

**Examining SMEs' business sustainability strategies and customers' perceptions of sustainable development: Insights from Georgia**

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*A project/thesis submitted to the Faculty of Ilia State University Business, Technology and Education Business School in fulfillment of the requirements for the academic degree of Master of Business Administration*

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**Tbilisi, 2023**

## Declaration

As the author of this paper, I declare that this thesis presented for the degree of Master of Business Administration is an original report of my research and has been written by me. Due references have been provided on all supporting literatures and resources. I also confirm that this work has not been submitted for any other degree or professional qualification.

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19.01.2023

## **Abstract**

Taking into account the lack of awareness of sustainability practices among small and medium-sized enterprises (SMEs) in developing countries, the purpose of this paper was to examine sustainable development strategies, investigate potential issues that may arise when implementing those practices, identify drivers, and discover what benefits Georgian SMEs receive from developing sustainability. Moreover, this paper investigated Georgian customers' perceptions of sustainability. The positivism approach was chosen for the research philosophy, and the mono method quantitative model was used in this study. This paper had two separate cohorts: Georgian customers and Georgian SMEs. Consequently, two surveys with closed-ended questions were chosen as the research strategy. Purposive sampling for SMEs and self-selection sampling for customers were the two sampling methods that were selected. To interpret data in a constructive way, descriptive and regression analyses were performed in SPSS software to provide an overview of key trends and test the hypotheses. The findings showed that customers are what drive Georgian SMEs to adopt sustainable practices. Moreover, a lack of financial resources did not appear to be the main obstacle to the implementation of sustainable practices by Georgian SMEs. Regarding benefits, the findings revealed that incorporating environmentally friendly strategies positively affects the brand image and corporate reputation of Georgian SMEs. According to the findings of the second survey, consumers' awareness of sustainability influences their purchasing decisions. The results revealed that customers in Georgia who already practice sustainable living are prepared to pay more for goods that are environmentally friendly. The findings indicate that Georgian customers are concerned about sustainability issues, but a lack of awareness prevents them from living a more sustainable lifestyle. Moreover, a significant percentage of Georgian consumers are willing to pay a higher price for green products. Therefore, Georgian SMEs should concentrate on creating sustainable plans and providing green goods. Additionally, based on the findings, the paper offered useful recommendations that will aid SMEs owners and managers in better enabling sustainability practices and identified additional research areas to investigate.

**Keywords:** Sustainability; Sustainable development; Small and medium-sized enterprises; SMEs