

The Psychological Effects of Fear of Missing Out (FOMO) on Consumer Behaviour with a Focus on Social Media

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Abstract: The emergence of social media has affected consumer behavior. Fear of missing out (FOMO), which is linked to anxiety and the urge to uphold social interactions with others, is one of the variables driving these decisions. This study provides a deeper understanding of FOMO and its impact on consumer behavior based on Self-Determination Theory (SDT) and Information Foraging Theory. This report explores the relationship between FOMO, social media, and consumer behavior. The report concludes that FOMO forces consumers to seek feedback and information before making a purchase, thus greatly influencing the decision-making process. This study capitalizes on secondary research, specifically, literature analysis, to facilitate the exploration of the intricate dynamics of Fear of Missing out (FOMO). Specifically, it entails the use of already existing data to investigate the phenomenon of Fear of Missing out (FOMO) within the context of social media and its influence on consumer behavior. In addition, the report offers potential solutions to mitigate the negative effects of FOMO.

1 INTRODUCTION

Due to the rising usage of digital technology, which has improved public participation and connectedness, the fear of missing out (FOMO) has gained prominence. This essay focuses on how FOMO manifests on social media platforms to investigate the connection between these two phenomena. As Rozgonjuk and colleagues point out, FOMO is characterized by a tendency to feel anxious about potentially missing out on something and a perceived need to be constantly connected to social networks (Rozgonjuk et al. 2020). The authors also emphasize that social media platforms contribute significantly to the perpetuation of FOMO by enabling users to consume, create, and share content (such as images and videos). This can lead to all kinds of comparisons and dissatisfaction among users, who will feel like they are being missed out (Rozgonjuk et al. 2020).

The study explores the importance of the complex relationship between FOMO, social media, and consumer behavior. Roberts and David posit that FOMO is prevalent among young adults and adolescents, especially those who use social media frequently and intensely, as it influences their need to

belong (Roberts & David 2020). Other aspects of social media, such as the increased convenience of direct shopping on social media and the desire to be part of a trend or community that can influence brand preferences and loyalty, are indicated as intensifying FOMO. As a result, FOMO has skyrocketed with the increased adoption of social media. Thus, this research is key to providing marketers and businesses with insights to tailor their strategies on social media allowing for the development of targeted campaigns resonating with the emotional and social aspects associated with FOMO, ultimately influencing purchasing behaviors.

This study capitalizes on secondary research, specifically, literature analysis, to facilitate the exploration of the intricate dynamics of Fear of Missing out (FOMO). Specifically, it entails the use of already existing data to investigate the phenomenon of Fear of Missing out (FOMO) within the context of social media and its influence on consumer behavior. The advantage of using secondary research is that it allows for an in-depth exploration of FOMO based on existing literature concerning the psychological intricacies associated with FOMO (George 2023). Additionally, the conducting of the literature review fosters the

identification of key themes, theories, and empirical studies related to FOMO, social media, and consumer behavior. Also, the study integrates prominent theories, such as the Self-Determination Theory, the belongingness hypothesis, and the information foraging theory, to establish a robust theoretical framework for understanding the psychological mechanisms underlying FOMO. Lastly, the research process constituted the selection of relevant peer-reviewed articles from scholarly databases such as Google Scholar, Journal Storage (JSTOR), and statistical databases such as Statista.

Consequently, it facilitates the investigation of how the fear of missing out manifests in the context of social media platforms and establishes the relationship between FOMO and social media. Also, the report aims to analyze how FOMO influences consumers' decision-making process, particularly in the realm of purchasing choices, thus establishing the role of social comparison and the need for social validation in shaping consumer decisions influenced by FOMO. These objectives provide a comprehensive framework for delving into various aspects of the relationship between FOMO, social media, and consumer behaviour via the lens of psychological effects.

2 LITERATURE REVIEW

Scholarly work by Savitri finds that FOMO hurts psychological well-being, especially in self-acceptance and positive relations with others (Savitri 2019). Thus, the author suggests that FOMO may lead to lower self-esteem, social comparison, envy, and dissatisfaction with one's life. Kacker and Saurav support this stance by noting that FOMO is associated with psychological factors such as anxiety, depression, aggression, and low self-esteem, as well as negative consequences such as reduced academic performance, impaired sleep quality, and increased stress levels (Kacker & Saurav 2020). However, they argue that FOMO can be reduced by enhancing one's psychological needs for competence, autonomy, and relatedness, as well as by limiting one's exposure to social media and developing healthy coping skills (Kacker & Saurav 2020). Given the impact FOMO is implied to have on consumers' psychological factors, Argan and Argan contend that FOMO can lead to 'Fomsumerism' which is the tendency to consume products, services, or experiences that are perceived as desirable, scarce, or status-enhancing by others, to reduce the gap between one's own and others' situations (Argan et al. 2019). Consumerism can be

associated with the effect FOMO has on consumer behavior with social media amplifying the effects.

While existing scholarly research illuminates the adverse psychological effects of Fear of Missing out (FOMO), particularly on self-esteem, mental well-being, and consumer behavior, there appears to be a potential gap in understanding the nuanced mechanisms and contextual factors that may moderate or exacerbate these effects. Additional investigation is necessary to uncover how individual differences, cultural factors, and diverse patterns of social media usage may influence the effects of FOMO on psychological aspects and consumer behavior. This will help to understand this common phenomenon in more detail.

3 THE PSYCHOLOGICAL BASIS OF FOMO

3.1 Self-Determination Theory (SDT)

This study mainly uses self-determination theory (SDT) and information foraging theory to explore the psychological basis of FOMO. According to Deci and Ryan, the core idea of SDT is that individuals have three basic psychological needs: autonomy, competence, and relevance (Ryan & Deci 2022). Autonomy is about doing things according to the values and interests. Moreover, the SDT explains the relationship between the psychological underpinnings of FOMO and consumer behavior via the viewpoint that FOMO can undermine the satisfaction of these SDT needs, especially autonomy and relatedness. Since FOMO can make consumers feel pressured to buy or consume certain products or services that they may not truly value or enjoy and make them feel insecure and dependent on external validation, as Milyavskaya et al. points out, it compromises their autonomy needs and weakens their relatedness (Milyavskaya et al. 2018). Thus, SDT argues that FOMO affects the satisfaction of these needs, which is essential for optimal psychological effects.

3.2 The Information Foraging Theory

Consumers' increased need for relatedness and autonomy presented in the SDT is highlighted as the key underpinnings that perpetuate cognitive and affective states, such as curiosity, boredom, and anxiety. According to Roberts and David, drawing on the belongingness hypothesis and information

foraging theory to explain the psychological mechanisms behind FOMO, they argue that FOMO is driven by the innate human need to belong and to seek information that is relevant to one's social goals and interests (Roberts & David 2020). This is something social media facilitates as it not only provides a rich source of such information but also creates a sense of uncertainty and anxiety about missing out on valuable social opportunities and rewards. Consequently, the abundance of information on social media creates a sense of anxiety and uncertainty among users who fear missing out on the latest news or deals and desire increased relatedness. The information foraging theory posits that humans generate an excess of information, leading to a scarcity of attention and an increased necessity to allocate that attention in a manner that is both effective and efficient, thus affecting the resources needed to establish a person's autonomy and relatedness due to increased reliance on social media for relevant and valuable information about products, services, and trends (Jaiswal et al. 2023). In short, the interplay of the Self-Determination Theory, the belongingness hypothesis, and the information foraging theory reveal that the heightened need for relatedness and autonomy, compounded by social media's simultaneous provision of rich information and instigation of anxiety about potential social opportunities, all of which fuels the psychological intricacies of FOMO, ultimately impacting users' autonomy and relatedness establishment.

4 RESEARCH FINDINGS

This report gathered existing scientific data to provide an overview of the prevalence of FOMO, its emergence in the era of social media, and its psychological effects on consumer decisions. According to Sas, 77% of internet users in Poland indicated experiencing high FOMO, as in Fig.1 below (Sas 2023). Additionally, most existing literature indicates that FOMO disproportionately affects social media users, especially young people. Additionally, most existing literature indicates that FOMO disproportionately affects social media users, especially young people. Sas highlights the prevalence of FOMO among young people, with the greatest number of social media users exhibiting high FOMO being young people, as shown in Fig.2 (Sas 2022).

A study by Ilyas and others presents that FOMO mediates the effects of social media content on purchase decisions and satisfaction (Ilyas et al. 2022).

This means that consumers exposed to social media content that shows favorable and relevant information about a product are more likely to experience FOMO, which motivates them to buy the product and feel satisfied with their purchase. Specifically, FOMO was massively influenced by social media content with a standardized estimate of 0.49, which impacted consumer purchase decision decisions by 0.253 with a p-value of 0.017, thus establishing a relationship between social media content and purchase decision with FOMO as a mediating variable as indicated in Table 1 below.

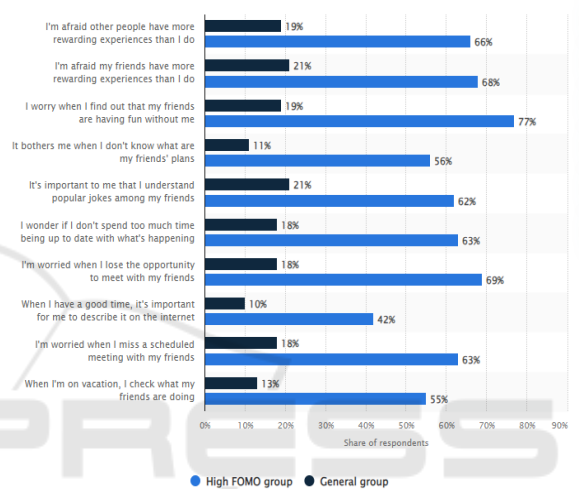


Figure 1: FOMO (Fear of Missing out) scale in Poland in 2022 (Sas 2023).

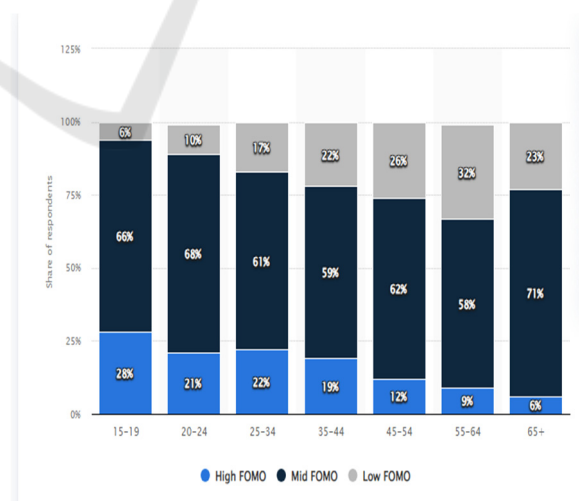


Figure 2: Age percentage of Polish Internet users in 2022 who are afraid of missing news (Sas 2022).

Table 1: Hypothesis Test Results (Ilyas et al. 2022).

	Standardised estimate	Estimate	Default error	P-value	Result
FOMO ← Social Media Content (H1)	0.49	0.709	0.163	***	Supported
Purchase decision ← FOMO (H2)	0.253	0.184	0.077	0.017	Supported
Purchase decision ← Social Media Content (H3)	0.572	0.6	0.124	***	Supported
Satisfaction ← Purchase decision (H4)	0.748	0.825	0.117	***	Supported
Purchase decision ← FOMO ← Social Media Content (H4)	0.124	Sobel Test Statistic = 2,217	0.055	0.026	Supported
Satisfaction ← Purchase decision ← FOMO (H6)	0.189	Sobel Test Statistic = 2,922	0.064	0.003	Supported

5 DATA ANALYSIS

5.1 Psychological Effects of FOMO on Consumer Behavior

This research gathered that FOMO had massive psychological effects with social media platforms facilitating the propagation of the FOMO. In support of these findings, Jabeen et al. reflect on how FOMO influences users' psychological processes by leveraging the relatedness element of the SDT and articulate that narcissism is positively correlated with FOMO, meaning that users who experience FOMO are more likely to adopt admiration and rivalry processes on SMPs (Jabeen et al. 2023). Some of the key catalysts that activate FOMO among users of Social Media Platforms (SMPs) are time cost and anxiety. Users who perceive higher levels of time spending and anxiety are more likely to experience FOMO, indicating a positive relationship with these factors (Jabeen et al. 2023). This can be attributed to various elements of social media, including the integration of direct shopping features. According to Tu Dinh et al., these functions make it easy for followers to buy products endorsed by influencers without leaving the platform, thus creating a sense of urgency for followers to worry about missing the latest trends or transactions (Dinh et al. 2023). Furthermore, direct shopping on social media triggers comparisons between followers, which affects their need for relevance and, in turn, their need for autonomy, as they are more likely to imitate others. On this basis, Alfina et al. believe that FOMO significantly affects consumer behavior, including motivation, purchase intention, purchase behavior, consumption behavior, and post-purchase evaluation (Alfina & Mardhiyah 2023). Thus, while time costs and anxiety are the main triggers for activating FOMO, the combination of direct purchase features

on social media reinforces these effects, fostering a high sense of urgency and impulsivity among subscribers. This, in turn, affects their need for social comparison and relevance and ultimately influences many aspects of consumer behavior.

5.2 Implications for Marketing and Businesses

The findings of this study observed that FOMO had a considerable influence on purchase decisions and consumer satisfaction which pose massive implications on the effectiveness of the marketing strategies implemented. Concerning this stance, Kang and colleagues argue that FOMO explains consumer decisions by suggesting that consumers are motivated by two psychological traits: desire for belonging and anxiety about isolation (Kang et al. 2018). The article sheds light on this study's results by articulating that consumers with a strong desire for belonging tend to seek stability and recognition from others by following the consumption trends of the mainstream group. Those with the high anxiety of isolation tend to avoid being excluded or discriminated against by the mainstream group by imitating their consumption behavior, thus increasing the interest and conformity consumption of culturally associated brands among consumers. Comparably, Flecha Ortiz et al. postulate that FOMO affects the decision-making process of consumers by triggering consumers to seek information and feedback from social media before making a purchase decision, thus influencing their anticipated emotions and motivation to participate in social media activities and increasing the consumers' purchase intention and loyalty (Flecha Ortiz et al. 2023).

Consequently, the practical implications for marketers and businesses are that they should use social media and online platforms to disseminate

information and influence consumers' attitudes and emotions toward culturally associated brands. Moreover, based on this discussion, leveraging social media to create FOMO is highlighted as a key strategy for marketers and businesses, coupled with the awareness of the factors that can affect the intensity of FOMO among consumers. However, several strategies can be used to mitigate the effects of FOMO on consumer behavior such as the provision of clear and accurate product information to avoid creating false expectations or exaggerated claims that can trigger FOMO, which is key to avoiding using manipulative tactics, such as fake scarcity or urgency, that can create anxiety and distrust among consumers (Alabri 2022). Also, businesses providing value and quality to their customers instead of relying on temporary hype or trends are key to facilitating the mitigation of the negative effects associated with FOMO. Therefore, this essay deduces that consumer decisions are influenced by FOMO, where individuals motivated by a desire for belonging or an anxiety of isolation tend to conform to mainstream consumption trends, prompting marketers and businesses to leverage social media to create FOMO strategically.

6 CONCLUSION

This research revolves around the psychological effects that Fear of Missing out (FOMO) has on consumer behavior. Specifically, it focuses on how FOMO manifests in the social media realm. The research findings are anchored on statistical evidence and depict that FOMO influences the decisions of consumers and acts as a mediator between the content of social media and their decisions to purchase. Besides, FOMO is catalyzed by psychological aspects of time cost and anxiety, which are identified with the integration of social media to direct shopping to intensify the effects. As such, the study gives valuable references to guide future research on possible avenues that brands can leverage on social media in fostering FOMO and accentuating the significance of clear brand information and ethical practices to prevent adverse consequences. Therefore, future research should focus more on individual differences, cultural influences, and evolving social media usage patterns to unravel the evolving dynamics of FOMO and its impact on the ever-changing landscape of consumer behavior.

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