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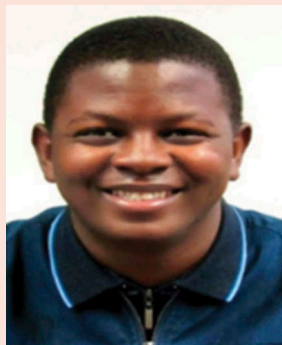
MANAGEMENT | RESEARCH ARTICLE

Green packaging and green advertising as precursors of competitive advantage and business performance among manufacturing small and medium enterprises in South Africa

Eugene Tafadzwa Maziriri*

Abstract: This research aimed to assess the impact of green packaging and green advertising on competitive advantage and business performance of manufacturing Small and Medium-sized Enterprises (SMEs). A research conceptual model was produced to determine the relationships from that model. A quantitative research approach was utilised for this investigation and a simple random sampling procedure was embraced. The target population for this examination was confined to heads of marketing departments within manufacturing SMEs in the Gauteng province of South Africa. The data analysis was done in Statistical Package for Social Sciences (SPSS) 25 for demographic data analysis and AMOS 25 was utilised for the structural equation modelling. The tested relationships produced satisfactory results consistent with how they were hypothesised. Unequivocally, it was discovered that green packaging and green advertising had a positive influence on competitive advantage and business performance. This investigation expands the knowledge base that presently exists in the field of green marketing, competitive advantage, as well as SMEs business performance. Likewise, this examination is important to manufacturing SME proprietors and supervisors since most them endeavour to have a competitive advantage and additionally, to boost profitability, as well as the business' interest.

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PUBLIC INTEREST STATEMENT

The green marketing phenomenon has generated unique interest in the contemporary business environment, evolving as an interesting concept in the developing and developed world and is viewed as an integral strategy for sustainability. Small and medium-sized businesses are facing severe pressure from large corporations in South Africa. Therefore, as green marketing becomes a key tool for sustainable business strategies, SMEs can use green marketing approaches to gain competitive advantage and boost business performance. Therefore, the effect of green packaging and green advertisements on competitive advantage and business performance among manufacturing SMEs was determined by this research. Since customers of today's post-modern era are green conscious, this inquiry is also notable for SME managers, as most of them strive to be competitive and environmentally friendly businesses.

Subjects: Business, Management and Accounting; Entrepreneurship and Small Business Management; Small Business Management

Keywords: green packaging; green advertising; competitive advantage; business performance

JEL: M3; M31; M37

1. Introduction

Green marketing is perceived as the commitment of a business or an organisation towards the development of safe, eco-friendly goods and services by employing recyclable and easily decomposed packaging, better pollution prevention methods, and a more efficient use of energy (Mukonza & Swarts, 2019). Business firms have realized the importance of green marketing as a means of gaining competitive advantage over rivals in the industry and they are now deploying a number of green marketing strategies to outsmart rivals in the industry so as to gain competitive advantage (Arseculeratne & Yazdanifard, 2014). Furthermore, Emeizan, Wahab, Zainon, and Obaid (2016) explains that firms and enterprises have adopted green marketing to increase their business performance and ultimately, their corporate image. Daniel (2019) also share the same sentiments by indicating that many SMEs have started putting into practice, strategies on how they produce, develop, and market greens that can sustain their natural environment as well as still meet their customers' expectations, and still, make a profit for the SME.

Inferring from the aforementioned explanations, in order to compete and survive in a severely competitive global marketplace, it is important for SMEs managers to resort green advertising. Green advertising is one of the methods marketers use to position their products as green products in the minds of consumers (Eren-Erdogmus, Lak, & Çiçek, 2016). Green advertising affects individual attitudes towards advertising, and their intention to be friendly to the environment (Kim, Malek, & Roberts, 2019). Researchers generally agree that green advertising plays a role in marketing; nevertheless, regarding the effectiveness of green requirements in advertising, the communication strategies remain unclear, and there is no comprehensive theory of green requirements (Kong & Zhang, 2014). Therefore, green advertising in marketing could be combined with other marketing strategies to seek cooperation to achieve social goals (Wiener & Doescher, 1991). Therefore, it is imperative to mention that while green advertising is important, advertising alone cannot solve all the problems of green marketing (Kao & Du, 2020). Hence, that is why this study also focused on green packaging as an additional precursor of competitive advantage and business performance.

The business sector needs to consider green packaging as one of the company's competitive strategies (Tuwanku, Rohman, & Rofiq, 2018a). In addition, Mohamed (2016) describes green packaging as the use of manufacturing methods and materials for packaging of goods that has a low impact on the environment and energy consumption. van den Elzen (2016) is also of the view that using green packaging is more and more becoming a requirement for companies to compete and the companies that do so report a more positive brand image and reputation, cost savings and better environmental footprints amongst other benefits. Zailani, Shaharudin, Govindasamy, Ismail, and Mahdzar (2015) mentioned that green or sustainable packaging can bring benefits to the firm's operational, as well as economic, social and environmental advantages. Green packaging can assist firms in the optimisation of the resources, material and waste to achieve the triple bottom line (economic, social and environmental) of the firm's sustainability objectives (Maziriri, 2018).

It is imperative to mention that the mechanisms by which these green marketing practices (green packaging and green advertising) would influence competitive advantage and business performance is often characterized as vapid and is still in need of enhanced scientific rigor. Furthermore, given the aforementioned importance of green packaging and green advertising to competitive advantage and business performance, the dearth of research on these two green marketing practices on competitive advantage and business performance relationship is indeed astonishing and now warrant academic

scrutiny and empirical inquiry. Perhaps the most compelling argument for investigating the impact of green packing and green advertising on competitive advantage and business performance by this current study derives from the fact that previous studies (Sambu, 2016; Yildiz Çankaya & Sezen, 2019;) on these constructs have mostly focused on large sized firms and therefore little is known about the same in the small-to-medium sized enterprises context. This is surprising also and very unfortunate given that SMEs are widely regarded as the vehicle for employment generation, economic growth and development in both developed and developing countries (Chinomona & Pretorius, 2011). Furthermore, these prior studies have been largely conducted in developed countries (Chinomona, Lin, Wang, & Cheng 2010). Therefore, little is known on the same from the developing parts of the world such as African countries—South Africa in particular. Hence, this lacuna deserves empirical inspection in the case of a neglected context of SMEs in the developing countries.

Hence, the focal purpose of the current research is to establish the extent to which green packaging and green advertising would influence competitive advantage as well as business performance among SMEs in the manufacturing sector of South Africa. The specific research objectives of the study's aim can be formulated as follows:

- To determine the impact of green packaging on competitive advantage
- To examine the impact of green advertising on competitive advantage
- To assess the impact of green packaging on business performance
- To determine the impact of competitive advantage on business performance
- To examine the impact of green advertising on business performance

The rest of this paper is outlined as follows: firstly, the study is placed into context by elucidating the rationale and importance of selecting SMEs, thereafter, the problem statement is discussed. In addition, a theoretical overview is provided, followed by research design and methodology, then the results are presented, followed by discussions. Finally, the implications, limitations and future research are deliberated.

2. Contextualisation of the study: rationale and importance of selecting small and medium-sized enterprises

In today's post-modern era, South African consumers, like their international counterparts, are becoming increasingly responsible and informed when it comes to environmental matters (Le Riche, 2008). According to Viviers (2009, p. 32), "today's consumers want to know about where, how, when and what in even the most mundane products and are concerned about the impact their purchases will have on the environment and their health". Hence, in South Africa numerous businesses have actively embraced the notion of "going green" as well as incorporating green marketing in their businesses. Yee (2016) points out that due to environmental sustainability problems, green marketing is not only applicable to large companies, but also for small and medium companies. In addition, green marketing has become a significant approach for the businesses to survive in the market and to sustain the market competitive advantage (Chahal, Dangwal, & Raina, 2014).

Baumann-Pauly, Wickert, Spence, and Scherer (2013) argue that SMEs and family-owned firms are more environmentally responsive. Mukonza (2016) posits that SMEs are essential for green growth as key drivers of entrepreneurship and key players in emerging green industries. In addition, Hamann, Smith, Tashman, and Marshall (2017) wrote an article that set out to investigate why SMEs go green and using survey data as well as comparative case studies of wine firms in South Africa, the authors found that managers' environmental responsibility is the most important driver of environmental behaviour. Furthermore, Hamann et al. (2017) suggest that environmental responsibility plays a crucial role in motivating SMEs pro-environmental behaviour, but that this role is positively enhanced by expectations of competitiveness gains, especially cost savings. Moreover, in her study, Viviers (2009) investigated the level of environmental awareness and engagement among local SMME owners/managers in South Africa. The findings indicate that SMMEs are becoming more aware of the impact of their actions on

the natural environment and engage in actions to reduce electricity use, recycle paper and replace hazardous materials. Moreover, Lekhanya (2014) conducted an exploratory study, which focused on the level of awareness regarding green marketing and its managerial implications, among selected South African manufacturing small-, medium- and micro enterprises (SMMEs), in the province of KwaZulu-Natal (KZN). Findings of the research indicate that SMMEs in the study are aware of green marketing and its managerial implications (Lekhanya, 2014). It further reveals that SMMEs' owners as well as managers indicate that the South African Environmental Act and Consumer Protection Act are additional factors that influence their businesses operations (Lekhanya, 2014). Deducing from the aforementioned arguments, the researcher found it vital to conduct research centred on manufacturing SMEs as they are also capable of utilising green marketing practices for the purpose of gaining a competitive edge as well as enhancing their business performance.

3. Problem statement and research gap

Notwithstanding the obvious contextual relevance of SMEs and the various strategy activities presented by separate governments in the creation of economies amid the previous decade to hasten the development and survival of SMEs, the execution of SMEs has been frustrating (Njoroge, 2015). In addition, Ebitu, Ufot, and Olom (2015) are of the view that independent companies face many issues. Mazanai (2012) points out that in South Africa, SMEs in the manufacturing sector face challenges from the existing and established major corporations. Omar and Anas (2014) agree that the broad challenge among SMEs, large firms' opposition and regular interest are additionally among the difficult issues that are frequently experienced by SMEs. Cant and Wiid (2013) are of the view that challenge is a promoting factor, which negatively affects SMEs.

In addition, Mthabela (2015) emphasises that despite the South African government's efforts to help build the SME sector, the majority of manufacturing SMEs in Johannesburg have neglected to form large and significant organisations. Lekhanya (2010) explored the utilisation of promoting systems by SMEs and the outcomes uncovered that there was an absence of advertising information and skill and restricted utilisation of showcasing methodologies by the proprietors/supervisors of rural SMEs. Accessible writing identified with green marketing practices, competitive advantage and business performance of SMEs has numerous deficiencies. Remarkably, most global investigations conducted in, *inter alia* Peru, Mexico and the United States of America, have investigated SMEs by concentrating on crisis management and strategic orientation (Parnell, 2015).

Different investigations included entrepreneurial orientation and performance of small- and medium-sized enterprises in the evolving environment of China (Tang & Tang, 2012); entrepreneurial orientation and performance of small- and medium-sized enterprises in Sri Lanka (Fairoz, Hirobumi, & Tanaka, 2010); innovation and competitive advantage with moderating effects of firm age on small- and medium-sized food producers in Malaysia (Aziz & Samad, 2016); intellectual capital as a competitive advantage in Latin America (Jardon & Martos, 2012); e-business, organisational innovation and firm performance in the manufacturing SMEs in Spain (Soto-Acosta, Popa, & Palacios-Marqués, 2016) and the impact of intangible resources and competitive strategies on the Turkish metal, textile, chemical and furniture export performance (Kumlu, 2014).

Deriving from the aforementioned studies, there is a dearth of studies on similar topics in the context of the small and medium enterprises (SMEs) sector, particularly in Africa. It would be naïve to assume a priori that findings from developed countries in Europe or from the USA, or even from the newly developed countries in Asia, apply in Africa. Perhaps, research on green packaging and green advertising as precursors of competitive advantage and business performance in the African context might yield different results from other parts of the world. Thus, in order to confirm or disconfirm the findings of previous studies, this kind of research related to manufacturing SMEs in Africa is evidently long overdue. Hence, what this current investigation examines, by means of a proposed conceptual model, is the effect that green packaging and green advertising has on the competitive advantage and business performance of manufacturing SMEs operating in Gauteng, South Africa.

4. Theoretical framework

The natural resource-based view theory provides the theoretical framework of this investigation. This theory has been used as the basis for the investigation and is discussed in the next section.

4.1. The natural resource-based view theory (NRBV)

The natural resource-based view theory (NRBV) helps this research by providing a theoretical mechanism through which it is possible to establish the connection between green marketing practices, competitive advantage and business performance. The theory of natural resource-based view (NRBV) is known as the theoretical basis of green marketing (Kumar, 2015). The NRBV emerged from an earlier resource-based (RBV) theoretical contribution (Hart, 1995). Using environmental performance measures as a proxy for environmental strategy (Hart & Ahuja, 1996; King & Lenox, 2002; Russo & Fouts, 1997), researchers relied on the NRBV to connect environmental strategy to firm performance. Additionally, Canepari (2017) points out that the NRBV includes those assets, whereupon abilities are produced, ought to be proposed as connected with the ecological execution of the organisation. Like the Porter theory, NRBV proposes that this theory is articulating the connection with firm resources, capabilities and competitive advantages and proposes that organisations should look inside the company to find the sources of competitive advantage rather than searching competitive environments for it (Canepari, 2017). As per Hart (1995), generally, different marketing theories have overlooked the limitations forced by the biophysical (natural) environment. Along these lines, the idea of a natural resource-based vision strategy should be incorporated into the ecological corporate system of the business to empower it to achieve competitive advantage in order to produce SMEs that succeed (improve business performance). This is in accordance with Bassey (2015), who accepts that it is a basic understanding that organisations should grow and make viable utilisation of their competitive advantage in the environment. Moreover, Wang (2014a), as well as Adeniran and Johnston (2012), express that the natural resource-based view perceives the business as a mix of key assets, which are differently dispersed over associations to accomplish a sustained competitive advantage.

5. Empirical literature

This section of the literature review discusses the different research variables undertaken as part of this study

5.1. Green packaging

Green packaging is identified with conveying a duty towards maintainability, ecological activities of organisations and green item characteristics in the marketplace (Ghodeswar & Kumar, 2014). Green packing is the encouragement and utilisation of packaging, which results in improved manageability of items (Kumar, Agarwal, & Singh, 2017). Green packaging implies that containers do not affect future generations and should not squander and reduce underground resource utilisation, should respect human needs as far as wages are concerned and provide good working conditions (Quoquab, Thurasamy, & Mohammad, 2017). According to Tuwanku et al. (2018a), green packaging includes three main identities, they are minimising the use of hard-to-decompose packaging, using a packaging with low energy consumption and using the environmentally friendly packaging. The green packaging issue is often used to demonstrate the company's commitment to environmental sustainability and to increase the brand's popularity (Tuwanku et al., 2018a). As indicated by Khan, Hussain, and Ajmal (2016), green packing involves reducing the size, shape and weight of packaging and the use of environmentally friendly materials. It appears to be categorised as a strategy to packaging items by limiting the effects on the environment (Kassaye, 2001).

5.2. Green advertising

Organisations can indicate the ecological effect by utilising a few procedures. One of these showcasing devices can be environmental or green advertising (Sheehan & Atkinson, 2016). Green advertising is identified with an impartial duty towards maintainability, natural activities of organisations and green item properties in the market (Ghodeswar & Kumar, 2014). Furthermore, green advertising is publicity, which expects to persuade shoppers that they should buy a specific item since it is useful for the earth (Kumar et al., 2017). Also, Schmuck, Matthes, Naderer, and Beaufort (2017) point out those green

advertisements address the connection between items or administration and the regular habitat, advocate an earth dependent way of life and feature a corporate natural picture or duty. As per Kumar and Kumar (2017, p. 71), “green advertising is a critical aspect of green marketing that conveys greenness in items, administrations, practices and procedures of associations”. This alludes to the notion that incorporates biological, environmental or nature-friendly messages that focus on the needs of nature-friendly customers (Kumar & Kumar, 2017). Moreover, green advertising is characterised as “any advertisement that unequivocally or certainly addresses the connection between an item/administration and the biophysical condition, advances a green way of life with or without featuring an items/administration and presents a corporate picture of ecological be duty” (Alniacik & Yilmaz, 2012, p. 209).

5.3. Competitive advantage

Competitive advantage refers to a resource or capability that is difficult to imitate and is valuable in helping a firm outperform its rivals (Wang, 2014a). A company’s competitive advantage refers to the ability of an organisation to achieve reliable advantages over rival companies in the industry (Arseculeratne & Yazdanifard, 2013). Increasing competitive advantage in terms of marketing is one of the targets on which organisations are centring, trying to change mental and social impressions of society (Shakeel & Khan, 2011). Bulankulama, Khatibi, and Herath (2014) characterise competitive advantage as a hierarchical performance capability in one or many ways, which contenders find hard to duplicate, either currently or in the future. Competitive advantage is organisation resources, characteristics, or capacities that are hard to copy or surpass and give a better or ideal long-term position over contenders (Kimani, 2015). Competitive advantage is something to do with progressively focused markets; lower hindrances to passage or essentially a larger number of firms may give an industry preference in contending with remote adversaries (Gupta, 2015). Additionally, Lazenby (2018) is of the view that competitive advantage is to have something that your rivals do not have; the edge an association has over others. Moreover, Varanavicius and Navikaite (2015) states that competitive advantage is the thing that separates the association from others and furnishes it with a particular edge in the commercial centre.

5.4. Business performance

Maziriri, Mapuranga, and Madinga (2018) characterise business performance as a pointer that measures the business’s productivity and adequacy in accomplishing its objectives. The performance of business is seen both as an objective measure and as a subjective measure. “Objective measures of performance are fundamentally financial, while a subjective measure identifies with non-monetary parts of execution” (Dubihlela & Dhurup, 2015, p. 1667). In addition, Matsuno and Mentzer (2000, p. 8) have demonstrated that, “business performance should be seen not just as monetary execution (solid total figures speaking to authoritative execution) yet in addition as non-financial execution” (consumer loyalty, client maintenance, social acknowledgment, corporate picture and worker fulfilment). With the end goal of this investigation, subjective measures of business performance were utilised in estimating SMEs business performance, attributable to the way that most SMEs proprietors are not willing to reveal their financial data (Brownhilder, 2016). Nevertheless, the problem of deciphering some objective performance data is another issue in the examination of small firms (Zulkiffli & Perera, 2011). Performance, for example, could be considered “poor” if the information shows misfortunes or low benefits. Such confusion can happen if, for instance, firms have numerous duties to research and development (R&D), including item and market improvement for future development (Zulkiffli & Perera, 2011). These misinterpretations might be because of varieties in benefit information and may prompt the correlation of objective measures among small firms in various sectors (Zulkiffli & Perera, 2011). The researcher used subjective measures and focused on firms within the same sector (manufacturing) to maintain a strategic distance from these issues. The motivation to use subjective measures was likewise, since non-monetary components exhibit a clearer and more extensive discernment and measurement of performance (Ismail, Rose, Abdullah, & Uli, 2010).

6. Theoretical model and hypothesis development

A theoretical model for managing the empirical examination, as shown in Figure 1, is proposed. The conceptual model suggests that the predictor variables are green packaging and green advertising,

Figure 1. A theoretical model predicting competitive advantage and business performance.

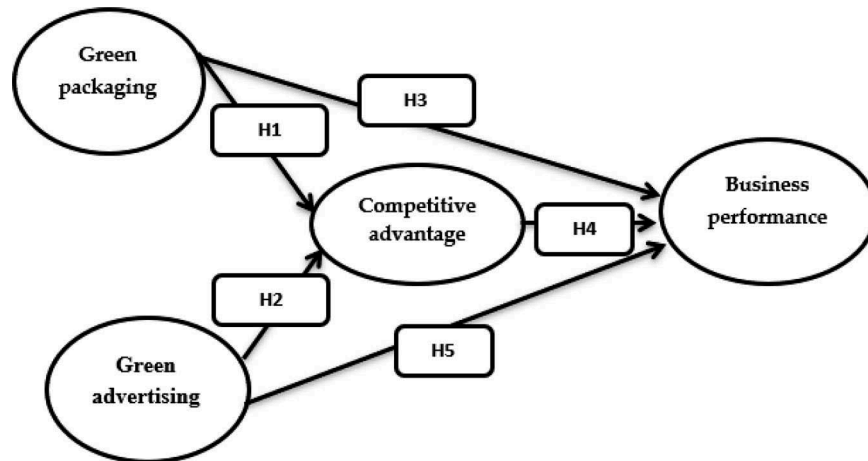
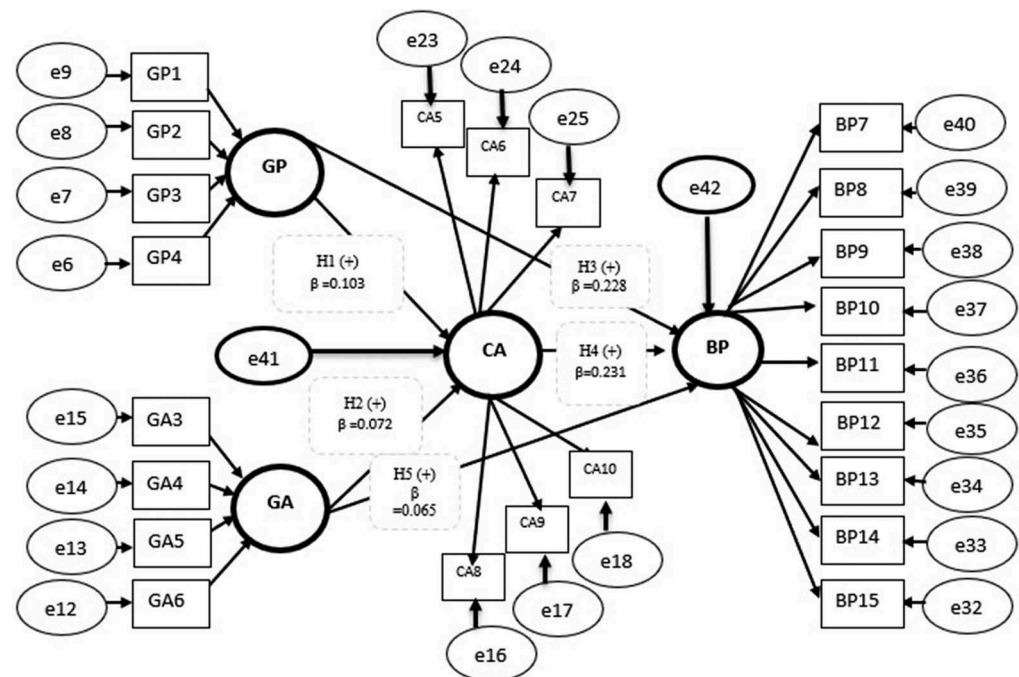


Figure 2. SEM path model structure.



while the mediator variable is the competitive advantage and the outcome variable is business performance. The hypothesised relationships are discussed hereafter, between the research constructs.

6.1. Green packaging and competitive advantage

Green packaging is well thought out as one of the contributing factors of competitive advantage. Jarin (2014) discovered that ecological or green packaging is one of the practices of ecological marketing, which creates scope for attaining competitive advantage over other competitors. Gajanan (2015) also found that eco or green packaging helps organisations to be a step ahead of the competitors. Recyclable and biodegradable packaging, ecologically safe items are all part of green marketing, which additionally prompts sustainable competitive advantage (Bhatti, 2016). In addition, Sambu (2016, p. 174) takes note that “green-packaging is a source of competitive

advantage". An investigation directed by Gajanan (2015) uncovered that green packaging helps a business in accomplishing competitive advantage. Mwaura, Letting, Ithinji, and Orwa (2016) discovered that green packaging is one of the green distribution practices that decidedly and essentially impacts the competitiveness of Kenya's food-producing firms. Deducing from the previous discourse, this examination consequently proposes the accompanying hypothesis:

H1: Green packaging has a positive impact on competitive advantage

6.2. Green advertising and competitive advantage

In the present post-modern time, aside from receiving and adjusting the "green techniques", firms instil sound and valid natural cases into advertising messages and correspondence, so as to separate from contenders and to potentially pick up a competitive advantage (Sabir, Safdar, Khurshid, & Hafeez, 2014). In addition, Synodinos, Bevan-Dye, and De-Klerk (2013, p. 19) clarify that "green advertising can be utilised as a successful device in an association's generally ecological marketing technique and this, at last, converts into a competitive advantage". In any case, associations must prevail over the confidence of the buyers as well as partners in order to achieve green advertising advantages (Synodinos et al., 2013). Furthermore, Jarin (2014) uncovered that eco-promoting or green advertising is an environmental advertising practice that makes scope for achieving competitive advantage inside an association. Moreover, Leonidou, Leonidou, Palihawadana, and Hultman (2011, p. 25) call attention to "green advertising ought to be viewed as a key piece of the association's in general environmental marketing strategy that can support it to competitive advantage". In light of the literature, the accompanying hypothesis, with respect to the connection between green advertising and competitive advantage, is derived:

H2: Green advertising has a positive impact on competitive advantage

6.3. Green packaging and business performance

In general, the performance of an SME could be positively affected by a simple new packaging. This view is also derived from the works of Chukwuma, Ezenyilimba, and Agbara (2018), who conclude that marketing strategy in the form of product packaging adopted in bakery firms influences the quality of small- and medium-sized bakery firms in south-eastern Nigeria and leads to higher sales efficiency. Sajuyigbe, Ayanleke, and Ola (2013) also discovered that packaging has an impact on organisational performance. Furthermore, Rao and Bhargav (2016) directed an investigation on green packaging with unique reference to Dell Inc. The authors discovered that organisations that have received green packaging saw a drop in their shipment damage from 12% to 1%, which builds consumer loyalty and delivers reserve funds (Rao & Bhargav, 2016). In a similar accord, Baack, Harris, and Baack (2013, p. 237) point out that "concentrating on green packaging enables businesses to improve purchaser observations and lead to expanded deals". This unmistakably demonstrates an improvement in business performance for those organisations that consolidate the utilisation of green packaging. Furthermore, among the investigations that bolster the positive connection between green packaging and business performance is the one led by Kumar, Kumar and Sandip (2017), which concentrated on green activities for business sustainability and value creation. The examination gives additional proof to past writing that green packaging can help organisations improve their performance (Kumar, Kumar & Sandip, 2017). Therefore, the following hypothesis is stated:

H3: Green packaging has a positive impact on business performance

6.4. Competitive advantage and business performance

Gaya, Struwig, and Smith (2013, p. 2051) assert, "the resource-based view connects superior business performance to the ownership and control of unique competitive resources that create a source of

sustainable competitive advantage for businesses”. In any case, Neto et al. (2015, p. 2203) point out that “to acquire competitive advantage and stay in business, a lot of activities are expected to investigate openings, alter and adjust creation procedures and items to clients’ needs bringing about a superior business performance”. In like manner, Amankwaa and Anku-Tsedee (2015) mention that organisations regarding staff as centre resources and beneficial assets and not as a cost, will in general, increase competitive advantage in their working industry. Along these lines, competitive advantage can be acknowledged through the successful utilisation of human capital, which, because of higher efficiency, may yield higher business performance. Further, assets that are important, extraordinary, exceptional and non-substitutable empower organisations to create competitive advantages and an increase in business performance (Horng & Huang, 2012). Similarly, a business getting a charge out of feasible competitive advantage records a reliable predominant business performance (Gaya et al., 2013). In this manner, assets can be custom-made and moulded in a way that will advance aggressiveness and lastly, result in better business performance. Mirzahassan and Imani (2013) reveal that the literature has been built on the constructive outcome of competitive advantage on business performance because of the way that a business can outperform its opponents through competitive advantage. Further, Koch and Windsperger (2017) depict competitive advantage as the case in which a business has a benefit rate higher than its sector or industry average. Well beyond that, competitive advantage is the business’ ability to make more profits and returns than its rival, in the market (Koch & Windsperger, 2017). In such a manner, organisations ought to use their assets in a way that will create beneficial returns, both for the organisation and different partners. Reasoning from the previously mentioned discussion and the empirical evidence, it could be said that:

H4: Competitive advantage has a positive impact on business performance

6.5. Green advertising and business performance

Nyilasy, Gangadharbatla, and Paladino (2014) are of the view that green advertising can be one of the key factors influencing firm performance. Bhat, Darzi, and Parrey (2014) directed an investigation that gives a fundamental calculated structure of green advertising as a driver to manageable improvement. Bhat et al. (2014) recommended that organisations should distinguish an interesting business option (niche market) enhanced by green consumerism and subsequently focus on this section, using, for example, green marketing tools or eco-notices to achieve manageable business performance. In their investigation, Leonidou et al. (2011, p. 25) uncovered that “green advertising ought to be viewed as a fundamental piece of the company’s generally ecological advertising methodology that can assist the firm with achieving unrivaled performance”. Hence, in order to make SMEs improve their business performance, it is a basic requirement for them to turn to green advertising. Ghodeswar and Kumar (2014) clarify that green advertising focuses on providing consumers with direct benefits over traditional green products. Nyilasy, Gangadharbatla and Paladino (2013) propose that green advertising is helpful for good business results. It shows organisations’ ecological duty that empowers them to compete in the market (Rolland & O’Keefe Bazzoni, 2009). The next hypothesis is hereafter stated as:

H5: Green advertising has a positive impact on business performance

7. Research methodology

The present examination pursues a positivist paradigm, as it tries to discover a connection between variables expressed for this investigation and furthermore uses questionnaires for the information gathering and analysis procedures. The central thought of positivism is to group issues, express a speculation, check the theory and outline the information to give generalisable, law-like ends (Sunyansanoa, 2013). The researcher selected a quantitative research approach as it improves the accuracy of the findings by examining insights (Berndt & Petzer, 2011) and dodges the subjectivity components related to the qualitative methodology (Du Plessis & Rousseau, 2007). The objective

population for this examination included small and medium business organisations classified as SMEs operating within the manufacturing sector. Precisely, during the year 2017, when the information was gathered, the target population was characterised as managers of SMEs and heads of marketing divisions within manufacturing SMEs located in the Gauteng province of South Africa.

The study's sampling frame consisted of manufacturing SMEs operating within the region of Gauteng. A list of 1945 manufacturing small and medium enterprises in Gauteng was acquired from the Small Enterprise Development Agency (SEDA), a focal point for small enterprise development in South Africa. Respondents who were included in the survey were provided with questionnaires, which they had to complete. This study, however, only employed the simple random probability sampling technique. The sample size was calculated using the Raosoft sample size calculator since this study employed the simple random sampling method. The estimated 1945 population was used with a 5 percent margin of error, a 95 percent trust interval and a 50 percent response distribution, whereby the sample size was 321 manufacturing SMEs.

8. Ethical considerations

This study was governed by the University of the Witwatersrand's conditions, which necessitate studies concerning human participation to apply for human research ethics committee's approval before a study can be carried out. The researcher acquired the ethics clearance certificate from the designated Ethics Committee at the University before questionnaires were given out to respondents. The Protocol Number was H17/06/26.

9. Research measurement instrument

As a research instrument, a self-administered structured questionnaire was utilised. The questionnaire was separated into five segments; Section A assessed the demographic profile; Sections B and C were questions about independent variables; Section D raised questions about the mediating variable; while Section E raised questions about the outcome variable. On the premise of past work, the research scales were operationalised. Appropriate changes have been made to fit the current constructs and purpose of research. Questions to measure green packaging were adapted from Sambu (2016) and Kong, Harun, Sulong, and Lily (2014), using a five-item scale. A six-item scale, adapted from Ghodeswar and Kumar (2014), was used to measure green advertising. In addition, an 11-item scale, adapted from Almahamid (2008), was used to measure competitive advantage. Business performance was measured using Zulkiffli and Perera (2011) adapted 16-item scale. Through a five-point Likert scale, interviewees were solicited to exhibit the degree of their concurrence with every statement, where 1 = strongly disagree, 2 = disagree, 3 = neither disagree nor agree/neutral, 4 = agree and 5 = strongly agree.

10. Summary accuracy statistics for the model

Statistical measurements of the accuracy tests shown in Table 1 indicate different measurements for evaluating reliability and validity for the study's constructs.

The Cronbach alpha coefficient value was used to determine each item used in the investigation's internal consistency. The closer the coefficient is to 1.00, the more prominent the internal consistency of the scale items (Malhotra, 2010). All alpha values ranged from 0.763 to 0.856; they surpassed the prescribed 0.70 limit and recommended that each item in the scale tap the same underlying variables (Hair, Babin, Anderson, & Tatham, 2010).

Furthermore, the item-total correlation value ranges from 0.521 to 0.693, which are above the 0.5 cut-off point recommended by Anderson and Gerbing (1988). The higher correlations of inter-items reveal convergence among the items measured. Table 2 shows the results of composite reliability. The results ranged from 0.74 to 0.88 CR indexes. The level of CR exhibited exceeded the estimated criteria of more than 0.70, which is recommended as adequate for the internal consistency of the constructs (Chin, 1998; Nunnally, 1978), thus finding satisfactory support for the reliability of the composite scales. The AVE estimates in Table 2 showed that the latent construct

Table 1. Accuracy statistics analysis for the model

Research construct		Cronbach's test		Factor loading	CR	AVE	Highest shared variance
		Item-total	α Value				
GP	GP1	0.690	0.806	0.850	0.83	0.56	0.32
	GP2	0.676		0.828			
	GP3	0.536		0.585			
	GP4	0.672		0.688			
GA	GA3	0.580	0.787	0.572	0.76	0.44	0.30
	GA4	0.593		0.676			
	GA5	0.573		0.770			
	GA6	0.521		0.614			
CA	CA5	0.523	0.846	0.619	0.86	0.52	0.02
	CA6	0.627		0.693			
	CA7	0.571		0.886			
	CA8	0.693		0.711			
	CA9	0.590		0.763			
	CA10	0.646		0.603			
BP	BP7	0.540	0.856	0.560	0.88	0.44	0.11
	BP8	0.571		0.647			
	BP9	0.581		0.627			
	BP10	0.530		0.523			
	BP11	0.546		0.634			
	BP12	0.623		0.720			
	BP13	0.662		0.776			
	BP14	0.589		0.719			

Note: GP = green packaging; GA = Green advertising; CA = Competitive advantage; BP = Business performance. C. R = Composite reliability; AVE = Average variance extracted

* Scores: 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree

Table 2. Inter-construct correlation matrix

Model constructs	Mean	SD	GP	GA	CA	BP
GP	25.15	6.770	1.000	-	-	-
GA	25.34	6.319	0.568**	1.000	-	-
CA	25.45	6.493	0.180**	0.085	1.000	-
BP	33.13	5.123	0.324**	0.260**	0.128*	1.000

Note: GP = green packaging; GA = Green advertising; CA = Competitive advantage; BP = Business performance.

accounted for the overall amount of variance in the indicators (Neuman, 2006). All AVE values surpassed 0.4, therefore, were satisfactory (Fraering & Minor, 2006a). AVE values show indexes ranging from 0.42 to 0.56. These outcomes confirmed adequate levels of reliability of the research scale. Item loadings were above the recommended value of 0.5 for each corresponding research construct (Aldalgaian & Buttle, 2002).

As Table 2 shows, the loadings of the results ran somewhere in the range of 0.523 and 0.886, implying that the items were well stacked to their specific variables. The findings also indicate a sufficient

convergent value for each item, as over 50 percent of the variance of each item was shared with a variable. The results indicate all items converged well and thus confirmed convergent validity.

11. Discriminant validity: correlation between constructs

One of the strategies used to check the research constructs' discriminating validity is to assess whether the correlations between latent constructs were less than 1.0. As shown in Table 2, for all paired latent variables, the inter-correlation values are less than 1.0, showing consequently the presence of discriminating validity. Respectively, the variables did not present any issues of multi-collinearity, such as a high correlation value greater than 0.89 (Brown & Cudeck, 1993). All connections were below 0.8 and thus, were similar to the suggested limit, consequently showing discriminant validity (Fraering & Minor, 2006a). The examination likewise utilised AVE as an elective technique to check discriminant validity identified with the correlation matrix (Nunnally & Bernstein, 1994).

The inter-construction correlations ranged from 0.085 (showing signs of discriminating validity) to 0.568 ** (showing a fair level of convergent validity). Due to highly dissimilar constructs, discriminating validity existed based on the matrix of inter-construction correlation. Discriminant validity was also recognised by scrutinising whether the AVE exceeded the highest shared variance (SV) value (Nusair & Hua, 2010). It is ideal if the average variance extracted (AVE), to be considered reliable, is greater than 0.4 (Fraering & Minor, 2006a). The AVE and the highest shared variance for all the constructs are shown in Table 1.

12. Measurement model assessment

A confirmatory factor analysis was conducted to test the psychometric properties of all latent construct measures. The measurement model fits the data well, i.e. (CMIN/DF 0.90) = 0.918, Tucker and Lewis index (TLI>0.90) = 0.932, incremental fit index (IFI>0.90) = 0.945, comparative fit index (CFI>0.90) = 0.948 and root mean square approximation error (RMSEA <0.08) = 0.064 (Schreiber, Nora, Stage, Barlow, & King, 2006).

13. Structural model assessment and hypothesis testing

The results of the analysis of the structural model showed that all fit statistics for the structural model could be tolerated within the range, that is $\chi^2/df = 2.526$, NFI = 0.918, IFI = 0.949, TLI = 0.932, CFI = 0.948 and RMSEA = 0.064. Figure 2 presents the structural model.

14. Hypothesis testing results

These outcomes demonstrated the completeness of the model and the fitness of the model measurements converged well. The investigation's hypothesis was tested to assess the connections between latent variables. Table 3 shows the outcomes produced after the hypotheses tests. These are displayed in the next sections.

14.1. Green packaging and competitive advantage

The first hypothesis (H1) stated that green packaging had a positive impact on competitive advantage. The study revealed that green packaging had a positive effect on competitive advantage. The path coefficient value of 0.103 at $p < 0.001$ showed a strong relationship to competitive advantage. H1 is supported and important based on the results.

14.2. Green advertising and competitive advantage

The study hypothesised that green advertising had a positive effect on competitive advantage with references to the second hypothesis (H2). Based on the survey, the positive effects on the competitive advantage of green advertising are demonstrated by the coefficient of path value of 0.072 and the p-value of 0.270. H2 is positive and insignificant, based on the findings.

14.3. Green packaging and business performance

The third hypothesis (H3) indicates the positive influence of green packaging on business performance. The connection between green packing and corporate performance was evaluated and the

Table 3. Hypothesised relationships and resulting outcomes

Path/proposed hypothesis relationship	Hypothesis	Estimate β	P—Value	Decision
Green packaging (GA)→ Competitive advantage (CA)	H ₁ (+)	0.103	***	Positive and significant
Green advertising (GA)→ Competitive advantage (CA)	H ₂ (+)	0.072	0.270	Positive and insignificant
Green packaging (GP)→ Business performance (BP)	H ₃ (+)	0.228	***	Positive and significant
Competitive advantage (CA)→ Business performance (BP)	H ₄ (+)	0.231	***	Positive and significant
Green advertising (GA)→ Business performance (BP)	H ₅ (+)	0.065	0.298	Positive and insignificant

*** Significance level <0.001

finding showed that the relationship was positive and supported by the hypothesis. This means that green packaging has a positive impact on business performance. The strength of this connection is reflected by the value of the 0.228 path coefficient at <0.001, which is strong. H3 is supported and important based on the results.

14.4. Competitive advantage and business performance

The fourth hypothesis (H4) shows the positive impact of competitive advantage on business performance. The relation between competitive advantage and business performance was evaluated and the conclusions showed that they had a positive relation that supported the hypothesis stated. The strength of the connection is shown by the path coefficient of 0.231 at <0.001, which shows a strong connection. Hence, H4 is positive and significant based on the results.

14.5. Green advertising and business performance

The study hypothesised that green advertising had a positive effect on business performance with regard to the fifth hypothesis (H5). The survey showed that green advertising has positive effects on business performance, although the path coefficient of 0.065 and the p-value of 0.298 have a positive and an insignificant effect on business performance. On the basis of the results, however, H5 is positive and insignificant.

15. Discussion of results

The results of the analysis suggest that significant relationships can be found between green packaging and competitive advantage. These results are in accordance with empirical evidence from Mwaura et al. (2016), which determined the effect on the competitiveness of food-production companies in Kenya of green distribution practices. The results showed that green packaging as a green distribution method has a positive effect on the competitiveness of the food-producing companies in Kenya. The findings obtained in hypothesis one is also in line with the literature, where Nikitaeva (2012) contends that green packaging should not only be seen as an instrument to achieve competitive advantage and meet the desires of clients but should also be regarded as an instrument that contributes to reducing production costs.

The results of hypothesis two are in line with Jarin (2014), who conducted a study, which aimed at investigating ecological marketing practices for creating competitive advantage. Jarin (2014) revealed that eco-advertising or green advertising as an ecological marketing practice creates scope for attaining competitive advantage within an organisation. The findings of this study correspond to the literature, for instance, Synodinos et al. (2013) clarify that green advertising can be used as an effective tool in an organisation's overall environmental marketing strategy and this, ultimately, translates into a competitive advantage.

The finding obtained from hypothesis three substantiates the fact that green packaging does impact the business performance of a manufacturing SME. This additionally expands the discoveries of past investigations led by Sambu (2016), whose outcomes demonstrated that green packaging is an essential determinant of business performances in Kenya's manufacturing companies. Furthermore, the result obtained from testing this hypothesis is also coherent with a survey conducted by Diab, AL-Bourini, and Abu-Rumman (2015), which supports a positive association between green packaging and business performance. Their investigation affirmed that eco-packaging has a positive impact on organisational achievement. In addition, the findings of the study are consistent with the literature, which states that Zailani et al. (2015) must take due consideration of the acts of eco-efficiency to increase the adoption of sustainable packaging to accomplish better performance.

The results obtained from hypothesis four are consistent with the empirical evidence from Mohebi and Farzollahzade (2014), who conducted a study, which concentrated on improving SMEs' competitive advantage and business performance by creating social skills for businesses. The study's results showed a positive impact on SME business performance as a result of competitive advantages. In addition, the results found in this examination are in accord with the literature, where Gaya et al. (2013) state that the resource-based view links superior business performance to the ownership and control of unique competitive resources that create a source of sustainable competitive advantage for businesses. Similarly, the results of this examination are likewise in accord with the works of Ismail et al. (2010), who found a positive, as well as a significant relationship, between competitive advantage and performance.

Hypothesis five results are not without empirical support. Bhat et al. (2014) directed an investigation, which gives an essential theoretical setting of practical advantages through green marketing. Bhat et al. (2014) proposed that organisations ought to distinguish a special market area (niche market) that is enhanced by green industrialism, followed by green marketing practices, for example, green or eco-advertisements to accomplish business performance. The results obtained in this study are in accord with the literature; Nyilasy, Gangadharbatla and Paladino (2013) recommend that green promotion is helpful for good business results. In addition, Rolland and O'Keefe Bazzoni (2009) point out that green advertising shows the environmental aspects of organisations, which empower them to compete in the market.

16. Implications for academicians

This study presents several implications for academics. An investigation of the research findings indicates that green packaging and green advertising are instrumental factors that enhance SMEs business performance and competitive advantage. Hence, for academics in the field of green marketing and small business management, this finding would enhance their understanding of the relationship between green marketing practices, competitive advantage and business performance, making this study an important contribution to the existing literature.

17. Practical implications for enterprisers

The following section discusses the practical implications for enterprisers, based on the results, which were obtained in this study.

17.1. Implications based on green packaging and competitive advantage

It was found in this study that green packaging positively influenced competitive advantage. The implication of the results to the practice is that green packaging is a worthwhile strategy to which the management should be committed in order to gain competitive advantage in a competitive industry with a changing, dynamic marketing environment. The findings, therefore, will assist the marketing managers within manufacturing SMEs to convince senior management and business owners on green marketing issues to be implemented, specifically, green packaging.

17.2. Implications based on green advertising and competitive advantage

It was discovered in this study that green packaging positively impacts competitive advantage. The implication of the results to practice is that they suggest the existence of beneficial as well as detrimental effects of green advertising in publicising information related to organisational efforts on environmental protection. Specifically, this study shows the substantive value of green advertising when manufacturing SMEs implement green marketing practices. Therefore, marketing managers within manufacturing SMEs may consider the pursuit of green advertising to publicise their environmental commitment and efforts. Ultimately, this will give an SME a competitive advantage in comparison to those that do not practice green advertising.

17.3. Implications based on green packaging and business performance

The empirical study revealed that green packing has a positive and a significant impact on business performance. The implication of the results to practice is that manufacturing SMEs need to be encouraged to practice green packaging since it has a positive and significant impact on business performance. The results imply that manufacturing SME managers need to invest in the development of green packaging, which will enable packaging of lightweight, recyclable, reusable, biodegradable materials and to prevent the use of non-ecological materials. Policy implications also exist when taking into consideration the nexus that exists between green packaging and business performance. To develop the green packaging, the government can adopt legislation prohibiting certain packaging materials' use, establishing a storage refund system, drawing up the recycling or reuse laws, giving a discount or punishment in tax, limiting over-packaging, funding sundry research institutions to evaluate packing materials, as well as legislation to promote the development of new packaging materials.

17.4. Implications based on competitive advantage and business performance

The results showed that competitive advantage had a positive and significant impact on business performance, as previously suggested in the proposed hypothesis linking these two variables. This implies that the higher the competitiveness, the higher the business performance. In addition, the obtained results implied that SME managers need to look ahead to the competencies that will enhance the business performance. Such competencies can be, making use of practices such as green packaging, green advertising, green product innovation and green process innovation. Hence, SME managers should invest in green marketing practices to attain competitive advantage. Having a competitive advantage would mean that an enterprise is recognised as a company that either delivers better quality products than the competition or offers support and services at a greater value than the competition. The enterprise will become recognised in the marketplace as being the best and consumers will be interested in hearing about the enterprise's new products because they recognise the enterprise as an industry leader.

17.5. Implications based on green advertising and business performance

The research findings confirmed that the relationship between green advertising and business performance was positive. This implied that SMEs need to invest more in green advertising. Doing so will be beneficial for SME manufacturers to acquire an environmental reputation and consequently, to improve business performance. However, green advertising is detrimental to the business performance of SME manufacturers that are already renowned for their environmental protection. Managers need to be mindful of the counterproductive effect of green advertising on business performance when their firms are considered environmentally reputable.

18. Recommendations

The alarming outcomes of this study cannot be ignored and may be seen as opportunities for manufacturing SMEs. Consequently, the following recommendations are presented on the basis of the analysis of the literature and more specifically, the empirical results:

- SMEs need to devise strategies and approaches that will incorporate competitive factors, business performance goals and action plans, as well as a green packaging feature, since green packaging can offer organisations an upper hand in the market. Green packaging, as a green marketing practice, demonstrates empathy and mindfulness, which can be a powerful factor in helping clients pick between the venture and the contender of the undertaking. Likewise, SMEs who put resources into green packaging additionally save money through delivery costs, material expenses and diminished waste. Hence, an enterprise may reap better profits with the offering of green packaged products.
- New or improved products and services help businesses gain a competitive advantage over others. Customers are always looking for better items and management to fulfil their constantly changing environment. Hence, small businesses should have a thorough understanding of their market and competition in order to develop true value for their customers.
- Manufacturing SMEs in the nation ought to be urged to have clear ecological or green marketing practices and provide environmental reporting to the buyers. This will empower the different SMEs to be more engaged in sustainability.
- With expanding rivalry in the present worldwide market, the different manufacturing SMEs inside South Africa need to look to the cutting-edge approaches to gain an upper hand. Green marketing operations are new strategies that can be utilised as a key weapon to gain competitiveness and to promote a firm's environmental and business performance at the same time.
- SME operations have the possibility to include an incentive in the quest for sustainable development in the area of a clean and sustainable environment, an objective that is additionally one of the mainstays of South Africa's dream. The state should encourage the companies to implement green marketing practices effectively and efficiently.

19. Constraints and proposals for future investigations

This investigation was exposed to a couple of restrictions, in spite of delivering important outcomes. A portion of these limitations was utilised to find open doors for research in future. The clearest one is that the sampled populace was confined to SME managers from one region in South Africa. This confines the likelihood to sum up the outcomes to incorporate SME managers in the whole of South Africa. In addition, stretching the examination to different locales in South Africa would be a profitable future research direction. Correctly, if information accumulation is extended to incorporate other SME managers in different territories of South Africa, for example, the Eastern Cape or Limpopo, the findings may be progressively improved. Furthermore, the discoveries of this examination are confined to the manufacturing sector, which is just a single sector. Subsequently, this displays a catalyst for researchers to broaden their future investigations into different sectors of the economy. This examination utilised a quantitative research approach. Future scholars may benefit from exploratory qualitative approaches as well, especially in the area of SMEs in the South African context, which remains under-researched and not well understood. Such explorations may yield fascinating knowledge that may inevitably lead to a superior comprehension of explicit mediators and moderators. Future investigators may likewise triangulate and advance this work by means of ethnographies and contextual analyses within organisations and experiments where customer reactions to green practices could be assessed in the face of competing brand alternatives. Concepts such as perceived ethicality or concern for the future may be conjectured as potential mediators and variations in norms surrounding practices in different industries might serve as potential moderators. Lastly, it should be noted that the previously mentioned limitations do not really invalidate the findings of this investigation yet open up areas for future research.

20. Conclusion

The study validates that factors such as green packaging and green advertising are instrumental stimulating competitive advantage and the business performance of manufacturing SMEs. The study provided both, theoretical and managerial implications. Theoretically, this study makes a noteworthy progression in marketing theory by methodically examining the interplay between green packaging and green advertising on competitive advantage and business performance. In this manner, the study is an important contributor to the existing literature on this subject. The study also underwrites a new direction in the research on green marketing and small business management development by opening up a discussion on the importance of green marketing practices in the development and improvement of manufacturing SMEs in developing countries such as South Africa. On the practical front, since green packaging and green advertising exerted a positive influence on competitive advantage and business performance of manufacturing SMEs in the Gauteng province of South Africa. Managers can try to implement policies and practice green marketing to have a competitive edge and to boost the business performance of their manufacturing SMEs.

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