

The Influence of Social Proof on Consumer Trust in New Online Stores

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ABSTRACT

This study aims to analyze how social proof signals build the legitimacy of student start-up businesses and identify the extent to which these external signals can reduce skepticism towards entities that do not yet have historical credibility. Using a correlational quantitative approach, data was collected through a survey of 50 students from the Entrepreneurship Study Program at Makassar State University, who were selected through purposive sampling with the criterion of having mature online shopping experience. Simple linear regression analysis shows that Social Proof has a positive and significant effect on Consumer Trust, indicating a very strong association between the two variables. These findings conclude that social proof is a fundamental determinant in mitigating information asymmetry and building digital reputation capital for startup businesses.

INTRODUCTION

The transformation of the global retail landscape has established digital signals as fundamental instruments for navigating consumer decisions across various regions. The paradigm shift from conventional transactions to platform-based ecosystems necessitates credibility indicators capable of mitigating perceived risks. The accumulation of customer reviews, star ratings, and user testimonials has become a new currency of trust that determines the success of market penetration for startup business entities (Baitenizov et al., 2025; Beck et al., 2024; Bruno et al., 2024; Fitz & Scheeg, 2025; Liu et al., 2024). Digital reputation signals currently serve as crucial quality indicators to overcome information asymmetry between sellers and buyers in digital market ecosystems. Strong consumer tendency to rely on social validation to verify product claims before making financial commitments. This behavioral pattern creates a dependence on social proof as a consumer cognitive defense mechanism against information uncertainty in cyberspace (Kaur & Arora, 2020; Naeem, 2021; Patwa et al., 2024).

Developments in Indonesia's digital economy recorded a dynamic trend with an 8.2% increase in the number of young entrepreneurs in 2022. Student entrepreneurs, as representatives of Generation Z, have begun to dominate the digital-based business sector but often face obstacles in building public legitimacy. Despite high digital creativity potential, new local-level business startups frequently encounter stagnation due to low initial consumer trust (Charisma et al., 2025; Nag et al., 2024; Putrevu et al., 2025). Information gaps are major barriers that cause consumers to be skeptical of online stores without long transaction track records. New online stores often struggle to generate organic social proof, while the market demands tangible evidence from previous users as a primary condition for purchase (Horrich et al., 2025; Khalek et al., 2025; Panopoulos et al., 2022; Rundel et al., 2024; Stecula et al., 2024). This creates a strategic challenge for new business actors to formulate public communication strategies capable of building reputation without resorting to information manipulation (Baldivia & Chowdhury, 2024; Ghosh, 2022; Khalek et al., 2025; Theodorakopoulos et al., 2025).

The phenomenon of manipulative reviews or fake reviews has created an ethical crisis and systematic trust degradation in contemporary digital markets. (Shahidul Islam, 2025) explain that this practice blurs the boundary between honest opinions and misleading paid promotions, thereby damaging long-term loyalty. This creates a research gap where most previous studies focus on the impact of reviews on sales volume for established stores, yet very few dissect the trust reconstruction mechanism in newly founded stores. Strengthening digital trust for new business units is an urgent necessity to ensure the integrity and resilience of the national economic ecosystem. (Christiaens, 2025; Levine, 2022; Turillazzi et al., 2023) argues that the development of digital rating and reputation systems is crucial for maintaining a transparent digital social contract between service providers and users. Without a deep understanding of how social proof operates, new online stores will remain vulnerable and find it difficult to compete with large entities that possess extensive reputation capital.

Signaling Theory provides a robust theoretical framework for explaining how an entity conveys information to reduce external uncertainty (Bafera & Kleinert, 2023; Connelly et al., 2025; Friske et al., 2023; "Signalling Theory," 2022). This theory emphasizes that under conditions of imperfect information, buyers will seek reliable signals such as social proof to infer the hidden quality of a product or service. In this context, digital reviews and reputation act as external signals cognitively processed by consumers to transform doubt into actual transactional trust. This research specifically aims to examine and analyze the influence of social proof on the formation of consumer trust within the context of new online stores managed by student entrepreneurs. The investigative focus is directed toward identifying the extent to which external signals, such as social media interactions and early testimonials, are capable of reducing consumer skepticism toward entities that lack historical credibility. By employing a simple regression quantitative approach, this study seeks to provide robust empirical evidence regarding the effectiveness of signaling strategies in building initial reputation capital for startup business units amidst digital market uncertainty.

The primary contribution of this research lies in the exploration of trust reconstruction mechanisms in business entities within the early stage, a dimension often overlooked in mainstream digital marketing literature which generally focuses on established brands. These findings are expected not only to enrich the discourse on Signaling Theory in an era of distorted information but also to provide practical implications for the development of ethical marketing strategies for MSMEs and young entrepreneurs. Through strengthening the understanding of digital trust dynamics, this study is expected to serve as a strategic reference in creating a startup business ecosystem that is more resilient, competitive, and possesses moral integrity in the global market.

THEORETICAL REVIEW

Signaling Theory

Signaling Theory provides a strong theoretical framework for explaining how an entity conveys information to reduce external uncertainty. This theory emphasizes that in conditions of imperfect information, buyers will look for reliable signals to infer the hidden quality of a product or service. In the digital ecosystem, reviews and digital reputation act as external signals that are cognitively processed by consumers to transform doubt into tangible transactional trust. For new businesses, the use of this theory is particularly relevant for expanding understanding of how early-stage businesses build legitimacy through social validation.

The Concept of Social Proof

Social proof is a cognitive defense mechanism that consumers use against information uncertainty in cyberspace. Social proof signals, such as accumulated customer reviews, star ratings, and user testimonials, have become the "new currency" of trust that determines the market penetration success of business startups. Social proof serves as a crucial quality indicator to overcome information asymmetry between sellers and buyers in the digital market

ecosystem. For new online stores, organic social proof is a prerequisite for consumers before making a financial commitment, as they need tangible evidence from previous users.

Consumer Trust

Consumer trust in the context of digital retail is a fundamental instrument for navigating consumer decisions and mitigating perceived risks. Trust in new business units often faces major obstacles in the form of consumer skepticism due to a lack of a long transaction track record. Therefore, rebuilding trust in newly established stores requires different mechanisms than those used for established brands. The novelty of this research lies in its focus on trust reconstruction mechanisms for early-stage business entities, a dimension that is often overlooked in mainstream digital marketing literature, which generally focuses more on established brands. Digital trust in this context is not merely a quantitative figure, but is highly dependent on the transparency and accountability of the digital social contract between service providers and users.

The relationship between social proof and trust is positive and significant, where credibility signals such as transaction evidence and positive reviews can reduce risk perception. User engagement in providing digital feedback creates a cascade effect that strengthens brand legitimacy in the eyes of new potential customers. This is particularly strong among Generation Z, who have a high tendency to seek social confirmation before making a transaction. However, the effectiveness of social proof is highly dependent on the quality of the narrative and the authenticity of the testimonials; manipulative practices such as fake reviews can actually degrade long-term trust and damage the integrity of the digital market ecosystem.



Figure 1. Conceptual Framework

Based on theoretical reviews and empirical studies, this study proposes the following hypothesis:

H₁: Social Proof has a positive and significant effect on Consumer Trust in new online stores.

Through empirical testing on students of the Entrepreneurship Study Program at Makassar State University, this study aims to prove that social validation signals that are managed ethically and transparently are key factors in building initial reputation capital for start-up business units amid digital market uncertainty.

METHODOLOGY

This study employs a quantitative approach with a correlational research design to examine the relationship between the independent and dependent variables. This approach was selected as it aligns with the research objectives,

which focus on analyzing inter-variable relationships both partially and simultaneously and predicting the dependent variable based on the independent variable. This study is categorized as survey research, wherein data is collected from respondents using structured instruments and subsequently analyzed to test the proposed hypotheses.

The independent variable in this study is Social Proof (X), while the dependent variable is Consumer Trust in New Online Stores (Y). Data were gathered through several techniques, including the distribution of online questionnaires via Google Forms to obtain respondent feedback, documentation to support data validity, indirect communication, and a literature study to complete the theoretical framework. The primary research instrument consists of a questionnaire designed to objectively measure both variables before undergoing validity and reliability testing.

The data analysis stage began with instrument testing, which included validity testing using the Product Moment technique and reliability testing using Spearman-Brown. Validity calculations were performed on the statement items representing the Social Proof and Consumer Trust variables to ensure that each instrument item accurately measures the research constructs.

The questionnaire trial was conducted with 50 students from the Entrepreneurship Study Program at Universitas Negeri Makassar as the research sample. Sampling was carried out using a purposive sampling technique, considering inclusion criteria relevant to the research focus. The selected respondents were active students with at least five years of experience as online store users (online shopping). This criterion was established to ensure that respondents possess sufficient experiential maturity and digital literacy in interacting with various e-commerce platforms, enabling them to provide objective and credible assessments regarding the influence of social proof on their trust in newly established online stores. This purposive sampling technique ensures that the data obtained originates from subjects who truly understand the phenomenon of information asymmetry and trust dynamics in the digital market.

Data were analyzed descriptively to provide a general overview of respondent profiles and answer distributions, followed by classical assumption tests (normality test), simple linear regression analysis, correlation tests, and hypothesis testing using the t-test with the assistance of the SPSS program. Through these analytical procedures, the research results are expected to present accurate generalizations regarding how social proof mechanisms function in building initial reputation capital for startup business entities.

RESULTS AND DISCUSSION

Response Profiling and Data Characteristics (Descriptive Analysis)

Descriptive statistical analysis is employed to provide a general overview of the research variables, specifically Social Proof and Consumer Trust in New Online Stores. The measurements in this analysis include the maximum value, minimum value, mean, and standard deviation to offer insights into the profile of the collected data. These descriptive analysis results are presented in table

format to facilitate a more comprehensive understanding of the research data characteristics and the distribution of respondent feedback regarding social validation signals in the digital marketplace.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Social Proof_X	50	1	2	1,75	1,573
Consumer Trust_Y	50	1	5	2,41	1.069
Valid N	50				

Source: Data Processing Output Using IBM SPSS Statistics 20, 2026

The Table. 1 above presents the results of descriptive statistical analysis of all variables studied, which have been processed using SPSS software. The data analyzed came from 50 respondents as the total sample size. The minimum value in the table shows the lowest score for each variable, while the maximum value shows the highest score. The mean value describes the central tendency of the data, which is obtained by dividing the total value by the number of samples. Meanwhile, the standard deviation (Std. Deviation) indicates the level of dispersion or variation of the data from its mean value. This descriptive test aims to provide an initial understanding of the characteristics of the data through the interpretation of the mean and standard deviation values produced.

1. The Social Proof variable (X) With an average score of 1.75, close to the maximum score of 2, this data indicates that respondents have a very high cognitive sensitivity to social proof. Implicitly, students as digital natives tend not to ignore validation signals; they actively seek external confirmation before forming their initial perceptions of new stores.
2. The Consumer Trust variable (Y) An average of 2.41 on the rating scale indicates that consumer confidence is at a transitional level no longer totally skeptical, but not yet fully loyal. The relatively stable standard deviation (1.069) reflects a consensus among students that trust in new business units must be built through concrete evidence, not given freely.

Instrument Integrity and Model Validity

1. Validity Test

Validity testing was conducted to assess whether each item in the questionnaire was able to accurately measure the intended variable. In this study, validity testing was conducted on 50 respondents. Based on this number and a significance level of 5%, the table r value used as a reference was 0.2732. This value was then compared with the calculated r value obtained through analysis using SPSS version 20, with the Pearson Product Moment correlation method. The testing criteria were as follows: if the calculated r value was $\geq$ table r , then the item was declared valid because it had a significant correlation with the total score. Conversely, if the r value $<$ table r , then the item is considered invalid. The complete results of the validity test for each item on each variable are presented in Table 2.

Table 2. Validity Test Results

Variable	Item No.	r-count	r-table	Description
Social Proof (X)	X.1	0,432	0,2732	Valid
	X.2	0,531	0,2732	Valid
	X.3	0,449	0,2732	Valid
	X.4	0,477	0,2732	Valid
	X.5	0,451	0,2732	Valid
	X.6	0,299	0,2732	Valid
	X.7	0,319	0,2732	Valid
	X.8	0,462	0,2732	Valid
	X.9	0,389	0,2732	Valid
	X.10	0,496	0,2732	Valid
	X.11	0,431	0,2732	Valid
	X.12	0,479	0,2732	Valid
Consumer Trust (Y)	Y.1	0,466	0,2732	Valid
	Y.2	0,417	0,2732	Valid
	Y.3	0,456	0,2732	Valid
	Y.4	0,419	0,2732	Valid
	Y.5	0,517	0,2732	Valid
	Y.6	0,479	0,2732	Valid
	Y.7	0,428	0,2732	Valid
	Y.8	0,651	0,2732	Valid
	Y.9	0,491	0,2732	Valid
	Y.10	0,461	0,2732	Valid
	Y.11	0,451	0,2732	Valid
	Y.12	0,367	0,2732	Valid

Description: An item is considered valid if r-value > r-table (for 50 respondents, the r-table value is 0.276).

Source: Data Processing Output Using IBM SPSS Statistics 20, 2026

2. Reliability Test

Reliability testing was applied to assess the stability and internal consistency of the questionnaire for each research variable. The instrument was declared reliable if the Cronbach's Alpha coefficient exceeded the minimum threshold of 0.60. A comprehensive analysis was conducted on all statement items using SPSS version 20 software, with the aim of ensuring that the instrument was able to provide consistent results even when repeated measurements were taken on the same subjects. A summary of the reliability values for the variables tested is systematically summarized in the table below.

The reliability estimation results show that factor X (0.947) and factor Y (0.895) have coefficients that exceed the minimum parameter of 0.60. This achievement indicates strong instrument stability, so the questionnaire is deemed valid and reliable for measuring the variables studied.

Table 3. Reliability Test Results

No	Variable	Cronbach's Alpha	Description
1	X	0,947	Reliable
2	Y	0.895	Reliable

Source: Data Processing Output Using IBM SPSS Statistics 20, 2026

The success of the validity and reliability testing (*Cronbach's Alpha* > 0.60) proves that the items in the questionnaire are able to capture the psychological phenomena of the respondents accurately. Furthermore, the fulfillment of the normality assumption ($p = 0.675$) and the absence of heteroscedasticity symptoms legitimize that this regression model is unbiased. This means that the relationship between the variables found is not a statistical coincidence, but a representation of a stable relationship pattern that can be generalized in the population of entrepreneurial students.

3. Normality Test

Normality analysis was conducted to ensure that the Social Proof (X) and Consumer Trust (Y) variables had a normal data distribution, in accordance with the requirements of the regression model. This test serves as an instrument to measure the extent to which the data collected from respondents met the assumptions of normality. Certainty regarding this data distribution is crucial for the validity of the t-test analysis results and the significance of the relationships between the variables studied. The figures obtained from the normality test are presented as follows:

4. Statistic methods One Sample Kolmogorov-Smirnov (K-S)

The assumption of normality in this regression model is verified using the One Sample Kolmogorov-Smirnov (K-S) method. The test criteria stipulate that the data distribution is considered normal if the 2-tailed asymp. sig. value is above 0.05. Conversely, a value below 0.05 indicates that the model is not normally distributed. The results of the normality analysis are summarized systematically in the table below.

Table 4. Normality Test Results

		Unstandardize d Residual
N		50
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	2.49867675
Most Differences	ExtremeAbsolute	.110
	Positive	.057
	Negative	-.110
	Kolmogorov-Smirnov Z	.772
Asymp. Sig. (2-tailed)		.675

Source : SPSS 20, 2026

Based on the table above, the results of the One Sample Kolmogorov-Smirnov test show that the value of asymp. sig. (2-tailed) is 0.675. This value is greater than the significance limit of 0.05, so it can be concluded that the regression model has a normal distribution. Thus, the data used in this study meets the assumption of normality and is worthy of further testing.

5. Heterokedasticity Test

Heteroscedasticity testing was applied to detect differences in residual variance among various observations. In this study, testing was conducted using the scatterplot analysis method. The following is a scatterplot visualization showing the data distribution pattern in the regression model:

Scatterplot Dependent Variable: Total.Y Scatterplot Dependent Variable: Consumer Trust Regression Standardized Predicted Value

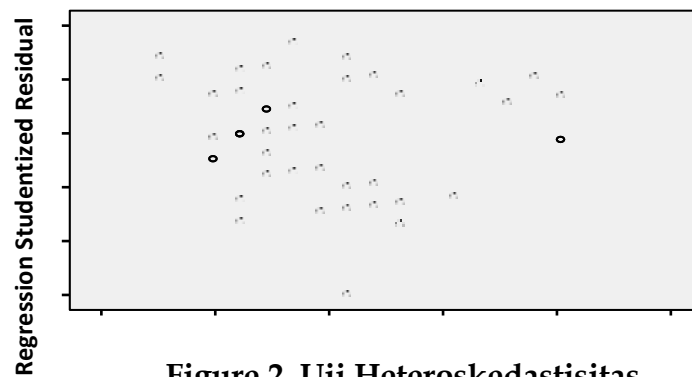


Figure 2. Uji Heteroskedastisitas

Source: Data processing output using SPSS 20, 2026

According to Figure 2, the points on the graph appear to be randomly distributed, without forming a specific pattern, and are spread both above and below the number 0 on the Y-axis. This distribution pattern indicates that the regression model in this study does not exhibit heteroscedasticity. Therefore, the regression model used is deemed suitable for predicting Consumer Trust based on the Social Proof (X) variable.

Simple Regression Analysis

Simple regression analysis was utilized to estimate the influence of the independent variable on the dependent variable and to ascertain the nature of their covariation. This method determines the extent to which the dependent variable increases or decreases as a function of the independent variable's values. The summary of these regression findings is provided in the table below

Table 5. Simple Regression Analysis

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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	B	Std. Error	Beta		
1 (Constant)	16.057	4.408		1.592	.000
Strategi Publicity	.791	.086	.824	9.837	.003

Source : SPSS 20, 2026

The statistical modeling results produced a simple linear regression equation: $Y = 16.057 + 0.791X$. The constant value of 16.057 represents the estimated level of Consumer Trust in conditions where the Social Proof variable is assumed to be zero. The regression coefficient of 0.791 indicates a positive, unidirectional relationship, where each unit increase in Social Proof will be followed by a proportional increase in Consumer Trust. Statistically, the influence of the independent variable is proven to be significant with a p-value of $0.003 < 0.005$, thus accepting the research hypothesis. This finding confirms that Social Proof is a crucial predictor in building digital reputation capital for newly established online stores.

1. Correlation Coefficient

Multiple correlation analysis is utilized to quantify the strength of the simultaneous association between several independent variables and the dependent variable. The findings of the multiple correlation assessment in this study are presented as follows:

Table 6. Correlation Coefficient Test Results
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.916a	.730	.672	2.629

Source : SPSS 20, 2026

As illustrated in Table 6, the correlation coefficient (R) of 0.916 indicates a robust relationship between Social Proof (X) and Consumer Trust (Y). This R-value falls within a range that signifies a high degree of association, leading to the conclusion that Social Proof exerts a significant positive influence and serves as a pivotal factor in enhancing Consumer Trust.

2. Significant Hypothesis Test (T-Test)

Hypothesis testing is performed using a t-test to ascertain whether the independent variable, Social Proof (X), exerts a positive and statistically significant influence on Consumer Trust (Y). The determination of this effect involves a comparative analysis between the calculated t-statistic and the t-table value. If the t-statistic exceeds the t-table value, the alternative hypothesis (H_a) is accepted, signifying that the independent variable has a significant impact on the dependent variable.

The statistical hypotheses examined in this study are formulated as follows:

$H_0: \beta_1 = 0$: Social Proof (X) has no positive and significant effect on Consumer Trust (Y)

$H_a: \beta_1 \neq 0$: Social Proof (X) has a positive and significant effect on Consumer Trust (Y)

Hypothesis testing was conducted using a t-test with a significance threshold of 5% (0.05). The decision-making criteria relied on the p-value: if the significance level was below 0.05, the null hypothesis (H_0) was rejected in favor of the alternative hypothesis (H_a). Conversely, if the p-value exceeded 0.05, the null hypothesis (H_0) was accepted. The detailed outcomes of the t-test analysis are illustrated in Table 7.

Table 7. t-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	16.057	4.408		1.592	.000
Social Proof	.791	.086	.824	9.837	.003

Source : SPSS 20, 2026

From the results of research conducted at Universitas Negeri Makassar, based on a questionnaire distributed to 50 students. The research questionnaire statements and questionnaire statements were in accordance with the predetermined indicators, falling into the good category with an average of 90%. From the respondents' answers to the Social Proof questionnaire, with an average of 90%, it can be concluded that Social Proof falls into the good category. This study examines the relationship between Social Proof and Consumer Trust. Based on the results of the significance test calculation, t_{count} is 9.984 with an error rate of 0.05 and a degree of error $dk = n - 2 = 52 - 2 = 50$, a t_{table} value of 2.009 was obtained. Based on the calculation results of $t_{\text{count}} 9.984 > t_{\text{table}} 2.009$, this means that in this study, the alternative hypothesis (H_a) is accepted and the null hypothesis (H_0) is rejected, meaning that there is a significant influence between Social Proof and Consumer Trust.

Through the regression equation $Y = 16.057 + 0.791X$, it was found that every increase in social proof signals will be followed by a significant strengthening of consumer confidence.

1. The correlation coefficient (R) of 0.916 indicates a very strong relationship, almost perfect. This interprets that in the digital world, the "public voice" is almost equivalent to reality. For new online stores, social proof is no longer just a marketing supplement, but the main "currency" that determines whether or not a business is accepted by the market.
2. The $t_{\text{count}} = 9.837$ value, which far exceeds t_{table} , empirically proves that external signals (reviews, testimonials, and transaction evidence) are the most effective risk mitigation instruments. Implicitly, when a new store is able to present authentic social proof, they are performing a "bridging"

process or bridging the gap between consumer ignorance and transactional confidence.

3. These findings reinforce the understanding that Universitas Negeri Makassar students demonstrate competent digital literacy. They not only consume information but also critically curate social proof as a guide in making purchasing decisions amid the proliferation of new startup stores.

Social validation signals act as a proxy for quality that replaces physical experience of the product. For startups, the ability to manage social proof ethically is the most efficient strategy to break through the wall of consumer skepticism without having to rely on costly marketing campaigns.

The results of this study show that social proof has a positive and significant effect on consumer trust. The findings of this study confirm that social proof is a crucial determinant in building consumer trust in a newly established online store ecosystem. The presence of positive reviews, star ratings, and proof of transactions act as signals of credibility that reduce risk perception and information asymmetry between sellers and buyers. The data shows that for young entrepreneurs, initial reputation capital no longer depends on the physical scale of the business, but rather on the accumulation of digital validation provided organically by other users.

Empirical validation of the positive impact of social proof on trust has been widely supported by contemporary literature. (Mishra et al., 2025; Rashidi-Sabet & Bolton, 2024; Shaik, 2026) state that user engagement in providing digital feedback creates a cascading effect that strengthens brand legitimacy in the eyes of new potential customers. (Katona et al., 2025) add that transparent rating mechanisms serve as a proxy for quality that can replace physical product experience. This influence is even stronger among Generation Z, who have a high tendency to seek social confirmation before making a transaction (Azhar et al., 2025; Huwaida et al., 2024; Khoa, 2025; Kim et al., 2022). (Jelovac et al., 2022; Saeed et al., 2022; Saldanha et al., 2022) argues that the development of digital reputation systems is crucial to maintaining the transparency and accountability of digital social contracts. Furthermore, user-generated content (UGC) has a higher persuasive power than conventional advertising in building the initial foundation of trust (Al-Abdallah & Wright, 2025; Hochstein et al., 2025; Romero-Rodriguez & Castillo-Abdul, 2023; Wang et al., 2025).

A critical perspective emerges as an antithesis that highlights the vulnerability of social proof mechanisms to manipulation. The phenomenon of fake reviews can systematically degrade long-term consumer trust if not managed with strict business ethics (Al-Mutawa et al., 2025; Galletta et al., 2024; Lim et al., 2025; Sahut et al., 2024; Zervoudi et al., 2025). (Das et al., 2025) found that consumers with high digital literacy tend to be skeptical of social proof that appears too uniform or inauthentic. Shukla et al. (2025) explain this anomaly as the disclosure paradox, where too much positive information can actually trigger suspicion of data manipulation. The effectiveness of social proof is contextual and can vary depending on the level of product engagement and the financial risks involved (Alenizi, 2023; Amblee & Bui, 2011). Al-Mutawa et al. (2025) assert

that without strong platform regulation, social proof can transform into an instrument of consumer deception that undermines the integrity of the digital marketplace as a whole (Albshaier et al., 2024; Boush et al., 2015; Hsiao, 2003; Kozyreva et al., 2020; Mik, 2016a, 2016b).

The context of the digital startup market in the university environment shows that rebuilding trust requires more than just quantitative figures. Students, as savvy consumers, often cross-validate testimonials on e-commerce sites with interactions on social media to ensure the authenticity of social proof. These findings indicate that the significance of social proof lies not only in the volume of information, but also in the quality of the narrative and the consistency of the evidence presented. An honest signaling strategy is key for new online stores to win market trust without having to rely on high-cost marketing campaigns.

The theoretical and practical implications of this research emphasize the need for integration between digital technology and ethical values in entrepreneurial practice. Strengthening the resilience of start-up businesses depends heavily on the ability of entrepreneurs to manage digital reputation capital transparently and responsibly. The development of digital trust models in the future must consider the dynamics of consumer skepticism and the challenges of information manipulation as significant moderating variables. Collective efforts to maintain the integrity of social proof will create a healthier, more competitive digital trading ecosystem with sustainable levels of trust for all stakeholders.

The dynamics of trust formation in the student startup business ecosystem at Makassar State University represent a fundamental shift towards a more skeptical but measurable pattern of reflexive trust. Students as research subjects demonstrate competent digital literacy in curating social validation signals, where they no longer simply look at the quantity of reviews but rather the depth of the narrative and the authenticity of the testimonials.

These findings confirm that for new online stores, the success of signaling strategies is largely determined by the entrepreneur's ability to present transparent social proof that is free from any indication of manipulation. The integration of authentic digital evidence with consistent service quality is a key factor in transforming consumers' initial doubts into sustainable transactional loyalty in an increasingly competitive digital market.

CONCLUSIONS AND RECOMMENDATIONS

Data analysis confirms that social proof is a fundamental determinant in mitigating information asymmetry and significantly building initial reputation capital for business startups. These findings contribute theoretically to the expansion of Signaling Theory, in which external signals in the form of social validation act as cognitive instruments that effectively reduce consumer skepticism towards stores that do not yet have a historical track record. Consumer trust in the startup digital ecosystem is proven to be highly dependent on the quality and authenticity of the testimonials presented, which serve as the main proxy for credibility amid global market uncertainty and competition.

The implementation of marketing strategies for young entrepreneurs must prioritize the management of ethical and transparent social proof to ensure the long-term sustainability of the business unit. Startup entrepreneurs are advised to encourage organic, narrative reviews rather than simply chasing star ratings, which risks triggering suspicion of information manipulation. Strengthening authentic and responsive digital interactions with customer feedback, including professional management of negative reviews, is a crucial practical implication for strengthening brand integrity and accelerating the process of rebuilding trust in the early stages of business growth.

FURTHER STUDY

The limitations of this study lie in the specific scope of the sample, which is limited to students of the Entrepreneurship Study Program at Universitas Negeri Makassar, so that generalizing the results to a consumer population with a broader demographic background must be done with great care. Future research is recommended to integrate moderating variables such as digital literacy or product involvement to analyze the dynamics of trust formation more comprehensively and deeply. Expanding the methodology through experimental or longitudinal studies is also highly recommended to capture changes in consumers' reflexive trust behavior in response to various social validation feature innovations on e-commerce platforms in the future.

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