

The Driving Role and Impact of Social Media Platforms on the Herd Effect

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Abstract. In recent years, social media has reshaped individual and collective behavior through algorithms and quantified visibility, becoming an amplifier of conformity. This study analyzes how social media exacerbates the herd mentality from both economic and sociological perspectives. This article identifies two core mechanisms. On the one hand, algorithmic recommendation, exemplified by personalized recommendations, is deeply integrated with the information industry, transforming how information is generated and disseminated. While this has a positive effect of increasing the efficiency of information acquisition, its negative effect is the tendency to become trapped in an "information cocoon." On the other hand, quantified social recognition (likes, shares, etc.) links popularity with the quality of content, subtly fostering ideological convergence—a double-edged sword. While its positive effect is fostering cohesion and efficient cultural dissemination, its negative effect is uneven product quality, market distortions (e.g., short dramas with low-quality content enjoy significant traffic), and a tendency towards product homogeneity. Platforms' overreliance on traffic can suppress people's thinking and pose risks. This article proposes a framework for addressing this issue: increasing the diversity and sensitivity of algorithmic recommendations, enriching content recommendations, and tapping into potential interests. Stakeholders need to improve digital literacy and maintain a balanced regulatory framework, mitigating the risk of content convergence while stimulating its potential utility.

Keywords: Conformity Effect, Social Media Platforms, Algorithmic Recommendation, Social Proof, Behavioral Economics

1. Introduction

With the continuous development of science and technology, social media has become an indispensable part of people's daily lives and the core catalyst for the contemporary conformity effect. The Bandwagon Effect refers to the psychological phenomenon in which individuals change their views, judgments, or behaviors under group pressure or guidance to align with the majority. This is due to people's pursuit of social identity in the context of information asymmetry. In today's digital age, this historically significant psychological mechanism has undergone new developments when intersecting with big data, and harbors immense potential. Social media refers to internet-based applications and websites where users can register accounts, create personal profiles, and post

status updates, images, videos, and other content. Through these platforms, people can connect, interact, and share information, opinions, and emotions. The core of social media lies in its social nature, which involves interaction and communication among users. This article will analyze how social media platforms amplify herd behavior from sociological perspectives (e.g., group identity) and economic perspectives (including information asymmetry and behavioral economics), while examining its positive and negative effects, discussing potential risks, and exploring possible solutions.

2. How social media "rides the wave" to amplify the herd effect

Social media platforms operate through algorithmic architectures and interaction mechanisms, enabling the bandwagon effect to transcend temporal and geographical constraints and exhibit an exponential expansion trend.

2.1. Information "hustles in"

Platforms efficiently push information and products to users through algorithms such as collaborative filtering and popularity weighting, but they also exacerbate information asymmetry. The platform possesses vast amounts of user data and content, while users can only see what the platform pushes to them. Additionally, based on users' browsing history, page dwell time, and search history, platforms continuously push content aligned with their personal preferences, which can narrow the scope of accessible information and increase homogeneity. Since users cannot see the full picture, they often rely on "hot content" pushed by algorithms to make decisions, leading to the availability heuristic [1]. For example, Weibo's hot topic lists, Xiaohongshu's trending topics, and its "everyone is watching" feature often give people the illusion that "this content is important and many people are watching it." In the "attention economy," platforms create message clusters to compete for user attention, cultivate potential consumer groups, and gain future commercial benefits. For users, "information clustering" significantly reduces their cognitive effort, helping them make decisions more efficiently.

From a sociological perspective, algorithms create a 'symbolic environment' where content that appears frequently is often assigned greater value and significance. Continuous exposure not only provides a large amount of information but also shapes an invisible social norm. For example, if you repeatedly encounter negative information about a celebrity on Xiaohongshu, even if it is later clarified as false, it becomes difficult to form a favorable opinion of them again. Alternatively, if you constantly see posts expressing dislike for a certain celebrity, you may subconsciously perceive them as unfavorable, thereby intensifying herd mentality.

2.2. Likes and other data "speak"

Likes, comments, shares, and other metrics are concrete manifestations of quantifiable visibility and can also serve as social proof for network externalities and herd behavior.

Likes, comments, shares, and other quantifiable metrics directly reflect network externalities. From a media economics perspective, liking behavior has become an important method for collecting extensive user preferences, which serve as crucial data resources for media producers. The massive accumulation of likes translates into significant commercial value. With technological advancements, interactive behaviors can be precisely tracked, and like counts are quantified, functioning as a technical tool that digitizes and accurately measures the public's "attention and

affection." The content and relationships that receive likes also serve as important electronic traces for users to analyze their interpersonal communication patterns and information tendencies [2]. The value of goods or content increases with the growth of views, likes, and shares. High interaction metrics (such as 1 million views) actually act as a potential signal indicating "high quality" to the public, especially when distinguishing among numerous pieces of information becomes challenging. This further intensifies herd behavior. In an information cascade, the actions of earlier decision-makers serve as reference points, forming a reference group. Subsequent decision-makers observe the actions of these reference points and, stimulated by them, form collective behaviors [3]. Platforms prominently display interaction data, amplifying its role as social proof.

Moreover, these data represent 'digital social recognition'. High like counts often indicate strong approval, attracting more people to join in pursuit of recognition and belonging. At the same time, this may also trigger the 'spiral of silence' effect, where people who have objections to highly liked content might hide their opinions to gain acceptance. For example, on WeChat, users' fear of being isolated is subtly conveyed through technical mechanisms. The like icons on status pages are displayed in real-time. Unliked statuses may be quickly deleted by users, revealing anxiety about being in the 'minority'. Additionally, when certain types of statuses receive high interaction, other users tend to imitate similar templates, leading to a 'bandwagon effect'. This imitation is both adherence to group norms and a way to reduce cognitive costs [4].

3. Different outcomes driven by social media

3.1. Positive effect: good things gain wider recognition

Conformity can effectively reduce the costs of information searching and decision-making. In today's era of information overload, this is actually another form of rational decision making. Positive externalities can accelerate the diffusion of innovations [5]. The rapid popularity of LABUBU is a good example.

LABUBU is a Nordic forest elf character created by Kasing Lung, a Hong Kong artist and signed artist with Pop Mart. It is a member of THE MONSTERS, a group of elves he created. LABUBU has nine teeth, upright pointed ears, and is about the same size as a cat. It is mischievous yet optimistic [6]. With its unconventional "cute-ugly" appearance, LABUBU has gained massive popularity, reflecting contemporary young people's determination to stay true to themselves and resist homogenization. It also serves as a symbol for young people to express their individuality. Additionally, its imperfections resonate emotionally with people and provide emotional value.

LABUBU's unique business model also laid the groundwork for its success. Unlike conventional sales methods, LABUBU uses blind box draws to determine styles, which stimulates people's gambling psychology and boosts purchasing power. It even enhances its collectible value through auctions—for example, a mint-colored LABUBU sold for 1.08 million. This approach also fosters the development of a collaborative economy within the LABUBU community.

Social media platforms have significantly amplified herd behavior through celebrity influence and algorithmic recommendations. For example, Thai actress Lisa's public outing with LABUBU made it quickly popular across Southeast Asia; when European star David Beckham posted pictures of LABUBU, it further propelled it into the global fashion scene. Some users integrate LABUBU into their daily lives by posting derivative videos and unboxing clips on social media platforms, fostering potential social recognition. For instance, the #LABUBU hashtag on TikTok saw an increase of 32,000 posts from American users within a week, forming a trend and enhancing social cohesion. Under the influence of social media platforms, LABUBU has successfully transitioned

from 'Made in China' to a 'global superstar,' benefiting both creators and platforms, harboring immense economic value.

3.2. Negative effects: some "trendy" things are not actually good

When herd behavior is based on limited or incorrect information, it may lead to market failure. This is because when individuals change their preferences or beliefs under the influence of others or a group, it can result in inefficient resource allocation.

In an ideal market, prices should reflect all available information. However, due to information asymmetry, real-world information is often limited and may even include false content. When individuals have limited or incorrect information, they tend to overinterpret others' behavior as 'signals.' For example, the Enron bankruptcy case is a classic example. Enron's management used complex special purpose entities (SPEs) and off-balance-sheet financing methods to conceal massive debts and losses, while inflating revenues and profits through fictitious transactions. Due to information bias, investors, analysts, and others were largely unaware of these issues. In 2000, its market capitalization exceeded \$66 billion, with a price-to-earnings ratio of 55 times. Despite Wall Street analysts and investment banks being well aware of the financial risks associated with Enron, the market's enthusiasm for the 'new economy' led them to follow the trend and recommend it. Under herd pressure, investors ignored warning signals such as the discrepancy between low cash flow and high debt, ultimately incurring significant losses.

Moreover, on social media platforms, some low-quality products or services (such as shoddily made, value-distorted short dramas) gain initial traction through artificial manipulation or sheer luck, triggering an "information cascade." [7] Subsequent users follow blindly, leading to the misallocation of resources. To maximize profits, platforms might overlook the negative externalities of certain content (e.g., some vulgar content can harm minors' physical and mental health).

From a sociological perspective, an excessive pursuit of traffic may lead to value flattening. Genuine works with depth and substance might be marginalized due to lack of traffic. Additionally, due to algorithmic "filter bubbles," the likelihood of "group polarization" increases significantly. Users are likely to fall into homogeneous information circles, reducing their exposure to different viewpoints and making their thoughts more extreme.

4. Conclusion

Social media platforms amplify herd behavior on an unprecedented scale and with unparalleled efficiency through algorithmic recommendations and designs for quantified visibility amid information overload. Economically, this reduces information costs and accelerates innovation diffusion (positive network externalities), but also causes market distortions (information cascades, resource misallocation) and negative externalities of chasing traffic. Sociologically, it fosters cultural sharing and community building but also exacerbates value flattening, group polarization, and the alienation of expression. The core dilemma lies in algorithms' over-reliance on popularity metrics, which crowds out value rationality in favor of instrumental rationality, undermining users' genuine preferences and long-term societal well-being.

Overcoming dilemmas requires transcending technological determinism and integrating diverse metrics. Platforms can address these issues by developing value-sensitive models that incorporate content quality weights and diversity compensation mechanisms—for example, Instagram's move to hide like counts increased post authenticity by 37%. Additionally, the government can improve relevant policies to fill gaps. For example, taxing negative externalities to control content output or

strictly reviewing algorithm transparency. Culturally, schools should promote media literacy education to foster students' critical thinking, content evaluation skills, and resistance to conformity. Media should also strengthen efforts to promote independent thinking, fostering a positive and healthy online environment. Meanwhile, social media platforms should transform conformity effects into drivers of innovation, cultural prosperity, and rational social construction, truly serving individuals' autonomous choices and society's healthy development. Future research should continue to focus on the impact of algorithmic evolution and new interaction modes on conformity, as well as the differences in and adaptability of conformity governance paths across cross-cultural contexts.

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