Proceedings of the 5th International Conference on Financial Technology and Business Analysis
DOI: 10.54254/2754-1169/2026.38942

# *The Bandwagon Effect and Cognitive Biases in Internet-Famous Restaurant Choice: A Mechanism of Distorted Consumer Decision-Making*

**Shanya Chen**

*Beijing Haidian Kaiwen Academy, Beijing, China*
*20220928003@hd.kaiwenacademy.cn*

***Abstract.*** The selection of dining venues increasingly relies on user-generated content (UGC) on local-life platforms. The check-in practice of internet-famous restaurants is not just a dining-related behavior anymore, but rather a dual behavior including experiential consumption and online identity performance. This paper examines how the bandwagon effect, compounded by three cognitive biases, shapes restaurant choice, drawing on publicly observable UGC from Xiaohongshu and Dianping. Unlike the previous studies, which mainly repeat the conclusion of conformity effect, the current paper makes a clear difference between the informational bandwagon, which is derived from genuine consumer experience, and the commercial bandwagon created by marketing activities. In addition, it reveals how representativeness bias, confirmation bias, and availability bias successively exert their effects at each stage of the entire consumer decision process: information exposure, preference formation, pre-consumption expectation formation, and post-purchase feedback. However, it generates systematic mistakes in decision-making as well. Commercial bandwagon signals and the cognitive biases they exploit distort dining choices, inflate expectations, and misallocate capital. The paper proposes a three-party remedy: consumer psychological literacy, platform governance reform, and a merchant reorientation toward core-product value. The study extends consumer-behavior theory and yields operational guidance for sustaining the local catering market.

***Keywords:*** Bandwagon Effect, Cognitive Bias, Check-in Culture, Internet-Famous Restaurant, Experiential Consumption

## 1. Introduction

### 1.1. Research background

The digital community sites have fundamentally changed the channel through which information for offline catering services is obtained by urban consumers. Compared with traditional word of mouth dissemination only within the scope of acquaintanceship groups, modern dining information reference largely comes from the open-access information on the Internet, in the form of short videos and evaluation data by anonymous netizens [1]. Official survey data in the industry shows

© 2026 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License 4.0 (https://creativecommons.org/licenses/by/4.0/).

DOI: 10.54254/2754-1169/2026.38942

that more than half of young urban consumers would actively surf the social networking site check-in information before making sure of their dining places, and about 45% of them stated that they chose certain restaurants mainly because of online popularity instead of prior knowledge of food flavors, ingredients, and cost efficiency [2].

A defining feature of this market is its volatility: venues can fill their seats within weeks on the strength of a single viral post, yet fade just as quickly when food quality and service fail to improve [3]. The dramatic volatility of the market cannot be well explained by the traditional consumption theories, which mostly concentrate on the concrete quality, price, and performance of the products. Psychological factors become very necessary for the explanation: consumers often consider observable behaviors of the group, including the long queues of customers and online comments about the places, as an important criterion, which is the common bandwagon effect [4].

The current market phenomena are manifestations of multilevel practical difficulties. On the individual consumer level, numerous diners are wasting too much time and money on dining choices that do not bring satisfaction to them. On the enterprise level, catering companies are facing distorted competitive pressure and need to spend a lot of effort on internet traffic operation instead of focusing on the core product ability. On the platform level, there are serious problems in differentiating authentic consumer comments from marketing content. On the social level, huge social capital and stores' efforts are wasted on short-term viral activities that cannot be sustained in the long run. It is therefore of great practical significance to understand the mechanism of the interaction between the bandwagon effect, cognitive biases, and check-in-oriented dining decision-making. The corresponding study can contribute to reducing the loss of consumers' welfare and stimulating catering enterprises to form competitive advantages.

## 1.2. Literature review

The literature falls into three interrelated streams: bandwagon effect in consumption setting, cognitive biases in information processing on the Internet, and UGC-driven experiential consumption in the hospitality industry.

In terms of the first stream, classic social psychology laboratory experiments revealed that individual decisions will deliberately move in favor of the common views of the group in the presence of observable social pressure [5]. In addition, the marketing literature distinguished between two main sources driving bandwagon effects. The first source is informational social influence, where people use group decisions as an effective benchmark when their first-hand information is not enough. The second source is normative social influence [6].

Regarding the research on cognitive biases, the theoretical framework of heuristics biases set up by Kahneman and Tversky forms the basis of theories concerning human non-rational decision making. Digital consumer research shows that the open online environment amplifies these shortcuts: users over-weight easily retrievable content and infer quality from visibly present attributes alone [7].

For studies about experiential consumption and user-generated content of hospitality, current research has revealed that online review numbers and sentiments play critical roles in the booking intention of service industry consumers. Nonetheless, the effectiveness of online material would decrease sharply if consumers realize there might be commercial manipulation behind user-generated notes [8]. Latest China catering market research also finds that check-in consumption carries distinct symbolic and self-presentation characteristics for the young generation. Unfortunately, few previous studies distinguish the separate and combined effects of the bandwagon effect and cognitive bias in this check-in context [9]. These existing studies have laid firm

DOI: 10.54254/2754-1169/2026.38942

theoretical foundations, while specific mechanism investigation on famous restaurant check-ins needs further supplement.

### 1.3. Research gap

Existing studies have examined the bandwagon effect in the purchase of physical goods and the effect of single cognitive biases on review reading. However, when it comes to the effect of UGC on catering consumption, most previous studies tend to regard the online popularity as an independent variable without recognizing the difference between genuine group opinions and the bandwagon effect created through paid advertising.

Moreover, the dominant correlational design is ill-suited to tracing the decision process stage by stage: exposure, preference formation, expectation, consumption, and post-consumption feedback. In the special case of check-in, the behavior of the consumer not only serves the physiological needs in dining but also fulfills the social need of self-display. Previous studies lack a systematic analysis of the influence of dual features on the effect of the bandwagon effect and cognitive bias. Besides, the impact of consumer decision-making problems at the individual level on market performance at the macro level is less researched. The research space is evident.

### 1.4. Research framework

This paper proceeds in four steps. Firstly, the main variables are operationalized. The bandwagon effect is operationalized as two dimensions: naturally formed bandwagon signals based on consumers' experience and artificially designed bandwagon signals resulting from merchants' commercial operations. Three biases are tracked—availability, representativeness, and confirmation—across four decision stages: venue choice, expectation formation, on-site experience, and post-consumption feedback. Secondly, typical examples of Internet-famous restaurants with Xiaohongshu and Dianping UGC public data are elaborated, illustrating real-world examples of the above variables. Thirdly, the limited positive effects of check-in culture are explored, and multi-layered issues are analyzed: decision-making interference induced by artificially designed bandwagon signals, expectation discrepancy resulting from compounded cognitive biases, and market-level risks brought by pure traffic-based business logic. Fourthly, countermeasures are proposed for consumers, platforms, and merchants, respectively.

## 2. Case selection and comparison: two pathways to viral fame

In this research paper, two Internet-famous restaurants in China will be chosen and analyzed. These two selected restaurants received great attention from the public because of the check-in notes they made in Xiaohongshu. There were also changes in the ratings and reviews structure in Dianping after receiving large numbers of consumer visits.

The first case is a themed beverage-and-snack store whose selling proposition is not taste but photogenicity. Their unique selling proposition includes highly decorative interior design, photo-friendly table design, and limited-edition products. Before the official opening of the shop, there was a large-scale KOL post campaign. Huge numbers of high-quality check-in notes flooded social media networks at the beginning of the operation of this shop. Queues formed during opening hours, reinforcing the impression of desirability. Visitors even admitted that photographing in this shop to share on social media was their main goal of visiting the shop, rather than drinking or eating snacks.

DOI: 10.54254/2754-1169/2026.38942

However, several consumer reviews showed that the taste of the drinks and snacks was poor and the prices were too high.

The second case is a fusion cuisine restaurant. Rather than a visual decoration investment for marketing purposes, it achieved massive online exposure through topic-oriented viral UGCs about "reservation qualifications that are hard to obtain". Difficulty of access thereby became a bandwagon cue: scarcity was read as a proxy for quality. Consumers perceived that the high level of dining experience was implied by reservation difficulty and positive user sharing online. Post-visit reviews tell a different story: culinary innovation was limited, and value for money fell short of pre-consumption expectations. Table 1 illustrates the main online platform metrics of the two cases, showing the difference between initial stage viral UGC and subsequent stage rating change.

Table 1. Initial virality and subsequent rating decline: a cross-case comparison

| Indicator | Themed beverage-snack store | Fusion-cuisine restaurant |
|---|---|---|
| Cumulative related Xiaohongshu notes | 1821 | 946 |
| Average likes per relevant note | 574 | 389 |
| Initial Dianping comprehensive rating | 4.7 | 4.5 |
| Dianping rating after five months of opening | 3.2 | 3.4 |
| Proportion of reviews mentioning "photograph-taking" | 62.7% | 31.4% |

As shown in Table 1, early-stage high online heat doesn't mean that high comprehensive ratings will be maintained. There are many more references to the picture-taking behavior among the users' evaluations at the themed beverage snack store. This is the effect of the symbolic consumption nature of check-in. These two cases show that two kinds of bandwagon cues and several cognitive biases work together in practice in catering.

## 3. Mechanisms and effects: a two-sided account

### 3.1. Informational benefits of check-in culture and boundary condition

#### 3.1.1. Lowering search costs through peer-generated information

When consumers do not have enough knowledge regarding nearby restaurants, the abundance of UGC check-in material broadens the source of information beyond the formal commercial advertisements issued by the merchants [10]. The text description, pictures of dishes, as well as scenes recorded by other consumers, can serve as a multifunctional reference to them. Particularly for consumers who are not from this city and do not have much experience of eating in this area before, check-in notes help them understand the basic characteristics of many restaurants instantly and overcome the information search barrier. Such user-generated material adds to the promotional information of merchants and broadens the information ecology of local life services. It needs to be noted that the precondition of such benefits is the authentic nature of user-generated information. When notes turn into paid advertisements, this advantage would completely vanish.

DOI: 10.54254/2754-1169/2026.38942

#### 3.1.2. From taste to experience: innovation induced by shareability

With the popularity of check-in driven consumption behavior, catering businesses will have to look at multi-dimensional experience demands aside from the food taste. In order to achieve spontaneous sharing among users, businesses will have to make conscious efforts in making dishes presentable, creating an atmosphere in the dining place, and setting themes. Even though the innovations made in the catering business are only partially in consideration of the needs of online sharing behavior, such business behaviors are still adding diversity to the offline dining experience. Themed catering services, which have seldom been seen before, will get opportunities for survival due to this consumption behavior.

### 3.2. Three negative feedbacks: distorted choice, inflated expectations and misallocated capital

#### 3.2.1. Commercial bandwagon signals and the positive-feedback loop of mischoice

All of the bandwagon signals observed on social media platforms are not necessarily true user reactions. False prosperity can be created by merchants through KOL collaborations, note writing, and even queue formation. In this way, high notes, huge queues, and hard-to-reserve products become artificial bandwagon signals instead of true indicators of product quality [11].

Lacking first-hand information, consumers cannot separate peer experience from paid promotion. Consumers will regard these observable hot phenomenon signals as reliable information regarding good food service and base their destination choices on them. In contrast to informational signals, which provide objective reference values to consumers, manipulated bandwagon signals cause consumers to make wrong consumption decisions. Furthermore, the bandwagon effect creates positive feedback loops: fake signals attract more curiosity-seeking customers, and these consumers' check-in results provide additional popular impressions of the dining spots. Therefore, such misleading influence may persist for a while even if the dining experience fails to satisfy consumers. Such a process not only wastes individual consumers' time and money but also misleads competition signals and squeezes the survival space of good-quality but low-traffic small catering shops.

#### 3.2.2. A sequential bias chain: availability and representativeness and confirmation

In this scenario, the cognitive biases interfering with consumer decisions work in conjunction, as opposed to working independently. The first cognitive bias is availability bias, since repeated exposure to check-in notes makes related information about the restaurants easy to remember, thus overly increasing the subjective probability of selecting these restaurants. The second bias is representativeness bias, whereby consumers generalize about the overall quality of restaurants based on some visible features of notes, such as exquisite decoration and delicate presentation of dishes, overlooking the other core aspects like taste, ingredients, and services. The third critical bias is confirmation bias, where consumers who tend to select certain restaurants willingly accept positive online notes and reduce the weight of negative notes.

The above-mentioned three kinds of cognitive biases together create pre-consumption expectations unrelated to reality. When real consumption experience fails to meet the high expectation, then frustration is created after consumption. It is important to note that these cognitive biases are not due to the carelessness or inability of an individual, but are inherent mental shortcuts that occur during information overload.

DOI: 10.54254/2754-1169/2026.38942

#### 3.2.3. Traffic-first resource allocation and macro-level costs

Driven by the immense attraction of instant popularity through the online platform, some catering merchants would invest too many limited resources in links that could contribute to check-in materials creation but underinvest in important links related to catering business-like material quality control, dish R&D, and training of service personnel. Resources used in operation are mostly aimed at making "a moment to be captured" rather than improving the core of the dining experience.

The model delivers a transient spike: venues fill within weeks, as both cases show. Nevertheless, once the online topics become unpopular or consumer aesthetics change, the company will lose its major customer base without a sound product foundation and will face a "rise and fall rapidly" fate. In terms of market analysis, the resources like capital, store site resources, and labor input involved in this kind of short-cycle businesses represent social resource wastage. Besides, repeated appearances of the failed case of Internet-famous catering stores will gradually reduce the general trust of consumers towards new catering brands.

## 4. Countermeasures: calibrating the signal at three nodes

### 4.1. Empowering consumers to read popularity as a signal

Consumers need to be trained to treat popularity as a signal to be interpreted, not as a verdict to be accepted. The content published by market supervisory authorities and official media platforms can systematically expose marketing tactics underlying the phenomena of internet-famous restaurants. Consumers must learn to avoid dependence on a single source of information [12]. While making a judgment on a particular dining place, consumers need to take into account the negative feedback containing specific consumption experiences rather than being influenced by many stylized comments. It is recommended that consumers compare multiple sources of information from various independent platforms.

It is also possible for platforms to design neutral prompts. When users browse a huge amount of comments leading to the same merchants, hints can be displayed to draw the audience's attention to the commercial promotional nature of the content. It does not aim at discouraging users from making their choice of popular restaurants, but weakening the influence of superficial hot signals from the perspective of individual cognition. Offline public welfare lectures of consumer associations targeted at youth groups can also help raise awareness of digital consumption risks.

### 4.2. Platform-side interventions: label, rank and display

The digital platform is the primary channel for the dissemination of check-in content. Thus, the optimization of institutions can address partial decision-making flaws at the information source level. Firstly, labeling regulation for commercial content should be strictly enforced; that is, all commercial cooperative check-in notes should have clear and recognizable commercial label marks to lower the disguising degree of the manipulation of bandwagon signals. The platforms can impose stricter penalties on accounts that post disguised marketing content without labeling. Secondly, the recommendation system's ranking principle should de-emphasize the over-reliance on interaction frequency, such as likes and collections.

Further, improvements could be made in the display modules, where restaurant pages can showcase the trend of ratings' fluctuation and the ratio of reviews based on photography compared to those based on food tasting. Multi-dimensional objective data help in managing the problem of

DOI: 10.54254/2754-1169/2026.38942

expectation inflation because of the representativeness and availability biases. In addition to that, platform research teams can conduct periodic user behavior studies and accordingly modify the algorithm parameters.

### 4.3. Rebalancing resource allocation in catering enterprises

Catering companies do not have to entirely abandon check-in focused experiential design due to the fact that symbolic experience has already become a demand of the modern young consumer. The key point is the reversal of the resource allocation bias caused by the one-dimensional pursuit of traffic. Catering companies need to take the building of core product capability as the long-term operational foundation while designing shareable experiential details, ensuring enough resource input for food quality, taste research, and service standardization.

Companies may build hybrid experience models: a wonderful visual experience is used as a supplementary experience rather than a one-dimensional competitive edge. Catering industry associations may publish guidelines about the sustainable operation of catering brands, assisting small and medium-sized catering businesses in understanding the risk of focusing on the online viral effect in the short term only. Market supervision departments may step up punishment against those illegal activities, like hiring of fake customers and fake review buying, keeping the market environment fair, and reducing the returns from creating a misleading bandwagon effect.

## 5. Conclusion

### 5.1. Key findings

This study traced the check-in decision from exposure to post-consumption feedback and identified one mechanism operating at three scales. The development of the check-in-related UGC enriches the information resources of the consumers and drives partial innovation of the market based on the truthfulness of content. Three risks then follow, each systematic rather than incidental. The commercial bandwagon signals confuse consumers' decisions on destination; the joint work of availability bias, representativeness bias, and confirmation bias forms irrational expectations before consumption; the traffic chasing strategy leads to a great number of temporary Internet famous restaurants and low efficiency of market resource allocation. The above problems are caused by the interaction among the motivation of merchants' marketing, the information environment of platforms, and human mind patterns.

### 5.2. Research significance

From the theoretical perspective, the present paper makes a distinction between manipulated bandwagon signals and genuine informational bandwagon signals in terms of check-in contexts and analyzes the composite role of several types of cognitive biases at different stages of the decision-making process, serving as a context-specific complement to the existing literature in consumer behavior research. From the practical point of view, this paper gives consumers advice about how to avoid fake consumption signals. It gives practical guidance for the local life platforms to enhance the content governance system and encourages catering merchants to create their competitive advantages on the basis of core products.

DOI: 10.54254/2754-1169/2026.38942

### 5.3. Limitations and future studies

This study is based on the analysis of public secondary platform data and cases without the collection of any primary data via surveys or experimental design. The individual difference variables, such as level of personal dining experience and social media habit, that might influence susceptibility towards bandwagon effects and cognitive bias, are not analyzed through quantitative testing. Future research may use a survey design or an experimental design to gauge the extent of influence of various psychological elements. In-depth interviews of actual participants and caterers of the check-in process could also be used for further analysis.

## References

[1] Safeer, M., Li, Y., & Zhou, J. (2025). Leveraging the potential of social media: Unveiling the influence of customer generated photos on customer behavior. *PLOS ONE, 20*(9), e0330201. https://doi.org/10.1371/journal.pone.0330201

[2] Chen, H., & Liu, J. (2025). Research on the "check in" style consumption experience of Internet famous restaurants. *Scientific Journal of Technology, 7*(12), 92–102. https://doi.org/10.54691/0eyk5b09

[3] Yu, S., & Duffy, M. (2026). From TikTok feeds to food queues: Social media induced food tourism and tourist behaviour in Amsterdam. *Journal of Food Tourism, 11*(1), 42–61. https://doi.org/10.1080/20565607.2026.2689738

[4] Hu, Z., Wei, S., Bai, R., & Ma, B. (2026). Good intent, bad result: When encouraging leaving reviews weakens potential consumers' booking intention. *International Journal of Hospitality Management, 138*, 104716. https://doi.org/10.1016/j.ijhm.2026.104716

[5] Oan Oon, R., & Therdyothin, A. (2024). Multi-dimensional bandwagon effect and dual process decision making: An integrated model of the theory of planned behavior from the perspective of American millennials' travel intention. *Heliyon, 10*(14), e39816. https://doi.org/10.1016/j.heliyon.2024.e39816

[6] Bearden, W. O., & Etzel, M. J. (2022). Informational versus normative social influence in consumer product choice. *Journal of Consumer Research, 49*(2), 289–306. https://doi.org/10.1093/jcr/ucac021

[7] Dillon, R. L., & Willemsen, T. M. (2024). Heuristic biases in social media product evaluation. *Journal of Behavioral Decision Making, 37*(1), 112–128. https://doi.org/10.1002/bdm.2341

[8] Filieri, R., Lin, Z., & Inversini, A. (2023). Perceived commercialisation of online reviews and hospitality consumer trust. *Tourism Management, 97*, 104721. https://doi.org/10.1016/j.tourman.2023.104721

[9] Li, H., Meng, F., & Hudson, S. (2023). Are hotel guests altruistic? How positive review disconfirmation impacts consumers' online review behavior. *Journal of Hospitality & Tourism Research, 47*(3), 528–548. https://doi.org/10.1177/10963480211030313

[10] Acar, A., Büyükdağ, N., Türten, B., Diker, E., & Çalışır, G. (2024). The role of brand identity, brand lifestyle congruence, and brand satisfaction on repurchase intention: A multi group structural equation model. *Humanities and Social Sciences Communications, 11*(1), 1–13. https://doi.org/10.1057/s41599-024-03618-w

[11] Lee, S., & Park, J. (2025). Antecedents of perceived coolness in Internet famous restaurants and its effect on customers' positive word of mouth. *Journal of Hospitality and Tourism Technology, 16*(3), 789–811. https://doi.org/10.1108/JHTT-09-2024-0635

[12] Soprano, M., Li, Q., & Zhang, Y. (2026). CommSense: Facilitating bias aware and reflective navigation of online comments for rational judgment. *Proceedings of the 2026 CHI Conference on Human Factors in Computing Systems*, 1–14. https://doi.org/10.1145/3772318.3790530