

**The Role of Fear of Missing Out (FOMO) in Driving Purchase Decision: An
S-O-R Approach**

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.



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ABSTRACT

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This study examines how peer groups and electronic word of mouth (eWOM) influence purchase decision, with Fear of Missing Out (FOMO) as a mediating variable. Using the Stimulus-Organism-Response (S-O-R) framework, peer groups and eWOM are treated as external stimuli, FOMO as the internal psychological state, and purchase decision as the behavioral outcome. Data collected from 160 valid respondents through an online questionnaire distributed via Google Forms using a quantitative approach. The data was analyzed using PLS-SEM through SmartPLS. The findings reveals that both peer groups and eWOM have a positive and significant effect on FOMO, with peer groups showing the stronger influence. eWOM also had a positive and significant direct effect on purchase decisions, making it the strongest predictor of purchasing behavior in this study. However, FOMO did not significantly affect purchase decision, and its mediating role between the social influence variables and purchase decision was also not supported. These results suggest that while social influence can trigger FOMO, consumers may still make rational evaluations before deciding to buy. Businesses are encouraged to focus on building strong eWOM strategies rather than relying solely on urgency-based marketing approaches.

Keywords: Peer Groups, Electronic Word of Mouth, Fear of Missing Out, Purchase Decision, S-O-R Framework



DEDICATION

This thesis is dedicated to my family and friends, who have supported me through every step of this Thesis making journey. Thank you for the encouragement, and for always being there whenever things got hard. This would not have been possible without each one of you.



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