

# Branding as a Strategic Constraint: Enhancing Identity and Visibility in South Africa's Informal Micro-Textile Sector

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## ABSTRACT

The purpose of this study was to investigate inadequate branding as both a strategic limitation and a growth constraint on the growth trajectories of informal micro-enterprises within the South African textile industry. Focusing on necessity-driven entrepreneurs, this study examines how brand identity and market visibility impact performance in resource-constrained environments. A mixed-methods approach was employed. Qualitative insights were gathered from 50 purposively sampled micro-entrepreneurs to explore their perceptions of branding. Quantitative data from 384 respondents were analysed using logistic regression to assess the relationship between brand adoption and firm-level performance indicators. The findings revealed that branding is widely perceived as a non-essential expenditure among necessity-driven entrepreneurs, often subordinated to operational priorities. This leads to limited brand development, reduced consumer recognition, and constrained growth. Firms employing even minimal strategic branding, such as signage or consistent product presentation, reported enhanced market visibility and higher customer retention. The findings underscore the duality of branding, both as a growth driver and as a cost-related trade-off in informal markets. The study provides actionable insights for policymakers, National Governmental Organisations (NGOs), and development agencies aiming to increase microenterprise competitiveness. Low-cost branding interventions, shared design resources, and grassroots brand training programs can mitigate perceived costs and improve brand salience. This paper contributes to the branding literature by extending brand strategy theory to informal and undercapitalised market contexts. It offers empirical evidence on how micro-entrepreneurs in the informal economy conceptualise branding and its strategic value—an area largely underexplored in emerging market branding research.

**Keywords:** brand identity, informal entrepreneurship, microenterprises, necessity-driven entrepreneurs, market visibility, brand salience, strategic branding.

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## 1. INTRODUCTION

The informal micro-textile sector in South Africa constitutes a vibrant yet underexplored segment of the economy. Dominated by small-scale producers, it plays a critical role in generating local employment and income. However, these enterprises often struggle with branding and market visibility (Eister & Msimango-Galawe, 2024). Unlike formal SMEs that invest strategically in brand development, informal microenterprises frequently regard branding as a non-essential luxury (Ugwuoke, 2023). This tendency is particularly evident among necessity-driven entrepreneurs, who prioritise survival over long-term strategic positioning. While the informal economy continues to expand, concerns remain about the competitiveness and sustainability of micro-textile enterprises in increasingly crowded markets (Saunders & Loots, 2015; Musara & Nieuwenhuizen, 2020).

Scholars have observed that the South African microbusiness landscape is dominated by unbranded, necessity-driven ventures that rarely progress beyond subsistence levels. Wiid, Senooane and Cant (2024) examined brand development from a South African perspective. They found that brand development rests on business owners' commitment to resources to build a strong brand against competitors, who are often unskilled at growing brands. Unlike in developed economies, where microenterprises often evolve into larger firms, many indigenous businesses remain unbranded, unrecognisable, and stifled by competition (Stalman, 2024). This "persistent smallness" constrains growth and limits opportunities for expansion (Upreti, 2015). According to Khan (2022), such stagnation is often rooted in a weak understanding of brand management and its strategic value.

Branding is increasingly recognised as central to shaping consumer perceptions and driving growth (Jahan et al., 2024). Yet many entrepreneurs hesitate to invest in branding due to knowledge deficits or financial pressure. This neglect undermines visibility and competitiveness (Danganan, 2024). In contrast, strong branding enhances firm value, creates employee alignment, and builds a memorable identity that resonates with target consumers (Makhuvha, 2021). These dynamics highlight the need to investigate the barriers constraining the adoption of branding within the informal textile sector.

Although branding plays a critical role in establishing identity and enhancing visibility in the South African market, empirical research has not adequately examined the specific challenges faced by informal textile entrepreneurs. Marvelous et al. (2020) highlighted existing studies predominantly emphasising brand orientation and customer relationship management. They reveal a significant knowledge gap concerning the extent to which branding within microenterprises in the textile sector influences market visibility. Branding initiatives are undervalued and neglected, because of financial incapacity and a limited understanding of the strategic benefits branding can offer. This knowledge gap regarding potential brand visibility and competitive advantage hinders effective branding initiatives (Gutura & Chisasa, 2024).

Reputable scholars such as Chaudhuri and Holbrook (2001) and Fernandes, Guzmán, and Mota (2024) have provided a consistent body of literature demonstrating that branding supports differentiation, customer retention, and long-term value. However, within South Africa's informal microenterprises, branding is inconsistent or absent, leading to low visibility and limited brand equity. This invisibility constrains revenue generation and undermines sustainability. To address this gap, the present study explores how branding is perceived, applied, or neglected within South Africa's informal textile economy. In doing so, it provides insights into branding under conditions of economic precarity and highlights its dual role as both a constraint and a potential driver of growth.

This study aims to examine the intersections of branding, identity, and market visibility, contributing to theoretical debates on brand strategy while offering practical recommendations for policymakers and practitioners. Strengthening brand identities among informal entrepreneurs can enhance economic inclusion and create sustainable pathways for marginalised artisans (Gutura & Chisasa, 2024; Ngundu & Ngalawa, 2023).

Through an integrative framework that considers branding practices, consumer perceptions, and market dynamics, this research seeks to explain how effective strategies can improve visibility and sustainability in the informal textile sector. The paper is structured as follows: Section 2 reviews the literature, Section 3 outlines the methodology, Section 4 presents the analysis and discussion, and Section 5 concludes with key insights and implications.

## **2. LITERATURE REVIEW**

In the unorganised textile sector, branding plays a pivotal role in improving visibility and identity, particularly for microenterprises facing resource constraints. Milovan, Dašić, and Vuković (2024) emphasise the importance of brand management in sustaining competitiveness, whereas Ferrulli and Barbero (2021) highlight sustainability as a driver of identity enhancement. Aligning branding with human resource management can also improve performance by embedding community values into organisational practices (Butbumrung, Ubol, Kaewprasert, & Sawangdee, 2022).

Brand positioning is equally central to marketing success. Mogaji (2019) notes its importance in informal markets, whereas Kunal (2023) stresses the preservation of brand equity during rebranding, with intangible assets such as reputation serving as critical levers in competitive contexts. Cultural factors further shape consumer perceptions. Kushwah et al. (2019) and Kunene (2014) reported that cultural ties, such as family and community networks in South Africa, affect brand interpretation and effectiveness. Torres et al. (2017) reinforce this view by linking customer self-perception to effective brand communication, underscoring the need for culturally resonant strategies.

### **2.1 CO-CREATION, COLLABORATION, AND SME BRANDING CHALLENGES**

Recent scholarship underscores co-creation as a vital approach to identity building. Guzmán and Kennedy (2016) demonstrate that collaborative engagement between firms and consumers fosters authentic and adaptive brand identities. For micro-textile firms, such practices are particularly valuable given the sector's resource limitations (Nayak et al., 2019). Collaborative networks can also provide visibility and legitimacy through shared branding strategies and community participation (Black & Veloutsou, 2017).

### **2.2 STRATEGIC BRANDING IN RESOURCE-CONSTRAINED CONTEXTS**

Strategic branding is widely recognised as essential for enterprises operating with limited resources. Tatoğlu et al. (2018) argue that “brand orientation”—treating the brand as a strategic capability rather than a reactive marketing tool—enhances long-term competitiveness. Complementing this, Mazaraki et al. (2021) propose structured frameworks for assessing brand effectiveness, whereas Buil et al. (2016) highlight strong corporate identity as a means of building resilience in challenging markets.

Industry-specific research also demonstrates contextual differences in branding approaches. Zenker et al. (2017), for instance, show that successful place branding requires balancing diverse stakeholder interests while appealing to both local and external audiences, an especially demanding task when resources are scarce. These insights suggest that inclusive, participatory strategies are particularly effective in constrained environments.

### **2.3 BRAND IDENTITY, POSITIONING, AND MARKET SALIENCE**

Brand identity defines how firms are perceived and differentiated in the marketplace. Positioning through product, price, promotion, and place remains critical to shaping consumer perceptions and value propositions (Hosseini et al., 2019; Ismail, 2021). Strong positioning fosters loyalty and favourable customer responses even in highly competitive environments (Eisingerich & Rubera, 2010; Yanto et al., 2020).

Market segmentation enhances positioning by allowing firms to target distinct consumer groups with tailored strategies. Such approaches strengthen consumer relationships and foster loyalty (Kirom & Sudarmiati, 2022; Setini & Darma, 2020; Susanti et al., 2024). Modern methods, including co-branding and brand extensions, further reinforce identity and expand market reach (Mróz-Gorgoń et al., 2019; Liu & Fan, 2013). Studies consistently show that aligning brand image with marketing strategy significantly influences purchasing behaviour (Blankson et al., 2013; Vuttichat & Patchara, 2023).

Digital platforms have intensified these dynamics by enabling real-time engagement, enhancing consumer loyalty, and supporting adaptive branding strategies (Kalugina & Ryapukhin, 2021; Vuttichat & Patchara, 2023). In this increasingly digital marketplace, identity and positioning are not only competitive tools but also essential conditions for survival.

### **2.4 ENTREPRENEURIAL TYPOLOGIES AND BRANDING BEHAVIOUR**

Entrepreneurial orientation strongly shapes branding in SMEs. Fluhrer and Brahm (2023) reports that SMEs place greater emphasis on positioning than larger firms do, reflecting the absence of formalised frameworks (Muhonen et al., 2017). Typological studies clarify how entrepreneurial traits influence brand outcomes. For instance, proactive behaviours are linked to stronger performance in market positioning and brand management (Chen & Yang, 2009; Chen et al., 2018).

Resource bricolage is defined as entrepreneurs' ability to creatively utilise available resources that have also been shown to support adaptive branding strategies under constraints (Bhardwaj et al., 2023). Similarly, Alsos et al. (2016) demonstrate that entrepreneurs' social identities shape branding decisions, influencing how SMEs communicate values and connect with their audiences. Tang et al. (2007) further show that entrepreneurial attitudes and attribution styles affect brand management and market entry strategies. Collectively, these findings highlight that SME branding is shaped not only by external market dynamics but also by entrepreneurs' psychological, social, and strategic orientations.

The findings of this study contribute to the literature by demonstrating that limited revenue generation significantly constrains micro-enterprises' capacity to invest in branding and other strategic initiatives. As a result, micro-entrepreneurs prioritise financing essential operational activities that ensure the day-to-day functioning of their businesses. This pattern stands in contrast to the trends observed in many Western contexts, where branding is typically prioritised by both small and large enterprises as a core driver of competitiveness and market visibility. The study therefore reveals a context-specific deviation, underscoring the need for tailored support mechanisms that account for the financial realities faced by micro-businesses in resource-constrained environments.

### **3. AIM AND OBJECTIVES**

#### **3.1 AIM OF THE STUDY**

This study aims to investigate how branding influences market visibility, identity, and growth potential within South Africa's informal micro-textile sector, with a focus on understanding both the barriers to and opportunities for effective brand development in resource-constrained environments.

#### **3.2 OBJECTIVES OF THE STUDY**

- To examine the relationship between brand identity development and market visibility among informal micro-textile enterprises.
- To assess the impact of brand adoption on business revenue growth among micro-textile enterprises.
- To analyse how financial constraints moderate the relationship between branding strategies and enterprise growth in the informal textile sector.

### **4. METHODOLOGY**

This study adopts a both pragmatic and interpretivist research paradigm, grounded in the understanding that no single worldview can fully capture the complexity of social reality. A practical, non-singular perspective is essential because entrepreneurial behaviour, particularly decisions to engage in branding or to forgo branding, is shaped by multiple factors, including financial constraints and, in some cases, the pursuit of branding as a discretionary or aspirational activity. This pragmatic worldview is influenced by a combination of experiences, personality traits, and contextual factors. These motivations and processes are socially constructed and best understood through individuals' lived experiences (Chikwendu, 2019; Makanyeza, 2014; Saunders et al., 2019). Consequently, a pragmatic stance informed by phenomenology enables the exploration of how necessity-driven microentrepreneurs interpret and navigate branding within their socioeconomic environments (Hammond, 2021). This philosophical orientation is particularly relevant to the present study, as it captures both the subjective and objective dimensions of micro textile entrepreneurs' experiences and the nuanced realities of operating without formal branding. From a pragmatic perspective, the absence of branding is not merely a marketing gap; rather, it reflects deeper socio-cultural, economic, and personal factors that shape entrepreneurial narratives in informal business contexts. These entrepreneurs often operate in complex environments where formal business practices are either inaccessible or misaligned with their lived realities.

This study seeks to gain a nuanced understanding of the subjective experiences of micro textile entrepreneurs, which are influenced by their social background and personality traits. To achieve this goal, qualitative data collection was considered essential as in-depth interviews provided rich insights into participants' lived experiences and shed light on why branding is minimal or non-existent.

#### **4.1 RESEARCH DESIGN**

A mixed-methods survey design was employed to collect data from micro-textile entrepreneurs operating within Durban's central business district. This approach was selected to integrate both qualitative and quantitative insights, thereby supporting a more comprehensive understanding of the phenomenon under investigation. The decision to adopt a mixed-methods strategy was informed by the nature of the research problem, which concerns the challenges micro-textile entrepreneurs face in conceptualising and implementing appropriate managerial and branding strategies.

By combining methodological approaches, the study aimed to capture both the measurable dimensions of this challenge and the nuanced contextual factors influencing branding capabilities. This design choice is supported by Creswell and Creswell (2023), who argue that integrating both data types augments the explanatory power of social research, especially when complex socioeconomic phenomena such as branding behaviour in informal economies are investigated. A sequential exploratory mixed methods approach was employed, in which qualitative data were collected from 50 participants who were selected via stratified purposive sampling to ensure diversity and to gather rich contextual insights. The questionnaire consisted of both closed- and open-ended questions and was administered to a stratified purposive sample of 50 participants to capture qualitative insights, measuring constructs such as perceptions of branding, revenue trends, customer acquisition, and business visibility. Quantitative data was collected via a structured questionnaire, which was closed-ended and distributed to a stratified random sample of 384 respondents, utilising a five-point Likert scale ranging from 1 = strongly agree to 5 = strongly disagree to quantify perceptions and attitudes. By combining both qualitative and quantitative data, the researcher anticipated gaining a holistic understanding of the research problem. In addition, the researcher stratified the data into three categories: informal micro textile enterprises, formal micro textile enterprises, and micro textile businesses deregistered due to non-compliance. This was done to gain a full range of experiences and worldviews across different settings and contexts.

#### **4.2 POPULATION, SAMPLING AND SAMPLE SIZE**

These groups included both opportunity-driven and necessity-driven entrepreneurs to support comparative thematic analysis. Qualitative data were gathered through semi-structured interviews with open-ended questions exploring entrepreneurial motivations, attitudes toward branding, perceived challenges in adopting branding strategies, and the perceived link between branding and revenue growth.

#### **4.3 STUDY LOCATION AND CONTEXT**

The research was conducted in Durban, a cosmopolitan metropolitan city in South Africa, home to more than 100,000 informal and micro textile enterprises. Durban's diverse demographic profile, comprising Zulu-speaking residents, individuals of Indian descent, Western heritage groups, and foreign nationals, makes it an ideal site for studying heterogeneous entrepreneurial dynamics. The city's status as a major port and economic hub further influences the branding strategies and market access of local entrepreneurs.

#### **4.4 DATA ANALYSIS, VALIDITY AND ETHICS**

Data analysis followed a mixed-methods approach, integrating both quantitative and qualitative procedures. The quantitative data were analysed using an empirical logistic regression model that models branding against various business attributes, including business typology and business revenue level, and a vector of other business attributes. The empirical logistic model is presented below:

Let the dependent variable be  $Y_i = 1$  if entrepreneur  $i$  adopts branding and  $Y_i = 0$  if entrepreneur  $i$  does not adopt branding – such that the empirical model is expressed as:

$$\text{logit}(P(Y_i = 1)) = \ln\left(\frac{P(Y_i = 1)}{1 - P(Y_i = 1)}\right) = \beta_0 + \beta_1 * \text{Typology}_i + \beta_2 \text{Revenue}_i + \beta_3 X_i + \varepsilon_i$$

Typology  $i$ : business typology (1 = opportunity-driven, 0 = necessity-driven),

Revenue  $i$ : monthly or annual business revenue (continuous or categorical),

$X_i$  is a vector of control variables for business characteristics, including business age (years), business location (urban = 1, informal/other = 0), owner's education level (categorical), gender (1 = female, 0 = male), age of entrepreneur (continuous or grouped) and number of employees),  $\beta_0$  (beta zero) is the intercept, and epsilon  $\epsilon_i$  is the error term, measuring variability in branding not explained by the empirical model. The coefficient  $\beta_1$  captures the effect of being opportunity-driven on the likelihood of adopting branding;  $\beta_2$  captures how revenue influences branding adoption; and  $\beta_3$  estimates the influence of various business characteristics.

Additionally, the variable Business Location coded as (urban = 1, informal/other = 0) was examined to understand how geographic and infrastructural contexts influence branding practices.

The regression coefficients provide further insight:

- $\beta_1$  captures the effect of being opportunity-driven on the likelihood of adopting branding strategies,
- $\beta_2$  reflects how revenue levels influence branding adoption, and
- $\beta_3$  estimates the influence of various business characteristics, such as size, customer base, and operational scale.

While qualitative data was analysed using thematic analysis, content analysis, and discourse analysis via the use of the Nvivo software package. The qualitative data were systematically categorised to identify recurring themes that highlighted meaningful connections and relationships. These themes were used to represent ideas, incidents, concepts, interactions, behaviours, phrases, and terminology. To illustrate the prevalence of these emerging themes, the findings were presented using frequency counts and bar charts. Subsequent analysis of these themes provided deeper insights into underlying trends and significant relational dynamics within the dataset. The qualitative analysis was used to complement and enhance the quantitative findings, providing a richer understanding of why micro textiles do not brand their enterprises. The qualitative results were presented in thematic categories, content analysis, and discussion, focusing on the experiences and perspectives of textile micro-entrepreneurs in conceptualising, planning, and implementing strategies.

These indicators collectively help to illuminate the strategic considerations, or lack thereof, behind branding decisions in the informal textile sector. Importantly, the interpretivist lens encourages a deeper exploration of how these statistical patterns reflect the lived experiences, motivations, and constraints of micro textile entrepreneurs, particularly those operating without formal branding mechanisms.

## 5. DATA ANALYSIS

This section provides a detailed analysis of the collected data, identifying patterns, relationships, and insights aligned with the research objectives. A logistic regression analysis was used to assess the influence of various factors on brand adoption among micro-textile enterprises. Specifically, the model examined the effect of (i) opportunity-driven initiatives, (ii) revenue levels, and (iii) business size, personality traits, and experience factors on branding adoption, to predict the likelihood of implementing branding strategies.

The logistic regression model was statistically significant ( $\chi^2 = 8.79$ ,  $p = 0.02$ ,  $n = 384$ ), indicating that the chosen predictors collectively help explain variations in brand adoption. Table 1 presents a matrix of brand strategy indicators, outlining the consolidated brand indicator constructs along with their corresponding means, standard deviations, and coefficients. In addition, the table reports the estimated coefficients and provides interpretations that clarify the direction and strength of the relationships among the brand strategy variables: **Revenue Levels ( $\beta_2 = -0.3814$ )**: The negative coefficient indicates that lower revenue levels are linked to a decreased probability of brand adoption. This result is statistically significant ( $p = 0.01$ ). The odds ratio (-5.34) suggests that a one-unit decrease in revenue levels reduces the chances of adopting branding strategies by roughly 5.34 times. **Necessity-Driven Branding ( $\beta_1 = 0.1941$ )**: The positive coefficient shows that businesses adopting branding out of necessity are more likely to influence opportunity-driven enterprises towards branding adoption. This relationship is statistically significant ( $p = 0.01$ ), with an odds ratio of 4.11, meaning the chance of brand adoption increases fourfold when necessity-driven branding is present. **Business Experience and Personality Traits ( $\beta_3 = -0.1302$ )**: The negative coefficient indicates that lower levels of business experience and personality traits decrease the likelihood of brand adoption. This effect is statistically significant ( $p = 0.01$ ), with an odds ratio of -2.69, implying that a one-unit decrease in these attributes reduces the odds of adopting branding strategies by about 2.69. Overall, these findings emphasise the vital role of revenue levels, necessity-driven branding, and experiential factors in shaping brand adoption decisions among micro-textile enterprises.

The findings are interpreted within a triangulated, consistent context, which provides a critical discussion of the implications. Both quantitative and qualitative data are examined to ensure a holistic understanding of the subject matter. The analysis is organised to highlight key trends, support or challenge hypotheses, and offer meaningful interpretations that contribute to the broader field of study.

Table 2 presents a consolidated overview of the questionnaire analysis, showing that most participants operate from office stalls, a key setting influencing business practices and customer interactions. The customers' responses indicate that quality is at the top of their list of primary concerns, a finding that seems influenced by the high demand for ladies' garments within the product range. The highest mean score, along with low variability, reflects a positive, consistent perception among customers, suggesting a shared view of product attributes. Additionally, the data reveal that the most experienced participants have 11–15 years of work experience, highlighting the presence of seasoned operators in the market. The analysis also underscores the critical role of brand identity in shaping consumer design preferences, emphasising its strategic importance in competitive environments. However, regardless of the likability of garments linked to the broad range of clothing manufactured, a negative perception finding suggests micro textiles are encountering challenges in aligning product appeal with customer expectations.

**TABLE 1: BRAND STRATEGY INDICATOR MATRIX FOR MICRO-TEXTILE ENTERPRISES**

Construct	Mean (M)	Median	SD	Min	Max	n	95% Confidence Interval	Notes / Interpretation
Female garments	0.529	—	0.347	—	0.900	384	[0.45, 0.60]	Highest mean: low variability indicates generally positive and consistent perception. Gender coding: 1 = female, 0 = male.
Adoptability	0.516	0.606	0.487	—	0.950	384	[0.40, 0.63]	Strong central tendency: moderate spread suggests relevance in branding strategies.
Male garments	0.248	—	—	-0.752	0.800	384	[0.10, 0.39]	Wider range, including negative values, suggests more polarised views.
Likability	0.369	—	—	-0.9045	0.850	384	[0.20, 0.50]	Presence of negative values indicates mixed or polarised perceptions.

Source: Authors' own construct

## 5.1 DESCRIPTIVE ANALYSIS OF STRATEGIC BRANDING INDICATORS

To assess the effectiveness and perception of various strategic branding indicators among micro textile entrepreneurs, descriptive statistics were computed across five key dimensions: Garments Preference, Industry Experience, Business Location, Customer Preference, and Impact of Branded Clothing. The analysis included measures of central tendency (mean and median), dispersion (standard deviation), and range (minimum and maximum values), providing a foundational understanding of how these variables manifest across the sample.

The results in Table 1 revealed that female garments had the highest mean score ( $M = 0.529$ ), indicating a generally positive and consistent perception among respondents. This finding aligns with the gender variable coding (1 = female, 0 = male), suggesting that female-oriented garments are more prominently featured or favoured in the informal textile sector. The relatively low standard deviation ( $SD = 0.347$ ) further suggests limited variability in this preference, suggesting a shared sentiment across different business contexts.

Adoptability also demonstrated a strong central tendency ( $M = 0.516$ ; Median = 0.606), with a moderate spread ( $SD = 0.487$ ), highlighting its perceived relevance in branding strategies. In contrast, Male garments ( $M = 0.248$ ) and Likability ( $M = 0.369$ ) exhibited wider ranges and included negative values (Min = -0.752 and -0.9045, respectively), suggesting more polarised views among respondents.

**TABLE 2: MLR MODEL RESULTS**

Predictor Variable	Coefficient	Std. Error	t-value	p-value	95% Confidence Interval	Significance
Competitive Strategy (COMP1)/	-0.0905	0.0483	-1.87	0.062	[-0.1855, 0.0045]	†
Garments Preference	-0.3814	0.0715	-5.34	0.000	[-0.5219, -0.2409]	***
Stabilisation/	0.0936	0.0544	1.72	0.086	[-0.0133, 0.2005]	†
Impact of Branded Clothing	-0.1302	0.0484	-2.69	0.007	[-0.2254, -0.0351]	**
Customer Preference	0.1521	0.0427	3.56	0.000	[0.0681, 0.2361]	***
Business Location	0.1941	0.0472	4.11	0.000	[0.1013, 0.2869]	***
Industry Experience	-0.2195	0.0474	-4.63	0.000	[-0.3127, -0.1262]	***
Brainstorming/	0.0897	0.0442	2.03	0.043	[0.0029, 0.1765]	*
cons (Intercept)/	63.1825	8.3297	7.59	0.000	[46.8015, 79.5635]	***

Source: Calculations using Stata 19.5. Significance codes: \*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ , †  $p < 0.10$

## 5.2 SIGNIFICANT POSITIVE INFLUENCES

**Customer Preference** ( $\beta = +0.152$ ,  $p < 0.001$ ) in Table 2 emerged as a statistically significant positive predictor in the regression analysis, indicating that entrepreneurs who actively recognise and respond to customer needs are more likely to adopt branding strategies. This suggests that firms that develop their own internal strategies tailored to their specific market and clientele are better positioned to align their offerings with customer expectations. In turn, this alignment fosters stronger customer loyalty and brand recognition. For micro textile businesses, particularly those operating without formal branding, this finding highlights the importance of understanding and integrating customer preferences into business planning. Without such strategic responsiveness, these enterprises risk remaining invisible in competitive markets, reinforcing the cycle of unbranded operations.

**Business Location** ( $\beta = +0.194$ ,  $p < 0.001$ ) in Table 2 was found to be a statistically significant positive predictor of branding strategy. The regression analysis indicates that businesses operating in urban areas are more likely to adopt branding practices. This is likely due to increased exposure to competition, greater visibility, and easier access to branding resources such as marketing services, skilled labour, and digital platforms. An optimal business location not only enhances operational efficiency but also supports brand development and maturity. For micro textile businesses, particularly those in informal or rural settings, this finding underscores a key barrier to branding: limited access to the infrastructure and market dynamics that typically drive brand visibility and strategic growth.

**Brainstorming** ( $\beta = +0.089$ ,  $p = 0.043$ ) in Table 2 shows a statistically significant positive effect on branding strategy. The regression analysis suggests that creative thinking processes such as brainstorming play a meaningful role in enhancing branding efforts, even in environments with limited resources. For micro textile businesses, where formal branding tools and marketing budgets may be lacking, the ability to generate innovative ideas internally becomes a valuable asset. These creative processes help entrepreneurs differentiate their products, connect with customers, and build informal brand identities, thereby contributing positively to their overall branding outcomes.

### 5.3 SIGNIFICANT NEGATIVE INFLUENCES

**Garment Preference** ( $\beta = -0.381$ ,  $p < 0.001$ ) in Table 2 indicates a strong, statistically significant negative relationship with branding strategy. The regression analysis suggests that a preference for traditional garment types is associated with reduced adoption of branding practices. This reliance on conventional styles may limit innovation and hinder the development of distinct brand identities, as entrepreneurs perceive branding to be unnecessary or difficult to implement due to entrenched pricing structures and consumer perceptions. Additionally, limited market segmentation and a lower perceived need for product differentiation contribute to the reluctance to invest in branding. For micro textile businesses, this finding highlights a critical barrier: without shifting toward more diverse and market-responsive product offerings, the potential for branding remains constrained.

**Industry Experience** ( $\beta = -0.219$ ,  $p < 0.001$ ) presents a surprisingly strong negative relationship with branding strategy. The regression analysis suggests that entrepreneurs with extensive experience in the textile industry may rely heavily on traditional, non-branded business models. This reliance often leads to reactive approaches that prioritise operational familiarity over strategic innovation. As a result, experienced entrepreneurs may focus less on branding as a competitive tool, viewing it as secondary to production or cost efficiency. This mindset can hinder the development of distinct brand identities, especially in micro-textile businesses, where branding is already underutilised. The findings imply that experience alone does not guarantee strategic advancement; in fact, it may reinforce outdated practices that limit branding adoption.

**Impact of Branded Clothing** ( $\beta = -0.130$ ,  $p = 0.007$ ) in Table 2 shows a statistically significant negative association with branding strategy. The regression analysis suggests that entrepreneurs may perceive branding as either too costly or unnecessary, particularly in price-sensitive or informal market environments. In such contexts, operational efficiency often takes precedence over branding innovation. As a result, businesses that focus heavily on streamlining operations may deprioritise branding efforts, leading to lower branding scores. This finding highlights a common challenge among micro textile enterprises: while efficiency is essential for survival, it can inadvertently limit the strategic creativity needed to build and sustain a recognisable brand.

#### 5.4 MARGINAL PREDICTORS

**Competitive Strategy ( $\beta = -0.090$ ,  $p = 0.062$ ).** This variable shows a slight negative influence on branding strategy, though it is not statistically significant. The result suggests that firms relying heavily on competitive tactics, such as focusing on outperforming rivals, may not necessarily prioritise branding. In micro textile businesses, this could reflect a reactive approach where branding is seen as secondary to immediate survival or cost competition.

**Stabilisation ( $\beta = +0.0936$ ,  $p = 0.086$ ).** This predictor demonstrates a marginally positive effect on branding strategy, with borderline statistical significance. It implies that businesses with more stable operations may be slightly more inclined to adopt branding practices. However, in informal or resource-constrained environments, stability alone may not be sufficient to drive branding without strategic intent and market engagement.

#### 5.5 BRANDING AMID FINANCIAL AND STRATEGIC CONSTRAINTS

In micro and informal textile enterprises, branding practices are largely influenced by pragmatic factors, particularly financial constraints. While branding is acknowledged as a key driver of market visibility and customer loyalty, it is often deprioritised in favour of more immediate operational demands. For instance, respondent 22 noted that:

*“Customer preferences have shifted significantly due to new fashion trends and as textile manufacturers, we are required to up our quality to meet customer requirements towards branded products”.*

Similarly, in support of what was iterated by respondent 22, respondent 17 emphasised the brand awareness by saying

*“South Africa is increasingly becoming a brand-conscious market, and because our products do not have famous brands, it becomes hard to sell, therefore one has to compensate with quality”*

Limited profit margins constrain textile manufacturers' capacity to invest in strategic initiatives. Firms are often forced to prioritise immediate operational expenses and competitive pressures over long-term investments such as branding. This challenge is further supported by the quantitative results, which indicate that negative coefficients are associated with reduced revenue levels, subsequently lowering the likelihood of brand adoption in the market. **The analysis revealed** a coefficient ratio of  $-5.34$ , suggesting that a one-unit decrease in revenue reduces the probability of adopting branding strategies by approximately 5.34 times. These findings demonstrate that financial constraints significantly impede the adoption of branded products. Short-term operational pressures often take precedence for micro-entrepreneurs. Failure to meet essential operational expenses, such as rent and electricity, can result in business interruption or permanent closure. In contrast, postponing investments in strategic activities, such as developing competitive positioning or implementing branding initiatives, does not typically lead to immediate shutdown. However, neglecting these longer-term strategies undermines the enterprise's ability to compete effectively, thereby compromising its sustainability over time.

A recurring theme in the data highlights the impact of brand consciousness on customer preferences. Industry experience is pivotal in enabling textile manufacturers to implement customer retention strategies effectively. The experience manufacturers have gained over time has enabled them to compete with branded garments, particularly in a market where brand identity strongly influences consumer behaviour. A remark by Respondent 15 alludes:

*“I am unable to compete with branded products because my garments are unbranded, and branding is too costly for me.”*

This sentiment was echoed by respondent 50, who stated the following:

*“The type of branding I require increases my production costs, making my garments more expensive than those of competitors, especially since I cannot produce in bulk.”*

Although these garments may be familiar to local consumers, their generic presentation and lack of professional branding often hinder positive market perception and recognition. Nevertheless, the data reveals a strong correlation between customer acquisition and retention and alternative strategies such as competitive pricing and consistent local presence. These findings align with the literature highlighting affordability and accessibility as central pillars of competitiveness in the informal sector.

## **6. DISCUSSION OF FINDINGS**

The study was guided by three hypotheses: that brand identity investment enhances market visibility (H1), branding adoption is positively correlated with revenue growth (H2), and that financial constraints moderate the relationship between branding strategy and enterprise growth (H3).

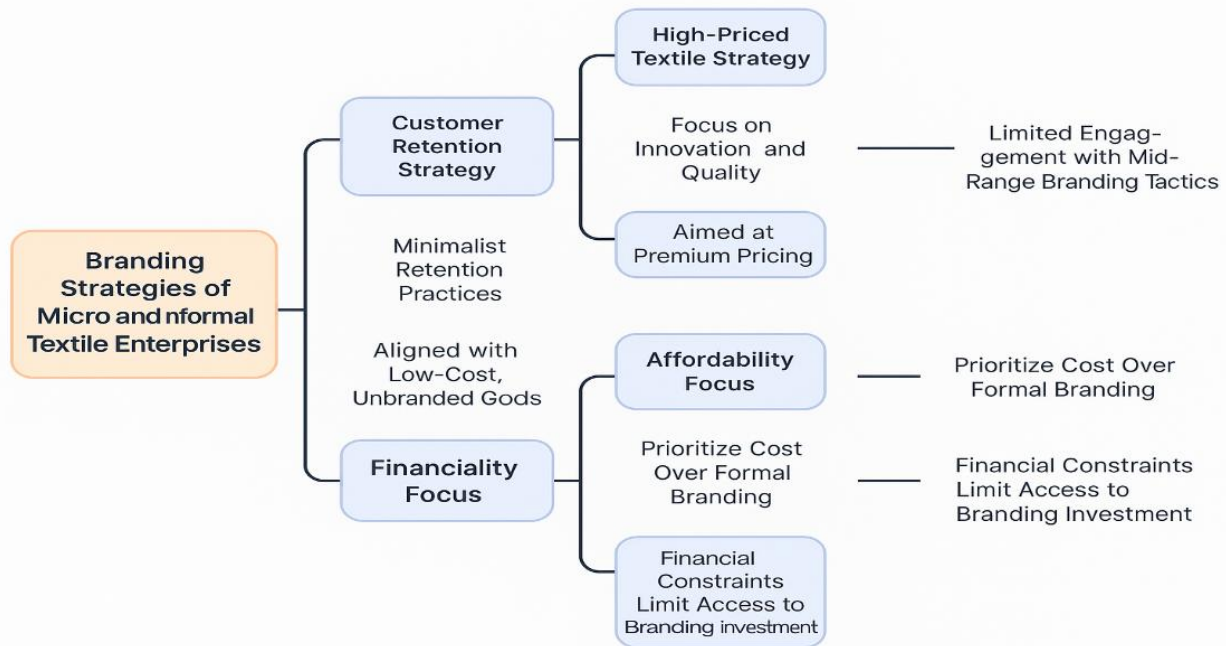
The findings indicate that micro and informal textile enterprises in Durban adopt a branding approach centered on customer retention through flexible pricing, often avoiding brand development due to perceived financial risk. While this strategy supports modest growth, it aligns with the literature suggesting that such enterprises tend to stagnate without scaling.

Although branding is positively linked to revenue generation, engagement with branding elements remains limited. Entrepreneurs demonstrate customer loyalty and basic marketing efforts, but struggle to attract external investment, highlighting their financial vulnerability. Branding is largely viewed as a cost rather than a strategic asset.

Operational efficiency is further constrained by factors such as business location and limited branding. These challenges reflect broader systemic issues in the informal sector, including limited institutional support, restricted access to credit, and low technological adoption. Overall, the findings reinforce the idea that informal enterprises prioritise short-term survival over long-term strategic growth, which is consistent with opportunity-driven entrepreneurship models.

### **6.1 INTERPRETATION OF INDEX DISTRIBUTIONS**

The findings reveal a significant lack of awareness among micro textile enterprises regarding the adverse effects of unbranded products on sales performance. These businesses frequently perceive garments as complete even in the absence of brand identifiers, such as logos or emblems, indicating a limited understanding of branding's strategic value. The customer branding strategy index exhibits a negative skew, suggesting that while branding practices are somewhat widespread, their intensity remains low. This trend reflects a prevailing perception among micro and informal textile firms that branding is either financially inaccessible or unnecessarily costly. Consequently, brand development is approached with minimal engagement, reinforcing a cost-avoidance mindset rather than a strategic investment perspective aimed at enhancing market competitiveness and long-term growth.



Source: Author's own construction

FIGURE 1: COMBINED STRUCTURE

6.2 ETHICAL CONSIDERATIONS

Qualitative data from the interview transcripts were analysed thematically via a phenomenological lens to uncover patterns in meaning-making around branding, with coding conducted in NVivo and themes refined through constant comparison. Ethical clearance was obtained from the Durban University of Technology's Institutional Research Ethics Committee (IREC158/22), and all participants provided informed consent. Participant anonymity and data confidentiality were strictly maintained, with voluntary participation and the right to withdraw upheld throughout the study. Trustworthiness and validity were ensured through triangulation, member checking, and thick description in the qualitative analysis, whereas quantitative validity was supported through pretesting of instruments and reliability checks, such as Cronbach's alpha. The integration of qualitative and quantitative methods offered methodological triangulation, strengthening the credibility and transferability of the study's findings. This methodology combines the depth of qualitative inquiry with the generalisability of quantitative analysis, which is rooted in an interpretivist epistemology. The design is particularly well-suited for explaining the complex ways in which branding (or its absence) shapes the performance trajectories of micro-textile entrepreneurs in South Africa's informal economy.

6.3 LIMITATIONS OF THE STUDY

This study was confined to micro textile entrepreneurs in Durban, including both registered and unregistered businesses, which limits the generalizability of the findings beyond South Africa. The narrow focus on informal enterprises, small sample size, and restricted geographic scope may not reflect broader informal economies or other sectors.

Reliance on self-reported data introduces potential bias and a limited understanding of branding concepts, affecting the accuracy of insights. The absence of longitudinal data also restricts the evaluation of branding's long-term impact on business growth.

Finally, external market dynamics and cultural influences were not fully explored. Future research should broaden the sample, apply longitudinal methods, and include cross-sectoral comparisons to deepen the understanding of branding in informal enterprises.

## 7. CONCLUSION

The study demonstrates that limited branding awareness among micro-textile entrepreneurs in Durban substantially restricts their capacity for business growth and revenue generation. This constraint is primarily driven by time-intensive production processes, financial limitations, and a perceived risk associated with investing in branding initiatives. Consequently, many entrepreneurs rely primarily on product quality and pricing to retain customers; however, limited financial resources hinder their ability to develop a distinctive, competitive brand identity. This places micro-enterprises at a disadvantage in an increasingly competitive marketplace where brand visibility and the ability to forge emotional connections with consumers play a critical role in sustaining competitiveness. The findings underscore the need for targeted cognitive and capacity-building interventions by government agencies and entrepreneurship support hubs. Such initiatives could leverage emerging technologies, including artificial intelligence, to help micro-enterprises develop accessible, affordable, and strategically aligned branding solutions that enhance their visibility and market positioning.

## 8. RECOMMENDATIONS

To address these challenges, there is a need for practical interventions that enhance branding knowledge and reduce financial barriers. Educational initiatives should focus on building strategic branding skills, while policy support can help lower the cost of brand development through accessible funding and collaborative marketing services. Strengthening capacity in branding should go beyond visual appeal to emphasize its role in market positioning and long-term sustainability. These efforts can empower micro textile enterprises to use branding as a strategic tool for competitiveness and growth.

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