Usage of Fear of Missing Out in Promotional Activities – A Research Agenda

Goran Dedić

Keywords: Consumer behaviour; Promotion; Digital Marketing

Abstract: Fear of missing out (FOMO) can be defined as an individual's pervasive apprehension that others might be having rewarding experiences from which one is absent. Fear of missing out can be considered to arise from deficits in one’s need satisfaction and, considering the fact that purchasing behaviour is generally driven by various needs and wants, usage of FOMO-based appeals holds the potential to amplify the effectiveness of those appeals, and the overall effectiveness of promotional activities. This paper provides a research agenda discussing the FOMO phenomena and its implications for promotional activities, primarily highly-targeted ones conducted in digital environments.

1. INTRODUCTION

In an increasingly interconnected world, individual consumers are saturated with information that is constantly available through personal electronic devices. Wide use of information technology and its applications in everyday life, combined with its evolution into the consumer’s central hub for entertainment, information gathering and interpersonal communication (primarily through the form of personal mobile devices) brought along the rise of digital promotion through various channels and media. In such an environment, competition for one’s attention is fierce and the drive to increase the effectiveness of promotional communication is constant. While there are no rigorous studies on the subject, various estimates talk about individuals in developed countries being exposed to up to 10,000 ads per day (Simpson, 2017), through various media. Promotional electronic communication takes many forms – from ‘classic’ display ads appearing on websites and various platforms (music and video streaming etc.), targeted e-mails to posts that are embedded in social media feeds. One of the direct consequences of the information overload one experiences due to being exposed to such a vast amount of commercial messages has been ‘banner blindness’ – a consumer’s propensity to ignore content that resembles ads in digital media (Pernice, 2018). Such developments have contributed to the rise and increasing importance of highly targeted, personalized communication which is delivered through various digital means (one of the most prominent examples being the use of e-mail marketing).

However, even when using more direct, personalized types of communication channels the question of how to formulate the content for maximum effectiveness remains. Similarly to traditional advertising, promotional messages in the digital context are based on appeals. Depending on the content and its presentation, appeals used can be categorized as either emotional or rational, with emotional appeals being more effective (Hornik et al., 2016). One of the questions which arise when talking about this topic is the question of the effectiveness of different types of emotional appeals. Furthermore, due to personalised nature of digital communication, there is also concern that certain types of emotion based appeals can be seen as intrusive, and thus
be counterproductive. If this is the case, it would be of high practical value to define a set of determinants influencing the effectiveness of various emotion-based appeals — depending on the types of products advertised and consumer characteristics. In this paper, the author strives to deal with the role of appeals based on the so-called ‘Fear of missing out’ in digital promotion.

2. FEAR OF MISSING OUT

Fear of missing out (FOMO in the remaining text) is a concept that, while not new in terms of its underlying mechanics, has emerged relatively recently in academic studies. One of the more commonly cited definitions of FOMO has been provided by Przybylski et al. (2013). These authors define FOMO as “an individual’s pervasive apprehension that others might be having rewarding experiences from which one is absent” (p. 1841), resulting in the constant desire to stay up to date with other’s activities. Basing their inquiry of FOMO on Deci and Ryan’s (1985) self-determination theory, Przybylski et al. view FOMO as a self-regulatory gap that originates as a consequence of either acute (situational) or chronic lack of psychological need satisfaction. Basically, FOMO results in an outcome which, in terms of its consequences is similar to social ostracism (Gupta & Sharma, 2021). While in their view FOMO is observed through the lens of social interaction with other individuals and hence related primarily to use (and abuse) of social media, it could be argued that there are other — promotional implications of FOMO which are worthwhile of inquiry. As Boström (2021) notes, consumer desires are developed through an individual’s social life which is deeply shaped by consumption forces. Hence, when discussing FOMO as a consequence of deficits in one’s social need satisfaction, consumption and activities related to it (including communication) should be considered. Indeed, it would be reasonable to state that consumption is a social or at least socially driven process of need satisfaction in which usage of FOMO-themed appeals could potentially amplify the effectiveness of promotional appeals and the overall effectiveness of promotional activities.

Literature views sources of FOMO as both internal and external. Viewed as an internally driven phenomenon, FOMO arises as a consequence of the human need to belong, which is then gratified by seeking attachment and belongingness to social groups (Franchina et al. 2018). When separated from or excluded by members of society, individuals feel anxiety and a strong impulse to imitate and follow the behaviour of others to resolve that anxiety (Elhai et al. 2016). With information technology expanding human interaction into the virtual sphere, social behaviours driven by FOMO are largely extended into the digital domain.

When talking about externally induced FOMO, it relates to (primarily) promotional messages aimed at nudging consumers to overcome their hesitancy or resistance, to perform an action (primarily purchase-related), or using scarcity appeals (which aim to raise concern in the consumer by creating perceptions of limited supply or limited time deals) (Hodkinson, 2016).

Everyday usage of modern information and communication technology introduced a new dimension to the dynamics of FOMO – namely, evaluation of external information, delivered through electronic channels and smart devices, and specifically tailored for an individual.

3. FOMO IN ADVERTISING APPEALS

While, in terms of their content, appeals themed around FOMO are not strictly emotion-based, their targeted impact is emotion-inducing. When talking about commercial FOMO-based appeals, Hodkinson (2016), defines them as “any initiating appeal, whether in person or impersonal,
originating from an organisation, in which FOMO or ‘missing out’ is mentioned or specifically implied and the context of which is the stimulation of demand, usage or purchase of a product.” (p.3). The potential for usage of FOMO-based appeals stems from their effectiveness in driving individuals into action. FOMO has been linked with increased engagement, continued usage of communication technology and higher rates of engagement on social media (Przybylski et al. 2013), as well as significant responses which include commercial (related to purchases) ones (Hodkinson, 2016). However, such appeals have also been linked to significant cognitive and affective load among targeted audiences (Hodkinson, 2016), which raises questions about the potential drawbacks of their (over)use. Additionally, FOMO has been shown to have a mediating effect between scarcity and impulse buying (Zhang et al. 2022) which could further add to negative reactions to FOMO-based appeals should those purchases be deemed as unnecessary after the long-term evaluation by the consumers.

While undoubtedly effective in motivating individual actions, and in addition to some drawbacks already emphasized above, FOMO has also been linked with negative behaviours and emotional reactions. Specifically, FOMO has been linked with the overuse of technology and consequent negative emotions such as frustration, anxiety and mental exhaustion (Hetz et al., 2015), as well as excessive use of social media and depression (Baker et al., 2016; Gupta & Sharma, 2021). Hence, with such potential for both effectiveness and adverse affective reactions, there is a clear need for an additional inquiry into the potential for the use of FOMO-based appeals in the promotion. The focus of such research should be on optimal conditions and modes for the application of such appeals, as well as on identifying scenarios in which their usage should be avoided, i.e. when they could prove to be counterproductive.

4. DIGITAL PROMOTION AND PERSONALISED COMMUNICATION

As it has already been noted in the introductory sections of this paper, the world we live in is interconnected in manners never seen in human history. Development of information technology, particularly during the past 30 years, was characterised by parallel trends of rapid increase of computing power of personal devices and decrease of their physical dimensions and cost. Such development led to a situation in which the extent of penetration of smartphones, computers and other communication devices is high both in developed, but also in developing parts of the globe. Deloitte (2017) reported that the penetration of smartphones alone is above 80% in the majority of countries included in their study (both highly developed and developing), while use of all types of mobile phones was above 90%. Considering the COVID crisis and its additional push towards digitalisation and usage of IT technology, those numbers are likely to have increased.

One of the profound changes which happened in the digital communication landscape, and which directly shaped the way digital communication is used for commercial purposes nowadays was the rise of the so-called ‘content marketing’ (Forsey, 2022). Due to several changes in digital marketing practices which happened during the second decade of the 2000’s an increased emphasis in shaping digital communication was placed on the technical and content-related adjustments of materials for new ways and algorithms according to which the content was served to consumers. Additionally, this era saw the rise and maturing of novel media and channels – namely, various forms of social media which realised their full commercial potential during this period. However, this was also a turbulent period during which some, potentially troubling applications of social media promotion were also realised (a prime example of which was the Cambridge Analytica scandal). As a result, additional pressure was introduced by various
stakeholders towards imposing better privacy controls and regulatory oversight of large IT companies (Facebook/Meta, Google, Amazon, etc.) which profited most from all the data collection opportunities offered through the extensive usage of the Internet-based services by individuals.

As a result of all these trends, it is likely that in the future the emphasis in terms of digital marketing communication activities will be on more personalised communication backed by first-party data collection efforts. Such trends are already visible as they have been recognised by Turner (2023) as one of the major focus points for marketers in the coming year(s).

Hence, what can be expected is the increased use of channels and media which allows for more targeted communication and an increased emphasis on creating value through such communication. One such channel is certainly e-mail, which – although one of the oldest services available on the Internet is simultaneously one which is fairly resistant to changes and problems in the environment. One of the advantages of e-mail marketing as a digital marketing tool lies in the permission-based nature of the relationship built through it. As Hartemo (2016) notes, e-mail – through systematic personalisation and thanks to its interactivity, can be perceived as empowering by consumers if used properly. Therefore, one of the important questions for future use of e-mail in particular and personalised communication, in general, will be how to design messages for maximum effectiveness while avoiding negative reactions. Examining the effects of different types of promotional appeals in this situation becomes ever more important since customer acquisition will become harder and losing costlier, as more control over consumer’s data is handed over to the consumer.

5. FUTURE RESEARCH DIRECTIONS

Based on the overview provided in the previous discussion some of the questions arise as a research agenda for future inquiry into the application of FOMO-themed appeals in promotional activities in general, and promotion through digital channels (e-mail) in particular arise. Those questions will now be briefly discussed.

Considering increased engagement which has been linked with FOMO in a social media context, would the usage of FOMO-based appeals result in more effective promotional activities when talking about personalized communication, particularly in the context of building awareness and inciting consideration among the consumers? In the context of e-mail communication, would such messages result in higher open rates when compared with messages which are not based on FOMO-based appeals?

Would usage of FOMO-based appeals more often result in intended behavioural outcomes when compared with communication that is not based on FOMO? In the context of direct e-mails, would FOMO-based campaigns result in higher conversion rates (performing the targeted action) by the consumer?

Considering the adverse psychological effects which have been linked with FOMO and discussed in the paper, could extensive usage of FOMO appeals in communications result in avoidance behaviour by the consumer? In terms of e-mail communication, this could be measured by comparing the number of consumers who have unsubscribed from FOMO-based campaigns and campaigns not using FOMO.
Which specific circumstances or consumer characteristics (psychographic, economic, social, demographic, etc.) influence the effectiveness of the FOMO appeals? Further research into underpinning dynamics determining the effectiveness or the lack thereof of FOMO is warranted considering the trends and expectations in terms of the future development of digital communications.

6. CONCLUSION

This paper provides a look into the topic of the usage of appeals based on fear of missing out and discusses the potential outcomes of such practices. While FOMO has been extensively discussed in literature focusing on its effects on individual behaviour in the context of social media usage and individual mental health, research on the practical implications of the usage of FOMO-based appeals in marketing promotion is limited. Thus, the author hopes to contribute to this inquiry by providing an initial framework for future research, focusing primarily on the implications and outcomes of the application of FOMO in highly personalized communication. The paper provides research agenda which aims to further both practical and theoretical understanding of the dynamics of FOMO-based communication and its practical value.

References


