

CHAPTER 1 - INTRODUCTION

1.1 Background

In recent years, the way consumers make purchasing decisions has been heavily shaped by social factors, both online and offline. People rarely make buying decisions completely on their own. They tend to be influenced by the people around them, online recommendations, and the fear of being left out (Nida & Roosdhani, 2026; Kusumo et al., 2025; Widyastuti, 2022). This is especially true in digital environments, where product information, reviews, and social interactions can spread fast and change how people think about a product (Lazuardi & Usman, 2025).

One social factor that has been getting more attention lately is peer groups. People often look to their friends or social circles for guidance, opinions, and cues on how to behave, which can directly affect what they choose to buy (Nida & Roosdhani, 2026). A recent study on skincare purchasing decisions found that peer groups had a positive and significant influence on buying decisions, which shows that peer influence is a real and meaningful part of consumer behavior (Nida & Roosdhani, 2026). This suggests that peer groups can act as an important external push that sparks consumer interest in certain products.

Another factor worth looking at is electronic word of mouth, or eWOM. eWOM refers to the opinions, reviews, and experiences that consumers share online about products or brands, and it has been shown to have a strong effect on purchase intention (Kusumo et al., 2025; Lazuardi & Usman, 2025). A study on Mixue consumers found that eWOM had a positive and significant relationship with purchase intention, and that this relationship was also mediated by FOMO (Kusumo et al., 2025). This matters for the current study because it shows that online conversations between consumers can influence buying behavior both directly and through psychological responses (Kusumo et al., 2025; Lazuardi & Usman, 2025).

The psychological process that helps connect all of this is Fear of Missing Out, or FOMO. FOMO is the feeling that other people are having experiences or getting

things that you are not part of, which can lead to anxiety, a sense of urgency, and the urge to act quickly (Widyastuti, 2022). Studies have shown that FOMO can significantly increase purchase intention in online shopping contexts, since consumers may feel the need to keep up with trends or avoid missing out on a product (Widyastuti, 2022; Lazuardi & Usman, 2025). Other research also supports FOMO as a mediating factor between outside influences and how consumers respond, which makes it a good fit for the S-O-R framework (Kusumo et al., 2025).

With that in mind, this study uses the Stimulus-Organism-Response (S-O-R) framework to help explain consumer behavior. In this model, peer groups and eWOM serve as the external stimuli, FOMO works as the internal psychological state, and purchase decision is the behavioral outcome (Kusumo et al., 2025). This approach makes sense because past studies have shown that social influence and online communication can trigger FOMO, which then affects whether or not a consumer decides to buy something (Kusumo et al., 2025; Widyastuti, 2022).

This study focuses on peer groups, eWOM, FOMO, and purchase decisions because these variables are closely linked in the existing literature. (Nida & Roosdhani, 2026). Overall, the framework is built on existing research and gives a clear foundation for looking at how Peer Groups and eWOM shapes consumer purchase decisions through FOMO (Kusumo et al., 2025; Widyastuti, 2022).

1.2 Problem Statement

Although social influence in digital environments plays a big role in shaping how consumers make purchases, it is still not fully understood how peer groups and electronic word of mouth work together to affect purchase decisions through Fear of Missing Out. Previous studies have shown that peer groups can influence buying decisions and that eWOM can affect purchase intention, but these two factors are usually studied on their own rather than as part of one connected process (Nida & Roosdhani, 2026; Kusumo et al., 2025). Because of this, there is still little understanding of how these two social factors might trigger FOMO and whether FOMO then leads consumers to decide to buy (Widyastuti, 2022).

While some studies suggest that eWOM can affect purchase intention both directly and through FOMO, and that peer groups can influence purchase decisions, the combined effect of both peer groups and eWOM within a single S-O-R framework has not been explored much (Kusumo et al., 2025; Nida & Roosdhani, 2026). Because of this, there is a need to look at whether peer groups and eWOM work as external stimuli that trigger FOMO and eventually influence purchase decision.

1.3 Research Objectives

1. To analyze the effect of peer groups on FOMO.
2. To analyze the effect of eWOM on FOMO.
3. To analyze the effect of FOMO on purchase decision.
4. To analyze the effect of peer groups on purchase decision.
5. To analyze the effect of eWOM on purchase decision.

1.4 Research Questions

1. How do peer groups affect FOMO?
2. How does eWOM affect FOMO?
3. How does FOMO affect purchase decision?
4. How do peer groups affect purchase decision?
5. How does eWOM affect purchase decision?

1.5 Hypothesis

1.5.1 The Relationship between Peer Groups and FOMO

- H_{01} : Peer groups have no significant effect on FOMO.
- H_{11} : Peer groups have a significant effect on FOMO.

1.5.2 The Relationship between eWOM and FOMO

- H_{02} : eWOM has no significant effect on FOMO.
- H_{12} : eWOM has a significant effect on FOMO.

1.5.3 The Relationship between FOMO and Purchase Decision

- H_{03} : FOMO has no significant effect on purchase decision.
- H_{13} : FOMO has a significant effect on purchase decision.

1.5.4 The Relationship between Peer Groups and Purchase Decision

- H_{04} : Peer groups have no significant effect on purchase decision.
- H_{14} : Peer groups have a significant effect on purchase decision.

1.5.5 The Relationship between eWOM and Purchase Decision

- H_{05} : eWOM has no significant effect on purchase decision.
- H_{15} : eWOM has a significant effect on purchase decision.

1.6 Significance of Study

From an academic perspective, this study adds to existing literature by bringing together peer groups and eWOM within a single S-O-R framework. Previous studies look at these variables separately, but this study connects them in one model to show how external social influences can trigger FOMO and lead to purchase decisions.

From a practical perspective, if peer groups and eWOM are found to influence FOMO and purchase decisions, businesses can come up with more effective marketing strategies that make use of online reviews, recommendations, and social-based promotions to attract consumers. This can be especially useful for brands that depend a lot on digital marketing and consumer engagement.

1.7 Scope and Limitations

The scope of this study does not include other factors that may also influence purchase intention, such as price and brand image. These variables are excluded because the concept of FOMO-related products is not tied to one fixed price range or one specific brand category. Since FOMO can arise across different product types and situations, including both low-involvement and higher-involvement purchases, adding price or brand image would make the model broader and less focused.

Although FOMO can apply to very different kinds of products, its effect is also limited. FOMO does not work for necessity items or high-consideration purchases such as houses or property, as the phenomenon is overwhelmingly linked to emotionally driven, unplanned impulse buying (Rachman et al., 2024) and the fulfillment of hedonic or symbolic social needs rather than utilitarian functions (Kang et al., 2020). This means the findings may not fully generalize to all product types.