

# THE EFFECT OF COMPETITIVE AND GREEN MARKETING STRATEGY ON DEVELOPMENT OF SMES

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## ABSTRACT

*The purpose of this study is to examine the effect of competitive and green marketing strategy on development of SME in Jaffna district by surveying 302 SMEs in Jaffna district. Resource advantage theory of competitions is underpinned to link the marketing strategy and performance development of SMEs. Little researches were undertaken into the competitive marketing strategy and green marketing strategy in SMEs in the post war context. The influences of these marketing strategy on the performance of SME is nebulous in the post war context. Data were collected by using questionnaires from owners of SMEs. Simple random sampling method was applied to select samples for this study. Structural equation method (SEM) was utilized to identify the effect of marketing strategy on the development of SMEs. The findings revealed that competitive marketing strategy significantly influenced on the financial development, customer development and SME development and not significantly influenced on the employee development. Regarding green marketing strategy, it significantly influenced on customer development and employee development not significantly influenced on the financial and SME development. This research suggested that entrepreneurs need to apply these two strategies for the development of SMEs.*

**Key words:** competitive marketing strategy, green marketing strategy, development of SMEs

## 1. Introduction

In the Sri Lankan context, the national policy framework for SME development defined SMEs, based on the number of employees and annual turnover (Gunawardana, 2016). The category of Small and Medium sized Enterprises (SMEs)