

SELLERS' PERCEPTIONS OF THE INFLUENCE OF CUSTOMER TESTIMONIALS IN BUILDING CONSUMER TRUST IN HULAHUSHOP ONLINE STORES

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Abstract

Customer testimonials are an important element of a digital marketing strategy, especially for micro, small and medium enterprises (MSMEs) like HulahuShop, which focuses on selling children's products online. This study uses a qualitative approach with observation methods and in-depth interviews with sellers at HulahuShop. The results show that customer testimonials play a significant role in building consumer trust, especially if they include aspects such as real-life experiences, product photos, and detailed descriptions. Sellers realized that positive testimonials not only increase the trust of new customers, but also strengthen the loyalty of existing customers. The study also found that testimonials accompanied by visuals, such as product images, have a greater impact in convincing consumers than textual testimonials alone.

Keywords: seller perception, customer testimonials, HulahuShop, consumer trust, online store.

Introduction

The emergence of online stores stems from the information technology revolution of the late 20th century, which is when the internet became widely accessible to the global community. The concept of online stores or *e-commerce* first emerged in the 1990s, as marked by the launch of platforms such as Amazon and eBay. Both platforms offer online product sales services.

Indrajit (2001) explains that online stores have several main characteristics, for example, transactions that occur through the internet medium, exchange of goods and services, and interactions between sellers and buyers that are completely digital. Along with technological developments, online stores are a practical solution for consumers to fulfill their needs without having to visit offline stores.

The era of globalization has brought significant changes in how people interact, shop, and access information. Digital technology can be said to have become the backbone of global economic activity, for example in the MSME sector. This shift has been further accelerated by the COVID-19 pandemic, resulting in social distancing and many business activities and transactions shifting to online platforms.

The development of online stores in Indonesia began to increase rapidly along with wider internet penetration and the adoption of digital technology by the MSME Community, including HulahuShop, utilizing this opportunity to expand their market reach and compete in an increasingly competitive market. Customer testimonials are becoming one of the important elements in online stores, replacing the direct experience that consumers usually feel in offline stores. In the digital ecosystem, testimonials function as a substitute for direct interaction, providing information to consumers about the quality of products and services offered.

In addition, technological advances, for example in online stores, are increasingly supported by the integration of digital payment systems, logistics, and data security that enable easier and safer transactions. Therefore, it can make online stores the first choice for modern consumers who prioritize convenience and efficiency. In the context of HukahuShop, this transformation provides a great opportunity to attract more customers by utilizing positive testimonials as a key tool to build consumer trust and loyalty.

Consumers are often associated with the utilization of a service or good. Consumers are also often defined as someone who utilizes, uses, buys, uses, and consumes the results of services or goods from producers. Consumers are also closely related to meeting needs, customer satisfaction, product quality, product selection process, consumer frequency, loyalty, product prices, or purchasing decisions. Decisions made by a consumer can come from their own decisions, or decisions recommended by friends or others.

These decisions are generally used to decide on the choice of goods, services or other attributes related to the buying process.

In the context of online store marketing, customer testimonials also have a strategic role in building consumer perceptions of a product. Runtunuwu et al. (2014), state that marketing through social media, testimonials, and *word of mouth* can influence buying interest, consumers tend to trust the real experiences of other customers more than advertisements from the seller itself.

Consumers have different perceptions of the brand, price, and quality of a product. Generally, before making a purchase or decision, what consumers do is make an offer, look for information about the product needed, compare brands of the product needed, and often also look for references about the country of origin of the product to be consumed.

However, building consumer trust is not always easy. Mayer et al. (1995) state that trust is built on three main dimensions: ability, kindness, and integrity. These dimensions must be reflected in every aspect of the business, including how MSMEs respond to customer testimonials, both positive and negative. For example, if there are negative testimonials such as product discrepancies received, MSMEs need to show integrity by responding to complaints quickly and professionally.

Consumer trust is an important element in the success of micro, small and medium enterprises (MSMEs), especially in the context of rapidly growing online stores. In the digital ecosystem, consumers often rely on information available online to make purchasing decisions. One of the information that influences consumer trust is customer testimonials. Customer testimonials not only serve as social proof that reflects previous purchase experiences, but also become one of the strategic tools to strengthen store reputation in a competitive market.

Bearden et al. (1995) define consumer behavior as involving the mental, emotional, and physical processes of choosing, buying, using, and managing goods or services. In this process, consumers are often influenced by external information such as customer testimonials. Authentic testimonials give confidence to potential customers, so they feel more confident to make transactions. This is supported by Rizal (2004), who states that authentic and positive testimonials can have a significant impact on various aspects of business, including increasing consumer trust and buying interest. These testimonials serve as an effective means of communication to attract the attention of new customers while retaining existing customers.

HulahuShop, as an MSME that focuses on selling children's clothing, faces a major challenge in maintaining consumer trust. Competition in the digital marketplace drives the importance of marketing strategies that are oriented towards managing customer experience, one of which is through testimonials. In practice, customer testimonials on HulahuShop are often one of the main determinants of purchasing decisions. Positive testimonials not only provide tangible evidence of the quality of products and services, but also enhance the overall image of the store.

Pavlou and Gefen (2002) state that trust is a major factor affecting the success of online transactions, because without trust, consumers will hesitate to make purchases. In online store ecosystems such as HulahuShop, customer testimonials help bridge the trust gap that arises due to interactions that only occur virtually.

Then, the quality of testimonials can be a differentiating factor in attracting consumer attention. Dharmmesta (2023) explains that testimonials that include detailed descriptions and supporting images of products are more effective in building trust than testimonials that are brief and general. Testimonials also help build the credibility of a brand by providing more in-depth information to potential buyers. Therefore, customer testimonials are a key element in building long-term relationships with consumers.

In addition, Micu's (2005) research shows that online media, such as customer testimonials on *e-commerce* platforms, are now considered a more reliable source of information than traditional media. This is because consumers see testimonials as social proof that reflects the real experiences of previous buyers. In that regard, sellers at HulahuShop understand the importance of managing customer testimonials well to build sustainable trust.

Another thing to note is that the dynamics of digital marketing encourage MSMEs to be more proactive in managing customer testimonials as part of their branding strategy. In addition to being a tool to attract consumers, testimonials are also an important means of getting *feedback* that can help improve the quality of products and services. As a communication tool, testimonials also allow sellers to understand consumer needs more deeply. In addition, HulahuShop has endeavored to utilize customer testimonials as a source of data to develop marketing strategies that are more effective and responsive to market preferences.

Conceptual Framework

Based on this explanation, this research requires a framework that can describe the relationship between customer testimonials and consumer trust in online stores. To provide a more systematic overview of this research, the following framework summarizes the main concepts. First, the importance of customer testimonials as a substitute for in-person experience in offline stores. Second, the HulahuShop as an MSME that focuses on children's clothing products faces challenges in increasing consumer confidence in the digital market. Third, the theoretical foundation like consumer trust which is the dimensions of trust (Mayer et al., 1995): ability, kindness, and integrity and the testimonials as constructive social proof (Pavlou and Gefen, 2002). Moreover, the other theoretical foundation is consumer behavior which is the Consumers tending to trust other customers' experiences (Runtunuwu et al., 2014) and the authentic and detailed testimonials are more effective than short ones (Dharmmesta, 2023).

Besides there are the key concepts in research. First, the customer testimonials which can review from previous customers that include experiences, product descriptions, as well as supporting visuals. Second, the consumer trust. Consumer confidence in product/service quality based on testimonials. - Seller Strategy: Response to positive and negative testimonials. Then, the train of thought are the effect of positive testimonials like detailed testimonials with product photos increase trust and attracting new customers and maintain loyalty. Meanwhile, the seller perceptions. Sellers see testimonials as an important tool for marketing. Then, Proactive strategy in managing negative testimonials and promoting quality reviews. The last, Expected outcomes, in-depth understanding of how testimonials affect consumer trust. Expected strategies by other MSMEs to effectively manage testimonials

Research Methods

This research uses a qualitative approach to understand sellers' perceptions of customer testimonial referrers in building consumer trust at HulahuShop. Creswell (2014) explains that a qualitative approach is implemented in order to understand more deeply the views and meanings of individuals (individuals) in an in-depth way regarding a phenomenon. This approach was chosen because it allows researchers to explore the experiences, perspectives, and meanings of research subjects in depth. The methods that will be used in this research include observation and interviews.

Data was collected through two main methods interview and direct observation. This interview was conducted with sellers to gather information on their perception of the role of customer testimonials in building consumer trust. The interview included open-ended questions related to the seller's experience in handling testimonials. Meanwhile, the direct observation was conducted on how HulahuShop's store activities, including analyzing in relation to the customer testimonial content available on their platform. This observation focuses on the quality of the testimonials (for example, the description of the experience, as well as the use of images as support), the seller's response to the testimonials, and the interaction patterns between sellers and consumers. Yin (2018) mentions that direct observation aims to help researchers understand the context in which phenomena occur, therefore it can contribute to providing more in-depth and relevant data.

Results and Discussion

Sellers view testimonials as a very important tool in building consumer trust. Testimonials from previous customers are considered to be very strong social proof that can foster a sense of security in potential buyers. Most sellers revealed that when potential customers read positive testimonials, they feel more confident that the product or service offered is quality and worth buying. Sellers also noted that testimonials can provide transparency about the quality of products and services provided, which makes consumers feel more confident in making a purchase.

Positive testimonials have a very significant impact on their business. Positive testimonials increase consumer confidence, reduce any doubts that potential buyers may have, and can ultimately increase sales. Some sellers report that positive testimonials make potential customers more likely to buy a product, as they feel that the product has proven its quality based on the experience of others.

In addition, positive testimonials also contribute to *word of mouth* marketing, where satisfied consumers tend to recommend products to others. This expands their market reach, even without additional marketing efforts.

Conversely, negative testimonials can be detrimental to their business. Negative testimonials can lower consumer confidence in the product, causing potential buyers to hesitate to buy. Sellers also say that negative testimonials can worsen their reputation, especially if they are widespread on social media

or other platforms. In some cases, negative testimonials can lead potential customers to look for alternative products, which ultimately reduces sales. As a HulahuShop seller explains, "We are greatly affected by negative testimonials because they can make consumers think twice about buying our products."

HulahuShop sellers agree that the quality of testimonials has a big influence on consumer trust. They say that detailed reviews accompanied by supporting images are more effective than short reviews without descriptions. "Consumers are more trusting if they can see the product being used directly by other people, especially if there are supporting photos." said Yeni.

Therefore, she actively encourages customers to provide complete reviews and include product photos. Yeni believes that visualization in testimonials has a significant impact on increasing sales and customer trust.

This research resulted in several important findings which reflect sellers' perceptions of the influence of customer testimonials in building consumer trust in the HulahuShop online store. One of the key findings is the role of positive testimonials in increasing consumer trust. Sellers stated that testimonials that contain customer experiences that include photos of the products used, can provide greater confidence to potential buyers.

This may indicate that testimonials with visuals tend to be more effective when compared to just textual reviews. The seller said "When customers post positive reviews with photos of their products included, it can help convince potential buyers that they will get similar products as offered".



Figure 1: Screenshot of Positive Testimonial with Product Photo

On the other hand, this study also identified the negative impact of unfavorable testimonials (loss). Negative testimonials, although they can damage a store's reputation, can be managed with a quick and professional response.

HulahuShop sellers stated that they implement strategies to deal with testimonials quickly, either by providing explanations or appropriate compensation. Thus, while testimonials can lower consumer trust, proper handling can reduce their impact and even increase customer loyalty.

Effective management of negative testimonials is important for stores to maintain a positive image in the eyes of potential buyers.



Figure 2: Screenshot of Negative Testimonial Responded to by Seller

In the conversation, the buyer expressed his disappointment with the goods received because they did not match the initial order. This is a clear example of how negative testimonials can arise as a form of consumer dissatisfaction.

The seller, in this case, responded by apologizing and explaining the situation transparently. This response explains the seller's effort to manage the relationship with the customer in a professional manner. In the context of HulahuShop's online store, such a strategy is important to minimize the adverse impact of negative testimonials on the store's reputation.

The seller uses a proactive approach by responding quickly to complaints, providing explanations, and offering solutions. This strategy reflects Lewin's (1951) change management model, which explains the importance of the "unfreezing" stage to turn negative perceptions into opportunities to improve customer relationships. In the context of online stores, responding to negative reviews can help create customer loyalty and help create customer loyalty and maintain store reputation.

The seller's quick response and attempt to provide a solution is also in line with *service recovery* theory, where a good response to a complaint can turn a negative experience into a positive one for the customer. By providing clarification, apologizing, and offering a solution to resolve it. Sellers can provide or demonstrate a commitment to correcting mistakes and rebuilding customer trust that may have decreased as a result of the experience.

Furthermore, sellers also emphasize the importance of quality testimonials in establishing the credibility of an online store. Testimonials that come with detailed descriptions and personal experiences from customers are more valued as they provide a clearer picture of the products and services offered. This is in line with Griffith's theory (2011), which states that information-rich testimonials are more effective in building store credibility and increasing trust levels consumers.

Testimonials that are only brief and do not explain the details of the product or customer experience are considered less reliable by consumers.



Figure 3: Screenshot of Testimonial with Detailed Description and Product Photo

The results of this study support Pavlou and Gafen's (2002) theory, which states that consumer trust in online transactions is often built through social evidence such as customer testimonials. In the case of HulahuShop, positive testimonials serve as a key tool to convince new consumers that the products offered are reliable. Sellers utilize these testimonials as social proof that reinforces the store's positive image.

In addition, sellers also emphasize that positive testimonials that provide specific information such as the quality of materials, the comfort of the product, and the speed of delivery are more attractive to potential customers than short reviews such as "good" or "satisfactory". This shows the importance of quality testimonials in building consumer trust.

The discussion also highlights that consumers in the digital age are increasingly reliant on social proof, especially after the COVID-19 pandemic accelerated the adoption of online stores. As a result, customer testimonials have become one of the most important marketing elements in attracting new consumers and maintaining the loyalty of existing customers.

Conclusions and Suggestions

This research shows that customer testimonials have a significant influence on the level of consumer trust in the HulahuShop online store. Sellers, like Teh Yeni, view testimonials as an important element in building trust and business reputation. Positive testimonials serve as social proof that reinforces consumer confidence in product quality, thereby encouraging purchase decisions. Negative testimonials, on the other hand, can lower consumer trust and adversely affect a store's reputation, although quick and professional responses to negative reviews can mitigate the impact.

Moreover, the quality of testimonials, especially those that include details of the customer experience as well as supporting images, has been shown to have a greater influence on consumer trust than brief reviews without details. Sellers realize the importance of managing testimonials well to maintain good customer relationships and increase their loyalty.

The suggestions that researchers can write are how HulahuShop should continue to encourage customers to provide detailed reviews, accompanied by personal experiences and supporting images. This can be done by providing incentives such as special discounts or small gifts for customers who leave high-quality reviews. Detailed reviews accompanied by images are more effective in building consumer trust and attracting new customers.

HulahuShop needs to ensure that any negative testimonials are dealt with quickly and professionally. A good response to customer complaints can reduce the negative impact on the store's reputation and can even strengthen customer loyalty. Stores can consider providing an automated notification system so that sellers can respond to customer complaints immediately.

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