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The Impact of Pricing Strategies on the Growth and Sustainability of Small and Medium Enterprises in the City of Mbombela Local Municipality, South Africa

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The Impact of Pricing Strategies on the Growth and Sustainability of Small and Medium Enterprises in the City of Mbombela Local Municipality, South Africa

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Abstract

This study investigated the impact of pricing strategies on the growth and sustainability of small and medium enterprises (SMEs) in the City of Mbombela Local Municipality, South Africa. The study employed a quantitative research approach. The study sampled 132 SMEs operating within the City of Mbombela Local Municipality. A self-administered questionnaire was tested for reliability and validity and thereafter used to collect data from the respondents. This study employed multiple linear regression analysis and performed the reliability test. In this study, the data were analysed using descriptive and inferential statistics. The results showed that SMEs primarily used cost-plus, value-based, and competitor-based pricing strategies, frequently modifying prices in response to market competition and technological advancements. The study found a significant and positive relationship between pricing strategies and growth. Furthermore, a positive and significant nexus between pricing strategies and the sustainability of the SMEs. The practical implication of this study informs the SME managers/owners and policy makers that SMEs that apply strategic and market-oriented pricing practices are more likely to achieve improved performance outcomes. The study therefore emphasises the importance of effective pricing in promoting both growth and long-term sustainability among SMEs. The findings of this study are expected to persuade the SMEs to pay crucial attention to the pricing strategies implemented in the business.

Keywords: SMEs; pricing strategies; growth; sustainability

1. Introduction

Small and Medium Enterprises (SMEs) are universally recognized as critical to economic development, job creation, and poverty alleviation, especially in developing countries like South Africa (Abor & Quartey, 2010; Fatoki, 2014). In South Africa, SMEs account for nearly 60% of employment and approximately 34% of gross domestic product (GDP) (Small Enterprise Development Agency [SEDA], 2022). However, despite their economic importance, SMEs frequently struggled with sustainability and growth due to a variety of operational issues. One of the most important but often overlooked aspects was their pricing strategy. Pricing was more than just determining the value of a product; it was a strategic tool that influenced market positioning, profitability, and long-term business viability (Hinterhuber & Liozu, 2012; Kotler & Keller, 2016).

Pricing strategies refer to the methodologies and rationales that businesses use to set the prices for their goods and services. Cost-based pricing, value-based pricing, penetration pricing, and competition-based pricing were some examples (Nagle, Hogan & Zale, 2016). SMEs frequently lacked the resources and market data required to implement sophisticated pricing models, instead relying on intuitive or reactive pricing practices that often limited their ability to respond to competitive pressures or customer expectations. Ingenbleek et al. (2013) discovered that firms that used value-

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based pricing, in which prices were set based on perceived customer value, were more likely to improve performance and customer retention. However, the adoption of such strategic pricing models remained low among South African SMEs, particularly in semi-urban and rural areas such as the City of Mbombela Local Municipality.

The City of Mbombela Local Municipality in Mpumalanga Province was considered an important case study because of its growing but fragile SME sector. The local economy was diverse, with SMEs operating in tourism, retail, agriculture, and services industries where pricing could be a competitive advantage (Tshikhudo & Manenzhe, 2021). According to SEDA (2022), many SMEs in the region failed within the first three years due to underpricing, insufficient market research, and the inability to recover fixed and variable costs. Pricing decisions in Mbombela were frequently based on competitor behaviour or perceived affordability, rather than consumer insights or cost analysis, resulting in inconsistent profit margins and unsustainable business practices (Masama & Bruwer, 2018). Sustainability in SMEs refers to their ability to maintain operations, remain competitive, and adapt to changing market conditions over time (Bocken, Short, Rana & Evans, 2023).

Pricing strategies were an important part of a company's overall business strategy, acting not only as a revenue generator but also as a tool for positioning and competitiveness (Kotler & Keller, 2016). Due to limited financial buffers and resource constraints, pricing decisions in SMEs, particularly in emerging markets, are often determined by whether a business grew or failed (Nagle, Hogan & Zale, 2016). Unlike large corporations with significant pricing power, SMEs had to consider customer expectations, production costs, and market competition when developing optimal pricing models (Amoako et al., 2022).

Pricing strategies for SMEs, particularly in developing economies, were frequently influenced by constraints such as data access, a lack of marketing expertise, and informal business operations (Maziriri & Chivandi, 2020). Nonetheless, when properly implemented, pricing strategies helped improve customer acquisition, maintain competitiveness, and achieve long-term sustainability (Talegeta, 2014). A systematic pricing approach enabled SMEs to efficiently align their product value propositions with target markets and internal cost structures.

Furthermore, the combination of technology, competitive awareness, and segmented marketing allowed SMEs to align pricing with market dynamics (Muriithi, 2017). Market research, customer segmentation, and technological capacity had to be considered when strategically selecting and applying a pricing model factor that became increasingly important for SMEs navigating dynamic economic environments. Several scholars emphasised the importance of strategic pricing in the sustainability and growth of small businesses. Hinterhuber (2008) pointed out that effective pricing was one of the most direct levers for increasing profitability, but many businesses overlooked it in favour of more visible strategies like promotion or product development. Liozu and Hinterhuber (2013) found that firms with strong pricing capabilities outperformed those without. In South Africa, the informal sector and micro-enterprises relied heavily on cost-plus or competitor-based pricing, which was less adaptable to changing consumer behaviour and market dynamics (Chiliya, Herbst & Roberts-Lombard, 2009). This created a vulnerability in the sustainability of SMEs, particularly in competitive environments like the City of Mbombela Local Municipality.

Despite the global expansion of SME research, few studies have focused on the contextual realities of SMEs in South African municipalities like Mbombela, where market conditions such as income variability, competition intensity, and technological access differ significantly from those in more developed economies. This discrepancy highlighted the importance of investigating how pricing strategies were implemented and how they affected SME growth and sustainability (Mabuza & Radebe, 2023).

South Africa is a developing country with unique features in pricing strategies and regulations under the Competition Act. However, there is a necessity to investigate the impact of pricing strategies on the growth and sustainability of SMEs in the City of Mbombela Local Municipality. This study seeks to achieve the following research objective: to examine the impact of pricing strategies

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on the growth and sustainability of SMEs in the City of Mbombela Local Municipality. Therefore, the research objectives are structured as follows:

- To examine the pricing strategies applied by the SMEs in the City of Mbombela Local Municipality.
- To assess the impact of pricing strategies on the growth of SMEs in the City of Mbombela Local Municipality.
- To evaluate the impact of pricing strategies on the sustainability of SMEs in the City of Mbombela Local Municipality.

Against the aforementioned background, this paper focuses on SMEs in the City of Mbombela Local Municipality in South Africa. Despite the high employment contribution and GDP, the SME sector still depicts concerns that warrant the investigation of the pricing strategies and their impact on the growth and sustainability. The investigation sheds insight into how pricing strategies impact growth and sustainability. This study contributed to the ongoing discussion on pricing strategies by illustrating the impact that enhances SME growth and sustainability. The remainder of the paper is structured as follows: The following section provides the discussion of the literature review, followed by the methodology employed to address the research questions. Furthermore, a section that provides the data findings and discussions and concludes with a summary, policy recommendations and suggestions for future research.

2. Literature Review

2.1. Introduction

The literature review provides a detailed review of the pricing strategies and their influence on the growth and sustainability of SMEs. It provides the theoretical literature that underpins this study, followed by the empirical literature review.

2.2. Theoretical Literature

This study relied on three interconnected theoretical perspectives: the Resource-Based View (RBV), Contingency Theory, and Price Signalling Theory. These theories provided distinct but complementary explanations for how and why specific pricing strategies may result in different performance outcomes depending on firm capabilities, market conditions, and consumer perceptions (Gómez & Stevenson, 2020; Mutalemwa, 2022).

The pricing strategy selection and implementation were both managerial decisions and strategic tools influenced by internal capabilities, customer characteristics, and market conditions (Nagle, Hogan, & Zale, 2016). Based on the RBV theory, the RBV positioned value-based pricing and market segmentation as strategic assets that improved SME growth and long-term sustainability when aligned with internal firm competencies and customer expectations (Barney, 1991; Lindiwe & Makanyeza, 2021). RBV proposed that firms gained a competitive advantage by leveraging unique internal resources and capabilities, such as strategic pricing competencies (Barney, 1991; Liozu & Hinterhuber, 2021). According to this perspective, SMEs that developed and implemented pricing strategies that were in line with their operational strengths were more likely to achieve long-term growth.

However, Contingency Theory proposed that the effectiveness of these strategies was determined by contextual variables. Such as, Cost-plus pricing and competitive pricing were found to be more appropriate in price-sensitive markets with low purchasing power or high levels of product substitution (Gbolagade & Akinlabi, 2020). Contingency Theory emphasised that the effectiveness of any pricing strategy was context dependent. It argued that there was no universally optimal pricing model; rather, the suitability of a strategy was determined by factors such as consumer demand, market saturation, competition, and purchasing power (Donaldson, 2001; Gbolagade & Akinlabi, 2020). This supported the idea that the relationship between strategy and

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outcome was conditional, and that aligning pricing strategy with market conditions was critical for effectiveness.

Price Signalling Theory, as discussed by Mutalemwa (2022), added nuance by acknowledging that certain strategies, such as premium pricing, may not have the desired effects in markets with low brand awareness or consumer trust. This suggested that pricing strategies could sometimes have a neutral or negligible effect, depending on how consumers interpreted price in relation to product value and perceived quality. Price Signalling Theory explained how pricing communicated perceived value and quality to consumers, especially in cases of information asymmetry. This theory was especially relevant for SMEs looking to differentiate their offerings or establish brand credibility in price-sensitive or low-trust markets (Kirmani & Rao, 2000; Mutalemwa, 2022).

The conceptual framework assumed that key pricing strategies, specifically, changes in technology, the number of competitors, market segmentation, value-based pricing, and cost-plus pricing, acted as independent variables influencing the dependent outcomes of SME growth and sustainability, such as revenue, market share, and business longevity (Kotler, Keller, & Chernev, 2022). It also considered moderating variables that could strengthen or weaken the link between pricing strategies and outcomes. These included the level of competition, consumer purchasing power, and the company's technological capabilities.

2.3. Empirical Literature

Prior studies have consistently shown that strategic pricing decisions have an influence on critical business outcomes such as revenue growth, market share expansion, customer loyalty, and long-term survival (Wang, Li, & Wei, 2020; Asiedu-Appiah, Acheampong & Boateng, 2021). Pricing was increasingly viewed as a dynamic, strategic mechanism that SMEs could use to compete effectively in resource-constrained environments (Ofori, Boateng, & Osei, 2022). To maximise positive business outcomes, pricing strategies should be aligned with firm-specific capabilities, market conditions, and consumer behaviour (Liu & Atuahene-Gima, 2021).

2.3.1. Pricing strategies applied by SMEs

Change in technology

Empirical research consistently showed that technological advancements significantly influenced how SMEs developed and implemented their pricing strategies (Mhlanga, 2022; Chatterjee & Nguyen, 2021). Technology was no longer merely a tool for operations but had become a strategic enabler that allowed firms to adopt more agile, data-driven, and customer-centric pricing models.

Mashabela (2020) found that in a Cape Town study, small retail enterprises using technology-enabled pricing strategies outperformed their traditional counterparts in terms of revenue growth and customer retention.

Technological tools such as artificial intelligence and cloud-based pricing software helped SMEs maintain price consistency across channels, manage stock levels more efficiently, and forecast demand patterns more accurately. Adeyeye et al. (2018) discovered that Nigerian SMEs that used cloud-based point-of-sale (POS) systems were able to respond quickly to demand fluctuations, resulting in increased financial resilience and profit margins. Mahlalela and Chiloane-Tsoka (2022) found that limited access to digital infrastructure, low digital literacy, and high implementation costs resulted in a digital divide that limited many SMEs' ability to fully leverage pricing technologies.

Number of competitors

In highly saturated markets, SMEs frequently use penetration or competitive pricing strategies to attract and retain customers (Maziriri, Chuchu, Madinga, 2021; Nair & Bhattacharyya, 2020). These strategies typically involved pricing lower than established competitors to quickly gain market share, though such tactics frequently came at the expense of long-term profitability.

Chinomona and Maziriri (2017) found that South African SMEs operating in urban retail sectors frequently reduced prices to stay competitive in highly competitive markets. Mthabela (2019) examined small-scale manufacturers in Johannesburg and found that intense price competition

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forced many SMEs to reduce their prices in an unsustainable manner. While this strategy initially increased customer acquisition, it put significant strain on profit margins and cash flow, jeopardising long-term viability. SMEs operating in niche or less saturated markets typically have greater pricing power and flexibility. However, Badenhorst-Weiss and Cilliers (2014) examined 497 retailers and wholesalers in Soweto (South Africa) and found that businesses with little competition successfully implemented premium pricing strategies.

Market segmentation

Market segmentation was critical to how SMEs structured their pricing strategies, especially in diverse and economically stratified environments like many South African municipalities. Segmentation-based pricing enabled businesses to tailor their offerings and prices to different customer groups based on demographics, income levels, preferences, and purchasing habits (Chioveanu, 2024). Mungai & Bayat (2019) found that SMEs that used segmented pricing strategies based on purchasing power, behavioural patterns, and age groups had a 27% increase in sales and significantly higher customer retention than businesses that used uniform pricing models. These SMEs were able to effectively meet the needs of low-income earners, middle-income consumers, and business clients while maintaining their brand identity and profitability.

Similarly, a study by Abiola and Asiweh (2019) in Nigerian SMEs found that tailoring pricing strategies for specific market segments, such as students, small traders, and corporate clients, increased market reach and strengthened brand loyalty. Businesses that incorporated consumer diversity into their pricing were better positioned to differentiate themselves in competitive markets.

Value-based pricing

Value-based pricing, which involves setting prices based on customers' perceived value rather than production costs, has emerged as one of the most strategic pricing strategies for SMEs. This model emphasised customer-centricity and differentiated value delivery as critical for long-term competitiveness and profitability (Hinterhuber & Liozu, 2020; Camilleri, 2022). Njeri and Kihoro (2016) conducted a study using Kenyan SMEs and found that firms that used value-based pricing had 18% higher average profit margins than those that used cost-plus pricing. Similarly, Naidoo (2020) investigated SMEs in Durban (South Africa) and found that firms that prioritised value perception over pricing costs had more customer retention and increased referrals via word-of-mouth marketing. Corroborated by Asiedu-Appiah, Acheampong, and Boateng (2021), who sampled Ghanaian SMEs that used a combination of value-based and competitive pricing and found that it increased their market share and sales volume significantly.

Cost-plus pricing

Cost-plus pricing has remained one of the most popular strategies among SMEs due to its simplicity and perceived fairness. Furthermore, cost-plus pricing provided consistency and predictability, especially for businesses with limited pricing expertise or access to detailed market intelligence (Sibanda & Manda, 2018). Sibanda and Manda (2018) conducted a study in Limpopo (South Africa) and found that more than 65% of surveyed businesses used cost-plus pricing as their primary strategy. However, Maphosa (2017) conducted a study in Mpumalanga (South Africa) and found that firms using rigid cost-plus pricing models struggled to remain sustainable during times of economic uncertainty. Nyagadza (2022) conducted a study in Zimbabwe and found that, while cost-plus pricing ensured internal cost recovery, it provided little flexibility in responding to competitive pressures. SMEs that relied solely on this approach were less agile and had lower customer acquisition in dynamic markets.

2.3.2. Impact of pricing strategies on the growth of SMEs

According to Nagle, Hogan, and Zale (2016), a well-aligned pricing strategy can increase market penetration, attract new clients, and boost sales volumes, all of which contribute to business growth and competitive advantage. Strategic pricing has emerged as an important tool for SME survival and growth in dynamic and competitive environments, particularly in developing economies like South Africa (Fatoki, 2014). Several empirical studies have identified pricing as one of

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the most important factors influencing the success and growth of SMEs. Chimucheka (2014) found that SMEs in the Eastern Cape province in South Africa experienced faster growth when pricing strategies were frequently adjusted to reflect changes in costs, market demand, and customer preferences. Similarly, Okwang'a et al. (2015) found that Kenyan SMEs that adopted competitive pricing strategies aligned with consumer expectations experienced faster growth in client acquisition and geographic reach.

Hinterhuber (2008) claimed that this pricing strategy improved customer relationships and contributed to consistent revenue growth. Aremu and Adeyemi (2011) discovered that Nigerian SMEs that successfully communicated superior customer value charged higher prices and expanded their customer base faster than their competitors. However, growth outcomes from pricing strategies were not automatic or uniform. Mahlalela and Chiloane-Tsoka (2022) found that South African SMEs that incorporated technology into their pricing decisions had more sustainable growth trajectories, emphasising the importance of innovation in pricing strategy development.

Kunene (2018) conducted research in KwaZulu-Natal, South Africa, to determine the impact of pricing strategies on the growth of small retail businesses. The study used a mixed-methods approach, combining surveys and interviews to sample 120 SME owners and managers. The findings revealed that pricing strategies' effectiveness was heavily influenced by their alignment with the overall business model and the specific local market conditions. The use of technological tools to implement dynamic pricing, better understand target markets, and differentiate offerings through value creation boosted SMEs' growth prospects. Consistent with the results, Trebicka et al. (2023) examined the association between pricing strategies and customer retention in Albania, using 572 participants from seven hotels and employing a multiple regression analysis, and found a positive and significant link between pricing strategies and customer retention.

Flatten et al. (2015) examined 420 technology-based businesses in Germany and employed a multivariate statistical modelling and found a positive relationship between pricing strategies and growth. Similarly, an earlier study by Dayan et al. (2010) examined 571 multinational food, motorcar and high-technology manufacturing firms around the world and employed a structural equation analysis. The study found a positive relationship between pricing strategy experts and growth. The results are consistent with those of Han et al. (2024). Kaushik and Vaishaali (2023) found that pricing strategies significantly impact SMEs' profitability and growth, with pricing promotions increasing sales and a price premium strategy leading to higher profitability. The study further indicated that SMEs should consider the pricing strategies of competitors when establishing their own prices.

While many studies found a positive and significant association between the variables, some evidence suggests a potential negative relationship. Hufnagel et al. (2022) examined personalised pricing and found that it negatively impacts the fairness perceptions and therefore has a negative impact on the growth of the business. Keller et al. (2022) found similar results when examining five published studies and found a negative relationship between dynamic strategy and growth, which was impacted by norm violations.

Based on the empirical and theoretical literature, the positive impact is dominant, but the outcome depends on the context, consumer perception and technology. This study tests the following hypothesis:

H1. There is a positive relationship between pricing strategies and the growth of SMEs in the City of Mbombela Local Municipality.

2.3.1. Impact of Pricing Strategies on the Sustainability of SMEs

The adoption of effective pricing strategies was a critical enabler of sustainability in SMEs, ensuring consistent revenue generation, customer retention, and financial stability (Indounas, 2009). Pricing strategy thus served as both a revenue generator and a strategic stabiliser in volatile or resource-constrained environments. According to Hinterhuber and Liozu (2019), businesses that implemented value-based pricing models were able to charge premium prices without alienating customers, resulting in higher margins and long-term financial health. Dube and Makhetha-Kosi

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(2020) conducted a study in Gauteng Province and found that SMEs that reviewed and updated their pricing strategies on a regular basis in response to inflation, changing consumer demand, and rising competition were more likely to survive beyond the critical five-year mark. These studies collectively indicate that pricing strategies are significant for the sustainability of SMEs.

Kambwale, Chisoro, and Karodia (2015) found that Namibian SMEs using segmented pricing models demonstrated greater resilience during economic downturns, implying that such strategies assisted SMEs in better matching offerings to market realities. Similar trends were seen in other Sub-Saharan markets where customer diversity necessitated adaptable pricing strategies (Mensah & Dzokoto, 2021). These findings were consistent with previous observations by Moos and Sambo (2018), who argued that adaptive pricing was critical for navigating uncertain business cycles in emerging economies. Rogerson (2018) examined South African SMEs that implemented technology-enabled pricing, such as e-commerce platforms and real-time data analytics, and found that these SMEs could monitor market trends, manage inventory efficiently, and adjust pricing dynamically. These capabilities enabled businesses to stabilise cash flow and reduce waste, improving their long-term viability in digitally evolving environments such as Mbombela.

Prior studies examined the relationship between pricing strategies and sustainability. However, the results are inconclusive. Iliemena-Ifeanyi et al. (2025) examined the impact of pricing strategy on the sustainability of Anambra State manufacturing companies. The study sampled 38 respondents from three companies and employed a regression analysis. The study found a positive and significant relationship between pricing strategy and the sustainability of the companies. Furthermore, the study found value-based pricing strategy influenced the sustainable supply chain management of the companies. Similarly, Agbaeze et al. (2020) examined 100 Nigerian supermarkets in Enugu state and employed a multiple regression analysis. The study had 48 respondents and found a positive and significant link between pricing strategies and the sustainability of the supermarkets. Li and Sun (2024) and Jiang et al (2024) found a similar positive and significant relationship between pricing strategies and sustainability.

Meanwhile, prior studies found a positive and significant relationship, some evidence suggests a negative relationship, while others suggest an insignificant relationship between pricing strategies and sustainability. However, Salmore et al. (2025) examined the impact of pricing strategies on the sustainability of Talisayan food stall startups in Philippine rural areas. The study employed simple and multiple linear regression analysis and found a negative and significant relationship between aggressive pricing strategies and sustainability. Kamwea and Korir (2013) assessed hospitality event management businesses from Eldoret town in Kenya. The study sampled 43 entrepreneurs and employed descriptive statistics and found an insignificant link between pricing and sustainability. The limitations, sample size, methodology and industry type may be the reason for inconclusive results.

Based on the empirical and theoretical literature, the positive impact is dominant, but the outcome depends on the context, pricing strategies and methodology followed. This study tests the following hypothesis:

H2. There is a positive relationship between pricing strategies and the sustainability of SMEs in the City of Mbombela Local Municipality.

This study has several contributions to the literature. The study augments the research on the impact of pricing strategies on the growth and sustainability of SMEs. Prior studies investigated this phenomenon in different sectors, such as manufacturing. Meanwhile, this study contributes to the literature by examining the SMEs, which include different sectors. These discussions enhance and supplement the insights into pricing strategies. This study focuses on the underexamined sector, as prior studies focused on the inclusion of microenterprises.

3. Methodology

This section presents the population, sampling and data collection. Furthermore, presents the questionnaire design, measurement of variables and data analysis.

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3.1. Population, Sampling, and Data Analysis

The study is quantitative in nature and employed a positivist research paradigm. This study used a descriptive research design, which was deemed appropriate for investigating and portraying current pricing strategy practices among SMEs. Descriptive research was particularly well suited to studies that sought to systematically document and quantify real-world phenomena without manipulating any variables (Saunders, Lewis, & Thornhill, 2019; Quinlan et al., 2015). The population of the study consisted of the SMEs registered in the City of Mbombela Local Municipality. This study employed a probability sampling technique, namely, stratified random sampling. Stratified sampling involved dividing the population into distinct subgroups (strata) based on relevant characteristics such as business sector and business size, followed by random selection of respondents from each subgroup (Saunders et al., 2019). A sample size is described as the minimum number of respondents from the population to conduct a study (Cooper et al., 2018).

The sample of the study consisted of the SME managers from various sectors such as retail, service, manufacturing and hospitality. The respondents received no compensation to participate in this study. The Raosoft online sample size calculator was used to determine the appropriate sample size, with a 95% confidence level and a 5% margin of error. Based on the population of 200 SME managers, the recommended sample size was 132. The data for this study were collected from the respondents to examine the impact of pricing strategies on the growth and sustainability of the SMEs in the City of Mbombela Local Municipality.

3.2. Questionnaire Design

The study employed a closed-ended questionnaire, accompanied by a consent form and a cover letter. Section A collected the demographic details of the respondents, such as qualifications, race, gender and age. Section B collected the pricing strategies used by SMEs. Section C collected information related to the influence of pricing strategies on the growth and sustainability of SMEs. Sections B and C used a 5-point Likert scale where respondents rated their selection from strongly disagree to strongly agree. While Section A used a nominal scale. The approximate time to complete the questionnaire was 10 minutes.

3.3. Measurement of Variables

Table 1 provides the measurements of the independent and dependent variables of this study.

Table 1. Measurement of variables.

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Variables	Questionnaire item	Scale
Independent variable (Pricing strategies)		
Technology-driven pricing	My SME regularly updates its pricing based on technological changes.	1-5
Competition-based pricing	My SME considers the number of competitors when setting prices.	1-5
Segmented pricing	Our pricing strategy includes segmenting the market to target different customer groups.	1-5
Value-based pricing	We use value-based pricing to reflect the benefits provided to customers.	1-5
Cost-plus pricing	Cost-plus pricing is commonly used to determine product prices in my SME	1-5
Dependent variable (Growth)		
Business growth	Effective pricing strategies have positively influenced the growth of my SME.	1-5
Market share	The pricing strategies used in my SME have helped improve its market share.	1-5
Revenue performance	Pricing strategies have improved revenue and profitability in my SME.	1-5
Dependent variable (Sustainability)		
Long-term sustainability	Effective pricing strategies contribute to the long-term sustainability of my SME.	1-5
Competitive adaptability	Adjusting prices in response to market changes has helped my SME remain competitive	1-5

The variables in Table 1 are measured using five-point Likert-scale items designed to capture how SMEs implement and manage pricing strategies. 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree. Source: own composition.

A composite index for pricing strategy, growth and sustainability was created by averaging the standardised scores of the items. The composite index was created to capture the overall construct of each variable. Furthermore, the index of the three variables was developed specifically for inclusion in and running the regression analysis.

3.4. Model Specification

A multiple linear regression analysis was employed to evaluate the impact of pricing strategies on the growth and sustainability of SMEs in the City of Mbombela Local Municipality. According to Arellano and Bover (1995), regression allows the interpretation of the variables while preventing proliferation and instability challenges from other models.

The model is specified as follows:

$$Y_{it} = \beta_0 + \beta_1 X_{it} + \beta_2 X_{it} + \varepsilon_{it} \qquad \textit{Equation: 1}$$

Where:

Y_{it} *= the dependent variable of the SME's i for the time t.*

X= the vector of the explanatory variables.

ε_{it} *= the disturbance term.*

The general model is then parameterised as follows:

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$G_{it} = \beta_0 + \beta_1 PS_{it} + \varepsilon_{it}$ *Equation: 2*

$S_{it} = \beta_0 + \beta_1 PS_{it} + \varepsilon_{it}$ *Equation: 3*

Where PS_{it} *represent pricing strategies,* G_{it} *is the growth,* S_{it} *is the sustainability, and* ε_{it} *is the error term.*

3.4. Data Analysis

The study employed a content analysis construct validity for all statements in the questionnaire measuring pricing strategies, growth and sustainability of SMEs. A pilot study was conducted with 18 experts in the field of Business Management to assess and confirm the content validity of the questionnaire. To perform descriptive and inferential statistics, the study employed the Statistical Package for Social Sciences (SPSS) and Microsoft Excel. Cronbach's Alpha was employed to test the reliability of the questionnaire. The value of Cronbach's Alpha of 0.7 and above is considered reliable (Kennedy, 2022). Meanwhile, an underlying factor of 0.5 or greater implies significant evidence of validity in the study (Easterby-Smith et al., 2021). Inferential statistics were used to test the significance level of the data collected. Meanwhile, descriptive statistics were used to analyse and process the respondents' biographical information. Descriptive statistics entail a summary of the collected data, using statistics such as mean, standard deviation and frequencies (Saunders, Lewis & Thornhill, 2019). Frequencies were used to present the data. Through the collected data, inferential statistics draws conclusions about the population Creswell & Creswell, 2018). In this study chi-square test was employed to assess the correlation between the variables of the study.

4. Results and Discussion of Findings

4.1. Response Rate

According to Creswell and Cresswell (2018), response rate refers to the number of respondents to the questionnaire. Khoza (2025) argued that a high response rate from the distributed questionnaire implies there will be a lower chance of significant response bias when compared to a lower response rate. From the population of 205 SMEs registered in the City of Mbombela Local Municipality, the respondents completed and returned 137 questionnaires, out of which only 132 questionnaires, which constitute 66%, were completed and usable for analysis.

4.2. Respondent demographic profile

Table 2 presents the respondents' demographic profiles, which consist of age, gender, race and level of education. Furthermore, it provides years of experience of managers within the business and the type of industry.

Table 2. Respondent demographic characteristics.

Variable	Category	Frequency (n)	Percentage (%)
Age	18 to 24	18	14
	25 to 34	25	19
	35 to 44	59.4	45
	45 to 54	20.36	15
	55 and older	9.24	7
Gender	Male	71.28	54
	Female	52.80	40
	Undisclosed	7.92	6
Race	Black	105.60	80
	White	1.32	1
	Coloured	18.48	14
	Asian	6.60	5
	Other	0	0

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Educational level	Matric	19.80	15
	Diploma	52.80	40
	Bachelor's degree	33	25
	Postgraduate	15.84	12
	undisclosed	10.56	8
Years of experience	Less than 1	23	18
	1 to 3	32	24
	4 to 6	37	28
	7 to 9	21	16
	10 and more	19	14
Industry	Retail	50	38
	Manufacturing	14	11
	Service	31	23
	Agriculture	12	9
	Construction	14	11
	Other	11	8

[1] Source: own composition.

The sample of this study consisted of 132 SME managers/owners. Most participants were between 35 and 44 years (45%), and the gender distribution had a majority of male participants (54%). The majority of the participants were black (African), accounting for 80%. Most participants had an educational level of a diploma (40%), and the respondents had a majority of years of experience between 4 and 6 years. Most respondents were in the retail sector (38%).

4.3. Descriptive Analysis of Survey Items

Section B of the questionnaire (Appendix A) presented the pricing strategies employed by SMEs. Meanwhile, Section C presented the impact of pricing strategies on growth and sustainability. Each question used a 5-point Likert scale: 1= strongly disagree (SD), 2= disagree (D), 3= neutral (N), 4= agree (A), 5= strongly agree (SA). The findings are presented in Table 3.

Table 3. This is a table. Tables should be placed in the main text near to the first time they are cited.

	SD		**D**		**N**		**A**		**SA**	
	N	%	N	%	N	%	N	%	N	%
Section A: Pricing strategies										
The business regularly updates its pricing based on changes in technology	5	3.8	38	28.8	51	38.6	31	23.5	7	5.3
The business considers the number of competitors when setting its prices.	0	0	7	5.3	22	16.7	65	49.2	38	28.8
Our pricing strategy includes segmenting the market to target different customer groups.	4	3	22	16.7	56	42.4	42	31.8	8	6.1
We use value-based pricing to reflect the benefits provided to customers.	0	0	19	14.4	61	46.2	39	29.5	13	14.4
Cost-plus pricing is commonly used to determine product prices in the business.	0	0	1	0.8	23	17.4	58	43.9	50	37.9
Section B: influence of pricing strategies on growth and sustainability										
Effective pricing strategies have a positive influence on the growth of the business.	0	0	5	3.8	15	11.4	55	41.7	57	43.2

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The pricing strategies employed in the business have helped to improve the business's market share.	0	0	5	3.8	34	25.8	54	40.9	39	29.5
Effective pricing strategies influence the long-term sustainability of the business.	3	2.3	5	3.8	31	23.5	61	46.2	32	24.2
Adjusting prices in response to market changes has influenced the business to remain competitive.	0	0	9	6.8	32	24.2	59	44.7	32	24.2
Pricing strategies have improved revenue and profitability in the business.	0	0	6	4.5	28	21.2	64	48.5	34	25.8

The study had 133 respondents, and the total is 100%. Source: own composition.

The business regularly updates its pricing based on changes in technology.

In Table 3, the results indicate that the majority of the respondents remained neutral (38.6%); meanwhile, 28.8% disagreed that their business updates their pricing based on changes in technology. However, only 3.8% strongly disagree with the statement, and 23.5% agreed, while 5.3% strongly agreed. The results imply that the majority of the respondents do not agree that their businesses regularly update their pricing strategies based on changes in technology. However, Van der Merwe and Nienaber (2015) found that South African SMEs that used digital pricing systems such as data analytics platforms, automated price trackers, and e-commerce integration tools were more likely to use dynamic and responsive pricing models. Consistent with Chatterjee and Nguyen (2021), who assert that SMEs using digital pricing systems were more responsive and efficient.

The business considers the number of competitors when setting its prices.

Table 3 shows that the majority of the respondents agree (49.2%), while 28.8% strongly agree with the statement. However, only 16.7% remained neutral with the statement, and 5.3% disagreed. This implies that the majority of the respondents agree that the business considers the number of competitors while setting the prices. The results are in line with Chinomona and Maziriri (2017), who found that South African SMEs operating in urban retail sectors frequently reduced prices to stay competitive in crowded markets. Consistent with Mthabela (2019), who found that intense price competition forced many SMEs to reduce their prices in an unsustainable manner.

Our pricing strategy includes segmenting the market to target different customer groups.

In Table 3, the results indicate that the majority (42.4%) remain neutral about the pricing strategy is segmenting the market to target different customer groups. However, it is followed by 31.8% who agree that their business's pricing strategy segments the market to target different customer groups. Only 6.1% strongly agree with the statement, and 16.9% disagreed, while 3% strongly disagreed. According to Fatoki (2020), many South African SMEs, particularly those in under-resourced municipalities, struggle with limited research capacity and inadequate tools for conducting detailed consumer analysis. However, contingency theory and RBV assert that homogeneous demand patterns may make segmentation less practical for SMEs in low-income markets.

We use value-based pricing to reflect the benefits provided to customers.

In Table 3, the results indicate that the majority (46.2%) remain neutral about whether their business uses value-based pricing as their strategy. However, it is followed by respondents who indicated they agree (29.5%) that their businesses employ value-based pricing to reflect the benefits provided to their customers. However, only 14.4% strongly agree with the statement, while 14.4% disagreed. Njeri and Kihoro (2016) and Naidoo (2020) found that value-based pricing increased loyalty and profit margins for the businesses.

Cost-plus pricing is commonly used to determine product prices in the business.

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Table 3 shows that the majority of the respondents (43.9%) agree that their businesses commonly use cost-plus pricing to determine product prices. However, only 17.4% are neutral with the statement, while 0.8% disagreed. Furthermore, the results indicate that 37.9% of the respondents strongly agree that cost-plus pricing is commonly used in the business. The results are consistent with those of Sibanda and Manda (2018) and Maphosa (2017), who found that cost-plus pricing is equitable to the business's growth and survival. However, Nyagadza (2022) highlight that strict cost-plus pricing frequently fails in unstable markets.

Effective pricing strategies have a positive influence on the growth of the business.

Table 3 shows that the majority of the respondents (43.2%) strongly agree and 41.7% agree that effective pricing strategies employed by businesses influence the growth of the business. However, only 3.8% disagree with the statement, and only 11.4% remained neutral. According to Nagle, Hogan, and Zale (2016), a well-aligned pricing strategy can increase market penetration, attract new clients, and boost sales volumes, all of which contribute to business growth and competitive advantage. The results are consistent with Nagle et al. (2016), who found that effective pricing strategies improve customer acquisition and market penetration. Additionally, it was consistent with the findings of Fatoki (2014), Okwang'a et al. (2015), and Kunene (2018), who discovered that pricing strategies had a major impact on the growth of SMEs in African markets.

Adjusting prices in response to market changes has influenced the business to remain competitive.

In Table 3, the results indicate that 44.7% agree that adjusting prices in response to market changes has influenced the business to remain competitive. Furthermore, 24.2% strongly agreed with the statement. However, 24.2% remained neutral to the statement, while 6.8% disagreed with the statement. The results are consistent with Kambwale et al. (2015) and Rogerson (2018), who found that SMEs with regular price adjustments maintained their competitiveness in dynamic environments. Furthermore, the results are consistent with the contingency theory, which emphasises environmental responsiveness.

Pricing strategies have improved revenue and profitability in the business.

Table 3 shows that 48.5% agree that pricing strategies have improved revenue and profitability in the business. Furthermore, 25.8% strongly agreed with the statement. However, 21.2% remained neutral to the statement, while 4.5% disagreed with the statement. The results are in line with Rogerson (2018), who found that SMEs using technology-enabled pricing had increased revenue. However, Fatoki (2020) found neutral responses, indicating that many SMEs lacked financial tracking systems, making it challenging to gauge profitability results.

4.4. Descriptive Statistics

Table 4 presents the descriptive statistics of the study. The table provides the mean, median, standard deviation, minimum and maximum values.

Table 4. Descriptive statistics.

	G1	G22	G3	S1	S2	PS1	PS2	PS3	PS4	PS5
Mean	4,242424	3,962121	3,863636	3,863636	3,954545	2,977273	4,015152	3,212121	3,348485	4,189394
Median	4	4	4	4	4	3	4	3	3	4
Minimum	2	2	1	2	2	1	2	1	2	2
Maximum	5	5	5	5	5	5	5	5	5	5
Std. Dev	0.811918	0.841711	0.906067	0.862915	0.808954	0.84478	0.819466	0.899791	0.846951	0.742726
Kurtosis	0.430321	-0.70574	0.8747	-0.47928	-0.24421	-0.44029	-0.02324	-0.12798	-0.46915	-0.68893
Skewness	-0,91908	-0,31775	-0,78849	-0,38313	-0,4436	0,156011	-0,61974	-0,17825	0,257364	-0,43429
count	132	132	132	132	132	132	132	132	132	132

*PS= pricing strategy, G= growth, S= sustainability. Source: own composition.

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In Table 5, the descriptive statistics show that mean scores ranged from 2.98 to 4.24. The majority of the items recorded a mean above 3, which indicates that respondents agreed with the statements regarding pricing strategies and their impact on the growth and sustainability of the businesses. The highest mean values of 4.01, 4.19 and 4.24 suggest a strong agreement. However, only one item produced a value of 2.98, which reflects a more neutral response. The kurtosis values range between 0.87 and -0.71, which falls within the acceptable range of -1 to +1, while the skewness values range between 0.26 and -0.92. The results indicate that the data is normally distributed and suitable for correlation and regression analysis.

4.5. Reliability Statistics

Table 5 presents the reliability statistics of this study. It presents the variable, the number of items, Cronbach's Alpha and interpretation.

Table 5. Reliability test.

Variable	Number of items	Cronbach's Alpha	Interpretation
Pricing strategies	Q7 to Q11	0.84	Reliable
Business Growth	Q12 to Q13	0.79	Reliable
Business Sustainability	Q14 to Q16	0.81	Reliable
Overall scale	Q7 to Q16	0.82	Reliable

[1] Q represents a question. Source: own composition.

Table 5 presents the number of items, which consists of the number of questions testing the variable. On the questionnaire (Appendix A), pricing strategies comprised five items, business growth comprised two items and business sustainability comprised three items. The Cronbach's Alpha of the three variables is above 0.70, which indicates it is reliable. Furthermore, the study found the Cronbach's Alpha overall value of 0.82, which implies the construct is of good reliability.

4.6. Correlation Matrix

Table 6 provides the correlation matrix of the study to determine the multicollinearity of the variables.

Table 6. Correlation Matrix.

	G1	G2	G3	S1	S2	PS1	PS2	PS3	PS4	PS5
G1	1									
G2	-0,16724**	1								
G3	-0,0382	0,20337	1							
S1	0,02607	0,01385**	0,00532	1						
S2	-0,20646**	0,08714	-0,03977	-0,1183	1					
PS1	-0,03297	-0,08748	-0,11066	-0,27537***	0,02860	1				
PS2	-0,0521	0,11151	0,17758**	0,02453	-0,04501	-0,16717*	1			
PS3	-0,21992**	-0,01955	0,12002	0,13585	0,04481	0,08653	-0,09757	1		
PS4	0,04325	-0,20621**	0,13203	0,11774	-0,1104	-0,11404	0,11332	-0,05767	1	
PS5	-0,25711***	0,2802***	0,10673	-0,12614	0,06526	0,01706	-0,08	0,22499***	-0,19067**	1

*, **, *** denote 0.1, 0.05 and 0.01 significant levels, respectively. PS1 represents pricing strategies. PS1= Technology-driven pricing, PS2= Competition-based pricing, PS3= Segmented pricing, PS4= Value-based pricing, PS5= Cost-Plus pricing. G represents growth. G1= business growth, G2= market share, G3= revenue performance. S represents the sustainability of the business. S1= long-term sustainability, S2= competitive adaptability. Source: own composition.

Table 6 presents the correlation analysis results of the study. According to Hansen (2022), a correlation of greater than 0.80 or less than -0.80 is considered strong and indicates the presence of

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multicollinearity. The values of the variables range from -0.27 to 0.28, therefore, showing there are no collinearity issues among the variables.

4.7. Multicollinearity results (Variance inflation factor (VIF) and tolerance

Table 7 presents the multicollinearity table, which consists of VIF and tolerance.

Table 7. Multicollinearity (VIF and Tolerance).

Predictor	VIF	Tolerance
Pricing strategies	3.21	0.86

Source: own composition.

In Table 7, the results indicate that VIF is below 5, and the tolerance is above 0.2, which indicates that the model has no multicollinearity issues.

4.8. Descriptive Summary of the Model

Tables 8 and 9 provide a descriptive summary of models 1 and 2, which consist of the multiple R, R-squared, adjusted R-squared and standard error.

Table 8. Descriptive summary of model 1.

Regression statistics	
Multiple R	0.654437
R Square	0.425963
Adjusted R	0.41249
Standard Error	0.8718
Observations	132

Source: own composition.

In Table 8, the study found that multiple R has a value of 0.654437, which indicates a strong positive correlation between the dependent variable (growth) and the independent variables (pricing strategies). The R-squared is equal to 0.425963, which indicates the model explains only 42.6% of the variance in the dependent variable. The adjusted R-squared indicates that the included independent variables meaningfully contribute to the model. The standard error was 0.8718, which indicates the average deviation of observed values from the regression predictors.

Table 9. Descriptive summary of model 2.

Regression statistics	
Multiple R	0.548437
R Square	0.327951
Adjusted R	0.34912
Standard Error	0.7188
Observations	132

Source: own composition.

In Table 9, the study found that multiple R has a value of 0.548437, which indicates a strong positive correlation between the dependent variable (sustainability) and the independent variables (pricing strategies). The R-squared is equal to 0.327951, which indicates the model explains only 32.9% of the variance in the dependent variable. The adjusted R-squared indicates that the included independent variables meaningfully contribute to the model. The standard error was 0.7188, which indicates the average deviation of observed values from the regression predictors.

4.9. ANOVA Results

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Tables 9 and 10 provide the ANOVA results to test the significance of the regression models.

Table 9. ANOVA results for model 1.

	df	SS	MS	F	Significance F
Regression	1	92.3660	46.1830	60.7917	0.000
Residual	130	98.0976	0.7021		
Total	131	190.424			

Source: own composition.

In Table 9, the independent variable was statistically significant, suggesting that the variable significantly contributed to the model.

Table 10. ANOVA results for model 2.

	df	SS	MS	F	Significance F
Regression	1	82.5360	36.5430	53.1712	0.000
Residual	130	88.9176	0.6821		
Total	131	181.624			

Source: own composition.

In Table 10, the independent variable was statistically significant, suggesting that the variable significantly contributed to the model.

4.10. Regression Analysis

Table 10 provides the regression analysis of model 1, where growth is the dependent variable and pricing strategies is the independent variable. Meanwhile, Table 11 provides the regression analysis of model 2, where growth is the dependent variable and pricing strategies is the independent variable. The tables provide coefficients, standard errors, t-statistics, and P-values to determine the significance of the relationship.

Table 10. Regression analysis.

	Coefficients	Standard Error	t Stat	P-value	Lowe 95%	Upper 95%
Intercept	4.0460	0.4283	9.7645	0.000	4.8934	6.8934
Pricing strategies	0.5764	0.1286	4.8126	0.000	0.3361	0.8163

Table 11. Regression analysis.

	Coefficients	Standard Error	t Stat	P-value	Lowe 95%	Upper 95%
Intercept	5.2372	0.42797	12.4758	0.000	4.4093	6.0662
Pricing strategies	0.3060	0.1432	2.2081	0.039	0.0283	0.5896

Source: own composition.

The results in Table 10 indicate that pricing strategies have a significant and positive relationship with the sustainability of SMEs. The results imply that a one-unit increase in sustainability is significantly associated with a 0.5764 unit increase in the effectiveness of the pricing strategies among the sampled SMEs. The results are supported by the RBV, which posits that pricing strategy is capable of leveraging resources for the long-term sustainability of businesses. In addition, the results are in line with the contingency theory, which indicates that pricing strategies that are aligned with external and internal conditions improve the sustainability of businesses. Finally, the signalling theory supports the results by also viewing pricing as a signal that firms communicate their commitment to stakeholders, thereby fostering customer trust and promoting sustainable business practices. The

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results are consistent with studies such as Iliemena-Efeanyi et al (2025), Jian et al (2024), and Agbaeze et al. (2020), who found a positive and significant relationship between pricing strategies and sustainability. However, the results are inconsistent with those of Salmore et al. (2025), who found a significant but negative relationship between pricing strategies and sustainability. Furthermore, Kamwea and Korir (2013) found an insignificant relationship between pricing strategies and sustainability.

The results in Table 11 indicate that pricing strategies have a significant and positive relationship with the growth of SMEs. The results imply that a one-unit increase in growth is significantly associated with a 0.3060 unit increase in the effectiveness of the pricing strategies among the sampled SMEs. The results are supported by the signalling theory, which posits that the pricing strategy employed by a business signals value and quality to the market, therefore, attracting customers and increasing sales and growth. In addition, the results are in line with the RBV, which posits that pricing strategy leverages the capabilities and resources which drive growth in the business. Lastly, contingency theory also supports the findings of the study as it indicates that pricing strategies that are aligned with the external and internal conditions of the business enhance growth. The results are consistent with those of Dayan et al. (2010), Flatten et al. (2015), and Kaushik and Vaishaali (2023), who found a positive and significant relationship between pricing strategies and growth. However, inconsistent with the results of Keller et al. (2022) and Hufnagel et al. (2022), who found a positive and significant relationship between pricing strategies and growth.

5. Conclusions and Recommendations

This study was conducted to investigate the impact of pricing strategies on the growth and sustainability of SMEs in the City of Mbombela Local Municipality. The study employed a questionnaire to assess the pricing strategies used by SMEs and the impact of pricing strategies on growth and sustainability. SPSS and Microsoft Excel were used to perform the descriptive and inferential statistics. The study employed multiple linear regression analysis and performed the reliability test using Cronbach's Alpha. Furthermore, the correlation matrix and descriptive statistics are used to test the relationship between variables. Multicollinearity was employed to test the significance of the models, and the ANOVA test was employed to test whether the models explain a significant portion of the variance. To run the regression analysis, a composite index was created for the three variables namely, pricing strategies, growth and sustainability. The composite index for pricing strategies included 5 items, growth included three items and sustainability included 2 items. The results showed that SMEs primarily used cost-plus, value-based, and competitor-based pricing strategies. Furthermore, frequently modifying prices in response to market competition and technological advancements enhances the growth and sustainability of the SMEs in the City of Mbombela Local Municipality. The results of this study indicate a positive and statistically significant relationship between pricing strategies and growth, and a positive and statistically significant relationship between pricing strategies and sustainability.

For hypothesis 1, the researcher failed to reject the hypothesis since the results show a statistically significant and positive relationship between pricing strategies and growth of the SMEs in the City of Mbombela Local Municipality. The findings are supported by RBV, contingency theory and the signalling theory. Concerning hypothesis 2, the researcher failed to reject the hypothesis since the results also show a statistically significant and positive relationship between pricing strategies and the sustainability of the SMEs in the City of Mbombela Local Municipality. The findings are supported by RBV, contingency theory and the signalling theory. The results imply that pricing strategies are a strategic tool that improves the performance of SMEs in relation to growth and sustainability. Therefore, pricing strategies have a meaningful and measurable impact on growth and sustainability.

Based on our findings, the recommendations of this study are subject to the owners and managers of SMEs in the City of Mbombela Local Municipality. Managers and owners of SMEs should aim to maintain a healthy pricing strategy to enhance the growth and sustainability of their

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businesses, as indicated by the positive link between pricing strategies and the dependent variables. We recommend that owners and managers regularly monitor the pricing strategies employed by their businesses and the pricing strategies employed by competitors. Furthermore, managers and owners should integrate their pricing strategies into the firm's financial and operational decision-making to improve growth and sustainability. SMEs can leverage pricing strategies to improve profitability, sustainable practices and market share.

The results are generalizable to SMEs that employed similar pricing strategies in the City of Mbombela Local Municipality. However, generalizability in larger enterprises, countries and sectors can be approached with caution. The results are limited to municipalities similar to Mbombela; therefore, the results may not be generalised in developed municipalities. We acknowledge the availability of other proxies to measure growth and sustainability. Therefore, future studies could use financial measures to measure growth and sustainability. Financial statements can be used to source data for the study. Future studies could investigate other non-financial measures that may influence growth and sustainability of SMEs, such as digital adoption, marketing strategies and innovation. Future studies can focus on a longitudinal approach to investigate how changes in pricing strategies affect growth and sustainability over time, providing insight into the causality relationship.

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Appendix A. Research instrument (Questionnaire)

The Influence of Pricing Strategies on the Growth and Sustainability of SMEs in Mbombela Local Municipality

Please answer the questions honestly, tick (✓), or circle the appropriate response. Your responses will be kept confidential and used solely for academic research purposes.

Section A: Demographic Information

Please tick (✓) the appropriate box.

1. What is your age group?

☐ 18–24 years
☐ 25–34 years
☐ 35–44 years
☐ 45–54 years
☐ 55 years and above

2. What is your gender?

☐ Male
☐ Female
☐ Prefer not to say
☐ Other (please specify): _____

3. What is your race?

☐ Black African
☐ White
☐ Colored
☐ Indian/Asian
☐ Other (please specify): _____

4. What is your highest level of education?

☐ No formal education
☐ Matric/Grade 12
☐ Diploma or Certificate

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☐ bachelor's degree
☐ Postgraduate Degree
☐ Other (please specify): _____

5. How many years of experience do you have in managing the business?

☐ Less than 1 year
☐ 1–3 years
☐ 4–6 years
☐ 7–10 years
☐ More than 10 years

6. What industry does your business operate in?

☐ Retail
☐ Manufacturing
☐ Services
☐ Agriculture
☐ Construction
☐ Other (please specify): _____

Section B: Pricing Strategies Used by SMEs

Please indicate your level of agreement with the following statements about pricing strategies used by your SMEs. Tick the appropriate box

	Strongly disagree	disagree	neutral	agree	Strongly agree
Q7. The business regularly updates its pricing based on changes in technology					
Q8. The business considers the number of competitors when setting its prices.					
Q9. Our pricing strategy includes segmenting the market to target different customer groups.					
Q10. We use value-based pricing to reflect the benefits provided to customers.					
Q11. Cost-plus pricing is commonly used to determine product prices in my business.					

Section C: Impact of Pricing Strategies on Growth and Sustainability

Please indicate your level of agreement with the following statements about the impact of pricing strategies on your SME's growth and sustainability by ticking the appropriate box.

	Strongly disagree	disagree	neutral	agree	Strongly agree
Q12. Effective pricing strategies have a positive influence on the growth of the business.					

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Q13. The pricing strategies employed in the business have helped to improve the business's market share.					
Q14. Effective pricing strategies influence the long-term sustainability of the business.					
Q15. Adjusting prices in response to market changes has influenced the business to remain competitive.					
Q16. Pricing strategies have improved revenue and profitability in the business.					

Abbreviations

The following abbreviations are used in this manuscript:

RBV	Resource-Based View Theory
SEDA	Sustainable Environment Development Action
GDP	Gross Domestic Product
EOCD	Organisation for Economic Corporation and Development
PLS-SEM	Partial Least Squares- Structural Equation Modeling
POS	Point of Sale
SPSS	Statistical Package for the Social Sciences
ICT	Information and Communication Technology

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