



The Effect of Fear of Missing Out on Impulse Buying in the Context of S-Commerce

Ni Luh Debby Maharani Eka Putri¹; Sulhaini²; Akhmad Saufi²

¹ Master of Management, Faculty of Economics and Business, University of Mataram, Mataram, Indonesia

² Department of Management, Faculty of Economics and Business, University of Mataram, Mataram, Indonesia

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Abstract

This research aims to analyze the influence of Fear of Missing Out (FOMO) on impulse buying and the moderating role of price discounts, focusing on local skincare brands in Indonesian social commerce (s-commerce). The population of this research is female consumers in Indonesia who have bought local skincare products on s-commerce. The sample for this research is 150 people. Data collection was carried out through an online survey using Google Forms. The approach used in this research is associative quantitative, with SEM-PLS used as the data analysis technique. The research results found that FOMO has a positive and significant effect on impulse buying, but price discounts do not strengthen the influence of FOMO on impulse buying.

Keywords: *FOMO; Price Discounts; Impulse Buying*

Introduction

The digital era has revolutionized how consumers shop, shifting the trend from purchasing from physical stores to s-commerce platforms. The use of social media as a marketplace has created a new phenomenon called social commerce (s-commerce), where interactions between producers and consumers become broader and more intense, involving Website 2.0 technology and social media (Esmaeili and Hashemi, 2019). In Indonesia, s-commerce platforms such as Shopee, Tokopedia, and Lazada experienced rapid growth between 2018 and 2023, with the number of users reaching 196.47 million, attracting millions more looking for convenience and product variety (dataindonesia.id). One product category that has been increasingly in demand is local skincare.

With the convenience and variety of choices offered by s-commerce, certain patterns of buying behavior may emerge, such as impulsive purchases. According to Alfina et al. (2023), impulsive purchases tend to occur more frequently among individuals with high levels of fear of missing out (FOMO) when they worry about being left behind by social media trends. Another study by Muharam et al. (2023) confirmed that FOMO significantly impacts impulsive buying in s-commerce.

The development of s-commerce has also impacted business actors significantly, prompting the development of various marketing strategies to attract consumers, including advertising, product

innovation, and price discounts. These strategies can increase purchasing interest and may trigger impulsive buying in s-commerce. For example, Simanjuntak (2022) shows that price discounts have triggered Shopee's s-commerce application users to make impulsive purchases.

Past research has provided empirical evidence that s-commerce platforms increase the likelihood of impulse purchases among digital consumers. Research conducted by Christy (2022) has shown that individuals with FOMO have the urge to make purchases that were not previously planned or desired, resulting in impulsive shopping. Suhardi et al. (2023) also stated that individuals who experience FOMO become insensitive to prices, which means that consumers will continue to make purchases without considering the prices to avoid feeling anxious.

While the effect of FOMO on impulse buying has been studied, there are still research gaps that need to be answered. First, the moderating role of price discounts on the link between FOMO and impulse buying has not been examined. Second, previous studies on consumer behavior relating to local skincare products in the context of s-commerce are still limited. Therefore, this research aims to fill the gaps by examining the link between FOMO and impulse buying and the moderating role of price discounts to uncover consumer behavior toward local skincare products in s-commerce.

Halim et al. (2022) state impulse buying behavior is more influenced by consumer feelings and emotions compared to rational thinking. They may regret their buying decisions later because most of the products purchased are not really needed. Earlier, Hausman (2000) suggested that indicators of impulse buying are 1) spontaneous, 2) buying immediately after seeing a product, 3) buying without thinking carefully, and 4) deciding to purchase at will.

Furthermore, FOMO is an anxiety that occurs due to the fear of being left behind when other people enjoy certain experiences, which are often impressive. People experiencing FOMO may feel the urge to be connected or to follow what is happening on social media, indicated by feelings of fear, worry, and anxiety (Przybylski et al., 2013).

In addition to FOMO, impulsive buying may be influenced by price discounts. The direct price discounts for certain products are given by sellers to buyers within a certain period (Widjaya et al., 2016). According to Qomarul Huda et al. (2021), price discounts are indicated by the percentage (size), period, and product type. These factors often cause people to buy products without prior intentions.

Based on the previous studies outlined above, we formulate the following hypotheses:

H1: FOMO has a significant effect on impulsive buying in s-commerce.

H2: Price discounts moderate the impact of FOMO on impulsive buying.

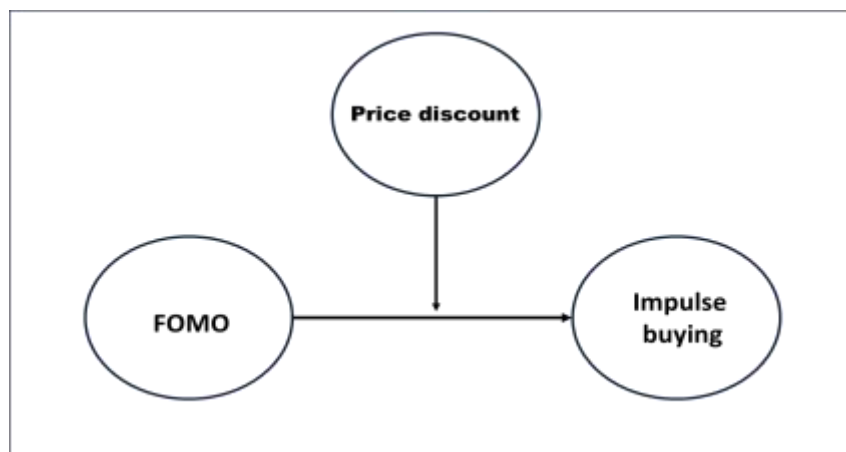


Figure 1. Conceptual framework

Research Methods

This research uses quantitative methods with an associative approach to test the relationship between variables (Abdullah, 2015). Hypotheses are tested using empirical data from the field. Data was collected from respondents in Indonesia by distributing questionnaires via social media. The sample population was Indonesians who have shopped for local skincare products (Avoskin, Somethinc, Scarlett, MS Glow, and others) through s-commerce applications operating in the Indonesian market (Tokopedia, Lazada, Shopee, and others). The number of samples in this study was 150. The sampling technique used was a non-probability sampling, namely purposive sampling. The hypothesis in this research was tested using the Partial Least Square (PLS) method from the Structural Equation Model (SEM). This method was chosen after testing the quality of the instrument using validity and reliability tests (Table 1). The instrument testing and data processing in this research were assisted by SmartPLS 3.0 software.

Respondents in this study were dominated by women aged 22-26 years. In the job category, most respondents worked in the private sector. Regarding the local skincare category, most respondents in this study purchased a local skincare brand called Somethinc. Meanwhile, in the category of s-commerce applications, most respondents used Shopee. Geographically, the largest percentages of respondents were from Bali and Nusa Tenggara.

Outer Model Analysis

Table 1. Validity and Reliability Test Measurements

Symbol	Outer Loading	AVE	Cronbach's Alpha	Composite Reliability
FOMO (X) Przybylski et al., (2013)		0.837	0.975	0.979
X1	0.894			
X2	0.928			
X3	0.946			
X4	0.948			
X5	0.950			
X6	0.961			
X7	0.943			
X8	0.933			
X9	0.704			
Price Discount (Z) Qomarul Huda et al., (2021)		0.861	0.980	0.982
Z1	0.905			
Z2	0.921			
Z3	0.929			
Z4	0.940			
Z5	0.926			
Z6	0.954			
Z7	0.925			
Z8	0.922			
Z9	0.926			
Impulse Buying (Y) Hausman (2000)		0.782	0.971	0.975
Y1	0.921			
Y2	0.902			
Y3	0.924			

Y4	0.940		
Y5	0.899		
Y6	0.940		
Y7	0.849		
Y8	0.909		
Y9	0.862		
Y10	0.721		
Y11	0.835		

The validity test results in this research show that all statements on the FOMO, price discounts, and impulse buying variables have adequate validity values. The value of each statement on this variable is more than 0.5, and the overall value is even more than 0.7. The minimum value for AVE validity is 0.5, and the outer loading is 0.7, so it can be collected validity evidence supports the conclusion that all research instrument items are valid.

Furthermore, the reliability test shows that the three research variables (FOMO, price discounts, and impulse buying) have a high level of reliability. Cronbach's alpha and composite reliability values for these three variables are greater than 0.7. The minimum value for reliability is 0.7, so it can be concluded that all variables in this study are reliable.

Research Results

Inner Model Analysis

Table 2. R Square Value

	R Square	R Square Adjusted
Impulse Buying (Y)	0.630	0.622

This research examines how two variables, i.e., FOMO and price discounts, influence another variable, i.e., impulse buying. The research results show that the FOMO and price discount variables can explain 63% of the variation in impulse buying. In other words, 63% of respondents' impulse buying behaviors were influenced by FOMO and price discounts. The remainder 37% was influenced by other factors not examined in this study.

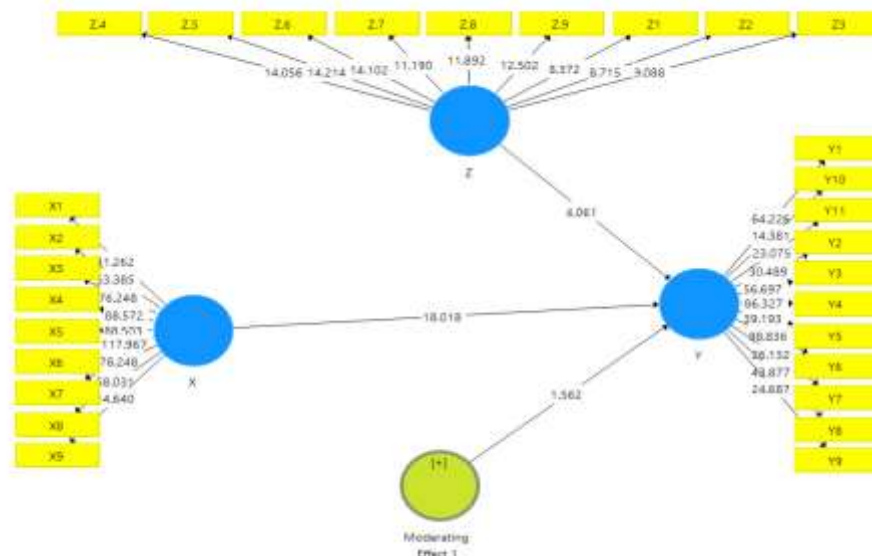


Figure 2. Bootstrapping Path Coefficient Test

Table 3. Interpretation of Hypothesis Test Results

Hypothesis	Influence Between Variables	Original Sample	t-Statistics	P Values	Information
H1	X.->Y	0.757	0.042	0,000	Proven
H2	Moderating Effect 1 -> Y	0.066	0.042	0.119	No Proven

Discussion

The FOMO on Impulse Buying

This research shows that FOMO significantly influences impulse buying of local skincare products in s-commerce, as shown by a statistical t-value of 0.042 and a p-value of 0.000. A statistical t-value smaller than 1.96 and a p-value smaller than 0.05 indicates that the relationship between FOMO and impulse buying is statistically significant, which provides ample evidence to conclude that FOMO does influence impulse buying of local skincare products in s-commerce in Indonesia.

The high statistical t-value (0.042) indicates the strength of the relationship between FOMO and impulse buying. The higher the level of FOMO, the more likely a consumer is to make impulse purchases of local skincare products in s-commerce. The small p-value (0.000) indicates that the results of this study are very unlikely to occur by chance. This strengthens the conclusion that the relationship between FOMO and impulse buying of local skincare products in s-commerce exists and is significant.

This finding aligns with research by Muharam et al. (2023), which shows that FOMO can influence impulse buying behavior. Individuals with severe FOMO are more easily tempted to make impulse purchases because they fear missing out on new trends or experiences. In the context of skincare, FOMO can be manifested in fear of missing out on the newest products, the latest beauty trends, or the dramatic results other people have claimed to achieve using certain skincare products. The anxiety and fear induced by FOMO can encourage them to buy local skincare products on s-commerce without considering their needs and budget. This can result in negative consequences, such as financial problems, or psychological disturbance, like the feeling of regrets.

Price Discounts as a Moderating Variable of the Effect of FOMO on Impulsive Buying

The results of this study indicate that price discounts do not moderate the relationship between FOMO and impulse buying of local skincare products in s-commerce. This is proven by a statistical t-value of 0.042 and a p-value of 0.119. A p-value greater than 0.05 indicates that the moderating effect of price discounts is not statistically significant. It does not modulate the impact of FOMO on impulse buying.

This finding contradicts the research results by Afifah and Yulisa (2019), which show that price discounts can moderate the relationship between FOMO and impulse buying. One possible explanation for these differences in findings is the type of product examined in the studies. Previous research that observed a moderating effect of price discounts focuses on higher-priced products, such as smartphones or fashion items. Smartphones have multiple functions, such as communication, entertainment, and access to information, so consumers may be more inclined to buy a new smartphone at a discount because they see the value for money. On the other hand, the consideration of buying skin care products is more about health and appearance, so consumers may focus more on the effectiveness and safety of skin care products than price.

This is supported by research conducted by Ulmaghfiroh et al. (2021), which shows that price discounts did not moderate the impact of product knowledge on purchase intentions. One explanation is

that price discounts are not always considered an attractive opportunity for consumers who experience FOMO on local skin care products on s-commerce. Consumers with high levels of FOMO may focus more on the effectiveness and safety of skin care products than price, and discounts may not be enough to overcome FOMO or the desire to follow trends.

Conclusion

This research found that FOMO significantly influences impulse buying of local skincare products in s-commerce. This shows that consumers with a high level of FOMO tend to make impulse purchases of skincare products more quickly without considering their needs and budget. Nevertheless, this research also found that price discounts did not moderate the relationship between FOMO and impulse buying. They did not strengthen or weaken FOMO's influence on impulse buying for local skincare products in s-commerce. Indonesian consumers are likely to make impulse purchases of local skincare products when they experience FOMO, regardless of whether or not the prices are discounted. In other words, they are more stimulated by emotion and less by price logic.

Further research is needed to test other factors that can influence impulse buying of local skincare products in s-commerce and to test the effectiveness of various marketing strategies in modulating the influence of FOMO. Also, utilities as a variable are recommended for further research. Overall, this research provides an essential contribution to understanding how FOMO influences impulse buying of local skin care products in e-commerce. The findings of this research can inform the formulation of effective strategies to assist individuals and marketers in managing impulse buying behavior and making more rational purchasing decisions.

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