Influence of Trust on Customer Loyalty in The Small and Medium Enterprises Sector in Tanzania

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Abstract
This paper examined the influence of trust on customer loyalty in SMEs in Tanzania. The study used trust-commitment theory, behaviourist theory, and cognitive theory to determine the influence of trust on customer loyalty in SMEs in Tanzania. Customers from bars, hair salons, and kiosks in Dodoma Urban City participated in the survey. Convenience sampling was used to obtain the sample size of 288 respondents. The study data was obtained from customers using questionnaires. The questionnaires were self-administered to customers of bars, hair salons, and kiosks to gather data. Descriptive statistics was used to summarize data and show meaningful patterns while inferential statistics which included correlation analysis and regression analysis was employed to test the study hypotheses. The findings showed that trust significantly influenced customer loyalty. The study therefore concludes that the application of trust improves customer loyalty in SMEs in Tanzania.

Keywords: *Customer loyalty, Customer Trust, Small and Medium Sized Enterprises, Behaviourist*

INTRODUCTION

Trust is a great way to develop customer loyalty because customers avoid visiting other business ventures around because customers have already had a positive experience with a specific business venture (Hejazian&Lotfizadeh, 2017). However, there is a growing body of literature concerning the impact of trust on customer loyalty in countries like; Pakistan, Vietnam, Ethiopia, Kuwait, Kenya, and Indonesia (Niko, Askarinia, Khalafi, &Joyami, 2015; Putit& Abdullah, 2019; Andayani&Rosdiyatma, 2023). In addition, various recent studies in these countries on the impact of trust on customer loyalty have been carried out in different business sectors such as; banking, telecommunication, and cosmetic sectors (Wende, 2019; Dimyati, Muhaimin, Firdaus&Permana, 2020; Gupta, 2022). Further, attention has to be given to the SME sector to be able to explain the link between trust and customer loyalty in SMEs and Tanzania.

Customer loyalty has been proven to play an important role in the long-term

success of SMEs (Handriana, 2016; Hoque, Awang& Salam, 2017). Customer loyalty is important for maintaining the market share (Kyurova&Davidkova, 2020). In addition, loyalty is an important marketing tool that SMEs use to influence their customers (Kyurova&Davidkova, 2020). Furthermore, the task of SMEs is to make their customers loyal to achieve a sustainable competitive advantage (Kyurova&Davidkova, 2020). Thus, the adoption of relationship marketing strategies is essential for improving customer loyalty in the SME sector.

Hence, there is a need to determine the link between trust and customer loyalty in SMEs in Tanzania to be able to explain the link between trust and customer loyalty. Therefore, this study attempted to assess the influence of trust on customer loyalty in SMEs in Tanzania.

Thus, the objective of this research was to examine the influence of trust on customer loyalty in SMEs in Tanzania.

Customer loyalty

Customer loyalty is a deep commitment to buy back the product or service regularly in the future, which leads to the act of buying the same brand despite situational factors that may influence consumer behaviour (De Mooiji, 2019). Alrubaiee and Al-Nazer (2010) defined customer loyalty as a constant and positive attitude towards an object, brand, or business. According to Oliver (1999), customer loyalty is considered a component of cognitive, attitudinal, and behavioural. In other words, according to Oliver's perspective, loyal customers go through three stages: First cognitive loyalty, that is, the customer must confirm that his or her expectations about goods or services are met (Oliver, 1999). The second is attitudinal loyalty in which customers are satisfied with their purchasing decisions (Oliver, 1999). Finally, behavioural loyalty is where customers are committed deeply to buying (Oliver, 1999). This study has adopted the definition by De Moooji (2019) as it is widely accepted by researchers such as Aldaihani and Ali (2019) and Zaid (2020).

Trust

Eilena (2011) defined trust as a willingness to rely on an exchange partner in whom one has confidence. Trust is also referred to as the aspect of a business relationship that establishes the level to which each party believes and they can rely on the honesty of the promise offered by the other (Callaghan, Mephail, & Yau,1995). However, this study has adopted the definition by Callaghan et al. (1995) as it is widely accepted by researchers such as Husnain and Akhtar, (2015), Andleeb (2017), and Zaid (2020).

Trust is the key element of the relationship marketing concept (Aldaihani& Ali, 2019). Every relationship based on success depends on the degree of trust between people (Zaid, 2020). Thus, the primary goal of relationship marketing is to satisfy the customer's needs, maintain and manage the relationship with the customer, and deliver promises (Zaid, 2020).

Trust and mistrust have an influence on the behaviour of customers, including the intention and development of future relationships (Aldaihani& Ali, 2019). If a customer experiences a negative perception of building trust, the level of cooperation and commitment will decrease (Andleeb, 2017). A decreasing level of trust is also reflected in opportunistic behaviour (Aldaihani& Ali, 2019). Initiating cooperation requires components that will result in development and an increase in trust (Andleeb, 2017). If one of the parties is generating trust accepting also the vulnerability, while the other party meets the obligation, they have already laid down the cornerstone of trust (Andleeb, 2017). It can be assumed that trust is a relevant component of a relationship between the parties (Andleeb, 2017).

Trust is based on the buyer's expectations that the seller will behave in a reliable, ethical, and socially appropriate manner, fulfilling the obligations of the buyer, despite the buyer's vulnerability and dependence (Olise&Omeje, 2022). Thus, consumer reliability considerations are likely to determine the final purchasing decision between the buyer and the seller (Zaid, 2020). Trust is also a key factor in building customer loyalty and developing strong and lasting relationships between buyers and sellers (Zaid, 2020).

Consumer confidence is built on experience, which takes time to develop (Olise&Omeje, 2022). It also has a key role in reducing tensions and conflicts, supporting the flow of information, being able to create greater coherence, and also contributing to the realization of future transactions (Andleeb, 2017). Consumer trust can also be interpreted as a kind of behavioural goal, as a skill to rely on a business partner (Olise&Omeje, 2022). Thus, the presence of one party's trust in the reliability and honesty of the other party can lead to positive expectations (Olise&Omeje, 2022). Trust generates a kind of effect among the existing or future partners, a kind of "hope" that the other party does not take advantage of the other party's vulnerability (Gupta, 2022). It is a long and strong relationship that helps to shape the vision of the parties (Andleeb, 2017). It contributes to overcoming uncertainty and reducing risks initiates balanced relationships, thus influences the success of firms (Gupta, 2022).

Theoretical Literature Review

The theories used in this study were the Trust-Commitment theory and customer loyalty theories. The Trust-Commitment theory was developed by Hunt and Morgan in the year 1994. They called it the trust-commitment theory of Trust-Commitment. According to this theory trust and commitment are important variables of any successful business relationship with customers (Morgan & Hunt, 1994). It is proposed that commitment and trust are key variables for successful relationships because these variables promote cooperative behaviours between relationship partners and encourage them to maintain long-term relationships (Morgan & Hunt, 1994). The theory suggests that relationships characterized by trust and commitment allow partners to be more accepting of high-risk situations because each party will be inclined to engage in activities that are in the long-term best interest of both partners (Morgan & Hunt, 1994).

In this study, the variable trust was taken into consideration because this variable is considered to be an important variable of Trust-commitment theory and is linked to customer loyalty (Olise&Omeje, 2022).

Customer loyalty theories used in this study were behaviourist theory and cognitive theory. The Behaviourist Theory was developed by John Watson in the year 1913. As the name of this theory suggests, loyalty, in this case, is identified from the observation of consumer behaviour (Gupta, 2022). However, this behaviour is only a recognition of a series of repeated purchases by a given consumer (Gupta, 2022). Consumer loyalty is a result of consumer research and its process for evaluating attributes about a business venture, leading to conviction and personal belief, which pushes consumers to show repeated buying behaviour (Gupta, 2022).

The Cognitive Theory was developed by Jean Piaget in the year 1930. This theory is considered better than the behaviourist theory; particularly by considering attitudes that have been introduced to enrich the measures that were limited in the behaviourist theory, as the consumer will not be loyal to a business venture until they develop a positive attitude towards that business (Gupta, 2022).The attitude that the consumer develops toward a business venture always triggers consumer behaviour that will result in repeated buying behaviour (Gupta, 2022).

Empirical Literature and Hypothesis Development

Husnain and Akhtar (2015) carried out research titled relationship marketing strategies impacting customer loyalty in the Pakistan banking sector. Trust-

Commitment Theory, Behaviourist Theory, and Cognitive Theory were used to guide this study. The study examined the Trust-Commitment strategies impacting customer loyalty in the Pakistan banking sector. One of the variables examined was trust. The sample size was 100 customers, and data was collected using a survey questionnaire. Data was analyzed using multiple regression analysis. The findings of this study revealed that there was a significant and positive correlation between trust and customer loyalty. The limitation of the study was that it was done with only 100 customers who might not be a true representation of all customers in Pakistan. The study was carried out in the Pakistan context and banking sector. Therefore, further studies in other countries and other sectors are needed to find the influence of trust on customer loyalty in SMEs and Tanzania in particular to understand the theoretical and empirical factors that can influence customer loyalty in different environmental settings.

Likewise, Andleeb (2017) carried out a study on the impact of relationship marketing in building customer loyalty in the banking sector in Pakistan. Trust-Commitment Theory, Behaviourist Theory, and Cognitive Theory were used to guide this study. The aim was to determine Trust-Commitment strategies impacting customer loyalty in the Pakistan banking sector. One of the variables examined was trust. The sample size was 122 customers, and data were collected using a survey questionnaire. Data was analyzed using multiple regression analysis. Results indicated that trust had a positive and significant impact on customer loyalty. The limitation of the study was that it was done with only 122 customers who might not be a true representation of all customers in Pakistan. The study was carried out in the Pakistan context and banking sector. Therefore, further studies in other countries and other sectors are needed to find the influence of trust on customer loyalty in SMEs and Tanzania in particular to understand the theoretical and empirical factors that can influence customer loyalty in different environmental settings.

Similarly, Aldaihani and Ali (2019) carried out a study on the impact of relationship marketing in building customer loyalty in Islamic banks in the state of Kuwait. Trust-Commitment Theory, Behaviourist Theory, and Cognitive Theory were used to guide this study. The aim was to determine Trust-Commitment strategies' impact on customer loyalty in Islamic banks in the state of Kuwait. One of the variables examined was trust. The sample size was 300 customers, and data were collected using a survey questionnaire. Data was analyzed using multiple regression analysis. Results indicated that trust had a positive and significant impact on customer loyalty. The limitation of the study was that it was carried out in Kuwait's context and banking

sector. Therefore, further studies in other countries and other sectors are needed to find the influence of trust on customer loyalty in SMEs and Tanzania in particular to understand the theoretical and empirical factors that can influence customer loyalty in different environmental settings.

Furthermore, Zaid (2020) researched on the role of relationship marketing strategies' impact on customer loyalty in the Indonesia banking sector. Trust-Commitment Theory, Behaviourist Theory, and Cognitive Theory were used to guide this study. The study aimed to test the role of Trust-Commitment on customer loyalty in the Indonesian banking sector. One of the variables examined was trust. The sample size was 77 customers, and data was collected using a survey questionnaire. Data was analyzed using multiple regression analysis. The findings of this study revealed that there was a significant and positive correlation between trust and customer loyalty. The limitation of the study was that it was done with only 77 customers who might not be a true representation of all customers in Indonesia. The study was carried out in the Indonesian context and banking sector. Therefore, further studies in other countries and other sectors are needed to find the influence of trust on customer loyalty in SMEs and Tanzania in particular to understand the theoretical and empirical factors that can influence customer loyalty in different environmental settings.

In addition, Gupta (2022) carried out a study on customer loyalty in the telecommunication sector in the South Asian telecommunication industry. Trust-Commitment Theory, Behaviourist Theory and Cognitive Theory were used to guide this study. Thestudy aimed to determine Trust-Commitment strategies impacting customer loyalty in Islamic banks in the South Asian telecommunication industry. One of the variables examined was trust. The sample size was 50 customers, and data were collected using a survey questionnaire. Data was analyzed using multiple regression analysis. Results indicated that trust had a positive and significant impact on customer loyalty. The limitation of the study was that it was done with only 50 customers who might not be a true representation of all customers in South Asia. The study was carried out in the South Asia context and telecommunication sector. Therefore, further studies in other countries and other sectors are needed to find the influence of trust on customer loyalty in SMEs and Tanzania in particular to understand the theoretical and empirical factors that can influence customer loyalty in different environmental settings.

Olise and Omeje (2022) carried out a study on the mediating effect of customer satisfaction on relationship marketing and customer loyalty among commercial bank customers in Awka, Anambra state. The study

appliedTrust-Commitment Theory, Behaviourist Theory, and Cognitive Theory. The purpose was to determine Trust-Commitment strategies' impact on customer loyalty by mediating the effect of satisfaction in the Awka metropolis. One of the variables examined was trust. The sample size was 691 customers, and data was collected using a survey questionnaire. Data was analyzed using multiple regression analysis. Results indicated that trust had a positive and significant effect on customer loyalty. The study was carried out in the Indonesian context and banking sector. Therefore, further studies in other countries and other sectors are needed to find the influence of trust on customer loyalty in SMEs and Tanzania in particular to understand the theoretical and empirical factors that can influence customer loyalty in different environmental settings.

Andayani and Rosdiyatma (2023) carried out a study on the influence of problem handling, commitment, trust, and communication on customer loyalty at Banda Raya Rural banks. The study appliedTrust-Commitment Theory, Behaviourist Theory, and Cognitive Theory. The purpose was to determine Trust-Commitment strategies influencing customer loyalty at Banda Raya Rural banks. One of the variables examined was trust. The sample size was 110 customers, and data was collected using a survey questionnaire. Data was analyzed using multiple regression analysis. Results indicated that trust had a positive and significant effect on customer loyalty. The study was carried out in Indonesia and the banking sector. Therefore, the following hypothesis was formulated:

H_1: *Trust has a positive and significant influence on SME customers' loyalty.*

MATERIALS AND METHODS

This study employed mainly explanatory research design where the objective was to deduce causal effect (Bhattacheree, 2012). The units of analysis were SME customers from bars, hair salons, and kiosks who were residents of the urban part of Dodoma city. The Convenience sampling method was used to select the customers who visited bars, hair salons, and kiosks. The sample size consisted of 300 customers' and was drawn from the population of 1240 customers that consisted of respondents who were customers of bars, kiosks, and hair salons in the Dodoma urban city who participated in the survey. The questionnaires were issued to 300 customers using a convenience sampling method among which 288 were collected. TheSample size was obtained using the formula provided by Yamane (1967), which was as follows:

$$n= N\div1+N\ (e)^{2}$$

Where = required sample size, N = Population size of 1240, e = level of precision which is 0.05 for a confidence level of 95%. Thus, the total numbers of SMEs were 15. Then from each SME, the sample size of respondents should be as follows: Bars: 5/15x300= 100 respondents; Kiosks: 5/15x300= 100 respondents; Hair salon: 5/15x300= 100 respondents. Therefore, 100 respondents were selected from bars; another 100 from hair salons, and 100 respondents were selected from kiosks. Internal consistency was measured usingCronbach alpha. In determining the content validity of the study, the researcher discussed each questionnaire with the supervisors and the marketing experts and modified the questionnaire to ensure its reliability. Thus, the questionnaire had a certain degree of content validity. The construct validity was tested using the Exploratory Factor Analysis (EFA) and this was performed with the assistance of the Statistical Package for Social Science software (SPSS) version 26. The study instruments were assessed on theircriterion validity and found the value of the correlations with the outcomes of the study by ensuring that the study had used the relevant literature with the studied phenomenon. Thus, the questionnaire had a certain degree of criterion validity. Factor analysis was used to validate the preconceived variables while descriptive statisticssuch as frequency and percentage were used to describe the sampleand correlation analysis and multiple regression were used to test the hypotheses of this study.The following form of regression model was adopted;$Y = \alpha + B1K1 + \epsilon$, Whereby Y = Customer loyalty; α= constant; K1 represents the coefficient of the construct such as trust,B1 denotes the strength of the construct of trust, and ϵ represents the error term.

RESULTS AND DISCUSSION

Demographic Analysis

The sample was comprised of 288 customers who visited bars, hair salons, and kiosks. Table 1 presents the demographic structure of the sample.

Table 1: Demographic Profile of Respondents (N=288)

Particulars	Criteria	No of respondents	Percentage
Gender	Male	186	64.58
	Female	102	35.42
Age	18-29	44	15.28
	30-39	126	43.75
	40-49	104	36.11
	50 and above	14	4.86
Education	Secondary level	48	16.67
	Diploma	115	39.3
	Undergraduate	74	25.69
	Master's degree	51	17.11

Source: Field Work (2023)

There were more male respondents in the sample (64.58%) than female respondents. The largest number of respondents (43.75%) belongs to the 30-39 age group, followed by number of respondents in the 40-49 age group (36.11%). The 18-29 age group accounts for the least number of respondents (15.28%). As to educational background, respondents with diplomas dominate the sample (39.3%), followed by respondents with undergraduate degrees (25.69%), and followed by respondents with secondary school qualifications (16.67%) and respondents with Master's degrees comprised 17.11%.

Reliability of the Items

In this study, Cronbach's alpha was computed to examine the internal consistency or reliability of the instrument. It measures how well a set of variables or items measures a single, one-dimensional latent aspect of individuals. Cronbach's alpha was carried out in SPSS statistics version 26 using a reliability analysis procedure. The Cronbach's alpha values range from 0 to 1 and the values above 0.7 represent an acceptable level of internal reliability (Kothari & Garg, 2014). The Cronbach's alpha value for trust was 0.772. This indicated that there was a high level of internal consistency for the scale.

Sample Adequacy

In testing the adequacy of the sample, Kaiser Mayer Olkin (KMO) and Bartlett's Test results were used in the statistical analysis. Kaiser Mayer Olkin (KMO) Test is a test for assessing how data are enough and suitable for Factor analysis. It measures the adequacy of the sample by looking at each variable in the model. KMO ranges from 0 and 1. A KMO value should be close to 0.5 and above for satisfactory analysis to continue. Barlett's test of sphericity tests the correlation of items. Hence, it is argued that values should be below 0.05 of the significant level, to indicate that Factor Analysis is suitable for the data. The KMO measure was 0.517. This was above the cut-off value of 0.5 and met the criteria. This value indicated that enough items are predicated by each factor. In addition, Barlett's test is significant was significant at the 0.01 level, meaning that was correlated highly enough to provide a reasonable basis for factor analysis. Thus, the collected data was adequate for performing factor analysis and for determining the factor structure of the marketing relationship construct.

Descriptive Analysis

The basic characteristic of the studied construct was described using descriptive statistics indicators. The average score for trust is shown in Table 2.

Table 2: Mean and Standard Deviation for Trust

Questionnaire Statement	Frequency	Mean	Standard Deviation
The Service provided by the SME is consistent	288	2.83	1.35
The Salesperson shows respect to customers	288	3.31	1.38
I have confidence in SME service	288	3.50	1.07
SME promise is reliable	288	3.43	1.09
Average	**288**	**3.41**	**0.80**

Source: Field Work (2023)

Table 2 shows trust was obtained from four items. The average mean score of trust was 3.41 with a standard deviation of 0.8. It was observed that trust was highly contributed by customers having confidence in the SME service with a mean score of 3.50 and with standard deviation of 1.07. The lowest contribution of trust was from the item service provided by the SME was consistent with a mean score of 2.83 and with a standard deviation of 1.35. Most of the observed items are positively perceived by the respondents and have an average score higher than 3, resulting in a high overall average score, suggesting that the respondents consider trust as an important factor.

Correlation Analysis

The Pearson correlation presents the direction and strength of correlations among the variables and helps identify any multicollinearity problem.

Table 3: Correlation between Trust and Customer Loyalty

Variables	N=288	Customer Loyalty	Trust
Customer Loyalty	Pearson Correlation	1	0.29
	Sig. (2-tailed)		
Trust	Pearson Correlation	0.29	1
	Sig. (2-tailed)		

Source: Field Work (2023)

Table 3 shows that a correlation coefficient of 0.29 (r=0.29) was observed between trust and customer loyalty. The results suggest that the relationship between trust and customer loyalty is significant. This is consistent with existing studies such as Husnain and Akhtar (2015), Andleeb (2017), Aldaihani and Ali (2019), Zaid (2020), Gupta (2020), Olise and Omeje (2022), Adayani and Rosdiyatma (2023).

Factor Analysis

Factor analysis in this study was carried out using SPSS version 26 to see the value of the loading factor resulting from any indicators of the variables. All indicators were above the threshold value of 0.7 as shown in Table 4.

Table 4: Factor Analysis

Construct	Indicators	Loadings
Trust	Service provided by the SME is consistent	0.800
	Salesperson shows respect to customers	0.829
	I have confidence in SME service	0.841
	SME promise is reliable	0.857
	I consider this SME as the first choice among other businesses in the area	0.779
Customer loyalty		
	This SME comes first to my mind when making a purchase decision	0.834
	I'm likely to continue visiting this SME only	0.844
	I will recommend this SME to my friends and family	0.866
	I intend not to switch to other SMEs	0.814

Source: Field Work (2023)

Multiple Regression Analysis

Multiple regression analysis was used to examine the relationship between trust and customer loyalty. Table 5 and Table 6 show the result of the regression analysis. To predict the goodness of fit of the regression equation, the multiple correlation coefficient (R), coefficient of determination (R^2), and F ratio were examined.

Table 5: Regression Results of Customer Loyalty Based on Trust Model Summary

R	R^2	Adjusted R^2	Standard Error	F ratio	Significance
0.632	0.399	0.390	0.516	40.575	0.000

Source: Field Work (2023)

The regression model achieved a satisfactory level of goodness of fit in predicting the variance of the level of customer loyalty in relation to trust. From the findings it is evident that trust was important in explaining customer loyalty.

Table 6: Regression Analysis

Variable	Unadjusted Estimates		Adjusted Estimates	
	Coefficient (95%CL)	T (p-value)	Coefficient (95%CL)	T (p-value)
Trust	0.382 (0.236, 0.527)	5.17 (<.0001)	0.203(0.057,0.348)	2.75(0.0064)

Source: Field Work (2023)

Table 4 shows that trust had a significant positive association with customers' loyalty (β=0.382, $p<0.0001$) which means every unit increase in trust resulted in an average increase of 0.382 for customers' loyalty. However, for adjusted analysis trust remained a positive explanatory, the

variable coefficient slightly decreased, and it was statistically significant (β=0.203, $p<0.0064$) which means every unit increase in trust resulted in an average increase of 0.203 for customers' loyalty. The results support hypothesis 1 of the study, that is, SMEs that have customer confidence in their service, promise are reliable, salesperson show respect to customers, and service provided by the SME is consistent according to the results of this study are better placed to retain loyal customers. The results of the regression analysis contributed significantly to customer loyalty and showed a significant direct relationship between trust and customer loyalty. Therefore, the hypothesis was accepted. The findings were in accordance with that of Husnain and Akhtar (2015) who found that trust positively and significantly predicted loyalty of customers. The findings also further corresponded with that of Andleeb (2017) who found that trust positively and significantly impacted customer loyalty. The findings agreed with that of Aldaihani and Ali (2019) who found that trust had a positive and significant influence customer loyalty. The findings were in accordance with that of Zaid (2020) who found that trust positively and significantly predicted loyalty of customers. The findings also further corresponded with that of Gupta (2022) who found that trust positively and significantly impacted customer loyalty. The findings agreed with that of Olise and Omeje (2022) who found that trust had positive and significant influence on customer loyalty. The findings were in accordance with that of Andayani and Rosdiyamta (2023) who found that trust positively and significantly predicted loyalty of customers. The findings conform to relationship marketing theory, behaviourist theory and cognitive theory, which insist that trust had an influence on customer loyalty. This has strengthened the relationship marketing theory by relating trust to customer loyalty. Therefore, SMEs are required to be trustworthy to enhance customer loyalty.

Thus, theoretically, the outcome of this research provided empirical evidence for the influence on customer loyalty by relationship marketing variable, that is, trust. This study adds value to the literature by empirically linking trust to customer loyalty. The study has also widened the scope of applicability of relationship marketing strategies. Most of the past studies concentrated mostly on common service sectors like; the banking sector, telecommunication sector, and cosmetic sector. This study has provided evidence that the relationship marketing variable, that is, trust also works in sectors like SMEs. The positive sign of the variable showed that the greater the extent of trust the higher the customer loyalty. The research hypothesis was firmly supported.

CONCLUSION AND RECOMMENDATION

The results of the correlation analysis indicated that there was a moderate positive association between trust and loyalty. The results supported hypothesis 1 of the study, that is, SMEs that had customer confidence in their service, the promise was reliable, the salesperson showed respect to customers, and the service provided by the SME is consistent according to the results of this study were better placed to retain loyal customers. The results of the regression analysis contributed significantly to customer loyalty and showed a significant direct relationship between trust and customer loyalty. Similarly, other scholars such as; Husnain and Akhtar (2015), Andleeb (2017), Aldaihani and Ali (2019), Zaid (2020), Gupta (2020), Olise and Omeje (2022), Adayani and Rosdiyatma (2023) stressed that trust had influenced customer loyalty. The findings conformed to relationship marketing theory, which insisted that trust had an influence on customer loyalty. Therefore, it is fair to conclude that SME customers tend to be loyal if SMEs are trust worthy.

Regarding trust, the SME owners need to ensure that the service provided by the SME is consistent. In addition, salesperson should show respect to customers. Furthermore, SMEs should build customer confidence in SME service, and lastly, SMEs should make reliable promises.

The current study recommends several areas where future research can be conducted. Other scholars may research these relationship marketing strategies in other sectors such as the retail sector and wholesale sector. Future research is needed to examine the relationship- building processes of SMEs operating in different service sectors other than the ones studied. Furthermore, it would be useful to examine the constructs proposed in the research model from a longitudinal perspective to determine their influence on customer loyalty at different points in time. This would lead to further insights into the way SMEs in the service sector in Tanzania build and enhance customer relationships.

There are a few limitations of this research. The study was limited to only SMEs operating in three SMEs, that is, bars, hair salons, and kiosks, Therefore, the results from the study may not be easily generalized to SMEs in other SMEs. So any attempt to apply them to SMEs other than the ones studied should be done with caution. In addition, only five hair salons, five Kiosks, and five bars were studied. Thus, care should be taken when generalizing the results on other bars, hair salons, and kiosks operating in Tanzania.

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