



Literature Review : FoMo in Digital Marketing Strategy Related to the Innovation Diffusion Process

Ratih Anggoro Wilis¹, Dominica A. Widyastuti²

¹ Universitas Siber Asia, Jakarta, Indonesia

² Bakrie University, Jakarta, Indonesia

Email : ratihanggoro@lecturer.unsia.ac.id dominica.widyastuti@bakrie.ac.id

Abstract. *In the ever-evolving era of digital marketing, the diffusion of innovation and the phenomenon of Fear of Missing Out (FoMO) become two interrelated elements, creating a dynamic and highly competitive marketing strategy. Diffusion of innovation, as a concept that describes the spread of new ideas or technologies in society, is a strategic key for companies that want to win the hearts of consumers. FoMO, on the other hand, is an emotional force that can be utilized as a digital marketing strategy. The fear of missing out on the latest trends or opportunities drives consumers to be more responsive to ongoing innovations. This is where the combination of innovation diffusion and FoMO creates a unique opportunity for companies. This research was conducted through a literature review study derived from 20 published journals/articles. Literature search through Google Scholar, Repect.Org, Knowledge Map, Mendeley, Schi Hub and Science Direct. The keywords used were "Fear of Missing Out" and "Diffusion of Innovation". By understanding the interplay between innovation diffusion and FoMO, companies can design digital marketing strategies that not only accelerate the adoption of new products or services, but also build communities, creating a sense of uniqueness and exclusivity that can be a powerful driver to ensure the successful launch of innovations in the fast-paced digital marketplace.*

Keywords : Digital Marketing, Fear of Missing Out, FoMO, Innovation Diffusion

1. INTRODUCTION

Technological advancements, social environmental changes, and other macro-environmental shifts occurring in society have an impact on changes in the lifestyle of communities. The evolution of digital technology and the transition from Industry 4.0 to 5.0 are driving consumers to seek products and services that are practical and fast. The development of these consumer desires and expectations presents an opportunity for marketers to create and introduce new products. Various new products are being developed in response to these opportunities. The presence of electric cars can significantly influence the purchasing decisions of consumers. The growth of online stores, both in terms of quantity and quality of services, has increased during the ongoing COVID-19 pandemic. This indicates that marketers are challenged to create products that align with consumer preferences in order to capitalize on existing opportunities.

Well-designed new products, when introduced to the market, may not necessarily be embraced by the public. Some products fail when launched, such as New Coke from Coca-Cola, and Timor and Tara Nasiku cars are examples of products that had limited success upon introduction to the market. One contributing factor to a product's failure is often the mismatch between the characteristics of the product and consumer expectations. Additionally, failures frequently stem from inadequate distribution channels and marketing communication

strategies. Mistakes in strategy often occur due to limitations in the company's marketing information systems, which may not fully capture consumer behavior aspects. Understanding consumer behavior in relation to product innovation and the diffusion process is crucial, especially considering the current trend where consumers, in the face of change, are inclined to try new things and purchase new products more frequently and rapidly. In the context of consumer behavior during the innovation diffusion era, the Fear of Missing Out (FoMO) phenomenon is not unfamiliar. According to (Przybylski et al., 2013) stated that every individual experiencing FoMO may find themselves inclined to engage with social media. Characteristics of individuals experiencing FoMO include a compelling urge to consistently use social media. Besides, FoMO is a strong desire to stay connected with the activities of others through social media. Research conducted by the Australian Psychological Society indicates that, on average, teenagers spend 2.7 hours per day on social media and are reported to experience FoMO. The study also found that teenagers are significantly more likely (50%) to experience FoMO compared to adults (25%).

To date, existing research in the field of FoMO has predominantly focused on psychological perspectives, where the understanding of FoMO has aided in comprehending its impact on an individual's well-being and provided explanations for negative social behaviors and learning (Przybylski et al., 2013). Furthermore, it suggests varying levels of effectiveness of FoMO in relation to vulnerability and the degree of frustration, anxiety, and feelings of inadequacy (Abel, 2016).

The diffusion of innovation is closely related to the phenomenon of FoMO (Fear of Missing Out) within the context of digital marketing strategies. FoMO is an individual's anxiety or fear of missing out on something considered as a trend or highly attractive opportunity. When combined with the diffusion of innovation, digital marketing strategies can leverage FoMO to accelerate the acceptance of new products or services. Through an in-depth analysis of digital marketing strategies, the objective of this research is to understand the effects of FoMO through the use of scarcity messages and its influence on consumer behavior. By comprehending the interplay between the diffusion of innovation and FoMO, companies can design digital marketing strategies that not only expedite the adoption of new products or services but also foster communities, create a sense of uniqueness and exclusivity that can serve as potent drivers to ensure the success of innovation launches in the rapidly evolving digital market.

2. LITERATURE REVIEW

Diffusion of Innovation

Rogers (1983) defined diffusion as the "process by which an innovation is communicated through certain channels over time among the members of a social system." The theory of innovation diffusion is a process in which innovation is communicated through specific channels over time among members of a particular system (Soekendar & Pratiwi, 2023). Innovation diffusion is the process by which an innovation (a new product or idea) is adopted by members of a community or a specific social group through a series of stages: knowledge, persuasion, decision, implementation, and confirmation (Holland, 2017). The concept of innovation diffusion theory emphasizes the process and reasons why ideas and practices can be adopted and have the potential to spread within a specific timeframe. The four main elements of this theory are innovation, communication channels, social systems, and time. Innovation and technological advancements are the two key elements that businesses have focused on, serving as the primary focus for academics applying digital marketing-based diffusion theory. Companies can use this diffusion theory to make decisions in implementing innovations by aligning with technological advancements. The fundamental assumption of innovation diffusion, as stated by (Nurhadi & Kurniawan, 2017), is that mass media has varying impacts at different points in time; from generating knowledge to influencing adoption or rejection. The theory of innovation diffusion represents an existing change emerging due to platforms developed by innovators. Advanced innovators possess extensive technical understanding and knowledge, enabling them to build internal innovations within the social system. The innovation process can be a significant challenge when people are hesitant to embrace change (Holland, 2017).

Fear of Missing Out (FoMo)

FoMO was first introduced by Patrick McGinnis, an American author, in 2003, in an article titled 'Social Theory at HBS McGinnis' Two Fos.' FoMO is defined as the fear of being left out of information or moments on social media. FoMO is an acronym for Fear of Missing Out, signifying the anxiety associated with missing information. It can lead individuals to feel that others' lives on social media are more enjoyable than their own. The Department of Psychology at Nottingham Trent University defines FoMO as a condition that can cause individuals to behave irrationally on social media. FoMO is closely linked to social media, particularly the fear of missing out on current discussions and information (Ilyas et al., 2022).

FoMO is an emotional response that believes others are leading better and more satisfying lives, or there is a feeling that important opportunities are being missed (Hussain et

al., 2023). FoMO often triggers feelings of discomfort, dissatisfaction, depression, and stress. The FoMO theory is identified as an intense concern experienced by an individual marked by a constant desire to stay connected with what others are doing and a fear that others may be having experiences elsewhere where the individual is not present (Przybylski et al., 2013). Digital marketing strategies not only concentrate on promoting products or services but also on establishing relevant and meaningful connections with consumers in the continually evolving digital era (Anggoro Wilis & Faik, 2022)(Wilis et al., 2021).

Using FOMO elements in promotions, such as time-limited offers or exclusive discounts, can increase customer engagement. For example, in (Wilis & Nurwulandari, 2020), Traveloka can announce special offers that are only valid for a certain time, encouraging consumers to book immediately so they don't miss out.

Digital Marketing Strategy

Digital marketing strategy is the endeavor or activity of promoting a brand, products, services, or business using digital media. Some common types of digital media include social media, websites, email, search engine marketing, and so on (Di & Ekonomi, 2023). Digital marketing strategy is a systematic approach to leverage online platforms and channels to achieve the marketing goals of an entity. Involving a series of integrated actions, this strategy aims to build a strong online presence, target the audience accurately, and optimize consumer interactions (Wilis, 2023). Digital marketing strategy is a concept that revolves around maximizing the use of digital networks as its primary commodity (Purmayanti et al., 2023). Therefore, it is not surprising that digital advertising is currently conducted through various social media channels, along with official website platforms, and with the assistance of search engines.

3. METHODS

This study employs a literature review method to examine the role of Fear of Missing Out (FoMO) in Digital Marketing Strategy in relation to the innovation diffusion process. Literature was gathered based on previous research using electronic databases such as Google Scholar, Repect.Org, Knowledge Map, Mendeley, Sci Hub, and Science Direct. Keywords used include "FoMO," "Digital Marketing Strategy," and "Innovation Diffusion." In this research, inclusion criteria were applied with considerations such as: (1) Journals written in both Indonesian and English, (2) Journals published between 2020-2023, (3) Journals that predominantly focus on FoMO associated with Digital Marketing Strategy, (4) Available in

full-text format. The literature search based on keywords and inclusion criteria resulted in a total of 20 journals.

The literature review was conducted by analyzing the abstracts and titles of articles based on the specified keywords. Subsequently, screening was performed, and the full text of each article was sought. Only studies that met the criteria were used to answer the research questions and draw conclusions.

4. RESULTS

Diffusion of Innovation in Digital Marketing Strategy

The concept of marketing continues to evolve, transitioning from product-driven marketing (Marketing 1.0), moving towards customer-centric marketing (Marketing 2.0), and ultimately embracing human-centric marketing (Marketing 3.0) (Di & Ekonomi, 2023). Business transformations are ongoing, moving towards the era of innovation diffusion can be interpreted as the way in which new products or services are introduced and adopted by the consumer market. In developing marketing strategies, understanding how innovation is disseminated and embraced by consumers can serve as a valuable foundation (Talwar et al., 2020). One crucial aspect of marketing strategy is identifying distinct consumer groups in the diffusion process. Based on Rogers' classification, marketers can understand that innovators and early adopters are segments more open to new products or services. Therefore, marketing strategies can be tailored to target these groups with more innovative and product excellence-oriented approaches (Laili & Widyastuti, 2023).

The innovation process is not only viewed from the perspective of technical or technological changes but also from the aspect of institutional transformation (Dibrov, 2015). The influence of innovation diffusion is identified as a nominative determinant of user behavioral intention to adopt social media marketing, while behavioral intention is also found to have a significant positive relationship with user behavioral intention to adopt social media marketing. Moreover, the results of empirical studies indicate that subjective norms moderate the relationship between innovation diffusion and customer behavioral intention (Farajnezhad et al., 2021).

Over time, marketers also need to accommodate the needs and preferences of the early majority, late majority, and laggard groups. Marketing should be tailored to meet different comfort levels and risk levels among these groups. By understanding the dynamics of diffusion, marketers can develop more effective campaigns, such as providing customer testimonials from early adopter groups to strengthen the trust of the majority groups.

Furthermore, the concepts of relative advantage, sustainability, complexity, compatibility, and communicability from the innovation diffusion theory can also assist marketers in designing more persuasive and relevant marketing messages. Emphasizing the benefits of products or services, minimizing implementation complexity, and ensuring alignment with consumer values and needs are crucial in crafting successful marketing strategies.

The Role of Fear of Missing Out in Shaping Digital Marketing Strategies in Relation to Innovation Diffusion

FoMO is often associated with negative psychological situations. However, studying FoMO in the context of marketing reveals that it can elicit positive responses in consumer behavior (Alfina et al., 2023). Fear of Missing Out arises from the easily accessible flow of media (Fatahilah et al., 2023). The influence of social media in providing information is undeniable in today's era. How the received information is then processed as a reference that aids in decision-making for purchases always remains an interesting topic for discussion (Ilyas et al., 2022). FoMO becomes highly significant for consumer behavior experts and marketing practitioners. Furthermore, specific emotions can moderate the effect of attraction towards consumer purchase intention for recommended hedonic services/experiences (Good & Hyman, 2021). The allure associated with FoMO can influence consumer purchase intentions. Specifically, this allure can reinforce purchase intentions by enhancing the anticipated joy and self-improvement for consumers, or weaken purchase intentions by heightening anticipated spending regret.

Previous studies have indicated that consumer habits are influenced not only by brand quality and price but also by psychological factors such as peer pressure (Widyastuti, 2019). Due to the absence of communication barriers, an individual's inclination to follow others emerges as a motivation (Yaputri et al., 2022). Marketers should strive to develop strategies and FoMO appeals that manipulate consumer motivations (Saavedra & Bautista, 2020).

From the results of the literature study, it is revealed that social media has become the orientation and medium for businesses today (Rozalinna & Lukman, 2022). The tools and methods for communicating with customers have changed significantly with the emergence of social media, becoming channels and instruments that marketers can use to expand their marketing campaigns to a broader audience. The influence of innovation diffusion is identified as a nominative determinant for adopting social media marketing (Farajnezhad et al., 2021). Besides, Influencer Marketing has an impact on Fear of Missing Out (FoMO) (A et al., 2023).

From the analysis of literature studies, FoMO has been identified as a mediating variable between purchasing decisions and social media content (Ilyasa, Rahmia, Tamsaha, & Yusriadib, 2022). FoMO can mediate between social media content and purchasing decisions. This is because social media provides various information to potential consumers as references that influence purchasing decisions (Purmayanti et al., 2023). It is also revealed that brand credibility and FoMO have a direct impact on consumer purchase intentions for fast fashion products (Jurnal 22 - Non-sustainable Buying Behavior How the Fear of Missing out Drives.Pdf, n.d.). FoMO has a negative moderating effect on the relationship between brand credibility and fast fashion purchase intention. It is revealed that consumers with strong FoMO are less influenced by brand credibility when making purchasing decisions compared to those who do not have FoMO. Meanwhile, the role of social media influencers, a new type of opinion leader, is considered as role models for their followers and significantly influences their attitudes and behaviors. The desire to emulate influencers and materialism mediate the influence of influencers on their followers' purchase intentions. Additionally, the fear of missing out (FoMO) plays a moderating role in this relationship by altering the impact of influencer exposure on materialism and purchase intentions (Hendrayati et al., 2024). These findings contribute to the current literature on social media influencers, the desire to emulate, materialism, and FoMO, and also provide recommendations for influencers and marketers in their strategies (Dinh et al., 2023).

Fear of Missing Out (FoMO) plays a mediating role that strengthens the relationship in consumer purchasing decisions, highlighting the importance for marketers to pay attention to the psychological and emotional aspects of consumers (Tania et al., 2023). The heightened fear of loss influences purchasing behavior. It has been observed that this is consistent across genders but varies based on educational levels and sources of income (Bekman, 2022).

Alongside the FoMO phenomenon, product characteristics influence excessive consumption behavior as consumers may exhibit different behaviors for different product categories (Kang & Ma, 2020). Marketers should be able to provide products and services that align with the needs, as well as advertising messages for the young consumer groups experiencing high levels of FoMO when defining their marketing strategies (Kang et al., 2020).

Fear of Missing Out (FoMo) has a significant impact on the innovation diffusion process and can be a key element in designing digital marketing strategies. In the context of innovation diffusion, FoMO reflects individuals' or groups' concern about missing opportunities or benefits that may arise from adopting the innovation. In digital marketing strategies, marketers can leverage FoMO as a driver to encourage the adoption of innovation.

5. CONCLUSION

Marketing strategies that incorporate Fear of Missing Out (FoMO) as a key element have become a powerful tool in generating consumer interest, both in the realm of digital and offline campaigns. In the digital era, FoMO is often implemented through tactics such as countdowns, limited offers, and product exclusivity designed to create a sense of urgency among consumers. Successful digital campaigns with FoMO can create an atmosphere of exclusivity that drives impulsive purchases and active consumer participation.

The impact of marketing strategies with FoMO can also be observed in the context of the innovation diffusion process. By instilling a sense of urgency to adopt a product or service, this strategy positively influences the innovation adoption cycle in the market. Consumers, driven by the fear of missing out, tend to be pioneers in adopting innovation, forming an early base that can stimulate further adoption among the masses. Thus, FoMO becomes not only a marketing tool but also a catalyst to accelerate the spread of innovation.

The importance of FoMO is also evident in offline marketing campaigns. Exclusive events, limited offers, or product launches in specific physical locations can create the same desire and unmet needs among consumers. The applied sentiments of exclusivity and urgency through these tactics motivate consumers to participate directly, creating a deeper and more relevant experience.

Of course, the success of marketing strategies with FoMO depends on a profound understanding of consumer behavior and the market. Marketers need to understand how to manage FoMO elements without creating unwanted pressure on consumers or harming the brand image in the long run. With careful understanding, FoMO can become a powerful sales and innovation adoption driver, enriching the consumer experience and weaving a strong engagement between the brand and its audience.

The success of digital marketing strategies in dealing with innovation diffusion relies on the utilization of social proof. Social media allows marketers to share testimonials, positive reviews, and experiential stories from consumers who have adopted the innovation. Through this social proof, digital marketing strategies can build consumer trust and reduce doubts, creating a FoMO domino effect that stimulates consumers to join the wave of innovation adoption. By understanding the psychological dynamics of FoMO and integrating it into digital marketing strategies, marketers can achieve higher levels of innovation adoption and expedite the journey of new products or services to the market.

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