total	119.095	181			

Source: own survey, 2024

A. Predictors:(Constant), Green Product, Green Price, Green Place, Green Promotion, Green People, Green Process and Physical Evidence

B. Dependent Variable: Sustainable Business Development

As shown in Table 4.16, the independent variables; Green Product, Green Price, Green Place, Green Promotion, Green People, Green Process, and Physical Evidence are statistically significantly predicted by the dependent variable; Sustainable Business Development with  $F(7, 174) = 57.618$ ,  $p(.000) < 0.05$ , we can infer that the regression model fits the data well.

#### 4.4.6.3. Regression Coefficients

Table 4. 17: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
<b>(Constant)</b>	.813	.219		3.713	.000
Green Product	.150	.061	.140	2.457	.002
Green Price	.099	.059	.194	2.661	.004
Green Place	.115	.058	.180	2.566	.001
Green Promotion	.342	.062	.300	5.520	.000
Green People	.223	.064	.195	3.464	.001
Green Process	.044	.065	.241	3.676	.001
Physical Evidence	.247	.067	.222	3.657	.000
<b>a. Dependent Variable: Sustainable Business Development</b>					

Source: Own Survey

The unknown beta values were substituted with the values provided above using the output data in Table 4.17, so the linear regression model formula was used to get the outcome.

As a result, the regression model is:

$$Y = 0.813 + 0.150X_1 + 0.099X_2 + 0.115X_3 + 0.342X_4 + 0.223X_5 + 0.044X_6 + 0.247X_7$$

Table 4.17 shows that all of the independent variables have a positive beta coefficient, indicating that they have a positive effect on sustainable business development. Although  $p < 0.05$  is used, we may infer that the result is significant by a 95% confidence interval. As a result, with a unit increase in practice in green products, sustainable business development will increase by 0.150, with a unit increase in green price, sustainable business development will increase by 0.099, with a unit increase in green place, sustainable business development will increase by 0.115, with a unit increase in green promotion, sustainable business development will increase by 0.342, with a unit increase in green people, sustainable business development will increase by 0.223, with a unit increase in green process, sustainable business development will increase by 0.044. A unit increase in physical evidence will result in a 0.247 rise in sustainable business development.

#### 4.6. Discussion and Hypothesis Testing

In this section, the alternative hypothesis of the research is examined and discussed for acceptance or rejection of the relationship between the independent variables; green product, green price, green place, green promotion, green people, green process and physical evidence, and the dependent variable; sustainable business development.

*Table 4. 18: Hypothesis summary*

No	Hypothesis	Predictor	Regression Result	Decision
1	H1	Green Product	$\beta = 0.150, p = .002 < 0.05$	Accepted
2	H2	Green Price	$\beta = 0.099, p = .004 < 0.05$	Accepted
3	H3	Green Place	$\beta = 0.115, p = .001 < 0.05$	Accepted
4	H4	Green Promotion	$\beta = 0.342, p = .000 < 0.05$	Accepted
5	H5	Green People	$\beta = 0.223, p = .001 < 0.05$	Accepted
6	H6	Green Process	$\beta = 0.044, p = .001 < 0.05$	Accepted
7	H7	Physical Evidence	$\beta = 0.247, p = .000 < 0.05$	Accepted

*Source: Own Survey, 2024*

**H1: Green Product has a positive effect on Sustainable Business Development.**

The regression analysis's p-value (0.05) and t-value (2.457) for green product implies that practice in green product affects the sustainable business development of ASKU PLC in a positive and significant way. The coefficient of green products was 0.150, indicating that a one-unit increase in green product practice raises sustainable business development by 15 % while keeping other independent factors untouched. Additionally, similar studies by Dangelico and Pujari (2010), and Agyekum et al. (2015) revealed that green product practice and sustainable business development are positively correlated.

### **H2: Green Price has a positive effect on Sustainable Business Development.**

The regression analysis's p-value (0.05) and t-value (1.661) for green price implies that practice in green price affects the sustainable business development of ASKU PLC in a positive and significant way. The coefficient of green price was 0.099, indicating that a one-unit increase in green price practice raises sustainable business development by 9.9 % while keeping other independent factors untouched. Additionally, similar studies by Laroche et al. (2001), and Tsakiridou et al. (2008) revealed that green price practice and sustainable business development are positively correlated.

### **H3: Green Place has a positive effect on Sustainable Business Development.**

The regression analysis's p-value (0.05) and t-value (1.966) for green place implies that practice in green place affects the sustainable business development of ASKU PLC in a positive and significant way. The coefficient of green place was 0.115, indicating that a one-unit increase in green place practice raises sustainable business development by 11.5 % while keeping other independent factors untouched. Additionally, similar studies by Wu and Pagell (2011) revealed that green place practice and sustainable business development are positively correlated.

### **H4: Green Promotion has a positive effect on Sustainable Business Development.**

The regression analysis's p-value (0.05) and t-value (5.520) for green promotion implies that practice in green promotion affects the sustainable business development of ASKU PLC in a positive and significant way. The coefficient of green promotion was 0.342, indicating that a one-unit increase in green promotion practice raises sustainable business development by 34.2 % while keeping other independent factors untouched. Additionally, similar studies by Hartmann et al.

(2005), and Leonidou et al. (2011) revealed that green promotion practice and sustainable business development are positively correlated.

**H5: Green People have a positive effect on Sustainable Business Development.**

The regression analysis's p-value (0.05) and t-value (3.464) for green people implies that practice in green people affects the sustainable business development of ASKU PLC in a positive and significant way. The coefficient of green people was 0.223, indicating that a one-unit increase in green people practice raises sustainable business development by 22.3 % while keeping other independent factors untouched.

**H6: Green Process has a positive effect on Sustainable Business Development.**

The regression analysis's p-value (0.05) and t-value (.676) for the green process imply that practice in the green process affects the sustainable business development of ASKU PLC in a positive and significant way. The coefficient of green process was 0.044, indicating that a one-unit increase in green process practice raises sustainable business development by 4.4 % while keeping other independent factors untouched.

**H7: Physical Evidence has a positive effect on Sustainable Business Development.**

The regression analysis's p-value (0.05) and t-value (3.657) for physical evidence imply that practice in physical evidence affects the sustainable business development of ASKU PLC in a positive and significant way. The coefficient of physical evidence was 0.247, indicating that a one-unit increase in green process practice raises sustainable business development by 24.7 % while keeping other independent factors untouched. Despite the lack of evidence focusing specifically on the last three variables, some studies have suggested and emphasized that these elements of the green marketing mix can indirectly contribute to improved environmental and economic performance. Studies conducted by Jabbour and Santos (2008), and Lai and Cheng (2016) are some examples.

## **4.7 Aggregate Relationship between Green Marketing Practices and Sustainable Business Development**

In aggregate green marketing practices and sustainable business development have a positive relationship and significant effect as indicated by the above hypothesis test. The seven dimensions

of green marketing practices; green product, green price, green place, green promotion, green people, green process, and physical evidence are positively related to sustainable business development. Additional studies also support this ideas, Gizaw and Tsega (2020) studied the effect of green product innovation on the sustainable performance of manufacturing firms in Ethiopia. According to the findings of their research, it is indicated that the development of eco-friendly products, like the use of renewable materials, has a positive relationship between a firm's sustainability and positive impact on the environment. A research conducted by Eshetu and Mammo (2019), titled “The Role of Green Supply Chain Management Practices in Improving the Environmental and Social Performance of Manufacturing Companies in Ethiopia,” indicated that there is a positive relationship between green marketing practices and sustainable business development. The same idea is showed in the research conducted by Haile and Fantahun (2021), on the impact of green branding on consumer purchasing decisions in the Ethiopian context. The same idea is showed in the research study titled “The relationship between green marketing practices and the development of sustainable business models in the Ethiopian hospitality industry”. The findings indicate that green marketing practices are positively related to sustainable business development, a research conducted by Bekele and Teferi (2020). As a result, the researcher concluded that green marketing practices and sustainable business development are positively related.

## **5. CHAPTER FIVE**

### **Summary of the Findings, Conclusion, and Recommendation**

This chapter is concerned with presenting and discussing the major findings and conclusions of the research, recommendations, the theoretical contributions, implications and direction for future research.

#### **5.1 Summary of Major Findings**

This research aimed to show the effect of green marketing practices on sustainable business development in the case of ASKU PLC. This study also attempted to answer seven research questions; how do green products affect the sustainable business development schemes of ASKU PLC, how does green price affect the sustainable business development schemes of ASKU PLC, how does green place affect the sustainable business development schemes of ASKU PLC, how does green promotion affect the sustainable business development schemes of ASKU PLC, how do green people affect the sustainable business development schemes of ASKU PLC, how does the green process affect the sustainable business development schemes of ASKU PLC, and how does physical evidence affect the sustainable business development schemes of ASKU PLC? 182 employees from three different product types have participated in answering these questions. The researcher used a simple random sample technique.

Descriptive and explanatory research designs were used with a quantitative technique to present research findings that were examined by using multiple regression analysis. The results of the research demonstrated that all variables have a positive relationship with the sustainable business development of ASKU PLC.

According to the descriptive analysis, the aggregated mean score and standard deviation of practices in green products is 3.50 (SD 1.13), indicating that employees' practices in green products is moderate in ASKU PLC. The aggregated mean score and standard deviation of practices in green prices is 3.31 (SD 1.18), indicating that the employees of ASKU PLC have a low perspective towards green prices. When it comes to green place, the aggregated mean score and standard deviation of practices is 3.43 (SD 1.11), indicating that the employees of ASKU PLC have moderate practice in green place. Also, the aggregated mean score and standard deviation of green

promotion is moderate with a total mean score of 3.42 and (SD 1.13), indicating that employees in ASKU PLC have moderate practice in green promotion. The aggregated mean score and standard deviation of green people are moderate with a total mean score of 3.52 and (SD 1.12), indicating that employees' practice in green people is moderate in ASKU PLC. The aggregated mean score and standard deviation of green process are low with a total mean score of 3.39 and (SD 1.19), indicating that the employees of ASKU PLC have a low perspective towards green processes. The aggregated mean score and standard deviation of physical evidence are moderate with a total mean score of 3.51 and (SD 1.11), indicating that employees' practice in physical evidence is moderate in ASKU PLC.

The Pearson correlation matrix result validates the existence of a strong positive and significant linear relationship between the variables that are used to determine one another with a significant value of  $p < 0.05$ . Additionally, the regression analysis results showed that 0.686, or 68.6%, of the independent variables have explained the dependent variable. Other variables can account for the remaining 31.4% of the variance.

Lastly, the standardized coefficient has also been confirmed as,  $p < 0.05$ . We may infer that the result is significant at a 95% confidence interval. A unit increase in practices in green products will increase sustainable business development by 0.150, a unit increase in practices in green price will increase sustainable business development by 0.099, a unit increase in practices in green place will increase sustainable business development by 0.115, a unit increase in practices in green promotion will increase sustainable business development by 0.342, a unit increase in practices in green people will increase sustainable business development by 0.223, a unit increase in practices in green process will increase sustainable business development by 0.044, and a unit increase in practices in physical evidence will increase sustainable business development by 0.247.

## **5.2 Conclusion**

Based on the literature review and survey results, it has been proven that employees' practices in green products, green prices, green places, green promotions, green people, green processes, and physical evidence have a positive effect on sustainable business development. There is a beneficial relationship between green marketing practices and sustainable business development. ASKU PLC has sufficiently used the green marketing practices and trained its employees, causing sustainable business development to increase due to green marketing practices.

### **5.3 Recommendation**

The researcher recommends to enhance green marketing practices by starting with a solid foundation, by focusing on authenticity and avoiding greenwashing, by educating consumers, by partneringing with environmental organizations, by embracing sustainable marketing materials, by letting their products do the talking, by giving incentives for consumers who return plastic bottles, by giving discounts for consumers who choose to buy green products, by adding labelings like “return bottles and get 5 birr”.

Since the sample was taken from one company, the result might not fully represent most companies in Ethiopia. Therefore, it is highly recommended to replicate the study by incorporating more sample sizes from various companies. Further research studies should also be carried out in the area by considering other variables on the effect of green marketing practices on sustainable business development.

### **5.4 Theoretical Contribution**

Based on the empirical findings, the following theoretical contributions were made:

The study shows that green marketing practices are fundamental and has a big role in improving a company’s sustainable business development.

As the knowledge of the researcher, there is a limitation of study about the effect of green marketing practices on sustainable business development in Ethiopia therefore, the researcher believes this study offers new insights.

The study demonstrates the significance of the research and its potential to shape future understanding within green marketing practices and sustainable business development.

Furthermore, the research provides a direction and foundation for future researchers who are interested in the same area of study.

### **5.5 Limitations and Future Research Directions**

Because of time and scope consideration, the researcher chose to study; ASKU PLC. Therefore, other bottling companies are excluded from the study. The study might not exactly reflect the overall population. As a result, future researchers could look into different bottling companies. The researcher focused on green marketing practices and sustainable business development of a specific firm from the position of employees. Other stakeholders were not included in the study,

because the information was collected from only organizational employees, as a result, future researchers may address the issue.

Future research should further explore the contextual factors of policies and implementation and industry-based practices that can influence the effectiveness of green marketing practices in the Ethiopian economy.

Furthermore, comparative analyses and longitudinal studies across different sectors, periods, and countries could provide deeper and more meaningful insights into the long-term implications of green marketing on the sustainability of firms in Ethiopia.

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**APPENDIX 1**  
**Addis Ababa University**  
**College of Business and Economics**  
**Department of Management**  
**MA Business Administration**

**INTRODUCTORY LETTER**

Dear respondents,

This questionnaire is intended to gather primary data to examine the adoption of green marketing practices in selected firms, in Addis Ababa, Ethiopia. The study aims to fulfill a thesis requirement for the Master of Business Administration from Addis Ababa University. Your genuine responses to the questions are very important for the success of completing this study.

Finally, I confirm that the information that you share with me will be kept confidential and only used for academic purposes. Thank you in advance for your kind cooperation and for devoting your time.

**General Instructions:**

- Read each of the questions and evaluate them in regards to your job and then put a tick mark (✓) under the choices below.
- Please don't skip any questions as all inputs are valuable for the study.
- You are not required to write your name on the questionnaire.

**Scale the extent of your agreement for the raised question as follows:**

[1] = *Strongly Disagree*                      [2] = *Disagree*                      [3] = *Neutral*  
[4] = *Agree*                      [5] = *Strongly Agree*

**Thank you in advance for your support.**

**Sincerely, Hani Maruf**

## Part I: Background Information

### 1. Gender

Male

Female

### 2. Age

Less than 30 years

31-40 years

41-50 years

above 51 years

### 3. Educational background

Certificate

Diploma

Undergraduate

Postgraduate

Ph.D.

### 4. Work experience

0 - 5 Years

6-10 Years

11-15 Years

More than 16 Years

### 5. Respondents' department or field of knowledge

Aqua Addis Water

Royal Tonic

RC Orange

**Part II: Research questions**

		1	2	3	4	5
Product						
1.	We offer eco-friendly products that have little damage to the environment, are designed for longevity, and are ethically sourced.					
2.	We offer products with environmentally friendly packaging and green labels.					
3.	Our products made of raw materials are manufactured in a way that does not destroy natural resources.					
4.	We believe that every business is responsible for reducing environmental pollution in their production process.					
Price						
5.	Our products have perceived added value such as better performance, design, functionality, visual appeal, or taste.					
6.	Our price ultimately determined for our product reflects the pricing strategies that have been set for it, which in turn reflects the marketing objectives and strategy for our product.					
7.	We believe customers are willing to pay higher prices for green products.					
8.	We believe the prices of green products can be reduced by reducing the packaging materials used.					
Place						
9.	We select distribution channels and strategies used to reach customers in such a way that reduces environmental damage.					
10.	We minimize transportation emissions which is managing logistics to cut down transportation emissions, exploring local sourcing options to reduce the carbon footprint, and optimizing supply chain efficiencies.					
11.	We reduce our ecological footprint by practicing sustainable distribution such as reducing the distance between production and consumption.					
12.	We take safety precautions in the delivery of our products.					
Promotion						
13.	We educate consumers about the environmental and social benefits of our offerings by integrating sustainability into our marketing activities.					
14.	We believe green promotion campaigns are a great instrument for teaching shareholders about a firm's effort, accomplishment, and commitment to the environment.					

15.	We use social media platforms, and digital marketing channels, to engage customers and create awareness about sustainability issues.					
16.	We collaborate with environmental organizations and influencers to further amplify our message and foster a community of like-minded individuals.					
People						
17.	Our employees have a green mindset and are experts in implementing their thinking in daily activities.					
18.	Our employees are aware of eco-friendly products, can effectively communicate the firm’s green values to consumers, and have an influential factor in consumer’s willingness to buy.					
19.	Our employees are well-trained about environmental-related issues with a positive attitude since the reputation of the firm rests in their hands.					
20.	We engage stakeholders, such as suppliers and distributors, who share the same environmental goals to further support the green marketing practice.					
Process						
21.	Our firm reduces waste through recycling and upcycling, adopts energy-efficient technologies, and implements responsible sourcing standards.					
22.	Our firm minimizes its environmental impact by using resources efficiently.					
23.	Our firm prioritizes the greening of the entire service life cycle, including raw materials, production, logistics, transportation, warehouses, stores, and offices.					
24.	Our firm differentiates its brand in an honest, credible, and enduring manner.					
Physical Evidence						
25.	Our firm consists of energy-efficient store designs, sustainable materials, and eco-friendly packaging.					
26.	Our firm prioritizes physical evidence, showcases its commitment to sustainability, and creates a positive brand image while meeting the growing demand for environmentally conscious products.					
27.	Our firm’s physical evidence ensures that the greenness for every part of the system is implemented.					
28.	Our firm provides customers with physical evidence of the overall effectiveness of greenness across the organization,					

	from the organizational operations and strategies to the products traded in the marketplace.					
Sustainable Business Development						
29.	Our firm takes advantage of most of the opportunities presented by environmental, economic, and social aspects that can promote sustainable value for the stakeholders involved.					
30.	Our firm operates without causing a significant negative impact on the environment.					
31.	Our firm aims to make a profit and have a significant market to create brand value in the long run.					
32.	Our firm supports the economic sustainability of the business by creating a supportive environment that raises the living standards of the community members.					