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Business Ethics and Entrepreneurial Integrity in Building Customer Trust in Small Businesses

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ABSTRACT

Business ethics and entrepreneurial integrity are important foundations for building and sustaining customer trust, particularly among small businesses with limited resources and close customer relationships. This study examines how ethical business practices and entrepreneurial integrity contribute to customer trust through a qualitative literature review. Relevant academic publications were analyzed descriptively and synthesized thematically to explore honesty, transparency, fairness, accountability, consistent conduct, and business-customer relationships. The synthesis indicates that ethical practices can foster more dependable customer interactions by providing accurate information, transparent prices, fair treatment, and responsible complaint handling. Entrepreneurial integrity reinforces these practices by ensuring consistency between stated commitments and actual performance. Together, ethics and integrity may reduce customers' perceived uncertainty, strengthen favorable business perceptions, and support repeat purchasing and long-term relationships. These principles are especially significant in digital commerce, where customers often rely on seller-provided information and online experiences. The study contributes an integrated conceptual perspective on ethics, integrity, and customer trust while highlighting practical implications for small-business reputation and sustainability. The conclusions are conceptual and do not establish causal effects.

KEYWORDS

Business Ethics; Entrepreneurial Integrity; Customer Trust; Small Businesses; Entrepreneurship

INTRODUCTION

Small businesses play an important role in local economies by creating employment, generating income, and providing essential goods and services. Digital technologies have also expanded opportunities for small businesses to promote products and reach customers through social media, online marketplaces, and other digital platforms. However, easier market access has intensified competition. Customers evaluate not only price and product quality but also how businesses conduct their operations. Honest product descriptions, accurate order fulfillment, transparent pricing, and responsible responses to customer complaints can shape purchasing decisions (Hapis at al, 2025).

Under these conditions, customer trust is a critical asset for small-business continuity. Trust develops when customers believe that business owners will honor their commitments and provide products or services consistent with the information communicated. Conversely, dishonesty, misleading claims, substandard products, delayed services, and unresolved complaints can erode trust. The consequences may be particularly severe for small businesses, where interactions between owners and customers are often direct and recurring. Accordingly, building trust requires more than effective marketing; it also depends on ethical and consistent business conduct.

Business ethics provides a normative foundation for entrepreneurial conduct by emphasizing the interests of customers and other stakeholders alongside profitability. Ethical conduct encompasses honesty, fairness, accountability, transparency, respect for customers, and commitment to consumer rights. In small businesses, these principles are reflected in truthful ingredient or product information, transparent prices, the avoidance of misleading claims, consistent product quality, and equitable customer service. Business ethics therefore concerns not only moral obligations but also the quality of business-customer relationships. (Nurhalima, 2025)

Entrepreneurial integrity is equally important. Integrity refers to the alignment of an entrepreneur's values, statements, and actions. Entrepreneurs with integrity seek not only to attract customers through promotions but also to sustain their confidence through dependable behavior. Such consistency creates positive experiences that can strengthen customer trust. Trust, in turn, may be associated with purchase decisions, loyalty, and business continuity. Customers who trust a business may feel more secure in transactions and be more willing to make repeat purchases. For small businesses, trust-based exchanges can develop into mutually beneficial long-term relationships: customers gain confidence in product quality and service, while entrepreneurs benefit from customer loyalty and favorable market reputations. Ethics and integrity can therefore be understood as strategic resources for sustainable business development.

Although business ethics, entrepreneurial integrity, and customer trust have been examined extensively, the concepts are often considered separately. Business ethics is commonly framed as a set of moral principles guiding organizational activities; entrepreneurial integrity is associated with owners' personal character; and customer trust is frequently examined through consumer behavior and relationship marketing. An integrated discussion is therefore needed to explain how ethical practices and entrepreneurial integrity jointly contribute to trust in small-business settings. This focus is particularly relevant because small businesses differ from larger corporations in the close relationships among owners, employees, and customers.

Against this background, this article examines the roles of business ethics and entrepreneurial integrity in building customer trust in small businesses through a literature review. It identifies relevant ethical practices and manifestations of integrity, considers their interrelationships, and discusses implications for customer loyalty and business sustainability. The review emphasizes that small-business success depends not only on profitability but also on entrepreneurs' capacity to cultivate relationships based on honesty, responsibility, consistency, and trust.

LITERATURE REVIEW

1. Business Ethics

Business ethics comprises the values and principles that guide enterprises toward appropriate, fair, responsible, and accountable conduct. Beyond compliance with formal rules, it addresses how business owners treat customers, employees, partners, and other stakeholders. In practice, it is expressed through truthful product information, transparent pricing, fulfillment of promises, equitable service, and willingness to accept responsibility when errors occur. (Abdillah, 2024)

In small businesses, ethical practice is closely connected to personal relationships between owners and customers. Owners frequently participate directly in production, marketing, service delivery, and complaint resolution. Their behavior may therefore shape customers'

assessments of the business. Honest, accountable, and transparent conduct can create positive experiences, whereas misrepresenting products, concealing defects, or ignoring complaints can generate uncertainty and undermine confidence.

Business ethics should consequently be understood not only as moral rules governing economic activity but also as the foundation for constructive relationships between enterprises and customers. Consistent ethical conduct can promote more transparent, fair, and trustworthy business environments.

2. Entrepreneurial Integrity

Entrepreneurial integrity concerns consistency among an entrepreneur's values, statements, and actions. Entrepreneurs who demonstrate integrity seek to uphold their principles even when confronted with pressure to maximize short-term profits. Integrity manifests in honesty, consistency, accountability, commitment, willingness to acknowledge mistakes, and fulfillment of promises. (Azevedo & Nunes, 2024)

Integrity is particularly salient in small-business operations because business reputation is closely associated with owners' or managers' conduct. For example, when a seller claims that a product contains particular ingredients, that statement should accurately represent the product. Similarly, commitments concerning delivery dates, quality, and customer service should be fulfilled. When mistakes occur, integrity requires transparent acknowledgment and responsible remedial action.

Integrity can also distinguish transaction-oriented firms from those seeking sustained customer relationships. Entrepreneurs whose actions consistently align with their statements are better positioned to develop favorable reputations. Conversely, discrepancies between promises and actual performance can disappoint customers and damage business credibility. Entrepreneurial integrity thus provides a behavioral foundation for trust-based business relationships.

3. Customer Trust

Customer trust refers to the belief that a business is dependable, fulfills its commitments, and intends to provide products and services that meet reasonable expectations. Trust is important because business transactions involve uncertainty: customers often cannot evaluate product quality fully before purchase. They consequently rely on available information and prior experiences when judging a firm's trustworthiness.

Customer trust can develop through honesty, consistent product quality, service competence, transparency, and responsible problem resolution. Repeated positive experiences may reinforce confidence in a business, while negative experiences—particularly deception or broken promises—may weaken it. (Sihombing & Dinus, 2024)

For small businesses, customer trust has strategic importance because continuity frequently depends on repeat purchasing and word-of-mouth recommendations. Trust can also mitigate customers' perceived uncertainty during transactions, particularly in digital settings where buyers and sellers do not necessarily interact face to face.

4. Small Businesses

Small businesses are an important component of economic activity. Compared with large firms, they generally operate with more limited capital, labor, organizational resources, and market reach. Nevertheless, they may benefit from closer customer relationships and greater flexibility in service provision. Such direct interactions allow entrepreneurs to understand customer needs more closely. (Zhao, 2024)

These characteristics make ethics and integrity especially relevant. In relatively simple organizational structures, the actions of an owner or manager often directly represent the firm's identity. Customers therefore evaluate not only the products purchased but also the conduct of the individuals operating the business.

Increasing competition, including competition on digital platforms, requires small businesses to pay particular attention to reputation and customer trust. Marketing may attract first-time buyers, but trustworthy conduct and positive experiences can help maintain relationships over time. Small-business management should consequently address ethical values alongside marketing performance and profitability.

5. Business Ethics and Customer Trust

Business ethics is closely associated with the development of customer trust. Honest, transparent, fair, and responsible conduct gives customers reasons to regard a business as trustworthy. Accurate product descriptions, transparent prices, and responsive complaint handling can strengthen favorable customer perceptions.

This relationship can be illustrated through customers' transactional experiences. A buyer initially relies on information provided by the seller. When the product delivered corresponds to that information, the customer has a positive experience; when this occurs consistently, confidence may increase. Conversely, discrepancies between claims and actual products may generate a sense of harm and undermine trust. Ethical conduct thus helps create transactional assurance and encourages customers to judge a firm by the quality of its relationships, not merely by its commercial offerings.

MATERIALS AND METHODS

This study employs a qualitative literature review to examine business ethics, entrepreneurial integrity, customer trust, and their interrelationships in small businesses. A literature-based approach is appropriate for interpreting relevant concepts and integrating findings from previously published research. The review involved identifying, selecting, reading, and analyzing academic sources related to the research focus.

Secondary sources included peer-reviewed journal articles, academic books, conference proceedings, and other scholarly materials addressing business ethics, entrepreneurial integrity, customer trust, consumer behavior, and small businesses. The source manuscript reports literature searches using Google Scholar, ScienceDirect, the Directory of Open Access Journals (DOAJ), and other academic journal sources. Priority was given to relevant publications, particularly those published within the preceding five years, while foundational works could be included to clarify core concepts.

Literature collection involved identification, selection, classification, and synthesis. Search terms included business ethics, entrepreneurial integrity, customer trust, small business, small enterprises, and ethical entrepreneurship. Sources were then assessed for relevance

to the research objectives, topical alignment, source quality, and the availability of information suitable for analysis. Literature unrelated to the principal concepts was excluded from the main synthesis.

The analysis combined descriptive interpretation with thematic synthesis. Selected publications were critically read to identify concepts, arguments, findings, similarities, and differences across studies. Information was classified into six themes: (1) business ethics and its principles, (2) entrepreneurial integrity, (3) the formation of customer trust, (4) small-business characteristics, (5) relationships between business ethics and customer trust, and (6) relationships between entrepreneurial integrity and customer trust. The themes were compared and synthesized to develop an integrated conceptual understanding.

To support credibility, the review considered the relevance and quality of its sources and compared findings across publications. Convergent findings informed the principal arguments, whereas divergent findings were interpreted in light of differences in context, enterprise characteristics, and research focus. The resulting analysis was organized narratively to explain the roles of business ethics and entrepreneurial integrity in customer trust formation.

Overall, the reported stages comprised defining the research focus, identifying search terms, searching for literature, selecting relevant sources, grouping themes, analyzing and synthesizing evidence, and drawing conclusions. This approach was intended to develop a structured conceptual account of ethical conduct and entrepreneurial integrity as foundations for customer trust and small-business sustainability.

RESULTS

The reviewed literature suggests substantive conceptual relationships among ethical business practices, entrepreneurial integrity, and customer trust. The synthesis is organized around ethical customer relationships, behavioral consistency, repeated customer experiences, the complementarity of ethics and integrity, trust as social capital, and ethical practices in digital commerce.

1. Business Ethics as a Foundation of Customer Relationships

The synthesis identifies business ethics as a central foundation of small-business customer relationships. Recurring values include honesty, transparency, fairness, accountability, and concern for customers. These principles are not limited to abstract moral commitments; they are reflected in observable conduct throughout commercial transactions.

Honesty requires consistency between product claims and actual characteristics. Transparency involves clear communication of prices, quality, transaction terms, and other relevant information. Accountability is demonstrated through willingness to address customer problems. Together, these practices can reduce perceived uncertainty and enhance customers' sense of transactional security.

Ethical conduct is especially consequential in small enterprises because owners and customers often interact closely. Customers may deal directly with the owner or manager and interpret individual behavior as evidence of the firm's overall reputation. Everyday ethical interactions can therefore influence how customers perceive the enterprise.

2. Entrepreneurial Integrity and Behavioral Consistency

The review also identifies entrepreneurial integrity as an important element of customer trust. Integrity is expressed through alignment among statements, promises, values, and actions. Beyond favorable information at the initial point of sale, customers need repeated evidence that a business consistently delivers what it promises.

Integrity is evident when entrepreneurs fulfill commitments concerning product quality, prices, service schedules, and transaction terms. When errors occur, entrepreneurs who demonstrate integrity acknowledge the problem openly and attempt responsible resolution. Such behavior signals dependability under differing circumstances.

The synthesis positions integrity as a link between ethical values and observable actions. Ethics establishes principles for appropriate conduct, while integrity concerns their consistent implementation. Ethical declarations alone are therefore insufficient when they are not supported by actual behavior.

3. Customer Trust Through Consistent Experiences

Another theme is that customer trust develops through processes and repeated transactional experiences. Promotional claims alone cannot establish enduring trust. Customers require direct experience to evaluate whether entrepreneurs consistently meet their expectations and honor their commitments.

Common indicators in the reviewed literature include reliability in fulfilling promises, accuracy of information, consistency of product quality, service competence, and responsibility in resolving problems. When these experiences are repeatedly positive, customer confidence may strengthen.

Conversely, inconsistencies between communicated information and actual performance may diminish trust. Examples include products that differ from their descriptions, charges that deviate from initially stated prices, and unresolved complaints. These situations underscore the importance of actual customer experiences in shaping trust.

4. Complementary Roles of Business Ethics and Integrity

The literature review indicates that business ethics and entrepreneurial integrity are complementary in customer trust formation. Ethical values—honesty, accountability, fairness, and openness—provide standards for conduct, while integrity helps ensure that those standards are consistently translated into actions. Accurate information, promise fulfillment, equitable service, and complaint resolution can generate positive customer experiences that gradually strengthen trust. Trust should therefore be understood as more than a marketing outcome; it also reflects sustained ethical behavior.

5. Customer Trust as Social Capital

Customer trust can function as an important form of social capital for small-business continuity. Small businesses frequently face limitations in finance, labor, technology, and promotional capacity relative to larger competitors. Under such conditions, positive relationships with customers can become a valuable source of organizational strength.

Trust may encourage repeat purchases, continued customer relationships, and recommendations to others. Favorable word-of-mouth can expand market reach without requiring substantial promotional expenditure. The value of ethics and integrity thus extends beyond individual transactions by supporting enduring relationships.

6. Ethics and Integrity in Digital Business

Digital technologies create a new context for ethical and integrity-related challenges in small businesses. In transactions conducted through social media, online marketplaces, and digital platforms, customers frequently cannot inspect goods before purchase. Accurate descriptions and photographs, transparent pricing and additional charges, and dependable delivery commitments consequently become particularly important.

In digital environments, customer reviews and shared experiences also shape business reputations. Positive experiences can strengthen perceptions of a firm, while negative experiences may rapidly reach prospective buyers. Integrity is therefore essential not only in face-to-face exchanges but also in online communication. Rather than reducing the significance of ethics, digitalization increases the importance of transparent information and consistent conduct.

DISCUSSION

Business ethics and entrepreneurial integrity are closely connected with customer trust in small businesses. The review suggests that business outcomes depend not only on product quality and profitability but also on relationships established with customers. Customers seek assurance about quality, information, prices, service, and the fulfillment of promises. Honesty, transparency, accountability, and consistency can create experiences that serve as foundations for trust. Accordingly, customer trust can be conceptualized as an outcome of repeated interactions characterized by ethical and dependable conduct. (Leba & Sandari, 2025)

In small-business settings, business ethics should not be confined to abstract moral rules; it must be embodied in everyday commercial practices. Honesty includes accurate representation of product conditions, avoidance of exaggerated claims, and transparent price information. Likewise, accountability extends beyond completing a transaction to offering appropriate remedies when products or services fall short of agreed expectations. From a customer relationship perspective, these practices signal commitment to customer interests. Consistent ethical behavior can create positive experiences and reduce uncertainty in future transactions.

The emphasis on entrepreneurial integrity highlights the importance of consistency between statements and actions. Entrepreneurs may communicate favorable values through marketing, but trust will be undermined when promises diverge from performance. Customers assess credibility through direct experiences: honoring commitments, maintaining quality, delivering agreed services, and accepting responsibility for mistakes provide tangible evidence of integrity. In this sense, integrity operationalizes business ethics. Ethics identifies appropriate conduct, while integrity reflects an entrepreneur's commitment to maintaining that conduct over time.

The relationship among ethics, integrity, and trust can be understood through customers' evaluation processes. Initially, customers obtain information from sellers' statements, advertisements, recommendations, or past interactions. They then compare such

information with actual transactional experiences. Alignment among information, promises, and delivered outcomes may strengthen confidence; discrepancies may generate doubts. Thus, trust requires behavioral verification rather than communication alone. Consistent alignment between entrepreneurial conduct and ethical principles provides a stronger basis for trusting the enterprise. (Nurhalima, 2025)

The relatively close relationship between business owners and customers makes ethics and integrity especially salient in small enterprises. Owners may directly handle product offers, orders, service delivery, and complaints. Their behavior can therefore influence customers' judgments of the business. Courtesy, honesty, transparency, and accountability can strengthen interpersonal relationships, while inconsistent conduct may quickly damage the firm's reputation. For small businesses, ethics and integrity are consequently integral to the identity customers perceive through routine interactions.

Trust derived from ethical conduct and integrity has implications for small-business sustainability. Positive customer experiences may foster not only initial confidence but also longer-term relationships, repeat purchasing, referrals, and a more stable customer base. These relational resources are especially valuable when small enterprises lack the promotional budgets, technology, and capital available to larger firms. Maintaining trust can therefore help businesses compete through relationship quality rather than price alone. (Rasyid & Djakasaputra, 2025)

The expansion of digital commerce further underscores the importance of ethical behavior and integrity. Online customers frequently rely on photographs, product descriptions, reviews, and digital communication because direct product inspection is unavailable. Entrepreneurs must therefore avoid misleading photographs and descriptions, disclose prices clearly, and provide accurate availability and shipping information. Responsiveness to questions and complaints is also part of ethical digital commerce. Integrity is evident in consistent information and service, including when customers raise criticism or grievances.

More broadly, business ethics and entrepreneurial integrity can be considered intangible resources for small businesses. Their value resides not in physical or financial assets but in reputation, relationships, and customer confidence. Such resources may have economic consequences when trust enables enduring business relationships. Investing in ethical practices and integrity is thus also an investment in customer relationships. Entrepreneurs who honor commitments, provide responsible service, communicate honestly, and acknowledge mistakes may build reputational advantages over time.

Ethics and integrity cannot be treated as short-term tactics for gaining customer confidence. Trust is dynamic and may change as customers accumulate experiences. Established confidence can decline following conduct inconsistent with previously demonstrated values. Sustained reliability is therefore essential. Entrepreneurs should integrate ethical principles into routine business practices rather than apply them only in response to problems. Ethical conduct must be evident throughout production, marketing, transactions, customer service, and complaint resolution.

Taken together, the analysis suggests that business ethics and entrepreneurial integrity operate through complementary mechanisms. Ethics supplies principles of honesty, fairness, transparency, and accountability; integrity sustains their implementation in concrete actions. Consistent ethical conduct generates experiences that may strengthen customer trust, which in turn can support enduring relationships and business continuity. Building trust in small businesses is therefore not simply a marketing task but an ongoing process of cultivating relationships grounded in values and reliable behavior.

CONCLUSIONS

The literature review indicates that business ethics and entrepreneurial integrity are important foundations for building and maintaining customer trust in small businesses. Honesty, transparency, fairness, accountability, and concern for customers support constructive business relationships. Entrepreneurial integrity reinforces these principles through consistency among statements, promises, and actual conduct. Trust develops through repeated positive experiences, particularly when products and services match the information and commitments communicated by entrepreneurs.

The review further suggests that customer trust is not merely an outcome of marketing but an important resource for small-business sustainability. Ethical and consistent conduct can reduce customers' perceived uncertainty and support repeat purchasing, recommendations, and enduring relationships. These principles are increasingly relevant in digital commerce, where information and customer experiences circulate rapidly across platforms. Small-business owners should therefore embed ethics and integrity in routine operational practices as foundations for reputation, customer confidence, and business continuity rather than regard them solely as tools for short-term profitability.

RESEARCH LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

This study is limited by its reliance on secondary literature and a qualitative, descriptive synthesis rather than primary customer or entrepreneur data. Its conclusions identify conceptual relationships but cannot establish causal effects or estimate the relative contribution of ethical behavior and entrepreneurial integrity to trust. The source manuscript does not report a reproducible search string, search dates, counts of identified and excluded records, or a formal quality-appraisal protocol; therefore, the review should not be interpreted as a systematic literature review. Moreover, differences among industries, markets, and digital platforms may constrain the transferability of the synthesized implications. Future research could use survey-based, experimental, or longitudinal designs to investigate how perceived honesty, transparency, promise fulfillment, and complaint handling relate to customer trust, satisfaction, loyalty, and repurchase intentions. Comparative research across offline and online small businesses, sectors, and regions could also identify relevant contextual conditions. Future reviews should document complete search strategies, eligibility decisions, study appraisal, and evidence synthesis procedures to improve transparency and reproducibility.

CONTRIBUTIONS

This study contributes to the conceptual understanding of customer trust by emphasizing that trust in small businesses is shaped not only by product quality and price but also by ethical business practices and entrepreneurial integrity. Theoretically, the synthesis identifies honesty, transparency, fairness, accountability, and consistency between statements and conduct as interrelated foundations of customer confidence. Practically, it highlights the importance of ethical customer service, accurate product information, transparent pricing, fulfillment of commitments, and responsible complaint management. It also provides a conceptual basis for future empirical studies examining relationships among business ethics, entrepreneurial integrity, and customer trust, particularly in digitally mediated small-business settings.

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CONFLICTS OF INTEREST

The authors declare no conflicts of interest.

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