ISSN:1533-9211
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Sustainable Business Practices in Enhancing Competitive Advantage in Lagos' FMCG Sector

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Abstract

Fast Moving Consumer Goods firms (FMCG) companies are pivotal to both the economy and society, contributing substantially through job creation, tax revenue, and stimulating economic activity across their supply chains. Despite their significant role, it has been observed that these companies are facing challenges such as declining competitive advantage. These difficulties underscore the industry's ever-changing landscape, necessitating continuous adaptation to maintain competitiveness. Furthermore, integrating strong sustainability practices into their business models is becoming increasingly crucial for FMCG firms to address environmental issues, meet changing consumer demands, and secure long-term viability. The study adopted a survey research design. The target population of this study is comprised of 5,107 employees from the selected FMCG companies. A sample size of 475 was determined using advisor's sample size determination table. Data was collected using a structured and validated questionnaire with a Cronbach alpha value ranging from 0.75 to 0.85. A response rate of 93.7% was recorded. Data were analyzed using descriptive and inferential statistics at 5% significance level. The findings revealed that sustainable business practices had positive and significant effect on competitive advantage of selected FMCGs in Lagos State, Nigeria ($Adj.R^2$= 0.610, F (4, 438) = 172.056, p<0.05). The study concluded that sustainable business practices improved the efficiency of competitive advantage of selected FMCGs in Lagos State, Nigeria. Therefore, the study recommended that management of FMCG firms should integrate sustainable practices as a core component of their overall strategy to enhance competitive advantage.

ISSN:1533-9211
SEYBOLD REPORT

ISSN: 1533 - 9211

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KEYWORDS:

Competitive advantage, Environmental sustainability, Operational sustainability, Sustainable business practices, social sustainability.

Received: 12 April 2025
Accepted: 30 April 2025
Published : 10 May 2025

TO CITE THIS ARTICLE:

Adelekan, S. A., Ajibade, T. I., Osinaike, A. O., & Bamidele, T. A. (2025). Sustainable business practices in enhancing competitive advantage in Lagos' FMCG sector. *Seybold Report Journal*, *20*(5), 58–77. DOI: 10.5281/zenodo.15375408

1. Introduction

Fast-moving consumer goods (FMCG) firms play a significant role in the economy and society. FMCG firms make substantial contributions to the economic growth of nations by generating employment opportunities, contributing to the tax base, and stimulating economic activities throughout their value chain. Despite this significant contribution, it has been observed that their level of competitive advantage has been as expected. The challenges faced by fast-moving consumer goods (FMCG) firms, as described, highlight the dynamic nature of the industry and the need for constant adaptation to remain competitive. Moreover, integrating robust business sustainability practices is becoming increasingly vital for FMCG firms to address environmental concerns, meet evolving consumer expectations, and ensure long-term success.

Globally, maintaining a competitive advantage is a paramount concern for Fast-Moving Consumer Goods (FMCG) firms due to the inherently dynamic nature of the industry, characterized by a plethora of brands and products saturating the market (Ajike, et al., 2025; Purnawidya & Raharjo, 2023). The abundance of choices available to consumers in the FMCG sector intensifies the competition, making it imperative for companies to differentiate themselves strategically (Adani, et al., 2025; Mathu, 2021). However, several factors have converged to challenge the competitive advantage traditionally enjoyed by FMCG firms. The decline in cost advantage, often attributed to rising production and distribution costs, has eroded profit margins, making it harder for companies to offer competitive pricing in the market (Olubiyi, 2025).

Simultaneously, a reduced market advantage stems from the saturation of traditional markets and the heightened difficulty of capturing new consumer segments. The industry has also grappled with weak product differentiation, as many FMCG products tend to be perceived as commoditized, leading to a struggle to establish a unique value proposition (Mathu, 2021). Moreover, dwindling efficiency, whether in terms of production processes or supply chain management, has hampered the ability of FMCG firms to respond swiftly to changing market demands, putting them at a disadvantage in the fast-paced industry (Olaleye, et al., 2025). Consequently, these multifaceted challenges underscore the urgent need for strategic reevaluation and innovation within FMCG firms to reverse the decline in competitive advantage and ensure sustained success in the highly competitive global market (Shodiya, 2021).

In the United States, FMCG firms face the challenge of establishing and maintaining a competitive

advantage in a market characterized by intense competition and shifting consumer preferences (Iyadi & Itimi, 2023). With a highly saturated market and low brand loyalty among consumers, companies must constantly innovate in product offerings, marketing strategies, and supply chain efficiency to stand out (Ajike, et al., 2025). Additionally, the price sensitivity of American consumers necessitates a delicate balance between quality and cost management (Ajike, et al., 2025). Meeting the demands of sustainability-conscious consumers and adapting to regional variations within the diverse U.S. market further compounds the challenge (Adani, et al., 2025; Mielinger & Weinrich, 2023).

In South Africa, the intricate and diverse nature of the African continent poses a substantial challenge to the competitive advantage of FMCG firms operating there (Mielinger & Weinrich, 2023). Africa's rich tapestry of cultures, languages, and consumer behaviours necessitates a localized approach to product development and marketing (Olaleye, et al., 2025). While tailoring products and strategies to meet regional preferences is essential for success, it also presents a considerable hurdle for FMCG companies. The need to understand and adapt to these variations demands significant investments in market research, product customization, and marketing campaigns, which can strain both financial and human resources (Ajike, et al., 2025). This localized approach adds complexity to supply chain management, distribution, and branding, often requiring FMCGs to establish a presence in multiple regions with distinct strategies (Mathu, 2021). Furthermore, Africa's economic conditions and infrastructure constraints vary significantly across its regions. Some areas may have underdeveloped transportation networks, limited access to electricity, or unstable political environments, making it challenging for FMCGs to maintain consistent operations and distribution (Olubiyi, 2025). This variability in infrastructure can hinder cost-effective production, distribution efficiency, and timely market access, further impacting the competitive advantage of FMCGs (Makaleng & Hove-Sibanda, 2022).

The significant rise in input costs within the fast-moving consumer goods (FMCG) industry in Nigeria has severely eroded the cost advantage that these companies traditionally enjoyed. The 25.3% increase in production costs has put tremendous pressure on FMCG manufacturers (Adelekan & Eze, 2020). This surge in costs encompasses various aspects of production, including raw materials, energy, labour, and transportation, making it exceedingly challenging for companies to maintain their competitive edge. As a result, FMCGs have found it increasingly difficult to offer

affordable products to consumers (Iyadi & Itimi, 2023). With production expenses skyrocketing, FMCGs have had to either absorb some of these costs, thereby hurting profit margins or pass them on to consumers in the form of higher prices, which, in turn, has negatively impacted consumer purchasing power. The rising cost of sales for prominent FMCG players like BUA Foods, Cadbury, Dangote Sugar Refinery, Guinness Nigeria Plc, Nestle, Nigerian Breweries, and Unilever further exacerbates the issue (Adelekan, 2024). These companies have witnessed varying degrees of cost increases, ranging from 16.1% to 42%, which directly impacts their ability to maintain competitive pricing strategies. The blend of these factors, including higher production and sales costs, has made consumers more price-sensitive, as they grapple with reduced purchasing power (Ogunmuyiwa & Agbaje, 2023).

Several studies have been conducted on sustainable business practices and competitive advantage across different industries (Adim & Maclayton, 2021). However, among fast-moving consumer goods firms in Nigeria, the effect of sustainable business practices on competitive advantage has not been adequately established, which has created a literature gap. Fast-moving consumer goods firms in Nigeria have experienced a decline in competitive advantages as a result of poor sustainable business practices (Adim & Maclayton, 2021; Shodiya, 2021). The issue of decline in competitive advantage among FMCG companies in Nigeria has several significant consequences. It hinders the growth and profitability of local FMCG firms, making it difficult for them to expand market share and compete effectively with multinational counterparts (Iyadi & Itimi, 2023). This lack of competitiveness often leads to reduced investment in research and development, innovation, and operational efficiency, which often limits the industry's ability to meet the evolving demands of consumers and adapt to changing market dynamics (Adelekan, 2020). Furthermore, the competitive disadvantage often results in job losses and economic underperformance, impacting not only the FMCG sector but also the broader Nigerian economy (Shodiya, 2021). As FMCG companies lose their competitive edge, they face difficulties attracting and retaining top talent. Skilled employees tend to seek opportunities with more successful or innovative firms, impacting the company's ability to drive innovation and operational excellence (Adim & Mezeh, 2021; Ayorinde, 2024).

2. Literature Review

Sustainable Business Practices

Sustainable business practices refer to the practice of conducting business activities in a manner that considers and balances economic, environmental, and social factors to ensure long-term success and positive impact (Nwaulune et al., 2023). Abramovich and Vasiliu (2023) asserted that sustainable business practices encompass a variety of approaches aimed at ensuring the long-term viability of a company while minimizing its environmental and social impact. Sustainable business practices offer numerous advantages that extend beyond environmental benefits, positively impacting both the company and the broader community. Durst (2020) opined that adopting sustainable practices can enhance a company's reputation and brand image. Consumers are becoming increasingly conscious of environmental and social issues, and they often prefer to support businesses that demonstrate a commitment to sustainable practices (Florek-Paszkowska & Hoyos-Vallejo, 2023).

This study aims to establish the effect of sustainable business practices on the competitive advantage of FMCGs in Lagos

2. Conceptual Review

2.1 Sustainable Product

Sustainable product refers to the design, development, production, use, and disposal of products in a manner that minimizes their environmental impact throughout their lifecycle (Agatz et al., 2022). Sustainable products are items designed and manufactured with a focus on minimizing their environmental impact throughout their lifecycle (Agatz et al., 2022). Sustainable products offer a range of advantages that contribute to environmental, social, and economic well-being. Sustainable products help mitigate the negative impact on the environment by promoting responsible resource use, reducing pollution, and minimizing waste generation (Ajike, et al., 2025; Adani, et al., 2025). This often involves using eco-friendly materials, adopting energy-efficient production processes, and designing products with a focus on longevity and recyclability. As a result, sustainable products contribute to the preservation of ecosystems, biodiversity, and natural resources, aligning with the global goal of environmental conservation (Adani, et al., 2025).

Operational sustainability encompasses practices that reduce energy consumption, minimize waste generation, promote worker safety and well-being, and ensure ethical supply chain management

(Adelekan & Dansu, 2016). Operational sustainability is commonly defined as the ability of an organization to efficiently manage its processes, resources, and activities in a manner that meets present needs without compromising the ability of future generations to meet their own needs (Nemba et al., 2020). Operational sustainability, the integration of environmentally and socially responsible practices into business operations, offers numerous advantages for organizations. It enhances long-term profitability by reducing resource consumption and operational costs. Implementing energy-efficient technologies, waste reduction strategies, and sustainable supply chain practices not only contributes to environmental conservation but also results in significant cost savings over time(Nwaulune, 2024).

Social sustainability refers to the ability of a society or organization to meet the needs of present and future generations while fostering social well-being, equity, and cohesion (Nemba et al., 2020). Social sustainability encompasses various dimensions, reflecting the interconnectedness of social, economic, and environmental aspects within a community or society. Ebekozien et al. (2023) postulated that it involves promoting social equity and justice, ensuring that all individuals have equal access to resources, opportunities, and benefits. Social sustainability refers to the long-term well-being of communities, societies, and individuals within a given environment. One of the key advantages of social sustainability is the fostering of inclusive and equitable societies (Olubiyi, 2025; Olaleye, et al., 2025). By promoting social cohesion and reducing inequalities, social sustainability contributes to the creation of communities where everyone has equal access to opportunities, resources, and services. This inclusivity not only enhances the quality of life for individuals but also strengthens the overall resilience of communities in the face of challenges (Ayorinde, 2024).

Environmental sustainability refers to the responsible and sustainable management of natural resources and ecosystems to meet the needs of present and future generations (Nemba et al., 2020). Environmental sustainability can be understood through various definitions that encapsulate the concept's multidimensional nature (Gharib et al., 2023). Environmental sustainability brings forth a myriad of advantages that extend across ecological, social, and economic domains. At its core, sustainable practices aim to ensure the preservation of natural resources and ecosystems for current and future generations (Genty, 2025). One of the primary benefits is the conservation of biodiversity, as sustainable practices strive to maintain the delicate balance of ecosystems,

protecting various species and their habitats (Calza et al., 2023). This, in turn, contributes to the resilience of ecosystems, making them more adaptable to changes and less susceptible to disruptions (Lashari et al., 2022).

2.2 Competitive Advantage

Competitive advantage refers to the unique strengths, capabilities, or attributes that enable an organization to outperform its competitors and achieve superior performance in the market (Olaleye, et al., 2025). Also, Fatonah and Haryanto (2022) opined that competitive advantage is the ability of a firm to outperform its rivals by offering better products or services at lower prices, or by offering products or services that are not available from rivals. It is the factor that sets a firm apart from its competitors and allows it to generate superior profits. Competitive advantage provides a business with a unique and sustainable edge over its rivals, fostering long-term success and profitability. One key advantage is cost leadership, where a company becomes the low-cost producer in its industry (Wijaya & Suasih, 2020). This allows the business to offer products or services at a lower price than competitors, attracting a larger customer base and potentially gaining market share. Cost advantages can arise from economies of scale, efficient operations, technological advancements, or strategic supplier relationships (Wang et al., 2021).

2.3 Theoretical Framework

The Natural Resource-Based View theory, therefore, serves as an analytical lens through which the study examines the relationship between the management of natural resources, sustainability practices, and competitive advantage. It offers a nuanced understanding of how FMCG firms can develop unique capabilities related to sustainable sourcing, production, and distribution of goods (Appannan et al., 2020). By adopting this theoretical perspective, the study positions itself to explore how the efficient utilization and conservation of natural resources contribute to long-term viability and competitiveness in the FMCG industry (Ayorinde, 2024). The NRBV theory's focus on the interface between environmental considerations and competitive advantage aligns well with the overarching theme of sustainability practices in the selected FMCG firms, making it a fitting theoretical framework for the study (Samadhiya et al., 2023).

Conceptual Model

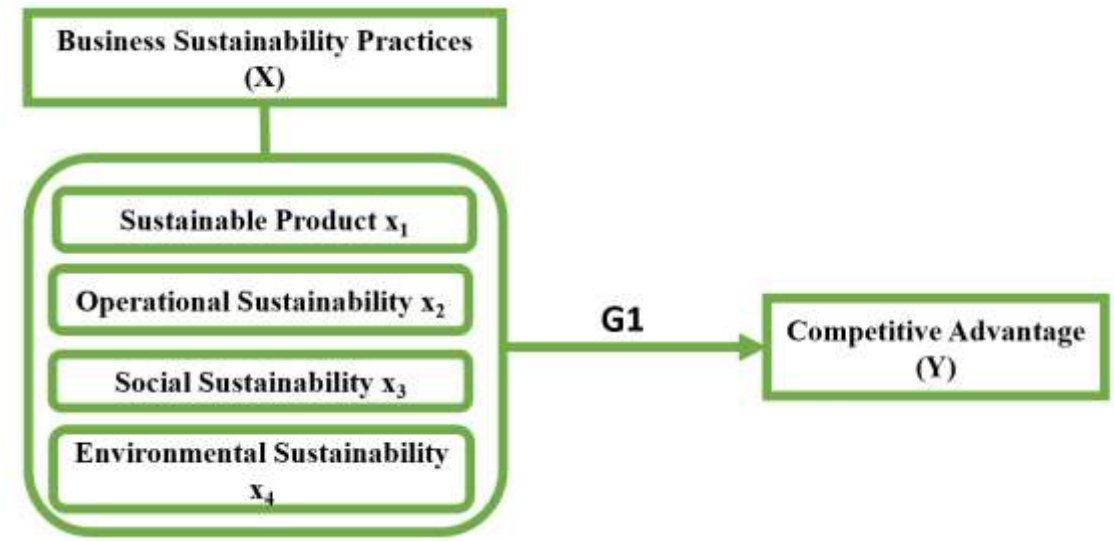

Figure: *Conceptual Model for Business Sustainability Practices and Competitive Advantage*
Source: *Researcher's Conceptualization (2025)*

3 Methodology

The study employed a survey research design and targeted a population of 5,107 employees from chosen FMCG companies. Using an advisor's sample size determination table, a sample size of 475 was established. The simple random sample approach was used to choose personnel from the main office of the mentioned FMCGs. This research used this method because simple random sampling guaranteed that all components or groups under consideration had an equitable opportunity to be included in the sample. This research used a primary data source. Primary data were from the original source and offered current information on the study issue. Furthermore, the majority of studies examining management innovation used primary data, including Hock-Doepgen, et al., (2025), Hao, et al., (2025), Jahanshahi, et al., (2025) and Weng, et al., (2025). The original data was obtained via a questionnaire. The benefit of using a questionnaire for primary data collecting lies in its ability to eliminate researcher bias, allowing respondents sufficient time to provide considered responses. Data collection was performed with a structured and validated questionnaire, exhibiting a Cronbach alpha value. The study achieved a response rate of 93.7%. Data analysis involved both descriptive and inferential statistics, specifically multiple linear regression, with a significance level of 5%. 445 copies which represent approximately (93.7%) were returned and found usable for the analysis. In this study, there were two constructs:

independent and dependent variable. The independent variable is business sustainability practices which was measured with sub-variables such as sustainable product, operational sustainability, social sustainability and environmental sustainability, while the dependent variable is competitive advantage which was measured as a whole.

Table 4.1 Reliability of Research Instrument

Construct	**Number of Items**	**Cronbach's Alpha**	**Composite Reliability**
Sustainable product	5	0.916	0.937
Operational sustainability	5	0.938	0.953
Social Sustainability	5	0.936	0.952
Environmental Sustainability	5	0.939	0.954
Competitive Advantage	5	0.939	0.954

The Cronbach's alpha for each of the constructions varied between 0.916 and 0.947, as shown in Table 4.1. With a Cronbach's alpha better than the 0.7 standard, every construct was considered valid. Additionally, the dependability of the structures was investigated by determining their composite reliability. This study's findings indicate that sustainable business practices and competitive advantage are appropriately measured by all constructs, since all of them were higher than the 0.7 criterion. All of the study's variables showed construct reliability. Moreover, with a Cronbach's alpha of 0.991 and a Composite Reliability coefficient of 0.952, the assessment tool seems to be trustworthy (Cronbach's $\alpha > 0.70$).

The variable for this study was operationalized thus:

$Y = f(X)$

Y = Dependent Variable
X = Independent Variable
Y = Competitive Advantage (CA)
X = Business Sustainability Practices (BSP)
$X = (x_1, x_2, x_3, x_4)$
Where
x_1 = Sustainable product (SP)
x_2 = Operational Sustainability (OS)
x_3 = Social Sustainability (SS)
x_4 = Environmental Sustainability (ES)

Regression Models

$CA = \alpha_0 + \beta_1 SP + \beta_2 OP + \beta_3 SS + \beta_4 ES + \mu_i$ ..... (eq. 1)

Where:

α_0 = the constant of the equation
β_1- β_4 = the coefficient of variables in the equations
β_z = the coefficient of the interaction term
μ_i = Errors term

Table 4.1 Linearity Test

Variables	**Skewness**	**Kurtosis**
	Statistic	**Statistic**
Sustainable product	-.857	.632
Operational sustainability	-.165	-.630
Social Sustainability	-1.006	.862
Environmental Sustainability	-.582	-.177
Competitive Advantage	-.498	-.382

The findings in Table 4.1 indicate that all variables exhibited skewness coefficients ranging from -0.165 to -1.006, and kurtosis values ranging from -0.630 to 0.862. The findings indicated that the data on sustainable product, operational sustainability, social sustainability, environmental sustainability, and competitive advantage had a normal distribution, as they conformed to Cunningham's (2008) recommended range.

4.2 Linearity Test

The assumption of linearity was measured using Pearson correlation coefficient. The results are shown in Table 4.2.

Table 4.2 Pearson Tests for Linearity

		Competitive Advantage	
Competitive Advantage	Pearson Correlation	1	Linear
	Sig. (2-tailed)		
	N	341	
Sustainable product	Pearson Correlation	.723**	Linear
	Sig. (2-tailed)	.000	
	N	341	
Environmental Sustainability	Pearson Correlation	.765**	Linear
	Sig. (2-tailed)	.000	
	N	341	
Social Sustainability	Pearson Correlation	.780**	Linear
	Sig. (2-tailed)	.000	
	N	341	
Operational sustainability	Pearson Correlation	.856**	Linear

	Sig. (2-tailed)	.000	
	N	341	

Table 4.3 displays the examination of correlations among the variables. The results in Table 4.3 indicate a significant positive linear correlation between the independent variable (sustainable product, environmental sustainability, social sustainability and operational sustainability) and the competitive advantage at a significance level of $p < 0.05$. Consequently, the assumption of linearity was satisfied for the investigation, making linear regression appropriate and estimable in this analysis.

Table 3.4b: Fornell-Lacker Criterion for Checking Discriminant Validity (Sustainable Business Practices)

Construct	Sustainable Product	Operational Sustainability	Social Sustainability	Environmental Sustainability
Sustainable product	**0.897**			
Operational sustainability	0.858	**0.866**		
Social Sustainability	0.829	0.809	**0.896**	
Environmental Sustainability	0.818	0.795	0.808	**0.893**

***Diagonal elements are the square roots of AVE**

To confirm the construct's divergent validity, the discriminant validity was evaluated by comparing the square roots of the latent variable's Average Variance Extracted (AVE) with the squared correlations among the constructs. The findings are shown in Table 4.4 Gotz, Liehr-Gobbers, and Krafft (2010) assert that adequate discriminant validity is achieved when a latent variable accounts for more variation with its indicators than with other latent variables.

4 Data Analysis, Results and Discussion

4.1 Restatement of Research Hypothesis

$H_0$1: Sustainable business practices have no significant effect on competitive advantage

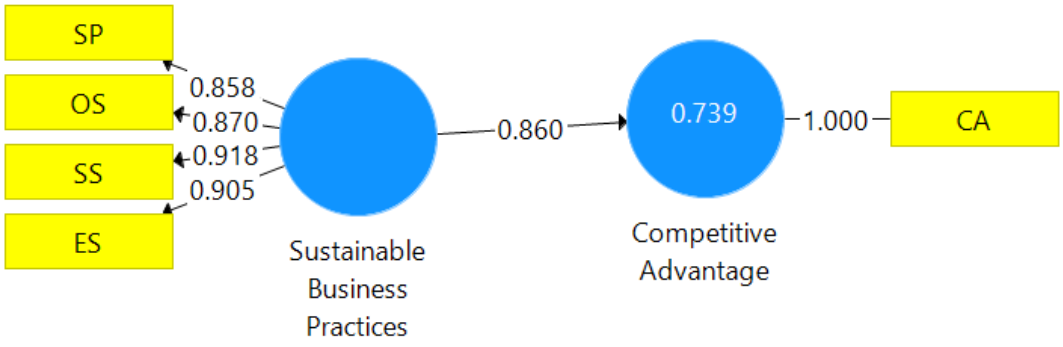

Table 4.1: Summary of Multiple regression analysis for the effect of Sustainable Business Practices on Competitive Advantage of selected FMCGs in Lagos State, Nigeria

N	Model	*B*	T	Sig	ANOVA (Sig.)	R	Adjusted R^2	F
	(Constant)	1.185	40.175	.000	.001[b]	783[a]	.610	172.056
	Sustainable product	.010	2.977	.003				
	Operational sustainability	.021	6.456	.000				
	Social Sustainability	.149	7.890	.000				
	Environmental Sustainability	.177	10.814	.000				
	a. Dependent Variable: Competitive Advantage							
	b. Predictors: (Constant), Environmental Sustainability, Social Sustainability, Sustainable Product, Operational Sustainability							

Source: Researchers' Findings 2024

Interpretation

Table 4.1 presents the results of a multiple regression analysis examining the impact of sustainable business practices on the competitive advantage of selected FMCGs in Lagos State, Nigeria. The analysis indicates that all four predictors sustainable product, operational sustainability, social sustainability, and environmental sustainability have significant effects on competitive advantage. Operational sustainability ($\beta = 0.021$, $t = 6.456$, $p < 0.001$), social sustainability ($\beta = 0.149$, $t = 7.890$, $p < 0.001$), and environmental sustainability ($\beta = 0.177$, $t = 10.814$, $p < 0.001$) exhibit positive and statistically significant effects on competitive advantage. Similarly, sustainable product practices also show a significant positive impact ($\beta = 0.010$, $t = 2.977$, $p = 0.003$) on competitive advantage. The correlation coefficient (*R*) value of 0.783 indicates a strong and positive relationship between sustainable business practices and competitive advantage. Moreover, the adjusted R-squared ($Adj.R^2$) value of 0.610 suggests that approximately 61.0% of the variance in competitive advantage among the selected FMCGs in Lagos State, Nigeria, can be explained by the included sustainable business practices components. In summary, the results underscore the critical role of sustainable business practices, including operational, social, and environmental sustainability, as well as sustainable product practices, in enhancing the competitive advantage of FMCGs in Lagos State, Nigeria.

The predictive and prescriptive multiple regression models are the same and thus expressed as follows:

$CA = 1.185 + 0.010SP + 0.021OS + 0.149SS + 0.177ES + U_i$--------Eqn i (Predictive Model)

$CA = 1.185 + 0.010SP + 0.021OS + 0.149SS + 0.177ES + U_i$ --------Eqn i (Prescriptive Model)

Where:

CA = Competitive Advantage

SP = Sustainable Product

OS= Operational Sustainability

SS = Social Sustainability

ES= Economic Sustainability

The multiple regression analysis results presented in Table 4.3.5 examine the effect of sustainable business practices on the competitive advantage of selected FMCGs in Lagos State, Nigeria. The regression model indicates that when sustainable business practices dimensions are held constant at zero, the competitive advantage of the selected FMCGs in Lagos State, Nigeria, is 1.185. This value signifies a positive competitive advantage response even in the absence of sustainable business practices. The predictive model reveals that all dimensions of sustainable business practices have positive and significant effects on competitive advantage. Therefore, these variables hold considerable importance for FMCG management and owners in Nigeria. It is advisable for FMCG management in Lagos State to prioritize the development of these variable capabilities throughout their organizations to bolster competitive advantage. Specifically, the results suggest that a unit increase in sustainable products leads to a 0.010 unit increase in competitive advantage. Similarly, an increase in operational sustainability results in a 0.021 unit increase in competitive advantage. Moreover, an increase in social sustainability positively influences competitive advantage by 0.149, while an increase in environmental sustainability results in a 0.177 increase in competitive advantage.

The *F*-statistics ($df = 4, 438$) = 172.056 at $p < 0.05$, indicating that the overall model is statistically significant in predicting the effect of sustainable business practices on competitive advantage. This implies that the regression model is well-suited for predicting this effect. Furthermore, with the p-value being less than 0.05, there exists a positive and significant relationship between sustainable business practices and competitive advantage among the selected FMCGs in Lagos State, Nigeria. Consequently, the null hypothesis (H_{01}), suggesting no significant effect of sustainable business

practices on competitive advantage, was **rejected.**

Discussion of Findings

Sustainable business practices of selected FMCG in Nigeria result showed a positive and significant effect on competitive advantage ($Adj.R^2$= 0.610, F (4, 438) = 172.056, p<0.05). The findings of this study indicated that a positive and statistically significant relationship exists between the degree to which sustainable business practices affect the competitive advantage of selected FMCG companies in Nigeria. Sustainable products, operational sustainability, social sustainability, and environmental sustainability were found to significantly enhance competitive advantage. Klymenko et al. (2022) support these findings by examining how businesses implemented sustainability practices during the COVID-19 pandemic had a positive and significant effect on competitive advantage. The study revealed that businesses adopted various sustainability practices like remote work to improve competitive advantage. Similarly, Lee and Kim (2019) found that business sustainability practices had a significant effect on competitive advantage.

In accordance with this study was Henriques and Matos (2022) who found that business sustainability practices had a significant effect on competitive advantages. Similalrly, Huang et al. (2022) examined the impact of sustainable business development practices (SBDPs) on digital green innovation (DGI) in Chinese companies and found that SBDPs positively influence DGI both directly and indirectly through information management. This indicates that companies investing in environmental sustainability practices are more likely to adopt innovative green technologies, further enhancing their competitive positioning. Supporting this study result was Florek-Paszkowska and Hoyos-Vallejo (2023) who found that sustainable business practices positively influenced competitive advantage.

However, the findings of this study are not in agreement with those of Muhmad and Muhamad (2021), who found that sustainability practices adopted by companies show an insignificant negative impact on financial performance. Similarly, the study by Farrukh et al. (2022) demonstrated a positive effect on firms' performance following the adoption of environmental management systems (EMS), with results indicating lower profitability, sales value, and inventory

productivity of companies. Additionally, Hami et al. (2015) examined sustainable manufacturing practices and performance, finding that sustainable manufacturing practices had an insignificant effect on performance. This discrepancy could be due to the fact that each study focused on different industries, which could experience varying effects from sustainability practices. Industries with high environmental impact or resource-intensive processes might experience more significant effects on performance compared to those with lower environmental footprints. The timing of the studies could influence their findings. The effects of sustainability practices on performance may vary over time, influenced by factors such as market conditions, regulatory changes, and technological advancements.

The findings of this study align with the theoretical assumptions of the natural resource-based view (NRBV) theory, particularly in the context of sustainable business practices within fast-moving consumer goods (FMCG) firms in Lagos State, Nigeria. NRBV theory posits that firms can achieve sustainable competitive advantage through the effective utilization and management of valuable, rare, and non-substitutable resources (Samadhiya et al., 2023). In this case, the adoption of sustainable business practices by FMCG firms in Lagos State can be seen as a valuable and potentially rare resource. The findings likely demonstrate that firms which prioritize sustainability initiatives, such as efficient resource usage, waste reduction, and environmental conservation, can differentiate themselves in the competitive landscape, thereby gaining a competitive advantage. Additionally, such practices may also enhance brand reputation, consumer loyalty, and stakeholder relationships, all of which contribute to long-term profitability and sustainability (Appannan et al., 2020). Thus, the empirical evidence supports the NRBV theory by illustrating how sustainable business practices serve as a source of competitive advantage for FMCG firms in Lagos State.

Conclusion and Recommendation

The study concludes that sustainable business practices significantly enhance the competitive advantage of selected fast-moving consumer goods (FMCGs) companies in Lagos State, Nigeria. This positive correlation suggests that companies adopting sustainable practices are likely to achieve a stronger market position, improved customer loyalty, and enhanced operational efficiencies. Based on these findings, it is recommended that FMCGs in Lagos State, and by extension, in other regions, should integrate sustainable practices into their core business strategies. This includes investing in environmentally friendly technologies, promoting ethical

labor practices, and engaging in corporate social responsibility initiatives. By doing so, they not only contribute to environmental and social well-being but also secure a competitive edge in the market.

Conflicts of Interest

The authors have disclosed no conflicts of interest.

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Adelekan, S. A., Ajibade, T. I., Osinaike, A. O., & Bamidele, T. A. (2025). Sustainable business practices in enhancing competitive advantage in Lagos' FMCG sector. *Seybold Report Journal*, *20*(5), 58–77. DOI: 10.5281/zenodo.15375408

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