

## Sustainable Business Practices and Company's Market Share among selected Small and Medium Scale Enterprises in Ado-Ekiti, Ekiti State Nigeria

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### Abstract

*The study focused on the sustainable business practices and company's market share among selected small and medium scale enterprises in Ado-Ekiti, Ekiti State, Nigeria. The study determined the effect of value proposition, value creation and customer interface on company's market share. It utilized descriptive survey research design. Data were gathered from primary sources. The population of the study comprised management and marketing staffs of 92 small and medium scale enterprises outlets located in Ado-Ekiti metropolis, Ekiti State, Nigeria. Participants were chosen based on their experience in business operations. A convenience sampling method was employed to select a total of 276 management and marketing staffs as respondents. The questionnaire was designed using a 5-point Likert scale to gather responses from the participants. Ratings were assigned as follows: Strongly Agree = 1, Agree = 2, Neutral = 3, Disagree = 4, and Strongly Disagree = 5. Content validity confirmed the scale's validity, and the reliability coefficient was determined through Cronbach Alpha test: value proposition was 0.86, value creation was 0.85, customer interface, was 0.87 respectively. To test the hypotheses, multiple linear regression statistical tool was applied using the Statistical Package for Social Sciences (SPSS) version 20. Three hypotheses were tested in line with the objectives of the study and it was revealed that value proposition, value creation and customer interface have significant effect on company's market share. The study recommends among others that small and medium scale enterprises owner should embark on value proposition to attract customers to patronized their product and Value creation should be practice for their product to have value among other competitive product in the business environment.*

**Keywords:** Company, Economy, Enterprises, Market Share, Sustainable Business Practices

### Introduction

In a business arena most business-oriented firms are conscious of current and future market situation. With this reason sustainable business practices need to be embrace by potential and existing investor of small and medium scale entrepreneur in the business cycle to survive future challenges to enhance their market share. Sustainable business practices are perceived as a business approach that uphold the creation of economic, environmental, and social values that satisfy the needs of the current generations without undermining the well-being of future generations (Terán-Yépez et al., 2020). Sustainable business practices involve range of initiatives to minimize environmental impact while maintaining economic viability (Cao & Weerawardena, 2023). Incorporating sustainable

practices into business operations has become increasingly important and unique for firm of all types, particularly for small and medium enterprises. These practices focus on pressing environmental issues and offer a range of benefits that extend beyond ecological stewardship. Sustainable practices entice socially responsible investors and access funding opportunities aligned with environmental, social, and governance (ESG) criteria (Amajuoyi, & Adeusi, 2024). Sustainable business practices in SMEs involves various strategies such as effectiveness of energy improvements, reduction of waste, initiating sustainable, and adopting renewable energy sources. These initiatives mitigate environmental harm and level SMEs as responsible corporate citizens, enhancing their brand reputation and customer loyalty (Nkwinka & Akinola, 2023). Sustainable business practices enable businesses to add value to society and the environment while enhancing their competitiveness, attracting, retaining customers, and creating long-term value for all stakeholders (Epure, 2022; Kraus et al., 2018; Latapí Agudelo et al., 2019).

Sustainable business practices impact cannot be ascertained and measure without the reflecting the level of market share in the business. Market share is a critical indicator of a firm's competitive expertise (Edeling & Himme, 2018; Sulong et al., 2018). Market share is an outcome of a company's product or service offering, distribution channels, marketing initiatives, and customer relationships (Mauboussin, & Callahan, 2022). Some markets strive toward high market share outcomes. As a firm strive to maintain its market share, its overall performance are significantly influence. This is because when a firm enlarge its market presence and scale, it can lower production costs, offer competitive prices, and achieve more significant sales volumes (Covin cited in Prakash et al., 2024). This prevents the growth of competitors, which led to increased profitability. The competitive environmental lows businesses to build an image that provides a competitive advantage (Saeidi et al., cited in Prakash et al., 2024).

### **Statement of the problem**

Sustainable business practices gears towards long-term benefits in the environment business. One of the most compelling opportunities is to enhanced efficiency to saving cost. Sustainable practices such as energy efficiency improvements, waste reduction, and resource optimization can lead to substantial cost reductions (Hannan et al., 2020). For example, using energy-saving lights and appliances can help cut down on electricity expenses, and starting recycling initiatives can decrease the costs associated with waste removal. Over time, these savings can offset the initial investment costs and contribute to improved profitability (Pimenov et al., 2022). Despite its economic contributions there are challenges facing by small and medium scale enterprises. Numerous owners and managers of small and medium enterprises are not knowledgeable of how sustainable practices can be advantageous or the necessary actions needed to carry them out successfully. Moreover, the absence of dedicated sustainability personnel or departments within SMEs often means that these tasks fall on already overburdened staff, further complicating the adoption process (Adanma & Ogunbiyi, 2024a; Adejugbe, 2024). This fact motivates the study on sustainable business practices and company's market share in a challenging economy.

Moreover, several studies have been carried out on sustainable business practices with numerous dependent variables, to the best of my knowledge and the limit of my search both online and offline. There were no academic scholars that conduct study on

sustainable business practices and market share of the company within chosen small and medium enterprises in Ado-Ekiti, Ekiti State Nigeria. The findings of this study will enhance market share of selected small and medium enterprises in Ado-Ekiti through sustainable business practices. This is gap this study tends to fill in respect of the findings.

### **Objectives of the study**

- 1) To examined the effect of value proposition on company's market share.
- 2) To examined the effect of value creation on company's market share.
- 3) To examined the effect of customer interface on company's market share.

### **Conceptual framework**

#### **Sustainable business practices**

Sustainable business practices result in significant cost savings by reducing waste and increasing resource efficiency. For instance, when companies invest in equipment that uses energy efficiently and adopt renewable energy, they often see a significant drop in their utility expenses. Businesses that have robust sustainability practices usually enjoy greater savings and obtain larger returns on their investments (Carbon Disclosure Project (CDP) cited in Singh, 2024). Companies that use sustainable business practices aim to improve their social responsibility, lessen their environmental impact, and provide long-term advantages for their clients and staff. These methods are intended to generate value for all stakeholders, including suppliers and customers, and concentrate on cutting waste, pollution, and resource use (Munot, 2024). Businesses that adopt sustainable practices are more likely to access new markets and attract customers who value environmentally friendly and socially responsible items. There is growing consumer interest in sustainable products, and firms that cater to this trend can charge higher prices. For example, the organic food market has seen substantial growth as consumers are willing to pay more for products that are perceived as healthier and more environmentally friendly (Singh, 2024).

#### **Value proposition**

Value Proposition refers to a straightforward and brief declaration that defines the distinct advantages that a product or service offers to its users. This statement showcases not only the economic benefits but also focuses on the social and environmental effects in the current business environment, where stakeholders prioritize sustainability and ethical practices along with making profits. It keeps a business aligned with its mission and values, steering toward solutions that benefit people, planet and profit. Value Propositions are essential in current business contexts, particularly for companies aiming to balance profitability with broader societal purposes. They play a critical role in differentiating offerings and building strong relationships with customers and other stakeholders (Castellani ,2024). Value propositions are economic benefits, or monetary value, that the supplier's offering delivers to its customers (Wouters & Kirchberger, 2015). Importantly, value proposition reflects the firm's core strategy (Lehmann & Winer, 2008), and a promise on how it will serve its customers.

Anderson et al. (2006) suggest that suppliers can develop customer value propositions in three ways, identifying: 1) all benefits, 2) benefits that exceed the next best alternative or 3) the value of the selected key benefits their offerings deliver to customers.

#### **Value creation**

Value creation can be seen as the 'value chain' of a business, which reflects the balance between income and expenses. This concept is crucial as it guides the objectives of companies and outlines their mission. It combines creative thinking, strong dedication, and a deep understanding of various stakeholders in our connected world.

Value creation transformed resources into something worthwhile, and this process involves significant effort. The idea covers the development of both physical products and services, aiming to provide extra benefits to stakeholders beyond the initial investment. It includes investments in capital goods and intellectual property as well. Essentially, value creation focuses on maximizing existing resources and is vital for any organization's achievement. Importantly, this idea goes further than merely chasing profits. It encompasses a wider range of aspects, such as improving products and services, fostering stronger customer relationships, driving innovation, and making positive contributions to both the community and the environment (Dieffenbacher, 2024).

### **Customer interface**

The customer interface serves as the point of interaction between a business and its clients. It's important to identify the best practices suitable for the organization and begin to tailor these to the specific tasks, with an emphasis on ongoing improvements in service over time. We must remain current and continuously review what we're doing to ensure it is still relevant and providing value to our customers (Gonzalez, 2015). The customer interface includes everything that a customer can see, select, read, move, watch, listen to, and share. Customer interface has allowed enterprises to create many complex new services far beyond the simple web form. Web services encourage the customer to engage with the enterprise, and directly drive sales and customer satisfaction by making interaction with the enterprise easier, or more fun (Walker, 2015). Customer Interface serves as a way for customers to engage with the website. It includes details about services offered under the service agreement and delivers analytical insights.

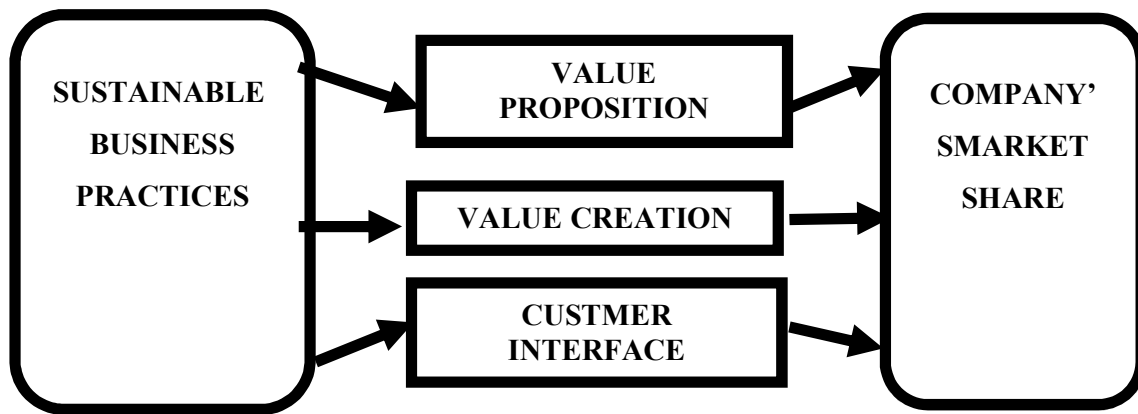
### **Market share**

Market share refers to percentage of total sales in a specific industry that is made up by one company. To determine market share, one must divide the sales a company achieves within a set timeframe by the overall sales of the industry in that same timeframe. This figure provides insight into how large a company is compared to its rivals and the entire market (Hayes, 2025). This measurement is vital for evaluating a company's position and success in its sector. Different aspects include total share, unit share, revenue share, how it relates to competitors, and growth in market share over time. For investors, market share is a critical factor, as it helps them gauge a startup's potential for growth and the capabilities of its management team. Additionally, entrepreneurs find market share beneficial for understanding the strength and future opportunities of their business model. More specifically, it shows whether the strategies implemented are helping the startup achieve its intended market position (Zenetti, 2025).

### **Conceptual model of sustainable business practices and company's market share**

The conceptual model of sustainable business practices and company's market share is the model that explain the reality effectiveness sustainable business practices on company's market share. Sustainable business practices involve continued commitments to enhance

methods that lessen harmful effects on society and the environment. Initially, a business must assess its own requirements and weaknesses to discover ways to boost its sustainability effectively. Since the needs of businesses differ throughout the supply chain and across various sectors, a universal solution does not exist. Nevertheless, companies can follow specific steps to develop sustainability pledges and make broad improvements. This approach demonstrates that when small and medium-sized enterprises dedicate themselves to ongoing efforts that minimize future social and environmental harm, they can increase their market share. This model measure sustainable business practices as value proposition, value creation and customer interface to influence market share of enterprise. The figure 1 below visualise the model developed by the researcher based on the objectives of the study.



**Figure 1:** Conceptual model of sustainable business practices and company's market share  
**Source:** Researcher.

### Methodology

The study utilized a survey research design. Data were gathered from primary sources. The population of the study comprised of management and marketing staffs of 92 small and medium scale enterprises outlets located in Ado-Ekiti metropolis, Ekiti State, Nigeria. Participants were chosen based on their experience in business operations. A convenience sampling method was employed to select a total of 276 management and marketing staffs as respondents. Questionnaires were distributed to accessible management and marketing staffs of small and medium scale enterprises outlets in Ado-Ekiti metropolis. The questionnaire was designed using a 5-point Likert scale to gather responses from the participants. Ratings were assigned as follows: Strongly Agree = 1, Agree = 2, Neutral = 3, Disagree = 4, and Strongly Disagree = 5. Each person's score was obtained by calculating the total of all the points (Gay et al. in Tanujaya et al., 2022). Content validity confirmed the scale's validity, and the reliability coefficient was determined through Cronbach Alpha test: value proposition was 0.86, value creation was 0.85, customer interface, was 0.87 respectively. To test the hypothesis, a multiple linear regression statistical tool was applied using the Statistical Package for Social Sciences (SPSS) version 20.

**Data Analyses and interpretation**

**Hypotheses**

**H<sub>01</sub>:** Value proposition has no significant effect on company’s market share.

**H<sub>02</sub>:** value creation has no significant effect on company’s market share.

**H<sub>03</sub>:** Customer interface has no significant effect on company’s market share.

**Table 1**

**Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|
|       |                   |          |                   |                            | R Square Change   | F Change |
| 1     | .903 <sup>a</sup> | .816     | .814              | 1.12711                    | .816              | 402.817  |

a. Predictors: (Constant), Value Proposition; Value Creation, Customer Interface.

Table 1 shows the results of the analysis revealing the relationship between Value Proposition; Value Creation, Customer Interface and company’s market share. The results revealed Value Proposition; Value Creation and Customer Interface have significant effect on company’s market share. The findings indicate that Value Proposition; Value Creation and Customer Interface could be used to predict the outcome company’s market share; This means that if Value Proposition; Value Creation and Customer Interface increases company’s market share could also improve. According to the R-square value of (0.816), Value Proposition; Value Creation and Customer Interface can explain 81.6% of the variance in company’s market share.

**Table 2**

**ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 1535.192       | 3   | 511.731     | 402.817 | .000 <sup>b</sup> |
|       | Residual   | 345.543        | 272 | 1.270       |         |                   |
|       | Total      | 1880.736       | 275 |             |         |                   |

a. Dependent Variable: Market Share

b. Predictors: (Constant), Value Proposition; Value Creation, Customer Interface.

**Table 3**

**Coefficients<sup>a</sup>**

| Model |                    | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. | Collinearity Statistics |        |
|-------|--------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|--------|
|       |                    | B                           | Std. Error | Beta                      |        |      | Tolerance               | VIF    |
|       |                    |                             |            |                           |        |      |                         |        |
|       | Value Proposition  | .304                        | .122       | .282                      | 2.497  | .000 | .053                    | 18.878 |
|       | Value Creation     | .721                        | .056       | .618                      | 12.825 | .000 | .291                    | 3.436  |
|       | Customer Interface | .042                        | .113       | .039                      | .373   | .000 | .062                    | 16.095 |

a. Dependent Variable: Market Share

### **Decision Rule**

According to Table 2 and 3, the F test calculated by analysis of variance (ANOVA) was  $F(3, 272) = 402.8171$  and coefficients indicated that value proposition has significant effect on company's market share. ( $\beta = .282, t = 2.497, p < 000.$ ) value proposition has significant effect on company's market share. ( $\beta = .618, t = 12.825, p < 000.$ ) and value proposition has significant effect on company's market share. ( $\beta = .039, t = 373, p < 000.$ ) The significance of p-value of 0.000 ( $p\text{-value} < 0.05$ ) was noteworthy. It appears that the multiple linear regression aligns effectively with the data. Therefore, hypotheses were accepted. Value Proposition; Value Creation and Customer Interface have significant effect on company's market share.

### **Discussion of findings**

The first hypothesis indicates that the value proposition significantly influences the market share of a company. This aligns with Castellani (2024), who stated that in today's business environment, value propositions are crucial for firms striving to achieve both profit and social responsibility. They are vital for distinguishing products and establishing strong ties with customers and stakeholders. The second hypothesis indicates that value creation has significant effect on company's market. This concept includes various elements, such as enhancing goods and services, strengthening customer connections, encouraging innovation, and positively impacting the community and environment (Dieffenbacher, 2024). The third hypothesis indicates that the customer interface has significant effect on company's market share. This interface acts as a user engagement platform on the website, providing information about the services included in the service agreement and delivering analytical insights. It features web services designed to encourage customer interaction with the business, consequently increasing sales and improving customer satisfaction by making interactions more straightforward and enjoyable (Walker, 2015).

### **Conclusion, Recommendations, Limitation and suggestion for further studies**

In conclusion, the findings revealed that value proposition, value creation and customer interface have significant effect on company's market share.

Moreover, the study indicates that companies that make sustainability a key part of their strategies often enjoy better financial success over time compared to those that treat it as an optional concern. Adopting sustainable practices can lead to different financial benefits, like cost savings and access to new markets. By implementing energy-efficient technologies, reducing waste, and improving resource management, businesses can quickly increase their profits through savings. Moreover, investing in sustainable products allows companies to tap into growing markets. Small and medium-sized businesses that prioritize sustainability will be well-prepared for success in a rapidly changing global economy.

The recommendation of the study are as follows based on the findings

Small and medium scale enterprises owner should embark on value proposition to attract customers to patronise their product;

Value creation should be practice for their product to have value among other competitive product in the business environment

Various internet and social media should be created by small and medium scale enterprises owner in order to be an avenue for customers' interface.

Sustainable business practices in general should be the model every business organisation must adhere to enable them prepare for future business environmental challenge.

The study limits its conceptual and geographical scope to sustainable business practices and company's market share, studying small and medium-sized businesses in the Ado-Ekiti area of Ekiti State because of limitations in time and funding experienced by the researcher. Also, the study can also be suggested for further study by expanding it beyond Ado-Ekiti in Ekiti State and extend the study to other geographical areas in Nigeria further assessment, gap and findings that may enhance market share.

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