

The Psychology Behind Trust Signals

Why and How Social Proof Influences Consumers



Introduction

When consumers think about buying a product or service, they don't just consider ads, features, and benefits. They also strongly consider the social proof that reinforces those messages and claims.

Social proof — like reviews, social likes, online mentions, and testimonials for products, services, or brands — has a powerful psychological effect on customers. Because the feedback comes from other consumers, not the brand itself, the positive messaging surrounding a product or service can be perceived as more authentic and trustworthy.

Consumers see social proof as an endorsement from their peers saying that the company, service, or product is great, and that the overall customer journey has satisfied previous shoppers.

So when customers see trust signals — visual representations of social proof such as badges, ratings, reviews, and logos — it understandably elicits a strong influence on shopping behavior.

According to our recent research, almost all consumers (98%) could identify at least one type of trust signal that increased their likelihood to make a purchase.

If brands want to effectively turn interested prospects into paying customers, they need to take advantage of external validation in order to influence potential customers, and understand how social proof impacts the way consumers make purchasing decisions.

Trustpilot The Psychology Behind Trust Signals

To find out exactly how social proof influences the purchasing process, and which trust signals are the most important, we surveyed nearly 1,700 consumers across multiple regions (United States, United Kingdom, Australia, and many European countries) and generations (baby boomers, Gen X-ers, millennials, and Gen Z-ers), and found that:

- An average of 66% of customers said the presence of social proof increased their likelihood to purchase a product.
- Positive star ratings and reviews were the most important trust signal, with 82% of customers these would make them more likely to purchase.
- **Positive star rating and reviews on the homepage** were the trust signals most likely to drive customers to make a purchase (86%). Positive star ratings and reviews on a product page were the second most likely, influencing 85% of customers.
- Customers prefer different trust signals throughout the buying journey. Media mentions (52%) and endorsements from public figures (50%) were effective when customers performed initial online research, while testimonials (60%) and star ratings and reviews (50%) were effective when customers compared different retailers.

Want to learn more? Let's dive deeper into the research to see which signals are most important to consumers, and how the presence of these signals affects different demographics during the purchasing process.

Breaking down how social proof influences consumers

At one time, brands could use ads to inform consumers, build trust, and drive customers to buy. But this is no longer the case. Consumers are increasingly aware of and, therefore, <u>unaffected by ads</u>, and it's this change that led to the rise of user-generated content and huge influence of social proof.

Customers used to rely solely on advertisements and word of mouth when determining what to purchase. Now, they also look to social proof. There are four primary principles of social proof that influence customers in ways that ads can't (and never could):

<u>Uncertainty:</u> Customers look to social proof for guidance when they are in unfamiliar situations.

<u>Similarity:</u> Customers gather and use feedback from sources and people they personally relate to.

Expertise: Customers value opinions and verification from people who are more knowledgeable or experienced than themselves.

<u>Number:</u> Customers consider the number of satisfied customers before them, and the resulting trust signals they find, as a reason to buy or walk away.







Technically, social proof has been around since the <u>dawn of marketing</u>. Quotes from happy customers have been appearing on marketing materials as long as marketing materials have been produced.

But today, social proof is more influential than ever because sharing our own experience and reading about others' experiences is a native element of life online. Customers need help with their purchasing decisions, and social proof offers the authentic, transparent guidance that customers want and crave — but can seldom get from ads.

98%

of shoppers can identify a trust signal that influences them to buy

Our data not only confirmed that social proof strongly influences consumers, but it also showed that **some trust signals influence customers more than others.**



In the eyes of shoppers, some trust signals mean more than others

Of all of the trust signals mentioned, reviews, star ratings, and testimonials are most important to customers. **Positive star ratings and reviews ranked as the most effective (82%)** followed by positive star ratings alone (79%), and positive customer testimonials (78%).

On-site badges were the next most influential trust signal. Customers were more likely to purchase when they saw an approved or authorized seller badge (77%), or safe checkout badge (76%).

Interestingly, the power of social proof appears to be universal. **Customers all over the world were similarly influenced by trust signals.** Overall, the region where a consumer lived didn't significantly impact the way he or she was influenced by signals. Social proof was slightly more effective among Australians and Americans, but Europeans weren't far behind.

That said, our research did find that generational differences do impact the overall influence of trust signals.

82%

of shoppers are more likely to purchase after seeing positive star ratings and reviews

The Effectiveness of Trust Signals on Consumers' Likelihood to Make a Purchase

By Generation						
Overall						
More Likely to Purchase	More Likely to Purchase Neither More nor Less Likely Less Likely to Purchase					
GENERATION Z MIL	LENNIALS	GENERATIO	N X BAB	Y BOOMERS		
9%	9%	28%	30% 65%	7%		
By Trust Signal	GENERATION Z	MILLENNIALS	GENERATION X	BABY BOOMERS		
Positive Star Rating and Reviews	79%	83%	80%	84%		
Positive Star Rating	84%	77%	81%	76%		
Positive Customer Testimonials	78%	▶ 79%	78%	69%		
Approved or Authorized Seller Badge	▶ 83%	78%	73%	76%		
Trustpilot Rating	72%	75%	80%	83%		
Safe Checkout Badge	75%	78%	71%	84%		
Case Study	66%	65%	67%	60%		
Company's Logo	▶ 69%	61%	62%	66%		
Media Publisher Quote	▶ 70%	56%	55%	52%		
Influencer Endorsement	66%	52%	49%	43%		
Company's Social Media Metrics	69%	51%	44%	40%		
Public Figure Endorsement	▶ 53%	33%	31%	19%		

SOURCE: Survey of more than 500 people living in the United States, 500 people living in the United Kingdom, 500 people living in Europe, and 150 people living in Australia

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Tailoring trust signals to customer demographics

Our survey results revealed an interesting pattern: the younger customers are, the more likely they are to be influenced by trust signals. In fact, there was a significant gap between Gen Z-ers, the youngest generation of consumers, and the other generations. In fact, 72% of Gen Z-ers were more likely to purchase based on social proof versus 66% of millennials, 65% of Gen X-ers, and 63% of baby boomers.

This data shows that **trust signals are becoming even more important**, as the next generation of shoppers clearly embraces them more than past consumers, and continues to age into greater spending and purchasing power.

The different generations not only value social proof with varying degrees of enthusiasm, but

they also value different types of trust signals. Baby boomers were more responsive to safe checkout badges than the other generations, showing they value security when purchasing online, which could indicate an enduring air of skepticism around life online that is noticeably absent in the digitally native younger generations.

In contrast, Gen Z-ers were much more receptive to media publisher quotes, influencer endorsements, social media metrics, and endorsements from public figures, showing they value third-party opinions from individuals over institutions.

As a brand, it's essential to **understand who your customers are** so you can identify and share the trust signals that matter most to them.

Trust signals influence people of all ages

72%

Gen Zers



Millennials



Gen Xers



Baby boomers



The Most Effective Location to Use Each Trust Signal

Based on the Percentage Who Are More Likely to Make a Purchase

	EMAIL AD	FACEBOOK AD	DISPLAY AD	HOMEPAGE	PRODUCT PAGE	CHECKOUT PAGE
Positive Star Rating and Reviews	83%	76%	79% I	▶ 86%	85%	82%
Positive Star Rating	82%	69%	81%	80%	78%	82%
Positive Customer Testimonials	74%	71%	84%	81%	82%	75%
Approved or Authorized Seller Badge	71%	78%	81%	73%	76%	85%
Trustpilot Rating	82%	71%	78%	80%	75%	74%
Safe Checkout Badge	78%	75%	71%	78%	75%	79%
Case Study	73%	64%	72%	73%	59%	56%
Company's Logo	70%	64%	71%	61%	50%	60%
Media Publisher Quote	56%	55%	64%	50%	68%	52%
Influencer Endorsement	49%	48%	▶ 60%	57%	55%	44%
Company's Social Media Metrics	44%	52%	56%	50%	52%	49%
Public Figure Endorsement	29%	38%	35%	36%	34%	28%

Most Effective Unique Combination, by Region

UNITED STATES

Positive Customer Testimonials on a Display Ad

UNITED KINGDOM

Positive Star Ratings and Reviews on a Product Page EUROPE Positive Star Ratings and Reviews on a

Homepage

AUSTRALIA

Positive Customer Testimonials on a Display Ad

SOURCE: Survey of more than 500 people living in the United States, 500 people living in the United Kingdom, 500 people living in Europe, and 150 people living in Australia



How trust signals influence shoppers at each touchpoint

So far, we've established that social proof has a strong influence over customers, and this influence affects the way they think while determining if they want to buy from a brand.

It turns out that even where a trust signal is viewed within the customer journey can influence the way a shopper thinks about his or her potential purchase. In our study, we used A/B testing to show different combinations of trust signals in many of the contexts where a consumer might encounter a trust signal during the purchase process: marketing emails, digital advertisements, and on the retailer's home or product pages We found that no matter where trust signals appear in the journey, **star ratings, reviews, and testimonials made customers more likely to make a purchase.** Customers were most likely to make a purchase when they saw a positive star rating and reviews on the homepage (86%) and product page (85%), although reviews were also impactful in email ads, Facebook ads, display ads, and checkout pages as well.

Trust signals have a time and a place.

Shoppers are more likely to buy after seeing positive star ratings and reviews on a homepage or product page



At What Stage of the Buying Process Is Each Trust Signal Most Effective?

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	While performing an initial online search	While viewing and comparing different retailers	While proceeding with a purchase or checkout process
Media Publication Mention	52%	41%	7%
Public Figure Endorsement	50%	42%	8%
Customer Testimonial	31%	60%	9%
Positive Star Rating and Reviews	42%	50%	8%
Company's Social Media Metrics	43%	46%	11%
Approved or Authorized Seller Badge	35%	42%	23%

SOURCE: Survey of more than 500 people living in the United States, 500 people living in the United Kingdom, 500 people living in Europe, and 150 people living in Australia



Using trust signals in the right place, at the right time

No matter the industry, all marketing efforts seem to **work better when they feature trust signals.** However, it's important to note that **they can work differently at different stages of the purchasing funnel.** Customers look for — and value — different elements of social proof as they work their way closer to a purchase.

Media mentions and public figure endorsements were perceived as most beneficial early in the buying process. Next, customers valued testimonials and star ratings while they shopped around and compared different brands. Then, once a consumer was ready to buy, authorized seller badges became the most effective trust signal. To communicate effectively with trust signals, brands have to know which ones are most effective for their audience. They also have to **use them at each stage of the buying process** in order to give customers the sense of transparency they need to feel comfortable completing the purchase.



Trust signals make the buying decision easy

Customers no longer base their purchasing decisions on what they hear and read in ads. In fact, they often tune out these messages completely. In our networked and logged on culture, a company's messaging no longer provides customers what they need to trust a brand and buy from them — social proof and trust signals do.

The benefits of brands using trust signals are clear, regardless of whether a product or service is being promoted. Although the trust signals tested in our study proved beneficial for encouraging both types of purchases, positive star ratings saw a slightly higher influence when paired with a product offering. When it comes to encouraging customers to complete a purchase for a service offering, authorized seller badges carry the most weight.

Social proof, especially authentic third-party reviews and ratings, are now one of the most influential forces that guide customers as they make purchasing decisions. **With 98% of customers saying they could identify at least one type of trust signal** that increased their likelihood to make a purchase, these factors influence consumers all across the world, in all generations, and all stages of the buyer's journey. If you want your brand to stay competitive in your market, attract new consumers, and effectively turn interested prospects into paying customers, you need to take notice.

Create a plan to give customers what they need to feel comfortable buying from you. **Start building social proof elements that consumers want, need, and trust.**

Reviews and ratings are a great place to start. <u>Trustpilot</u> can help you collect feedback that you can easily show off throughout the marketing funnel, making the purchasing decision as easy as possible for your customers.

Built on honesty and transparency, Trustpilot is the people's choice for reviews. With over 300,000 businesses reviewed and 1.1 trillion ratings and reviews displayed in Google annually, companies use Trustpilot to create customer confidence and increase conversions by leading with reputation everywhere shoppers are looking.

Visit <u>Trustpilot</u> to get started today.

Methodology

We collected responses from 1,697 consumers on questions related to their shopping behavior and the influence of social proof signals. 30% of respondents lived in the United States, 30% lived in the United Kingdom, 9% lived in Australia, and 32% lived in other European countries. Of generational breakdowns, 6% identified as baby boomers, 26% as Generation X, 56% as millennials, and 11% as Generation Z. Respondents belonging to other generations were excluded due to insufficient sample sizes.

The breakdown of European nations is as follows:

Austria	23	Ireland	2
Belgium	8	Italy	46
Czech Republic	5	Netherlands	17
Finland	3	Poland	11
France	251	Romania	6
Germany	121	Spain	35
Greece	4	Switzerland	1
Hunagry	1	Sweden	1

Limitations

Many other factors influence shopping behavior in relation to social proof. While we included many of these factors, every individual chooses to purchase a product based on his or her personal reasons. This study is based solely on means and self-reported data. No statistical testing was performed and as such, this data is exploratory.

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Sources

Social Proof: Why We Look to Others For What We Should Think and Do <u>Read here</u>

How humans reduce uncertainty in social situations Read here

Psychology Expertise
<u>Read here</u>

The Six Universal Principles of Influence Read here

Trustworthiness in advertising: what consumers have to say <u>Read here</u>

Social Proof 101: What is it, and why is it important for eCommerce? Read here How To Use the Psychology Of Social Proof To Your Advantage <u>Read here</u>

Social Proof Is The New Marketing Read here

What's Changed With Social Proof in 2019? Read here

Never mind what people believe — how can we change what they do? A chat with Robert Cialdini <u>Read here</u>

How to Get People to Change Their Minds Read here

