

## **Pricing Strategies Used by Vegetable Street Vendors in Mthatha and Mqanduli, Eastern Cape, South Africa**

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### ***ABSTRACT***

*Street vending is widely acknowledged as a vital component of the informal economy, providing income opportunities for rural households. Street vendors operate in highly competitive environments and are constantly seeking effective ways to attract and retain customers, including strategies for pricing their products. Therefore, the study's main objective was to analyse the pricing strategies employed by vegetable street vendors in two Eastern Cape towns of Mthatha and Mqanduli. Using a longitudinal research design and a quantitative approach, 54 vendors were surveyed on both grant payout and post-grant days. Data were collected through semi-structured questionnaires and analysed using descriptive statistics, Z-tests, t-tests, and chi-square tests. Results revealed that during grant days, vendors employed dynamic pricing (33%) and negotiation-based strategies (33%), capitalising on the heightened purchasing power of consumers. Post-Grant showed that the dynamic pricing strategy and*

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*negotiation were more utilised, and there was also a shift towards strategies like cost-plus (16.67%) and competitive pricing (13.3%). Significant price differences were found between the two towns, shaped by local market conditions, competition, and consumer behaviour. By understanding pricing dynamics, extension officers can better assist vendors in improving market access, income stability, and resilience against economic fluctuations.*

**Keywords:** Pricing Strategies, Vegetables, Street Vendors, Social Grant, Payout Days.

## 1. INTRODUCTION

High unemployment rates, particularly in developing countries such as South Africa, have compelled many people to seek alternative sources of income, including street vending (Karunaratna & Tjandra, 2021). In this context, the role of street vending as a major part of an informal economy is well recognised (Chauke et al., 2015). Street vending is an income-generating activity in which individuals sell their items along streets and sidewalks to passing pedestrians and vehicles (Karunaratna & Tjandra, 2021). Such items can be clothing, newspapers, fruits, vegetables, and agricultural inputs (Hlengwa, 2016).

Street vendors set up temporary static structures or mobile stalls at city intersections, major streets, and pavements to offer a variety of goods and services (Biney, 2019). Street vending can include bakkie (pickup truck) vending, mobile push-cart vending, and basket vending, where vendors carry their produce on their heads as they move to various locations in search of potential customers (Chauke et al., 2015).

A bakkie vendor may purchase goods directly from farms or wholesale marketplaces and sell them to the public or other customers by the side of the road (Wegerif, 2023). Street vending is a significant aspect of the informal economy in South Africa, providing livelihoods for many families and contributing 6% to the Gross Domestic Product (GDP) (Stats SA, 2019; Gamieldien & van Niekerk, 2017).

Despite these hardships, street vendors demonstrate remarkable resilience and adaptability, making it a transformative occupation in terms of livelihood creation (Igudia, 2019). Street vendors are often found selling similar products to those sold by other vendors in the same vicinity, which increases competition. Despite this, every vendor has a way of attracting people

to buy their products (Boateng, 2019). Street vendors employ various pricing strategies to achieve profitable results in both the short and long term of their business activities.

A pricing strategy is an approach a business uses to decide how much to charge for its goods and services (Sammut-Bonnici & Channon, 2015). It is a crucial factor in financial modelling, which establishes the revenues generated, the profits earned, and the amount of money invested in business expansion to ensure its long-term viability (Sammut-Bonnici & Channon, 2015). Literature identifies five strategies, namely, competitive pricing strategy (Mwito, 2024), cost-plus pricing strategy (Aborampah, 2016), negotiation and haggling (Forkuor et al., 2017), bundle pricing (Boateng, 2019) and dynamic pricing strategy (Mwito, 2024).

The choice of these strategies differs according to industry, market conditions, the underlying available competitive advantage, buyer expectations and behaviour, in some cases, regulatory constraints (Forman & Hunt, 2005), and by the product and the street vendor in question.

However, there is very little knowledge about the specific pricing strategies used by vegetable street vendors in the Eastern Cape. Therefore, the main objective of this study was to identify and discuss the price strategies employed by vegetable street vendors in Mthatha and Mqanduli during grant days and post-grant days, with a focus on spinach and cabbage street vendors.

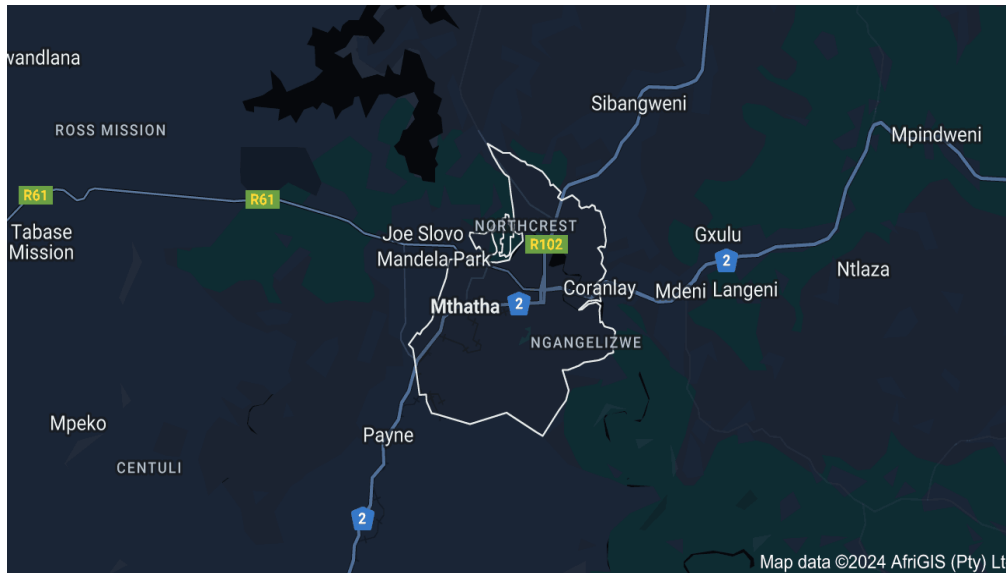
Why do the pricing strategies of street vendors matter to agricultural extension? Agricultural extension officers' role is to help farmers understand and solve their own problems (Aliber, 2019). In South Africa, public agricultural extension is primarily responsible for serving smallholder farmers, whose problems and challenges are diverse, ranging from productivity and control of pests and diseases to marketing their agricultural output (Zantsi et al., 2021; von Maltitz et al., 2023). Therefore, information about pricing strategies used by street vendors, who are in fact a more accessible market to smallholders, could enhance extension officers' ability to provide better advice to their clients, i.e., smallholder farmers.

## **2. METHODOLOGY**

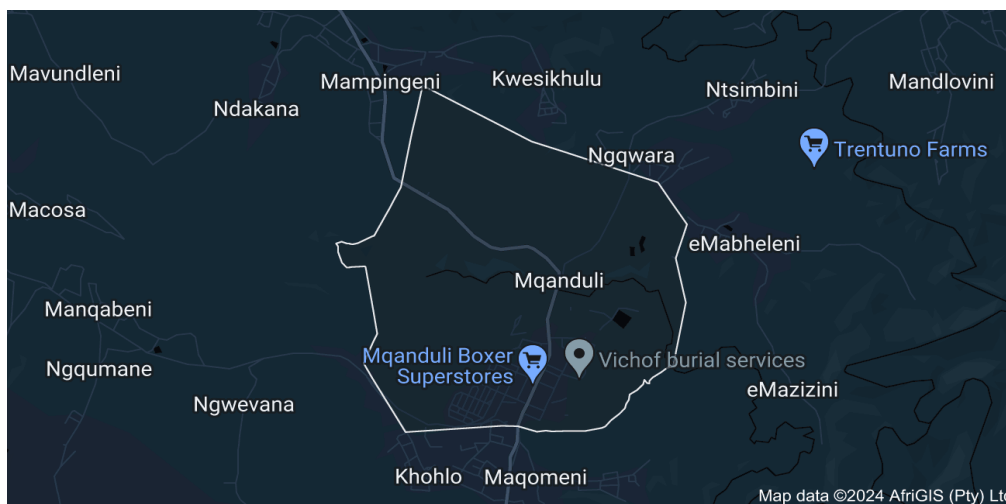
### **2.1. Description of the Study Area**

The study was conducted in Mthatha (Fig. 1) and Mqanduli (Fig. 2). Mthatha is the capital of the OR Tambo District Municipality and a main town in the King Sabata Dalindyebo Municipality (KSDM); it has an area of 91.45 km<sup>2</sup> (McKenna, 2025). Mqanduli is a town in

the OR Tambo District Municipality, with an area of 9.88 square kilometres, and the majority of the area is predominantly Xhosa-speaking.



**FIGURE 1: Map Showing the Town of Mthatha (Source: Own Compilation From ArcGIS)**

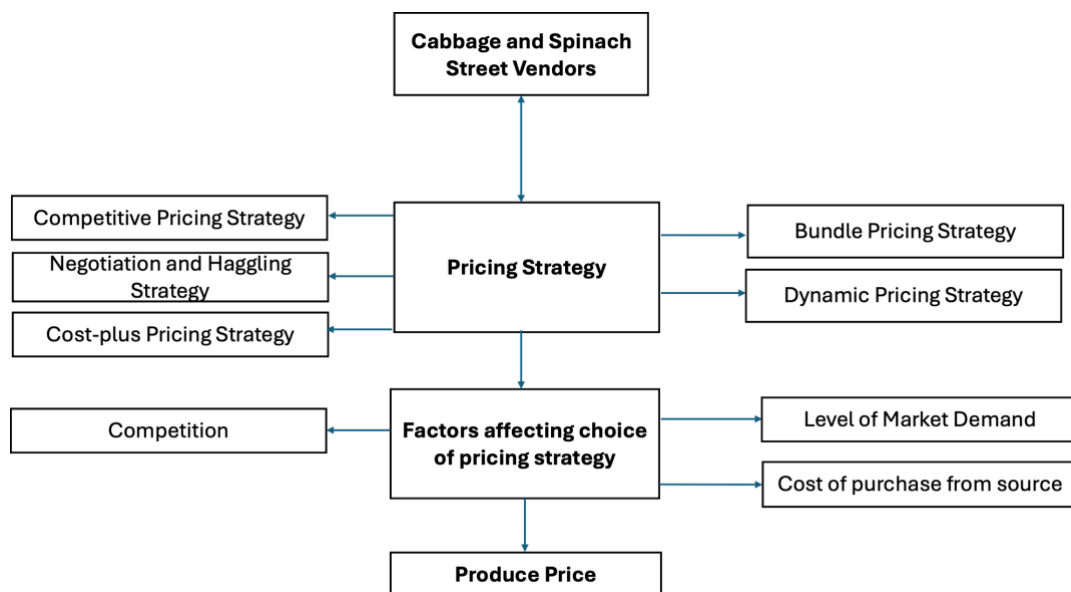


**FIGURE 2: Map Showing the Town of Mqanduli (Source: Own Compilation From AgriGIS)**

## 2.2. Conceptual Framework of the Study

The conceptual framework below illustrates the interconnected factors influencing how cabbage and spinach street vendors determine their produce prices. At the core of the framework is the pricing strategy, which encompasses various approaches, including

competitive pricing, cost-plus pricing, negotiation and haggling, bundle and discount pricing, and dynamic pricing. The choice of these strategies is shaped by key factors, including competition, market demand, and the cost of purchasing from the source (e.g., farmer, retailer). These influencing factors and strategies ultimately affect the final product price set by the vendors. The framework illustrates a feedback loop where street vendors are central actors, responding to market conditions and customer behaviour, and using pricing to sustain their income and remain competitive in informal markets.



**FIGURE 3: Conceptual Framework of the Study**

### 2.3. Sampling and Data Collection

The study employed convenience and snowball sampling techniques to select vegetable street vendors in the towns of Mthatha and Mqanduli. Initially, convenience sampling was used to approach vendors who were easily accessible and willing to participate, such as those stationed near busy taxi ranks, shopping centres, and street corners. This method was suitable because street vendors often operate in high-pressure environments with constant foot traffic and high demand.

Rahayu et al. (2019) support this, noting that high foot traffic near transport hubs, such as taxi ranks, influences vendors' strategic location choices. In this study, grant days were identified as periods of peak demand, enabling the researcher to gather data quickly and efficiently from vendors. After the initial sample was secured, snowball sampling was used to identify

additional participants who sold only cabbage and spinach, excluding those with broader product offerings. This was especially useful for reaching mobile or less visible vendors. Data were collected from 54 vegetable street vendors across Mqanduli and Mthatha.

Primary data were collected through questionnaires and interviews administered by the researcher and an enumerator. The questionnaires were semi-structured, combining closed-ended and open-ended questions (Cleave, 2023). Closed-ended questions gathered demographic data (e.g., gender), pricing strategies used on grant and post-grant days, the reasoning behind those strategies, and whether the vendors sourced or grew their produce. This format was particularly useful for vendors with varying literacy levels. Open-ended questions focused on variables such as household size, age, prices charged on different days, and the quantity of self-grown produce. Data were collected at two points, grant days and post-grant days, to detect variations in pricing strategies and price levels. Interviews were conducted in the natural settings of vendors: busy streets and taxi ranks.

#### **2.4. Data Analysis**

Data were analysed using Microsoft Excel and GNU Regression, Econometrics and Time-series Library (GRET). A Z-test for different proportions was used to compare pricing strategies used on grant and post-grant days. At the same time, a Chi-square test was applied to determine whether there is a significant association or influence between different factors (e.g., competition) and the selection of pricing strategy, rather than assuming a direct cause-and-effect relationship. A t-test for different means was conducted to assess whether the average prices of cabbage and spinach differed significantly between grant and post-grant days. Descriptive statistics were used to analyse respondents' demographic information.

### **3. RESULTS AND DISCUSSION**

This section presents the results and discussion of the study, based on its objectives. It provides an analysis of the pricing strategies employed by vegetable street vendors in Mthatha and Mqanduli. The findings examine whether vendors grow their own produce or source it from suppliers, as well as the factors that influence their pricing decisions. Additionally, the chapter examines price variations between old age grant payout days and non-grant days. The discussion interprets these findings.

### 3.1. Socio-Economic Characteristics of the Respondents

Based on the results collected from 13 vegetable street vendors interviewed in Mthatha on the grant day, 62% of the respondents were female, and 38% were male. Similarly, from 11 street vendors interviewed in Mqanduli on the same day, 64% were female, and 36% were male. Of the 18 vegetable street vendors interviewed in Mthatha on the post-grant days, 65% were female, and 35% were male. From 12 street vendors interviewed in Mqanduli on the post-grant day, 50% were female, and 50% were male.

**TABLE 1: Age and Household Size of Respondents**

Category	Variable	Max	Min	Mean
Mthatha Old Age Grant Day	Age	72	25	49
	Household size	10	4	7
Mthatha, post-grant day	Age	52	24	38
	Household size	8	1	5
Mqanduli Old Age Grant Day	Age	75	19	47
	Household size	9	2	6
Mqanduli, post-grant day	Age	64	24	46
	Household size	10	2	6

Table 1 presents the respondents' ages and household sizes. There were no major differences between our study areas. In Mthatha, on grant day, the average age of respondents was 49, living in a household with an average of seven persons. On the post-grant day, the average age of respondents was 38 years, living in a household of five persons. While in Mqanduli on grant day, the average age of respondents was 47 years, living in a household of six persons. Post-grant day, the average age of respondents was 44 years, living in a household of six persons.

### 3.2. Pricing Strategies used by Vegetable Street Vendors in Mthatha and Mqanduli.

The data in Table 2 uses a z-test for different proportions to analyse and compare various pricing strategies by vendors before and after a grant day in both towns, focusing on strategies

such as bundle pricing, competitive pricing, dynamic pricing, negotiation and haggling, and cost-plus pricing. Those who used the strategy will be classified as "yes," and those who did not will be classified as "no".

**TABLE 2: Pricing Strategies used by street vendors in the Eastern Cape**

		<b>Bundle pricing</b>	<b>Competitive</b>	<b>Dynamic</b>	<b>Negotiation &amp; haggling</b>	<b>Cost-plus</b>
<b>GRANT DAYS</b>	Yes	0	4	8	8	5
	No	24	20	16	16	19
	<b>Sum</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
		0,0%	16.7%	33.33%	33,33%	20.8%
<b>POST GRANT DAYS</b>	Yes	1	4	7	5	5
	No	29	26	23	25	25
	<b>Sum</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
		3.3%	13.3%	23.3%	16.7%	16,7%
	z	-0.90	0.34	0.83	1.42	0.39
	P-value	0.37	0,73	0,41	0.15	0.70

Table 2 shows that during grant days, the most frequently employed strategies were dynamic pricing (33.33%) and negotiation and haggling (33.33%). Dynamic pricing, negotiation, and haggling are highly favoured on grant days, and this may be because vendors are responding to increased demand and higher customer purchasing power during grant payouts, allowing them to adjust prices or negotiate deals to maximise revenue. Scholz and Kulko (2022) assert that businesses employ this strategy to manage and improve their revenues, and that sellers adjust the price of a product in response to market changes or shifts in demand for the product. In the context of the study, the vendors used dynamic pricing to respond to the increase in demand for the produce resulting from the rise in purchasing power on grant days.

Followed by cost-plus pricing (20.8%) and competitive pricing (16.7%). No vendors used bundle pricing on grant days. On grant days, vendors may choose not to apply bundle pricing due to a shift in customer priorities, with many customers focused on securing specific,

essential products rather than being enticed by bundles that may include unwanted items. This behaviour reflects Diner's (2022) assertion that bundles can be a double-edged sword: while they can increase perceived value, they may also frustrate customers who feel compelled to purchase additional, unnecessary items just to obtain the one product they need.

Post-grant days, there was a slight shift in pricing strategies: bundle pricing increased slightly to 3.3%, while dynamic pricing dropped to 23.3%, and negotiation and haggling decreased to 16.7%. The slight increase in bundle pricing after the grant days may indicate an attempt by vendors to sell leftover produce in packages to incentivise purchases when consumer demand could have been lower (Balachander et al., 2010; Martins et al., 2021). Competitive pricing remained relatively stable, dropping slightly to 13.3%, while cost-plus pricing maintained its consistency at 16.7%. The decrease in these strategies after the grant days suggests that vendors return to more stable pricing as demand normalises.

The results from the test indicate that there were no statistically significant differences in the pricing strategies used by fresh produce street vendors between grant and non-grant days across the two towns, as the p-values are all over 0.05. Although slight changes were observed, such as a small increase in the use of competitive pricing and a decline in negotiation and haggling after grant days, none of these shifts were statistically meaningful. This suggests that the timing of grant payments has a limited influence on how vendors price their produce. The findings imply that vendors in both areas tend to maintain consistent pricing strategies regardless of when grant payments are made. This consistency may reflect entrenched pricing behaviours or a response to broader market factors, such as supply, demand, or customer preferences, that remain relatively stable over the grant cycle. For instance, vendors who use cost-plus pricing tend to adhere to this approach consistently, likely because it ensures they cover their costs.

### **3.3. Factors Affecting the Choice of Pricing Strategies among Vegetable Street Vendors**

The objective of the study was to identify the factors influencing the choice of pricing strategies among vegetable street vendors in Mthatha and Mqanduli and to assess whether there is a significant association between the pricing strategies used on grant days and non-grant days. To achieve this, the study employed the Chi-square test for independence with cross-tabulation to evaluate the relationship between these variables. GNU Regression, Econometrics, and Time-series Library (Gretl) were used to assess these relationships and formulate the test. The

results are presented in two parts: Mthatha and Mqanduli on grant days, and Mthatha and Mqanduli post-grant days. This approach allows for a comparative analysis of the vendors' behaviour during these different periods.

### 3.3.1. *Mthatha and Mqanduli on Grant Days*

The cross-tabulation in Table 3 below provides an analysis of the relationship between the primary pricing strategy (rows) and the main factors (columns) used by vendors. The pricing strategies considered are competitive pricing, dynamic pricing, negotiation and haggling, and cost-plus pricing. Bundle pricing was not included because they were not used in both towns on grant days. The primary influencing factors are the level of market competition and the cost of purchase/production. The total number of respondents in Mthatha and Mqanduli on the grant day was 24.

**TABLE 3: Chi-square Test for Independence with Cross-Tabulation, Mthatha and Mqanduli on Grant Days**

Pricing strategy	Competition	Market Demand	Cost of Purchase/Produce	Total Vendors
Competitive pricing	100%	-	-	10
Dynamic pricing	18.2%	81.8	-	11
Negotiation and haggling	50%	50%		2
Cost Plus pricing	-	-	100%	1
				24

Pearson Chi-Square Test = 38.9287 (6 df, p-value = 7.39175e-007)

The results indicate that competitive pricing was the most widely adopted strategy, used by 10 vendors (41.7% of 24). Competitive pricing strategy was influenced by competition as the primary factor, as indicated by 100% of the 10 vendors. According to a study by Sethu (2023), a competitive pricing strategy is strongly linked to the presence of competition. This is because vendors operating in highly competitive environments tend to adopt competitive pricing to retain or attract customers (Mensah, 2016; Magadla, 2017; Dzvimbo & Monga, 2019).

Dynamic pricing was the second most common strategy, used by 11 vendors (45.8% of 24), with 81.8% or 9 of them basing market demand as an influence for the choice of the strategy, while 18.2% or two vendors considered competition as the main influencing factor for using the dynamic pricing strategy. This suggests that vendors using dynamic pricing adjust their prices in response to fluctuations in demand, but are also somewhat influenced by competition.

According to Wamsler et al. (2022), dynamic pricing is heavily influenced by demand variability, which is consistent with the 81.8% result in the table, suggesting that vendors respond primarily to demand shifts. A smaller proportion of two vendors used negotiation and haggling, with an equal split between competition (50%) and market demand (50%) as influencing factors. This reflects a balanced influence from both competition and market demand when it comes to vendors engaging in a negotiation-based pricing strategy.

Cost-Plus Pricing (5) is solely associated with the cost of purchase/production, with one vendor using this strategy, basing it entirely on their costs. The Pearson chi-square statistic is 38.93 with six degrees of freedom, and the associated p-value is  $7.39e-07$ , which is extremely small (much less than the standard significance level of 0.05). Therefore, this suggests a highly significant association between the choice of pricing strategy and the influencing factors. These results are supported by Bennett (2023), who notes that multiple factors, including costs, customer demand, competitive pricing, and value perception, influence pricing strategies. Runting (2023) supports this view, asserting that pricing strategies can be based on a variety of factors, including costs, competition, demand, and customer behaviour.

### ***3.3.2. Mthatha and Mqanduli Post Grant Days***

The cross-tabulation in Table 4 presents an analysis of the main pricing strategies (rows) and main factors (columns) used by vendors in Mthatha and Mqanduli after the grant period. The total sample size is 30 respondents. The pricing strategies examined are bundle pricing (1), competitive pricing (2), dynamic pricing (3), negotiation and haggling (4), and cost-plus pricing (5). The influencing factors considered are competition (1), level of market demand (2), and cost of purchase/production (3).

**TABLE 4: Chi-square Test for Independence with Cross-Tabulation, Mthatha and Mqanduli Post Grant days**

Pricing strategy	Competition	Market Demand	Cost of Purchase/Production	Total Vendors
Bundle pricing	-	100%	-	1
Competitive pricing	91.7%	8.3%	-	12
Dynamic pricing	10%	90%	-	10
Negotiation and haggling	-	100	-	2
Cost Plus pricing	-	20%	80%	5
				30

The results reveal that one vendor (3.3% of 30) employed bundle pricing, and their decision was solely influenced by market demand (100%). Twelve vendors (40% of 30) adopted a competitive pricing strategy, with the majority (91.7%) considering competition as a major influence, while 8.3% were influenced by market demand. This suggests that vendors tend to align their pricing strategies with the most pressing external factors they face. Those in highly competitive environments are more likely to adjust prices in response to rival pricing, while those using bundle pricing respond directly to consumer buying behaviour. The finding that competitive pricing strategy is influenced by competition is consistent with a study conducted by Gerpott and Berends (2022), which examined competitive pricing in online markets. According to the study, competitive pricing is influenced by demand and competition, with demand increasingly shaped by the pricing strategies of competitors. As a result, competitor prices should not be overlooked when formulating pricing decisions.

A study conducted by Chodota et al. (2024), which looked at the influence of competitive pricing strategy on business performance, found that there is a significant relationship between competitive pricing strategy and market demand and an increase in the number of customers, which suggests that the pricing strategy has an impact on market demand.

Ten vendors (33.3% of 30) used a dynamic pricing strategy, with the majority (90%) basing their pricing on market demand, while only 10% considered competition. These results are

supported by a study by Chen et al. (2010), who investigated optimal pricing and replenishment decisions in an inventory system with price-sensitive demand, focusing on the benefits of the inventory-based dynamic pricing strategy. They found that demand variability impacts the benefit of dynamic pricing. Two vendors (6.7%) practised negotiation and haggling strategies, and both relied entirely on competition (100%). Five vendors (16.7%) used cost-plus pricing (Strategy 5), where 80% determined prices based on the cost of purchase/production, and 20% considered competition.

The p-value is extremely small ( $p = 6.07e-07$ ), which is well below the common significance level of 0.05, indicating that the distribution of main factors is significantly different across the various main strategies. Vegetable street vendors do not choose their pricing strategies randomly; rather, their choices are strongly influenced by specific factors, such as competition and demand, meaning that different main strategies are closely associated with different key factors.

### **3.4. Prices Charged by Vegetable Street Vendors**

This section presents a t-test for comparing different means (assuming unequal variances) to compare the prices charged by vegetable street vendors (Table 5). The analysis focuses on the prices of spinach and cabbage (both large and loose medium sizes) sold on Grant Day versus those sold post-Grant Day in Mthatha and Mqanduli.

The t-test, assuming unequal variances, compares the mean prices of cabbage between vendors in Mthatha and Mqanduli (Table 5). The average price for Mthatha cabbage vendors is R28.08, while for Mqanduli vendors, it is slightly higher at R30.00. The price variance in Mthatha (39.74) is larger than in Mqanduli (13.64), indicating that prices fluctuate more among Mthatha vendors compared to Mqanduli. The t-statistic is -0.939, and the corresponding p-value for the one-tailed test is 0.179, which is above the conventional 0.05 significance level, indicating that the difference in means is not statistically significant. Similarly, the p-value for the two-tailed test is 0.359. The calculated t-statistic is lower than both the one-tailed critical value (1.725) and the two-tailed critical value (2.086), supporting the conclusion that there is no significant difference in cabbage prices between the two towns.

**TABLE 5: Combined T-Test Summary for Prices of Cabbage and Spinach for Grant Day(s)**

Statistics	Mthatha Cabbage	Mqanduli Cabbage	Mthatha Spinach	Mqanduli Spinach
Mean	R28.08	R30.00	R17.00	R24.00
Variance	39.74	13.64	7.50	17.50
Observations	13	12	5	5
Hypothesized Mean Difference	0	0	0	0
Degrees of Freedom (df)	20		7	
t Stat	-0.9391		-3.1305	
P(T<=t) one-tail	0.1794		0.0083	
t Critical one-tailed	1.7247		1.8946	
P(T<=t) two-tail	0.3589		0.0166	
t Critical two-tailed	2.0860		2.3646	

The t-test, assuming unequal variances, compares the prices of spinach between vendors in Mthatha and Mqanduli. The mean price for spinach in Mthatha is R17, while in Mqanduli, it is R24, indicating that Mqanduli vendors charge significantly more for spinach on average. The variances are 7.5 for Mthatha and 17.5 for Mqanduli, showing more price variability among Mqanduli vendors.

The t-statistic is -3.13, and the corresponding p-value for the one-tailed test is 0.0083, which is well below the conventional 0.05 significance level. This means that the difference in spinach prices between the two towns is statistically significant. The two-tailed p-value of 0.0166 further confirms this significance. Both the one-tailed (1.895) and two-tailed (2.365) critical t-values are exceeded by the calculated t-statistic, indicating strong evidence to conclude there is a difference in prices. Thus, the results suggest that Mqanduli vendors charge significantly higher prices for spinach than those in Mthatha. This statistically significant difference suggests that the market dynamics between the two towns differ, likely due to factors such as demand, supply, or competition.

**TABLE 6: Combined T-Test Summary for Prices of Cabbage and Spinach for Post Grant Day(s)**

Statistics	Mthatha Cabbage	Mqanduli Cabbage	Mthatha Spinach	Mqanduli Spinach
Mean	R27.65	R30.00	R16.4	R21.00
Variance	15.99	13.64	48	3
Observations	17	12	5	3
Hypothesised Mean Difference	0	0	0	
Degrees of Freedom (df)	22		5	
t Stat	-2.9777		-3.2857	
P(T<=t) one-tail	0.0029		0.0109	
t Critical one-tailed	1.6991		1.8946	
P(T<=t) two-tail	0.0058		0.0218	
t Critical two-tailed	2.0452		2.2706	

The t-test, assuming unequal variances, compares the mean prices of cabbage between vendors in Mthatha and Mqanduli (see Table 6). The mean price for cabbage in Mthatha is R27.65, while in Mqanduli, it is higher at R31.79. This indicates that, on average, cabbage prices in Mqanduli are significantly higher than in Mthatha. The price variance is similar, with 15.99 for Mthatha and 13.87 for Mqanduli, showing that both towns have a comparable spread in cabbage prices.

The t-statistic is -2.98, indicating a statistically significant difference in the means. The p-value for the one-tailed test is 0.0029, and for the two-tailed test, it is 0.0058—both of which are well below the conventional 0.05 significance level. This indicates that the difference in cabbage prices between the two towns is statistically significant. The calculated t-statistic exceeds both the one-tailed critical value of 1.699 and the two-tailed critical value of 2.045, providing strong evidence to conclude that there is a notable difference.

The t-test, assuming unequal variances, compares the mean prices of spinach between vendors in Mthatha and Mqanduli (Table 6). The mean price for spinach in Mthatha is R16.40, while in Mqanduli, it is significantly higher at R21. The variance in prices is 4.8 for Mthatha and 3 for Mqanduli, indicating that price variability is slightly higher in Mthatha than in Mqanduli. The

t-statistic is -3.29, indicating a notable difference between the mean prices of spinach in the two locations.

The p-value for the one-tailed test is 0.0109, which is below the conventional 0.05 significance level, indicating that the difference in spinach prices is statistically significant. The two-tailed p-value of 0.0218 further confirms the significance of the result. The calculated t-statistic also exceeds both the one-tailed critical value of 2.015 and the two-tailed critical value of 2.571, providing strong evidence to show a statistically significant difference in spinach prices between Mthatha and Mqanduli, with Mqanduli vendors charging higher prices on average.

The study observes a trend indicating that street vendors in Mqanduli charge higher prices for cabbage and spinach on grant days and post-grant days compared to their counterparts in Mthatha. Mqanduli, being a smaller and more rural town (KSDM, 2022), has fewer vendors and limited access to alternative retail outlets, which reduces competition and grants vendors greater pricing power.

In contrast, Mthatha has a larger urban centre and a more competitive informal market, with a higher concentration of vendors, supermarkets, and fresh produce outlets (KSDM, 2020), which may constrain vendors from significantly increasing prices.

### **3.5. Analysis of Produce Sourcing: Self-Production and External Suppliers Among Street Vendors**

Tables 7 and 8 below provide an analysis of the number of vendors selling a particular produce and sources from which vegetable street vendors in Mqanduli and Mthatha obtained their produce during the old age grant day and post-grant days, respectively. The sources are farmers 'buy it from farmers', self-production 'I grow it' and external sources 'other'. The data is categorised based on the type of produce sold on a particular day, representing the total number of vendors selling each type of produce.

The study reveals that out of the 8 vegetable street vendors selling only cabbage in Mthatha on Grant Day, four vendors noted that they bought cabbage from farmers, 3 sourced it from other suppliers, while only 1 vendor grew their own cabbage. Similarly, for spinach vendors, out of the two spinach vendors, one vendor sourced from "Other" and only one vendor grew it themselves. For the three vegetable vendors selling both cabbage and spinach, one reported

that they purchased their produce from farmers, two grew their own produce, and none of the three vendors selling both cabbage and spinach sourced their produce from external sources, such as wholesalers. The total number of vegetable vendors interviewed in Mthatha on grant day was 13. The results suggest that Mthatha vendors relied more on farmers, likely due to higher market demand.

**TABLE 7: Produce Sourcing, Mthatha and Mqanduli Grant Day**

	<b>Mthatha Grant Day</b>			
<b>Produce selling</b>	<b>Buy it from farmers</b>	<b>I grow it</b>	<b>Other</b>	<b>Total</b>
Cabbage	4	1	3	8
Spinach	0	1	1	2
Both cabbage and spinach	1	2	0	3
Total				13
	<b>Mqanduli Grant Day</b>			
<b>Produce selling</b>	<b>Buy it from farmers</b>	<b>I grow it</b>	<b>Other</b>	<b>Total</b>
Cabbage	2	4	0	6
Spinach	0	1	0	1
Both cabbage and spinach	0	4	0	4
Total				11

In contrast, Mqanduli vendors exhibited a stronger reliance on self-production. Among the 6 cabbage vendors, four grew it themselves, while two purchased it from farmers. Notably, none were sourced from "Other" external suppliers, indicating that Mqanduli vendors either cultivate their crops or buy directly from farmers. One vendor selling only spinach indicated that they grew their produce. Additionally, the four vendors selling both cabbage and spinach in Mqanduli were exclusively self-sufficient, with four vendors growing their own produce. The total number of vegetable vendors interviewed on the grant day was 11. The results reflect greater agricultural engagement among Mqanduli vendors compared to their Mthatha counterparts.

**TABLE 8: Produce Sourcing, Mthatha and Mqanduli Post-Grant Day**

	<b>Mthatha post-Grant Day</b>			
<b>Produce selling</b>	<b>Buy it from farmers</b>	<b>I grow it</b>	<b>Other</b>	<b>Total</b>
Cabbage	4	3	1	8
Spinach	2	0	0	2
Both cabbage and spinach	5	3	0	8
Total				18
	<b>Mqanduli post-Grant Day</b>			
<b>Produce selling</b>	<b>Buy it from farmers</b>	<b>I grow it</b>	<b>Other</b>	<b>Total</b>
Cabbage	5	4	0	9
Spinach	0	0	0	0
Both cabbage and spinach	0	3	0	3
Total				12

In Mthatha post-grant day, the study revealed that a total of eight vendors sold only cabbage, with the majority purchasing their produce from farmers. Specifically, four vendors bought cabbage from farmers, three reported that they grew their produce, and only one indicated that they sourced from external supplies, “other”. Notably, spinach-only vendors were fewer in number (two in total), and they exclusively sourced their produce from farmers. Out of the total of eight vendors selling both cabbage and spinach, five vendors purchased both cabbage and spinach from farmers. Self-production was also a significant sourcing method, as three vendors grew both cabbage and spinach, and none reported sourcing from external sources. The study suggests minimal reliance on alternative sources, as only one vendor sourced their produce from external sources. A total of 18 vegetable street vendors were interviewed post-grant day.

In Mqanduli, a total of 12 vendors participated in selling vegetables, with a strong emphasis on self-production and farmer purchases. Among the nine vendors selling only cabbage, five bought from farmers, while four grew their own produce. Vendors selling both cabbage and

spinach exclusively relied on self-production (three vendors), showing that those selling multiple crops in Mqanduli were more likely to cultivate them independently. Interestingly, there were no vendors selling spinach alone, which could suggest either a lack of demand or challenges in sourcing spinach independently. Unlike in Mthatha, no vendors in Mqanduli sourced their produce from "Other" suppliers, indicating that vendors in this area primarily depended on local farming or direct farmer purchases for their stock.

#### **4. CONCLUSION AND RECOMMENDATIONS**

The study's outcomes reveal a flexible and adaptive approach to pricing strategies, influenced by market dynamics, particularly during grant days. Vendors employed dynamic pricing, negotiation, and haggling, adjusting to increased demand and customer purchasing power, while bundle pricing remained underutilised. Post-grant periods showed that the dynamic pricing strategy was more utilised, and there was also a shift towards strategies like cost-plus and competitive pricing. Sourcing patterns highlighted a strong reliance on direct sourcing from farmers and self-production, particularly in Mqanduli. These approaches reflect efforts to manage costs and maintain a consistent supply. Competition and demand were key drivers of pricing decisions. T-tests showed significant price differences between the two towns, shaped by local market conditions, competition, and consumer behaviour. These findings can help extension officers/agricultural advisors to give better and informed advice to their clients (smallholder farmers) about how to optimise their vegetable production in the market. Smallholders often struggle to secure formal markets, and most rely on the few informal markets available.

To enhance pricing strategies in Mthatha and Mqanduli, vegetable street vendors should receive training in pricing, negotiation, business management, and financial literacy. This will enable them to adapt to market fluctuations, particularly during high-demand periods, such as grant days. Additionally, training on the use of social media and digital platforms can help vendors promote their products, engage with customers, and boost sales. The study further recommends encouraging a bundle pricing strategy, as it boosts sales and reduces wastage, especially when produce is perishable or in surplus.

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