

What is Bandwagon effect in Psychology?

This refers to the tendency among people to do something simply because others around them are doing it. The bandwagon effect causes people to ignore their own beliefs and independent thought process, instead leading them to find comfort in the wisdom of the crowd. It has been seen as the root cause behind the prevalence of irrational beliefs and practices among the masses, as everyone jumps onto the bandwagon of conventional opinion.

The most common example of the bandwagon effect is the prevalence of bullish and bearish sentiments in financial markets, which causes asset prices to deviate significantly from their underlying value.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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