ANTECEDENTS AND CONSEQUENCES OF BUSINESS TRUST IN RETAILING AND WHOLESALING IN TANZANIA

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ABSTRACT

The objective of the study was to explore antecedents and consequences of trust between suppliers and retailers in Tanzania. Cases were studied in detail to understand suppliers and retailers relationships. The study shows various sources of trust in retailing and wholesaling to include: paying promptly, paying as agreed, having a guarantor (prominent business person, a politician, ward office, clergy, a known customer), group protection, growing business, long-term buyer from the same supplier, regular customer, and background (knowing parents, brother, sister, schoolmates or, college or friends. There was also an indication of trust by virtue of race or ethnicity or sharing same geographical background, duration of time in business, growing business, increasing purchases, operating at a known location, guarantee from a credible business person, marital status, sex (women were considered more trustworthy), age of the person (where older age was considered to have more wisdom, experience and could not run away). There was conditional trust for who proved not worthy, whose factors were openness and transparency, similarity in values, similarity in ethics, quality products, client focus, and progress made in business that differentiated the traders. The results have implications to management policy and practices. It is recommended that customers should be studied so as establish trust factors that are more important for establishing relationship with increased business and growth.

Key words: antecedents, consequences, trust, retailing, wholesaling

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INTRODUCTION

Retailing is one of the largest and growing private industries in the world (Mukherjee & Patel, 2005; Mboma, 2001).According to Mukherjee et al, liberalization of the economy, rise in per capita income and growing consumerism have encouraged the sector's growth. Besides, according to ATKearney (2014), what make Tanzania and other East African countries attractive to international retailers include rapid population growth, increasing urbanization and increasing investment in the sector. The sector is growing amidst increasing competitive environment thus posing threats to small retail businesses in developing countries, which are not equipped to face the competition from multi-national retail conglomerates. To succeed in such a competitive business environment, traditional , "informal " retail options which still dominate the developing countries landscape (ibid.), need to develop beneficial and lasting relationships with the right suppliers of goods and services. On the other hand, suppliers who may be manufacturers, producers or wholesalers also need retailers or subsequent marketing institutions to enable flow of goods or services to consumers. The need to establish long, stable and lasting relationships explain the importance that trust has on retail business success or failure. The retailing industry in Tanzania is buffeted by increasing competition due to inundated increase in the number of players, enlightened clientele and the regional expansion of major retail chains. South African and Kenyan retailers such as Shoprite (now UCHUMI), GAME, Woolworths, and Nakumatt are operating in Tanzania (ATKearney, 2014).

There is a dearth of studies in Tanzania and Africa on trust building among retailers and wholesalers. This study therefore aimed at exploring antecedents and consequences of trust between suppliers and retailers in Tanzania. Most studies on trust (for example, Morgan & Hunt 1994; La Porta, *et. al*., 1997) have been conducted in developed countries where definitions and conceptualisations of the concept may greatly vary. A few studies (Fjeldstad, 2002, 2004; Cloete, 2007; Levi, 2002) in Africa that have tackled the issue of trust have focused on trust of the citizenry to government. Even then these studies were conducted in South Africa, a country with the most established retail market accounting for 14.34 percent of GDP in 2012, and the most consumer spending in Africa (ARDI, 2014).

The growing interest in studying business trust stems from the belief that trust enhances business performance (Sako, 1997). Glover (1994) corroborates that business practitioners often consider trust to be one of the most important factors for business success. Trust is also of great relevance today because maintenance of consistently high quality relationship that is an important source of competitiveness is easier in a higher-trust production system than in a low-trust one (Sako, 1997). Fafchamps (2004) has argued that in an unpredictable world, contracts are not always likely to be respected. Contract agreements in Sub-Saharan African (SSA) countries, for instance, are affected by absence of large hierarchies and as a result, they must depend to a greater degree, than in more developed economies, on social networks and personal trust (*ibid*.).

Importance of trust is widely acknowledged in business with dynamic competitive environments, forcing business firms to seek more creative means for meeting competition (Doney & Cannon, 1997). Under the circumstances, retailing and wholesaling firms need to respond to these challenges by building strong and long lasting relationships with their customers and suppliers. In business, and indeed in any significant relationship, trust is an essential precondition upon which all real success depends (Solomon, 2003). Morgan and Hunt (1994) corroborates by arguing that relationships are dependent upon high levels of trust to ultimately enhance competitiveness and reduce transaction costs. Given the significance that is placed on trust in business exchange relationships, it is important to study the antecedents and consequences of trust in Tanzania. However, using trust models developed in western countries may not fit in the Tanzania business environment. Tan and Chee (2005) pointed out that differences in cultures do affect how trust is built in societies. For instance, Tanzania, viewed through the lenses of Hofstede's cultural dimensions, is characterised as collectivistic-feminine (Ngowi, 2000). So the research question for this exploratory study was: "What are the antecedents and consequences of trust in retailing and wholesaling businesses in Tanzania?"

In this exploratory study, the main objective was to explore determinants of trust between suppliers and retailers in a developing country such as Tanzania. Specifically, the study addressed such objectives as: (i) *To determine factors influencing trust in retailer and supplier relationships;* (ii) *To determine perceived or real outcomes of business trust*; and (iii) *To develop a conceptual framework that will guide future researches on business trust.* Absence of empirically tested studies on business trust in Africa and Tanzania, in particular, necessitated this study. Therefore, it is anticipated that this study findings will help in provoking future research interest in the area.

LITERATURE REVIEW

Conceptualising trust

Researchers and scholars agree that trust is significant in all kinds of relationships (Seligman, 1997; Shapiro, 1987). There is even an increasing recognition among and between societies of trust being considered a social good or social capital that is fundamental to human interaction and cooperation (Child & Faulkner, 1998; Fukuyama, 1995). Despite or because of this, there is no agreed definition of trust (Hardin, 2000). There are various and divergent views of what is and what constitutes trust in human and business interactions. In that respect, trust is considered as a multi-dimensional, multi-layered and exists in almost every economic and social event. Trust has been studied in various disciplines ranging from social psychology, sociology, economics, marketing, entrepreneurship and even computer science. Shapiro (1987) argues that the problem with defining trust is that there are many different types of trust and it means something different to each person, culture, society and potentially in each context where it is applied.

According to Ring and Van de Yen (1994) trust is confidence in the goodwill and competence of others and expectation that others will reciprocate with honest efforts that are consistent with agreements if one cooperates. Mayer, Davis, and Schoorman (1995) also define trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control the other party". In a social context, trust has several interpretations (McKnight & Chervany, 1996). The first definition of trust follows the general intuition about trust and contains the following elements: i) the willingness of one party to be vulnerable to the actions of another party (trustee); b) reasonable expectation (confidence) of the trustor that the trustee will behave in a way beneficial to the trustor; c) risk of harm to the trustor if the trustee will not behave accordingly; and d) the absence of trustor's enforcement or control over actions performed by the trustee.

Each discipline, as noted, describes the concept of trust differently despite inherent similarities on the core underlying meanings of the concept. Morgan and Hunt (1994) define trust as willingness to rely on an exchange partner in whom one has confidence. According to the researchers, the key component of trust in that regard is the confidence that one partner (supplier or consumer) has over another. A related concept of trust is that of reputation. However, Blois (2003) states that whereas reputation is built on past behaviours, trust involves assessments of how the other party will behave in the future. Several studies (Jones, 1999; Jøsang & Knapskog, 1998; Manchala, 1998; Su & Manchala, 1999; Kini & Choobineh, 1998; Golbeck, 2005) have been conducted in the realm of scientific computing to explain the issue of trust in relation to e-commerce transactions. Kini and Choobineh (1998) define trust with respect to individual relationship with computer system as a belief that is influenced by the individual's opinion about certain critical system features. From a computer science stand point, Golbeck (2005) posits that properties of trust are: transitivity (trust is not always reciprocated), composability (trust may be composed of opinions from different sources), personalisation (trust is a personal opinion) and asymmetry (trust is not identical in both directions).

Drawing from social psychology and marketing literature, Ganesan (1994) defines trust as the perceived credibility and benevolence of a target of trust. The focus of the second definition relates to two important concepts: credibility and benevolence. According to Lindskold (1978), credibility refers to the expectancy that the partner oral or written statement can be relied upon. An American Heritage Dictionary (2003) defines credibility as the quality, capability, or power to elicit belief. Benevolence on the other hand, refers to the extent to which one partner is genuinely interested in the other partners' welfare and motivated to seek joint gain (Doney & Cannon, 1997). For one to have trust on the other part, one needs to have adequate ground not only to take the part for its word, but also believe that the other part is not out to seek selfish interests. Benevolence must be contrasted from malevolence - which is the persistent desire to see another party experience pain, loss, or distress. Furthermore, trust, according to Callaghan *et al.* (1995), is essentially the belief that an individual will provide what is promised. Trust is likewise viewed as a social construct and as such, Weber and Carter (2002) state that trust emerges from and maintains itself within interactions of everyday people, interactions supported by and made possible by social structural forces.

In this study, the term 'trust' is defined in relation to reliance on and confidence in a business (Sangam, 2009). This is in line with Morgan and Hunt's (1994) conceptualisation that trust exists when one party has confidence in an exchange partner's reliability and integrity. The outcome of trust, therefore, is the "firm's belief that another company or individual will perform actions that will result in positive outcomes for the firm.

Our focus for this study was to reflect on trust as a construct useful in the business realm. In that respect, definitions of trust taken for understanding factors for trust development and its consequences in the retailing sectors rest on four pillars. These are predictability, value of exchange, delayed reciprocity, exposed vulnerability and expectation. These pillars are briefly explained here to give more light on this elusive concept.

Pillars of trust

- Predictability: Based on the predictability dimension, trust is defined as being able to predict what other people will do and what situations will occur.

- Value of exchange: Based on the value exchange, trust means making an exchange with someone when you do not have full knowledge about them, their intent and the things they are offering to you.
- Delayed reciprocity: According to the delayed reciprocity dimension, trust means giving something now with an expectation that it will be repaid, possibly in some unspecified way at some unspecified time in the future.
- Expectation and vulnerability: Exposed vulnerability dimension takes trust to mean enabling other people to take advantage of your vulnerabilities - but expecting that they will not do this. It is in this regard that Rouseau, Sitkin, Burt and Camerer (1998) define trust as a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another. Barber (1983) proposes three expectations that are important for the development of trust: expectations for social order, expectations for competent role performance and expectations that people will place others' interest before their own.

Success of a business rests on many factors and one of the important contributors is business trust. Trust is something that any business must strive to achieve over a period of time as mistrust can have detrimental effects to the growth and prosperity of any business. This study looked at trust from the transaction perspective, highlighting the determinants of building customer trust.

The continuum of trust

According to Morgan and Hunt (2003), existing theory in channels of distribution focused on power, dependence, and conflict and explained quite insufficiently the relationships between buyers and sellers in the channel. According to the researchers, the theory seemed to focus on dysfunctional channel relationships, not successful ones. Channel members in any supply chain do not exercise same trust to all people, nor do they trust the other part the same way in all situations. It is against this background that trust can be represented as occurring in a continuum. Table 1 shows that trust can be viewed as a dynamic continuum between two extremes of 'blind faith' and 'paranoia'.

Table 1a: Trust continuum

Blind faith	**Reasonable trust**	**Paranoia**
Everyone is trustworthy	Some are trustworthy	Nobody is trustworthy
Trust without evidence	Trust with evidence	Distrust without evidence

Source: Jones and George (1998)

Similarly, Table 1b, also inversely and correspondingly shows trust as ranging from distrust (*similar to paranoia*) to unconditional trust (*similar to blind faith*).

Table 1b: Trust continuum

Distrust	Conditional Trust	Unconditional Trust
	t=0	

Source: Jones and George (1998)

In both continuums, the appropriate position would be somewhere in the middle (*reasonable trust or conditional trust*) where trust is based on some explainable evidence.

Trust developing processes

Doney and Cannon (1997) uncover five different processes, which help explain how trust is developed. The divergent processes are to some extent based on the different disciplines that the concept has been studied. The first process is referred to as the intentionality process. According to Doney and Cannon (1997), individuals are motivated to help or reward another party, which is more trusted than those suspected of harbouring exploitative intentions. The driver of trust development in its process is the target's word and/or behaviour indicating concern for the trustor (Doney & Cannon, 1997). The second is the capability process, which involves determining another party's ability to meet its obligations. The driver of trust in the capability trust development process is the evidence of the target's ability to fulfil its promise (Doney & Cannon, 1997). The third is the prediction process, which is based on the individual's ability to predict and forecast another party's intentions and behaviour. This process, on the other hand, is driven by repeated and broader experience with the target of trust (Doney & Cannon, 1997). The fourth trust development process is the transference process. This process suggests that trust can be transferred from one source to another person with which the 'trustor' has little or no direct experience (Milliman & Fugate, 1988). The transference process is, unlike the rest, associated with identification of closeness of the source of the opinion with the trusted or would-be-trusted target (Doney & Cannon, 1997). The fifth trust is developing process in the calculative with its basis in economics discipline. This presupposes that an individual calculates costs and benefits of cheating or staying in the relationship (Lindskold, 1978). Lastly, the higher the investments made by the trusted targets the higher the costs that would be involved in case the target fails to live up to the billing (Doney & Cannon, 1997).

With all the divergent and multiplicity of views concerning trust, it is considered imperative that we seek to understand the trust building factors. Trust, we believe, is context specific changing from one society to another. It is inconceivable that people from different cultures will be influenced by the same factors to trust or not to trust. This study will help in expanding knowledge pertaining to business trust. The next section presents the methodology adopted by putting emphasis on data collection and analysis.

RESEARCH METHODOLOGY

As trust in business is an area which has been studied mostly in developed countries, we were concerned it may be viewed and portend differently in a developing country in general and Tanzania in particular. Factors that influence trust development in that regard may differ from one society to another necessitating a need to arrive at analytic generalisation instead of statistic generalisation (Masoud, 2007). Owing to this, a qualitative case study was adopted to undertake a detailed exploration of the issue. Qualitative approach was considered suitable for addressing questions of “how” and “why” things occur (Yin, 1994). The approach gave the researchers more flexibility taking advantage of the richness of data and obtaining meaningful results. Masoud (2007) cautions that in a social context, statistical generalisations act as prejudice that may effectively block understanding rather than constituting supportive pre-understanding.

This study adopted theoretical sampling. This means that choice of informants, episodes and interactions was driven by a conceptual question and not by concern for representatives (Miles & Huberman, 1994). This method was synergistic with theory building (Ali & Birley, 1998), which, as noted earlier, was the objective of our research. In that respect it was premature to prescribe sample size at this stage. Instead, researchers proposed that the choice of cases to guide and afford analysis to a point of information saturation was reached. Cases from different social aspects of realities were selected to draw meaning and conclusions geared towards theoretical generalisations. For the sake of confidentiality and privacy, the identities (e.g. names) of the respondents to our study were not revealed even when they were known to the researchers. This was so decided to enhance participation and openness from respondents.

Data collection methods

Yin (1994) recommends the use of case-study protocol and interview as a tool for data collection. The protocol basically constitutes overview of the project, field procedures, and specific questions that the researcher must keep in mind during data collection and guide for the report (outline, format for the narrative). According to Yin (1994), the protocol was a major tactic in increasing the reliability of the case study and was intended to guide researchers. In addition, however, Focus Group Discussion (FGD) was instituted in the data collection process. An interview guide was used during the FGD. According to Stewart and Shamdasani (1990), questions for the interview guide should grow directly from the research questions that were the impetus for the research. Kreuger (1988) suggests that a focused interview will include less than ten questions and often around five or six. Likewise, Stewart and Shamdasani (1990) propose that most interview guides consist of fewer than a dozen questions. Members for the FGD were drawn from key stakeholders from the retailing sector. They included wholesalers, retailers, and the ultimate consumers. To facilitate open dialogue, the interviews for the cases were conducted at the residences or business premises of the interviewees.

Data analysis plan

Essentially, data analysis was done throughout the case study research process as the researchers continually interacted with and collected data. One of the advantages of case study research was in its flexibility as the approach allowed the informants and the researchers to pursue new lines of enquiry that were suggested by an informant's evidence or a piece of documentation. The major task of analysis occurred once the bulk of the data had been collected and inspected, categorised and manipulated. The main analysis tools used were pattern matching and explanation building. The aim of this analysis was to look for trends and patterns that reappeared within either a single case or among various cases. Kreuger (1988) states that one should carry content analysis that begins with a comparison of the words used in the answer. Researchers also considered emphasis or intensity, consistency of comments and specificity in following up probes.

Miles and Huberman (1984) suggest analytic techniques such as rearranging arrays, placing the evidence in a matrix of categories, creating flowcharts or data displays. Other steps involved tabulating the frequency of different events, using means, and variances and cross tabulations to examine the relationships between variables, and other such techniques to facilitate analysis. In this study researchers adopted recommendation by Yin (1994) who suggests two strategies for general use: one was to rely on theoretical propositions of the study, and then to analyse the evidence based on those propositions. The other technique was case description that became a framework for organising the case study. Yin (1994) further encouraged researchers to make every effort to produce an analysis of the highest quality. In order to accomplish high quality of the data analysis and research findings, Yin (1994) presented four principles: a) show that the analysis relied on all the relevant evidence; b) include all major rival interpretations in the analysis; c) address the most significant aspect of the case study; and (d) use the researcher's prior, expert knowledge to further the analysis. According Miles and Huberman (1984) strategies to be adopted to generate meaning from the massive data developed areas stipulated: what goes with what (noting patterns, clustering, seeing plausibility); what's there (making metaphors, counting); sharpen our understanding (making comparisons, partitioning variables); see things and their relationships more abstractly (subsuming particulars into the general, factoring, noting relations between variables, finding intervening variables); assemble a coherent understanding of the data (building a logical chain of evidence, making conceptual/theoretical coherence).

The research findings constituted:

- cross case analysis;
- presentation of the background information with soft and hard facts as obtained from the cases - on management, employees, customers, and reports factors that were considered important in influencing trust development;
- factors of trust;
- trust and its consequences;
- the differences in trust perceptions by traders; and
- interpretations of the findings from the case.

Research findings, discussion, implications and conclusions

Cross-case analysis provides the background of businesses' sourcing of supplies and how businesses are conducted with customers. The background of business was a means to discover possible similarities and differences among traders in trust factors, and was displayed as proposed by Miles and Huberman (1994), and assembled in matrices to enable the reader get an overview of the collected data. The cross-case analysis was presented following the research questions developed for this study, which made it possible to identify the similarities and differences between the cases. The empirical data was also compared with study findings leading to a conceptual framework model that could explain and guide antecedents and consequences of business trust in retailing and wholesaling in Tanzania.

The profiles of business people included both females and males where females were fewer than males. Unequal participation of females was explained by males having more formalised businesses based on the fact that for a long time men have had a better economic position in the society (TGNP, 1993). Large numbers of females still operate informal businesses. The business people had attained various educational levels – from those who did not have any formal education to some with degrees. Those with better education dealt with professional activities such as dental and ICT related products. Other business people with less formal educational were confined to general merchandise businesses such as wholesaling and retailing.

Statements from respondents revealed the factors of trust by traders to include the following:

- Credibility and integrity, time, openness of the parties involved
- Supplier of a range of quality products
- Assurance from the supplier to retailer
- Women were considered more trustworthy
- Built over time from both customers and suppliers
- Regular communication, consistency and delivery as promised, consistency in quality, customers get what they want and when they want it
- Trust leads to risk taking, innovation and progress
- Obedience
- Identity and long duration in business
- Paying within seven days
- No quarrel with customers or use of harsh language or asking many questions
- The amounts of money spent on purchases, may vary but there was exchanges from time to time (repeated purchases). The above factors also provided benefits such as knowing customers' needs and wants and provided customer care.

Sources of trust

Findings from cases show various sources of trust as expressed by retailers as well as their suppliers (wholesalers) to include the following:

- Paying promptly, group protection, regular customer, long-term buyer from the same supplier (loyalty)
- Prompt payments as agreed between parties involved into a transaction
- Social and business connections among former pupils
- Family background and adequate knowledge of family members and friends
- Credibility and integrity, openness of the parties involved and the similarity of ethics and values are important in building trust between the clinic and clients.

Conditions to extend trust

- Trust and extended credit to clients depending on their demeanor (reliability and honesty), though clients under insurance cover are the most reliable as their organizations pay their employees' bills without fail.
- Trustworthy supplier(s) are considered as those that make timely delivery of supplies, provide quality dental materials, maintain stable prices over a period of time and makes timely payments on his party.
- Having a guarantor such as a prominent business person, a politician, ward officer, or a known customer.

Consequences and antecedents of trust

The study findings revealed that trust helps business people to have an upper hand over competitors and leads to increasing loyal customer base, motivated staff. It was argued that business trust eventually culminates into "*business persons having good sleep knowing that business deals were clean*." Despite all that, interviewees warned that business people need not trust someone they do not know at all. Trusting someone not known works contrary to business ethics as that can have negative consequences to the business bottom-line. The findings further provide answers to the question: What are the antecedents of trust in retailer and supplier relationships? The antecedents of trust elements were in two categories: common and specific. The antecedent of trust elements common to all traders were integrity, time delivery, timely payments that created positive relationships of trust with business people (see Table 2a).

Table 2a: Summary of common antecedents of trust

Antecedents of trust	Number of respondents	%
Integrity	11	23%
Timely delivery	11	23%
Timely payments	10	21%
Openness /transparency	2	4%
Similarity in values	2	4%
Similarity in ethics	2	4%
Quality of products	3	6%
Client focus	2	4%
Consider Gender	4	9%

Subsequently, trust elements varied in setting competitive advantages, loyal customers, enduring relations with suppliers and customers and innovations developed. The positive consequences of trust created competitive advantage and loyal customer base.

About one being a 'good corporate citizen', was not supported by a large number of business people, only 27 %. Also enduring rations with suppliers and customers and innovations were highly acknowledged which created specific antecedents trust factors (Table 2b).

Table 2b: Common and varied antecedent trust factors by business people

Descriptions	**Number of respondents**	**%**
Competitive advantage	9	19%
Loyal customer base	**9**	19%
Good corporate citizen	3	6%
Enduring relations with suppliers and customers	10	21%
Innovation	10	21%
Progress	6	13%

Another research was, "What are perceived or real consequences of business trust in a supplier-retailer relationship?"

Perceived or real consequences to trust

Trust in business was considered a good thing by the majority of business people. This was expressed along the following statements: "… *I give merchandise to a retailer without asking questions after proving them to be trustworthy, that they pay on time and buy all times from me….."* another retailer commented thus: *"I buy from a supplier who takes care of my needs especially when I'm short of finances…"*. Further probing showed this was possible if the supplier knew the person well or guarantor, who could be a parent or guardian of the retailer. However, small groups of up to five people could also guarantee a member to access merchandise and other financial resources. *"…a long-term customer gets my trust without a problem…"* Those who were reluctant to offer trust in business, faced a number of consequences.

Table 3a: Consequences of lack of trust

Consequences	**Number of respondents**	**%**
Limited growth	1	5%
No credit	10	48%
No business relation	10	48%

The consequences of lack of trust led to conditional trust. It was important for a buyer to prove to a supplier their worthy. Long-term relationship was a source of trust because it was a sign of loyalty building. Occasionally, suppliers might face some financial difficulties: *" ... Do not trust people when money is involved…. Many tend to disappoint you before you know it. It was never written on the face that such a customer will run away…."* The majority of supplier observed bad practices in retailing where failure to account for earnings, life style and general failures in the sector forced cash payments that also explain why transactions may have been carried out that way. This is supported by Mboma's (2005) study on ATMS and customer satisfaction in the banking industry in Tanzania, who found out that transactions on cash payment is a dominant mode of payment.

The negative consequences of trust were negating all the positive consequences of trust and other behaviors like making irrational decisions. It was pointed out that following the difficulty of getting merchandise or credit, for example, employees of wholesalers sometimes added extra units that would be paid for at a lower price than what a shop owner would charge. This was paid outside the business and was in fact part of pilfering from business.

Table 3b: Negative consequences of trust

	Number of respondents	%
Irrational decisions	1	6%
No taxes paid	8	44%
No financial record	9	50%

DISCUSSION OF FINDINGS, IMPLICATIONS AND RECOMMENDATIONS

The results from cases and summaries in the above tables present *antecedents of trust, positive consequences of trust*, *negative consequences of trust* and c*onsequences of lack of trust.* Retail industry and wholesale businesses are there and support each other as channel members in the supply chain of the marketing distribution network. The functions and roles of each marketing institution are important and in Tanzania are still distinctive. The retail industry has been growing in both quantity and quality with observable changes (Mboma, 1999, 2001). The changing and growing in terms of number of units, merchandise assortment, size and variety of formats are marked phenomena in cities and towns of Tanzania. A comprehensive study of 2009 by government shows growth in establishments but also being de-established. The developments of the sector especially the positive ones tempt one to investigate further. The relationship of retailers and their suppliers is important because they support manufacturers, importers and each other, hence sources of trust and how it is done is important to know.

Business relationships among retailers and wholesalers

Retailers established some relationships with other business people where mutual and symbolic beneficial relationships existed. Benefits were known to the parties as they participated in the marketing chain. The cases showed that each retailer was fighting to gain access to market, sell and deploy 'shunters' or surrogate consumers to lure customers into a retail store. This was the case in areas with clusters of stores due to competition. The 'shunter' would be paid 200/= for each customers who buys. By entering to new markets, retailers knew that they would get business and preferential treatment depending on how the retailers introduced themselves to the suppliers. This was also pointed out by retailers upon serving customers where some social networks assisted in this as also noted by Wiegrat and colleagues (2007) and Vieira (2008).

Symbolic is also referred to as antagonistic (Ntayi, Omagor, Byalero & Eya, 2009) where one wins another loses. This was the case where strong retailers challenged weaker ones through price competition and breach of contract. This situation was expressed by retailers around Survey and Mwenge areas who failed to sell their goods when Mlimani City businesses were introduced, using a low price approach. To attract customers, low prices were used as a strategy to attract buyers some of whom were retailers who bought in order to re-sell in their own shops. Retailers nearby took it as an opportunity to buy stocks at relatively low prices forgetting that the new store was selling to the same customers who had access to the same source. Another scenario is that of wholesalers selling to consumers as well at lower prices than those charged by retailers. This is a channel conflict and use of power position exercised by wholesalers who partly discharge the duties of retailers. The practice however came from consumers who bought large quantities covering more days, unlike the majority of customers who were buying in smaller quantities daily. The growing medium and large retailers around affected micro and small retail operation as observed in the study. Another symbolic relationship from interviews shows that each retailer and supplier were fighting to gain access to market, by selling and deploying shunters to lure customers into their stores. Determinants of trust between suppliers and retailers were based on antecedents from retailers' side and bases of trust on the part of suppliers as well.

There was no direct indication that one would gain acceptance by virtue of one's race or ethnicity, or by sharing same geographical background although coming from the same place, marrying from another tribe, or sharing religious belief were found to influence cooperation and support in business (Mboma, Per Nilsson, & Mbamba, 2011). The emphasis here was to give goods that worried suppliers because of experience or learning from other retailers who had lost capital as a result of selling on credit. Knowing the supplier before, based on those factors, made it easier to approach or establish business relationship than if none knew each other.

The retail sector in Tanzania is growing and changing in terms of numbers of units, merchandise assortment, size and variety of stores (Mboma, 1999, 2001). A comprehensive study by the government in 2007 about the sector showed that areas covered by this study lead in terms of numbers and variety where Dar es Salaam stood as the driver of retail businesses in the country. This study provides that retailers and suppliers form mutual beneficial and symbolic relationships. A retailer entering a new market will do so when he/she knows that there will be business gains and get preferential treatment (Wiegrat, *et al*., 2007; Viera & Traill, 2008). The benefits were known by parties participating in the value chain as reflected in Tables 3a and b.

Perception of trust differences

Relationship among retailers and wholesalers on trust varied among people. The term trust was understood but varied in applications as Morgan and Hunt's (2003) theory of channels of distribution purports, based on power, dependence and conflict. Some channel members were being trusted as it was shown in some of the cases, while others were not being trusted. There is no doubt both retailers and wholesalers shared certain antecedents of trust, e.g. integrity, timely delivery and payments, similarity in values, enduring relations with suppliers and customers and gender considerations.

Where there was conditional trust, some had to prove their worthy; others were not trusted at all, while extreme business people were considered to be paranoid for not trusting any one. The conditional factors included openness and transparency, similarity in values, similarity in ethics, quality products, client focus, progress made in business and irrational decision. The conditional factors differentiated traders. Processes accounted for by Doney and Cannon (1997), i.e. intention, capacity, development process, and calculated economic risk were also considered by traders but differently. For example where group memberships provided a source of trust, costs and benefits of cheating would be resolved by members. The inventive and risk taker envisaged one important characteristic behavior – being entrepreneurial. If the risk was high it was possible to gain highly when the prospects were good or positive. The situations support the continuum of trust by Jones and George (1999) and Morgan and Hunt 2003). Perhaps trust development process and behavior explain why business people in those cases differed in the way of handling trust. The elements or factors for conditional trust are also subjective and difficult for business people to be frank and accept reasons based on race, ethnic background and justification of their trade partners because the society has placed negative connotations around them. In practice, business pays attention to these factors.

The conceptual framework

The analysis of the results provides mapping opportunities of establishing the process of developing trust among retailers and their suppliers (wholesalers) who provide a tentative conceptual framework. Question three asked: What is the conceptual framework for studying business trust in Tanzania's business environment? Using the results and business environment where both retailers and suppliers (wholesalers) operated, the conceptual framework is depicted in Figure 2.

The framework indicates the antecedents of trust as explained by wholesalers, to include credibility, product high performance, reliance, and consistency. Others are competitiveness, low transaction cost, business network, and positive attitude. On the other hand, retailers noted the information available about the retailer, intent to sell fast, guarantee from a credible person or institution, group of member, networks (social), regular buyer, composition of merchandise, as the antecedents of trust. Absence or presence of these antecedents, the preceding circumstances, culminates into many of the negative or positive consequences respectively. The negative consequences could be lack of business relations, absence of credit extension, forfeiture of interests and defaulters, limited business growth and ultimately business failure. The positive ones are access to information and intelligence, upper hand over competitors, increased customer loyalty, motivated staff, and good corporate citizenship. Other positives are enduring relations with suppliers, publicity and positive attitude. All these are expected to ultimately lead to competitive advantage. Businesses, wholesalers and retailers alike, need to always and constantly invest in building business trust with customers and other business associates. Trust is a crucial requirement in sustaining business and takes a long time to build, yet only a moment to weaken.

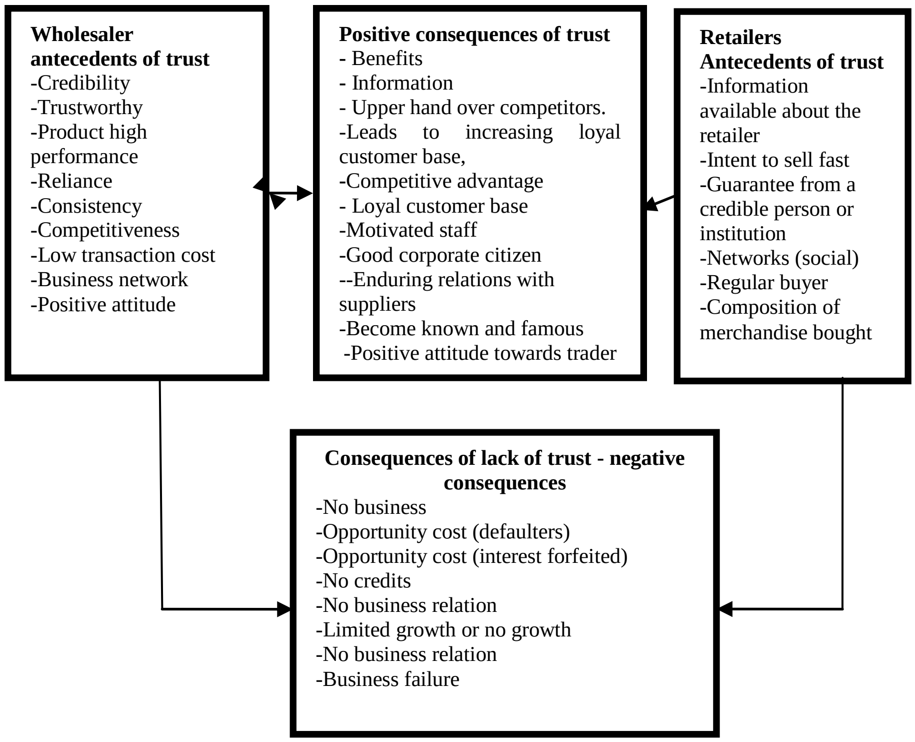

Figure 2: The conceptual framework for trust building among retailers and wholesalers

Suppliers however desired long-term relationships, but uncertainties observed in retailing whose practices were micro and small in character exhibited irregular business operations. The uncertainties existed because of frequent demolition of business premises by town planners and persistence failure to formalise businesses. So suppliers and retailers observed trust factors where there were positive business transactions taking place. If there was no trust, no business took place. So the conceptual framework by Jones and George (1998) is modified since conditional trust cannot be avoided.

Implications and recommendations

The results have implication to theory, management practice, and training. The factors identified in the conceptual framework contribute to knowledge showing determinants of trust between suppliers (wholesalers) and retailers. In practice, both retailers and suppliers understand the importance of those relationships and chart out mechanisms that will assist in getting information about each other in order to benefit from their businesses and establish relationships that conform to each other's ways of operation. For example if a trader prefers upfront payment at the point of buying merchandise, this has to be known to other traders well in advance. If creditors are allowed, it is necessary for debtors to keep their promise.

Business relationships develop over time and are nurtured by parties involved. In the case of retailers and suppliers (wholesalers) factors that determine trust among business people have to be worked out and have to be familiar to parties involved. The cooperating parties must be open to one another on antecedents of trust. Use of ICT and access to information about businesses becomes readily available if businesses establish websites. This would be a useful tool for locating customers and assessing their worthy.

CONCLUSION

The objective of the study was to explore antecedents and consequences of trust between suppliers (wholesalers) and retailers in Tanzania. The study has shown various sources of trust in retailing and wholesaling to include paying promptly, paying as agreed, having a guarantor (prominent business person, a politician, ward office, clergy, a known customer, group protection, growing business, long-term buyer from the same supplier, regular customer), and background (knowing parents, brother, sister, schoolmates or, college or friends). One could be trusted also by virtue of one's race, ethnic group, geographical location etc. Other factors include duration in business, growing business, increased purchases, location, one's marital status, sex (women were considered more trustworthy than men), and age. There was conditional trust for who had to prove their worth as being open and transparent, having similar values, observing ethics, maintaining client focus and showing progress made in business.

Limitations of the study and areas for further study

The results have application to Tanzania's business environment where the commercial sector is still learning and working out practices that would enhance relationships that foster business. The study confined itself to retail and wholesale businesses, the majority being consumable items with one case handling building materials. It would be interesting to study sectors that require large amounts of money for example businesses dealing with construction materials to find out bases of trust especially where credit cannot be ignored by suppliers as is the case with small retailers.

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