



Pricing Strategies and Demand Dynamics in Indigenous Micro-Textile Enterprises

Tsepo Machela*

Department of Business Management, Faculty of Management Sciences, Central University of Technology, Free State, South Africa.

*Email: tmachela@cut.ac.za

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ABSTRACT

This study explores the pricing strategies employed by indigenous micro-textile enterprises in Durban, South Africa, and assesses their impact on consumer demand and business sustainability. Using an exploratory sequential mixed-methods approach, the research draws on qualitative interviews with 50 μ -entrepreneurs and a quantitative survey of 384 participants to uncover how pricing decisions are shaped by contextual constraints, cultural values, and firm-level strategic behaviours. The findings reveal that pricing practices vary significantly across three distinct tiers of micro-textile operations, with Tier Three businesses exhibiting informal and reactive pricing models, while Tier One enterprises engage in more structured, value-based strategies. Key challenges identified include high consumer price sensitivity, limited access to business development support, and the influence of unstructured entrepreneurial decision-making. The study also highlights the role of focus-based strategies, such as cost leadership and product differentiation, in enabling micro-enterprises to navigate competitive markets. Recommendations include strengthening pricing literacy, integrating digital tools, and enhancing the role of business incubators in supporting culturally grounded and market-responsive pricing models. These insights contribute to the broader discourse on inclusive marketing, informal entrepreneurship, and sustainable micro-enterprise development in emerging economies.

Keywords: Pricing Strategies, Micro-Textile Enterprises, Informal Economy, Consumer Demand, Indigenous Entrepreneurship

JEL Classifications: D40, L26, M31, M37

1. INTRODUCTION

Pricing represents a complex yet essential mechanism that can influence various levels of demand and consequently result in a direct and diverse impact on corporate marketing strategies (Ali and Anwar, 2021). The demand levels represented by these corporate strategies display an inverse relationship between price points and the quantities demanded (Kotler and Keller, 2016). This relationship is effectively illustrated by the demand curve, which represents the market's expected quantity of purchases at different price levels (Mancosa, 2021). It encapsulates the aggregate behaviour of various individuals, each demonstrating varying degrees of price sensitivity.

In the context of prestige products, the demand curve may exhibit an upward slope, reflecting consumer perceptions that associate higher

prices with enhanced product quality. However, this effect is subject to diminishing returns; excessively elevated prices can lead to a contraction in demand. Moreover, pricing strategies extend beyond consumer behaviour, directly influencing organisational operations. Specifically, pricing affects the cost structure of goods and services, which in turn shapes a firm's profitability and its capacity to attract and retain talent within its workforce (Frish, 2025).

Price sensitivity plays a crucial role in formulating marketing strategies (Poojary, 2025). The objective of this article is to assess how micro textiles employ pricing strategies to influence demand. The literature reveals that the demand curve illustrates the anticipated quantity demanded at various price levels. Micro textiles utilised this narrative to reflect the responses of consumers with differing price sensitivities (Kenton et al., 2025).

Consequently, a fundamental step in demand estimation was identified and used to analyse the determinants of price sensitivity, as this insight was essential for effective pricing decisions and market positioning (Poojary, 2025).

Micro-textile enterprises in Durban, South Africa, predominantly focus on small-scale garment production, with distribution confined to nearby regional markets. This localised approach is largely driven by institutional financial constraints and limited manufacturing lead-time capacity (Chan, 2017). As a result, businesses tend to adopt a survivalist and necessity-driven approach, prioritising income generation and employment over entrepreneurial opportunity-seeking. This places considerable pressure on local micro-textile manufacturers, given the high degree of price sensitivity among consumers in the region (Ranyane, 2015). Consequently, enterprises tend to adopt a cautious and responsive pricing approach, carefully calibrating price points to avoid overpricing. This strategy is especially critical as their primary customer base comprises economically disadvantaged individuals residing within nearby communities. Accordingly, the literature categorises and positions micro-textile enterprises into distinct tiers and sectors based on their operational characteristics, which reflect their adaptive strategies in navigating market constraints, resource limitations, and varying levels of consumer affordability (Abbate et al., 2023). Manufacturers with broader distribution networks are better positioned to adopt higher pricing models, allowing them to offset their increased operational costs.

1.1. Tier One Micro Textile

Pre-apartheid, the South African textile industry marginalised and disfranchised the non-white population by excluding them from participating in the economy (Beinart and Dubow, 2003). However, with the passing of time and the advent of democracy, a lot changed politically, socially and economically. A vast majority of business enterprises, which initially started as home-based microenterprises and seamstresses, have evolved into experts and exporters of designer clothing following the advent of democracy. These businesses are no longer confined to backrooms and garages, but are now located in industrial complexes, such as shopping malls, and in commercial property services. The industry has produced leaders and experts known nationally and internationally. Today, prominent designers such as Thuli Sindi and David Tlale Thuli Sindi, Maria McCloy, Celeste Lee Arendse, Laduma Ngxokolo, Thabo Makhetha, Rich Mnisi, Khosi Nkosi and David Tlale represent the success of formerly marginalised textile entrepreneurs. The current industry leaders form part of previously excluded non-white fashionistas the likes of just to mention a (Ngwenya, 2020). Their pricing strategies have shifted from a cautious approach to a more competitive stance, aligning with those of established retail brands, as the quality and appeal of their manufactured products have become comparably competitive.

1.2. Tier Two Micro Textile

Spencer (2019) argues that a tailor, a seamstress or dressmaker, and a fashion designer are distinct professions that should not be considered the same. In South Africa, they can all be classified

as micro-textiles manufacturers due to their revenue and the number of people they employ. A tailor is a person who carries out customisation and repair work in the field of sewing (The Art Career Project, 2021). Their role often involves sewing garments such as shirts, jackets, skirts, or other items that customers may have seen in magazines or on television. Customers typically describe or request specific styles, allowing second-tier micro-textile traders to recreate similar versions. These traders also possess the skills to carry out more intricate tasks, such as incorporating zippers or designing button details. However, due to limited access to advanced technology, these businesses cannot achieve economies of scale or engage in mass production. As a result, their products tend to be more expensive and often unaffordable for low-income consumers.

In contrast, seamstresses typically fulfil a less specialised role, often undertaking general sewing tasks (Rouch, 2021). The term “seamstress” is sometimes used interchangeably with “dressmaker,” historically referring to individuals who focus on designing or altering women’s clothing, particularly dresses (Spencer, 2019). However, in contemporary contexts, these distinctions have become more fluid, with both terms now encompassing individuals who produce a wider variety of garments (Textile Infomedia, 2022). This evolution in role flexibility also influences pricing strategies, as less specialised services often command lower price points, whereas specialised garment creation, especially bespoke or tailored work, can justify premium pricing due to the perceived value, craftsmanship, and customisation involved (Traub-Merz and Jauch, 2016).

1.3. Tier Three Micro Textile

The textile industry in South Africa constitutes a distinctive and significant sector for developing countries for several reasons. Firstly, this industry predominantly employs unskilled women, who represent the most marginalised and excluded segments of society. Secondly, the industry features low barriers to entry, thus establishing a highly competitive marketplace. This accessibility allows individuals possessing a sewing machine to commence trading from their premises, engaging in basic functions that can be classified as Tier Three Micro Textile operations.

An analysis of Tier Three micro-textile operators reveals that this group is primarily composed of women who are either self-taught, have acquired their skills through family-based knowledge transfer, or have gained experience from previous employment within the textile industry. This background reflects an informal yet practical pathway into entrepreneurship, shaped by accessible and experiential forms of skill development. Consequently, their operations are characterised by basic functions such as custom sewing, garment alterations, and repairs. The establishment of their operations demands minimal financial investment and is inherently labour-intensive (CFI Team, 2022). In discussing their pricing strategies, data reveal a non-structured approach, where business owners are negotiable and understanding to pricing minimal fees to customers (Frish, 2025). It is at this stage where ineffective price is experienced as business owners experience the severest form of disloyalty due to a non-differentiated, unskilled type of work being done (Hayes et al., 2022).

2. LITERATURE REVIEW

The theory of distribution provides a foundational framework for understanding how income is allocated among the primary factors of production, namely land, labour, and capital (Sandmo, 2016). A clarification by Sandmo (2016), suggests that micro businesses should consider market dynamics when determining prices, particularly during the early stages of organisational development. This consideration is especially crucial given the rigidity of certain fixed costs, such as rent, wages, and utilities, which tend to remain fixed regardless of business growth or revenue fluctuations (Kleinsorge et al., 2016). In this context, Dawson Consulting (2019), through their study *Management Strategies for Small Business*, highlights the importance of a well-defined operations and logistics strategy. Such a strategy not only improves operational efficiency but also enhances the firm's ability to craft competitive and context-responsive pricing structures.

Due to limited financial resources, micro-enterprises are compelled to implement pricing strategies that are both efficient and strategically differentiated. These constraints necessitate the adoption of pricing strategies that are both cost-efficient and strategically differentiated. As a result, micro-enterprises tend to avoid unsustainable discounting practices or easily imitable pricing models, instead developing value-based approaches that reflect their distinct market positioning and resource capabilities (Mancosa, 2021).

2.1. Micro Textile Challenges

Price negotiations are a pervasive challenge in the micro textile industry, particularly at the entry-level segment. Micro-entrepreneurs, already operating under tight revenue constraints, often face significant pressure to concede to customer demands. Refusing such requests may result in losing customers to competitors, further exacerbating their financial vulnerability. It is such predicaments that push micro businesses into the high failure rate trap. The entrepreneurial capacity to resist unfavourable customer demands remains a significant concern. Samusodza (2018) notes that nearly 70% of micro-enterprises fail to survive beyond their 5th year, a trend attributed in part to their inability to reject unprofitable or detrimental customer requests (Bushe, 2019).

Entrepreneurial failures are frequently associated with the incapacity to effectively leverage economic opportunities, a challenge that is further exacerbated by insufficient developmental support and a lack of comprehension regarding market-oriented pricing mechanisms (Leboea, 2017). In many indigenous contexts, pricing strategies are shaped by culturally embedded practices rather than formal economic models. For instance, garment producers often determine prices based on the time invested in production, the aesthetic value of the item, and the social feedback received from community members (Nani and Ronney, 2020). Similarly, rural poultry breeders in Zimbabwe rely on intuitive methods, frequently unaware of conventional pricing variables such as direct and indirect costs, overheads, market demand, and competitive positioning. These examples highlight the prevalence and persistence of indigenous price-setting strategies, which, while

contextually relevant, may limit scalability and competitiveness in broader markets (Nani and Ronney, 2020).

2.2. Relational Dynamics in Pricing Strategies among Micro-Entrepreneurs

In the micro-enterprise sector, particularly within highly saturated markets, pricing strategies are shaped not only by economic considerations but also by social dynamics (Keelson et al., 2024). Traditional views of competition often emphasise rivalry and market dominance; however, among micro-entrepreneurs, especially in resource-constrained environments, a more nuanced form of competitive behaviour emerges, one that is inherently collaborative (Meier et al., 2025).

Rather than functioning as adversaries, micro-entrepreneurs frequently engage in knowledge sharing, including the exchange of pricing advice (Knerler et al., 2022). Competitors may become valuable sources of informal market intelligence, particularly where access to formal business education or market data is limited (Machela, 2025). This cooperative behaviour underlines the relational nature of pricing decisions in these contexts, where entrepreneurs are not simply vying for market share but navigating a complex interplay of survival, trust, and community embeddedness (Machela, 2025).

The competitive landscape, therefore, is not defined by enmity but by mutual survivalism (Newman et al., 2020). Rivalry is tempered by empathy, social responsibility, and the need to preserve long-term relationships both with peers and customers (Deszczyński, 2021). As a result, pricing strategies often reflect not just cost and profit motives but also relational and ethical considerations (Sjöfors and Partners, 2024). This humanised approach to business rivalry reveals an adaptive strategy among micro-entrepreneurs, enabling them to sustain operations in volatile markets while fostering collective resilience (Terchila, 2025).

2.3. Segmented Pricing Strategies in Micro-Textile Enterprises

Price expectations vary significantly across different target markets, even within highly congested micro-enterprise sectors. Despite saturation, a niche market persists, characterised by distinct value perceptions and pricing sensitivities. As previously discussed, the micro-textile market can be broadly segmented into three tiers. Within the top tier, niche customers typically seek premium-quality textile products and are willing to pay premium prices that reflect superior craftsmanship, durability, and uniqueness, necessitating a value-based pricing strategy.

In price-sensitive market segments, a cost leadership approach is often more efficacious, as it prioritises affordability and operational efficiency to appeal to budget-conscious consumers (Stewart and Roth, 2007). Nevertheless, pricing decisions are not solely determined by rational considerations, as personalities, such as overconfidence and risk-taking propensity, can significantly influence strategic choices, thereby compromising optimal pricing outcomes (Elahi et al., 2023). Furthermore, cognitive biases can lead to discrepancies between perceived and actual market demands, ultimately undermining the efficacy of otherwise

sound pricing strategies (Hinterhuber, 2008). Additionally, entrepreneurs often lack fundamental skills in marketing, finance and human resource management, partly due to the inadequacy of governmental support for business incubators (Leboea, 2017).

2.4. The Role of Business Incubators in Supporting Pricing Strategies for Indigenous Enterprises

Research suggests that bespoke business incubator programs, tailored to regional specificities and delivered by institutions with specialised incubation expertise, can play a pivotal role in mitigating entrepreneurial failure (Franco, 2017). These business incubator programs can equip micro entrepreneurs with the expertise to develop context-sensitive pricing models, striking a balance between cost efficiency and market competitiveness. This enables them to sustain operations and achieve long-term profitability. By guiding pricing strategies, these programs can help micro businesses navigate complex market dynamics and improve their chances of success (Hewitt and Janse van Rensburg, 2020).

Business incubators serve as critical enablers for micro and small enterprises, particularly in emerging economies. According to the Department of Trade and Industry (2014), their primary mission is to nurture the success of such enterprises by providing targeted support services and resources. However, indigenous businesses often lack essential knowledge and access to tools for effective budgeting and pricing, skills necessary for achieving visibility and competitiveness within broader organisational supply chains.

In South Africa, incubators are positioned as key drivers of SME development, offering early-stage interventions that include business development support, funding access, and physical infrastructure (Dawson Consulting, 2019; Islami et al., 2019). These foundational resources can significantly enhance pricing capabilities by enabling businesses to understand cost structures, market segmentation, and customer value perceptions.

Yet, systemic challenges persist. Lokhande (2011) highlights that South African SMMEs frequently face financial exclusion, restricted access to credit, and limited technological adoption. These constraints are compounded by weak marketing infrastructure, minimal logistical support, and inadequate exposure to competitive pricing practices and market-driven cost management. The sector further grapples with raw material price volatility, competition from low-cost producers, and ineffective sales and distribution mechanisms—all of which directly impact pricing decisions.

By bridging these capability gaps, incubators can play a transformative role. Through mentorship, training in financial literacy, and exposure to best practices in pricing, incubators can empower indigenous entrepreneurs to develop resilient, market-aligned pricing strategies. This not only strengthens their commercial viability but also enhances their integration into formal supply chains and competitive markets.

3. METHODOLOGY

This study adopted an interpretive paradigm grounded in a subjectivist ontology, which assumes that reality is socially

constructed through individual experiences, perceptions, and value judgments (William, 2024). To explore the complex social and economic roles of micro-textile entrepreneurs, the research employs an exploratory sequential mixed-methods design (Nani and Ronney, 2020). This approach is particularly appropriate within the social sciences, as it facilitates the investigation of how individuals interpret their experiences within specific cultural, structural, and market contexts (Pervin and Mokhtar, 2022).

The interpretive framework is well-suited to uncovering the deeper meanings and lived experiences of micro-entrepreneurs, allowing the researcher to understand how they navigate their roles amid socio-economic constraints. The study begins with qualitative data collection, followed by a quantitative phase, consistent with the exploratory sequential design described by SAGE (2019). In this structure, findings from the qualitative phase inform the development of the quantitative instruments, ensuring contextual relevance and alignment with participant realities.

In the first phase, semi-structured interviews were conducted with 50 µ-textile entrepreneurs, and the data were analysed thematically using NVivo software. Insights from this phase guided the construction of a structured questionnaire used in the second phase, which involved 384 respondents. Quantitative data were analysed using SPSS to generate descriptive statistics and identify patterns relevant to pricing strategies and entrepreneurial behaviour.

This mixed-methods design combines the richness of narrative insights with the empirical generalizability of quantitative data. It enables a comprehensive understanding of the subjective experiences of micro-textile entrepreneurs and the structural factors shaping their decisions within competitive market environments.

Within this framework, the research process is typically exploratory and inductive, with qualitative insights guiding the development or refinement of quantitative instruments. For example, in studying pricing strategies among indigenous micro-entrepreneurs, interviews might reveal nuanced social or cultural factors that influence pricing decisions. These insights can then inform the design of a survey instrument used to test the broader applicability of emerging themes.

3.1. Validity and Reliability

As part of the study's quality assurance procedures, special attention was given to the concepts of validity and reliability, which are critical for ensuring the rigour and trustworthiness of research findings. Ngumbela (2023) emphasises that these technical aspects are essential in guiding accurate measurement and enhancing the credibility of results—particularly in mixed methods research where the integration of qualitative and quantitative data requires consistency and coherence.

In this context, validity refers to the degree to which the research accurately measures the intended constructs, ensuring that the conclusions drawn are sound, relevant, and applicable to the studied context (Heale and Twycross, 2015). Reliability, on the other hand, concerns the consistency and stability of the

measurement tools over time, across instruments, and among different respondents or observers (Andersson et al., 2024). These two elements jointly contribute to the study's ability to produce findings that are both replicable and meaningful.

To uphold these standards, the study employed a mixed methods approach, utilizing a combination of structured questionnaires and surveys. The design of these instruments drew on previously validated tools from prior studies, ensuring content and construct validity. Questionnaires were reviewed for clarity, coherence, and alignment with the research objectives. Furthermore, to minimise inconsistencies during data collection, fieldworkers received training and were instructed to explain the survey questions clearly to respondents. This preparatory step helped reduce potential biases or misunderstandings that could compromise reliability (Ngumbela, 2023).

Overall, these methodological safeguards were integral to maintaining high levels of quality assurance throughout the research process, ensuring that both the qualitative and quantitative components of the study met rigorous academic standards.

Ultimately, the interpretive mixed methods approach significantly strengthens the credibility, validity, and contextual depth of marketing research findings. This methodological framework is particularly effective in studies aiming to inform inclusive business models, community-rooted marketing strategies, and policy interventions designed to support underrepresented or marginalised populations. By integrating both narrative insights and empirical generalisations, it allows for a more nuanced and socially responsive understanding of market dynamics.

3.2. Ethical Considerations

This study received ethical clearance from the Durban University of Technology (clearance number IREC158/22), ensuring compliance with established research ethics protocols. In designing the study, careful attention was given to the principles of trustworthiness as outlined by Lincoln and Guba (1985). The credibility of the research was supported by engaging with knowledgeable participants through an exploratory process, while dependability was maintained through an articulated and transparent research design. Confirmability was reinforced by grounding methodological choices in relevant secondary literature, and transferability was achieved by ensuring that the study's design provides a reliable framework for application in similar research contexts. Collectively, these measures contributed to the ethical and methodological integrity of the research.

4. DISCUSSION OF FINDINGS AND ANALYSIS

This study examined the pricing strategies employed by micro-textile enterprises and their impact on influencing consumer demand in Durban, South Africa. The discussion is structured around the core objectives of the research, drawing on insights from both the quantitative survey of 384 participants and the qualitative interviews with 50 key informants. The integration of

these data sources provides a comprehensive perspective on how micro-entrepreneurs navigate pricing decisions within a highly competitive and resource-constrained environment.

The research investigation drew heavily on concepts such as pricing strategies, business acumen, and the personality traits of business owners to elucidate the navigational strategies employed by micro textile enterprises in the face of fierce competition and cutthroat pricing pressures, thereby shedding light on the determinants of business survival and success in an highly competitive market environment. It was these themes that addressed the challenges of micro textiles concerning pricing. Figure 1 below shows a large portion of the population experiencing challenges

4.1. Pricing Competencies

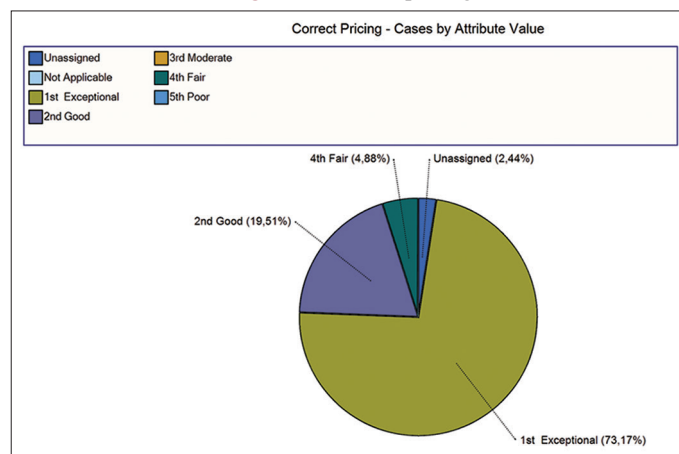
Approximately 73.17% of respondents in the micro textile sector in Durban are capable of pricing their products effectively, without customer complaints or underpricing; however, the strategies employed hinder them from generating sufficient revenue. This significant proportion outlines that nearly three-quarters of the population is pricing to accommodate customer complaints; however, neglecting revenue surplus, thus highlighting the prevalence of pricing challenges in this sector.

However, approximately 19.51% of respondents have achieved a "good status," successfully generating sufficient revenue without compromising customer confidence and loyalty. A further 4.88% require assistance to reach the standards of the rest of the sector. Meanwhile, 2.44% of respondents were not categorised due to missing or ineligible data.

4.2. Product Concept and Pricing Strategies in Micro-Textile Enterprises

In contrast to the traditional production concept, which emphasises mass production and cost efficiency to offer low-priced goods, indigenous micro-textile entrepreneurs are increasingly adopting the product concept as a strategic positioning tool. Rather than focusing solely on affordability, this approach prioritises the creation of high-quality, culturally resonant and innovatively designed textile products that offer distinctive value to customers (Melanie, 2017). For micro-entrepreneurs, especially those

Figure 1: Correct pricing



Source: Own work

operating in niche or culturally specific markets, entering the market with a premium pricing strategy can be effective, particularly when the product is perceived to deliver authenticity, craftsmanship, and uniqueness (Jerab and Mabrouk, 2023).

The product concept aligns well with the ethos of many indigenous textile producers, who emphasise quality, performance, and design innovation over volume. These businesses aim to deliver enhanced or improved offerings that resonate with evolving consumer preferences for uniqueness, ethical production, and cultural identity (Melanie, 2017). By focusing on innovation and value creation, micro-enterprises can differentiate themselves in competitive markets, cultivate customer loyalty, and justify higher price points.

Seemingly, Table 1 displays respondents' views on organisational strategies, revealing that ($n = 72$; 19%) perceive cost leadership strategies, commonly used by larger stores like of PEP, as a significant threat to their businesses. In contrast, ($n = 97$; 26%) of respondents view niche markets as a competitive strategy similar to their organisational approaches.

Micro-enterprises focus on outdoing competitors, but their revenue growth is negatively correlated (-0.9173) with competitive market targets. The ability to retain and adopt marketing concepts also shows a strong negative correlation (-0.9213), indicating that these organisations don't prioritise this aspect (Table 2). In contrast,

Table 1: Frequency Table: Organisational strategy similarity

Descriptors	Organisation strategy is to be similar		
	Frequency	Percent	Valid percent
I do not know (Blank)	18	4.7	4.8
Woolworths - working towards being different.	88	22.9	23.3
Niche Market selling only at high prices	97	25.3	25.7
We have our own pricing strategy (setting prices depends on the time spend producing and quality)	103	26.8	27.2
Missing	6	1.6	
Total	372	96.9	100.0

Source: Researchers own work

Table 2: Retaining and influencing of customers in this industry

Item	Competitive target/goals	Market strategy	Customer retention
Ability to grow the business revenue	-0.9173	0.1739	0.0766
Ability to attain a pricing strategy that will stabilise the organisation	0.1562	0.2438	-0.8403
Ability to outgrow competition	0.5275	0.2423	0.1016
Ability to retain customer loyalty and satisfaction	0.3072	0.3699	0.5873
Ability to retain and adopt marketing concept	0.1407	-0.9213	0.1153

Source: ANOVA researchers own work

customer retention strategies are positively correlated with customer satisfaction (0.5873). However, there's a strong negative correlation with pricing strategy (-0.8403), suggesting that micro-enterprises have limited control over pricing in the market.

In indigenous micro-textile enterprises, pricing strategies are informal, with businesses employing a rather targeted approach that focuses on a narrow market segment. By so doing, they effectively cater to the specific cultural needs of each customer group, giving them a competitive edge over broader market players (Nani and Ronney, 2020). The approach simulates Porter's Focus strategies through either cost focus, offering competitive pricing within the niche, or differentiation focus, where premium pricing is justified through unique design, cultural relevance, or superior craftsmanship (Edwards, 2014).

Significantly, these strategies are rooted in the internal capabilities and contextual knowledge of the micro entrepreneur, enabling firms to carve out distinctive value propositions based on heritage, skill, and material authenticity (Bailetti et al., 2020). Rather than competing on mass appeal, indigenous micro-textile businesses leverage their unique positioning to cultivate customer loyalty and justify strategic pricing choices (Khan et al., 2024).

To evaluate the implementation of focus-based strategies, key variables at the firm level were meticulously examined. These variables encompassed Developmental Strategies (DevStar), Strategic Orientation (STRAT), action planning (POACTN), Plan Review Processes (PLNRVW), and the perceived importance of strategic planning (STRGYIMP). An analysis of these latent constructs revealed twelve distinctive focus-driven pricing and positioning strategies, as encapsulated in Table 3. These findings underscore the significance of culturally grounded strategic planning in shaping the approaches of indigenous enterprises regarding both niche market engagement and value-based pricing.

To assess how indigenous micro-textile enterprises implement focus-driven pricing strategies, several firm-level strategic variables were analysed. These included developmental strategies (DevStar), strategic orientation (STRAT), Action planning (POACTN), plan review processes (PLNRVW), and the perceived importance of strategic planning (STRGYIMP). These constructs reflect how internal strategic capacity shapes both market positioning and pricing behaviours in niche sectors. The analysis of these latent constructs revealed these five distinct strategic orientations, each reflects varying degrees of pricing consciousness, strategic flexibility, and market responsiveness, as summarised in Table 3. Notably, several strategies demonstrate a clear alignment with pricing approaches tailored to indigenous textile contexts:

The "Beating Competition" strategy is closely tied to pricing accuracy and overcoming industry-level competition, suggesting that some micro-enterprises rely on competitive pricing as a primary tactic for differentiation in saturated markets.

The "Focus on Business Environment Trends" strategy highlights the role of the manager's understanding of external market forces

Table 3: Focus strategies

Strategy	Indicators	Loadings
Beating competition	Pricing correctly	0.3472
	Setting laws and regulations	-0.8961
	Overcome Industry level competition	0.7312
	Attaining and keeping up with new technologies	0.4848
	Quarter business plan reviews	-0.3712
Short term business plan cycles	Bi-annual business plan review	0.3414
	Producing quality products	-0.8082
	Focusing on manager's role in customer retention	0.4152
	Quarterly business plan review	0.6152
	Bi-annual business plan review	-0.5277
Business Expansion strategy	Prioritisation of business strategies	-0.8912
	Grow or expand the business	0.7555
Market follower strategy	Monitoring and keeping up with competitor's strategies	0.3373
	Strategy focused on lower shipping and storage costs	0.3704
	Yearly business planning cycles and review	-0.5942
	Strategic planning contingent on the manager's intuition	-0.5039
	Patterning strategy based on competitor's strategies (copying)	-0.3512
Focus on business environment trends	Follow strategic direction set by market leaders	0.8233
	Pricing correctly	-0.7944
	Manager's understanding of business environment	0.7719
	Strategy focused on lower shipping and storage costs	-0.4237
	Attaining and keeping up with new technologies	-0.3345
Strategic planning and design	Strategy contingent on manager's intuition	-0.4491
	Patterning plans after competitor's strategies	-0.3762
	Follow strategic direction set by market leaders	0.9178
	Improving manager's influence	-0.8626
	Monitoring and keeping up with competitor's strategies	0.6468
Improving manager's influence	Attaining and keeping up with new technologies	0.4181
	Years review of business plans and strategies	-0.3298
	Focusing on the manager's role in customer retention	0.6236
	Manager to employ the latest technology in production	-0.8712
	Strategy focused on lower shipping and storage costs	-0.3800
Latest production technologies	Based on the manager's intuition	-0.4737
	Regular brainstorming with colleagues on strategies	0.9008
	Focusing on manager's role in customer retention	0.3243
Strategic brainstorming with colleagues	Annual cycle review of business plans	-0.3076
	Quarterly business plan review	-0.3104
	Bi-annual review of business plans	-0.3109
	Long term planning with infrequent review	0.9455
	Increased opportunities within the textile industry	-0.7591
eBusiness strategy	Working on improving the e-business strategy	0.8206
	Overcome industry level competition	0.3049
Long term competition strategy	Business review once in 4 months	0.8292
	Bi-annual business plan and strategy review	-0.4199
	Patterning after competitor strategies or plans	-0.3956

Source: Own construct

in informing value-based pricing and cost efficiency, especially concerning shipping and storage expenses.

The “Latest Production Technologies” and “Strategic Planning and Design” strategies reflect investments in innovation and efficiency, enabling enterprises to justify higher price points based on improved product quality and operational effectiveness.

The “eBusiness Strategy” reveals how digital adaptation is becoming increasingly influential in expanding market reach and enabling dynamic pricing strategies aligned with broader textile industry trends.

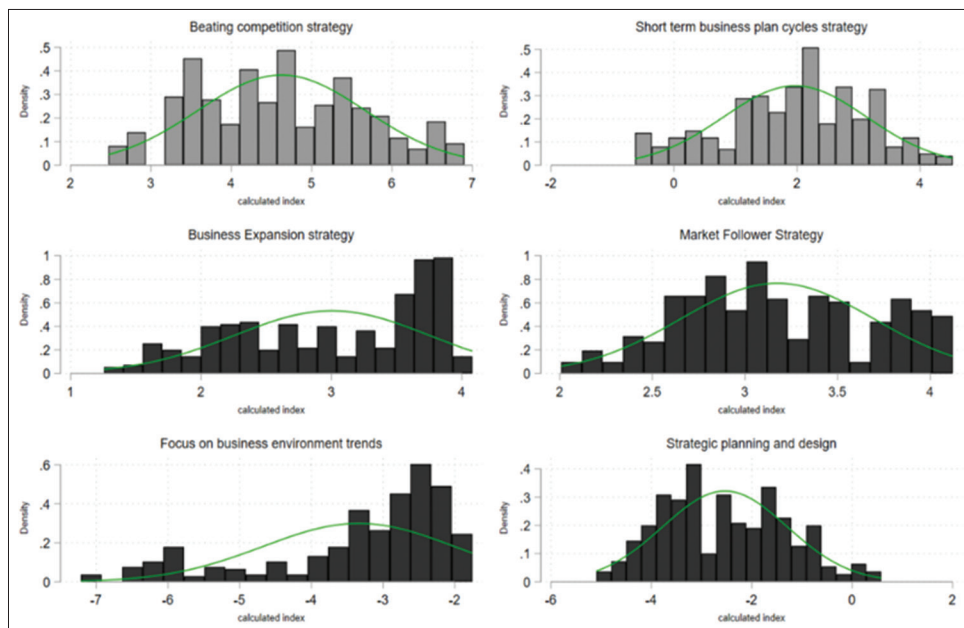
Importantly, these strategies are not implemented in isolation but reflect a mix of differentiation focus (through innovation and product quality) and cost focus (through operational efficiency

and responsive planning). This dual emphasis allows indigenous micro-enterprises to serve niche markets while maintaining cultural integrity and economic viability.

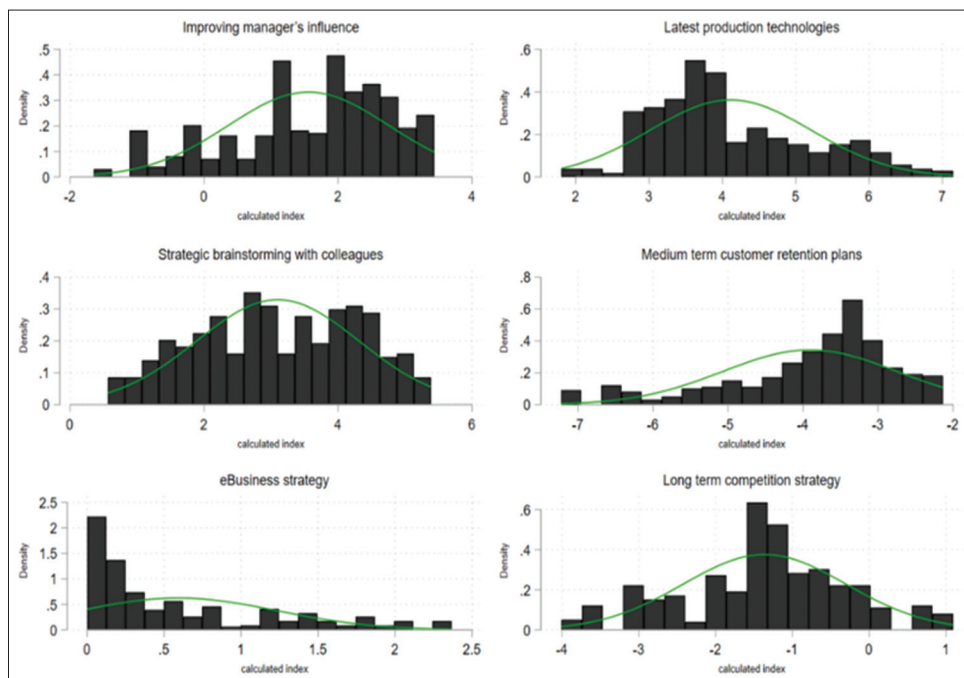
Thus, Table 3 not only offers a taxonomy of strategic orientations but also demonstrates how contextualized strategic planning directly informs pricing choices in indigenous micro-textile enterprises. These findings underscore the value of embedding culturally relevant strategy frameworks into broader marketing and pricing models.

4.3. Focus Strategies and Firm-Level Characteristics

This initial description shows that strategies vary between proactive, like business expansion strategies and reactive, such as market follower strategies. Technology and managerial influence appear pivotal in many of these strategies. In Figure 2

Figure 2: Graphic summaries of focus strategies

Source: Own construct

Figure 3: Graphic summaries of various strategies

Source: Own construct

below, the predicted values of the endogenous competitive strategies are presented and discussed in Table 3. These univariate distributions are designed to show the relative scoring for each given participant and the potential scores expected to indicate the performance of the firms on each index, summarising competitive strategy.

The “beating competition strategy” histogram (top left) shows that the scores are normally distributed, with participants most likely scoring around the average values of the composite index.

A similar can also be observed for scores on “short-term business cycles strategy” which has values coalescing around the average values. The business expansion and focus on business environment strategies both show polarisation with the distribution of the scores being negatively skewed. Most participants have very low scores while a few firms do seem to have larger scores on these strategic directions. The differences in these scores are expected to be explained by firm-level characteristics such as resources, skills and so on, which determines the range of business strategies possible to the businesses.

5. CONCLUSION

The research highlights a pressing need for structured pricing education, strategic support, and inclusive incubation initiatives to help indigenous micro-enterprises move from subsistence-level operations to sustainable growth trajectories. The findings underscore the importance of strategic planning, product differentiation, and contextual awareness in shaping pricing behaviour. Focus-driven strategies—such as those related to innovation, customer retention, or competitive benchmarking—offer pathways to improved financial performance and market resilience. Moreover, the integration of cultural identity into product value has been identified as a potential lever for value-based pricing in niche markets.

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