The Economics Of Missing Out: Fomo-Driven Consumer Behaviour And Its Impact On Sustainable Development

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Abstract:

In an age dominated by digital connectivity, the Fear of Missing out (FOMO) has emerged as a potent psychological and economic force, significantly shaping consumer behaviour. This paper explores the intersection of FOMO-driven consumption patterns and the pursuit of sustainable development. Through a multidisciplinary lens integrating behavioural economics, environmental psychology, and sustainability studies, this research examines how FOMO influences impulsive consumption, undermines eco-conscious decision-making, and contributes to environmental degradation. Drawing on global and Indian case studies, digital marketing analyses, and youth behavioural trends, the study identifies key challenges and offers policy recommendations to align consumer culture with the goals of sustainable development. The paper concludes that addressing FOMO at both structural and behavioural levels is essential for fostering responsible consumption and achieving the Sustainable Development Goals (SDGs).

Keywords: FOMO, consumer behaviour, sustainability, impulsive consumption, digital economy, SDGs, environmental psychology

1. Introduction

The phenomenon of FOMO, or the Fear of Missing Out, has become increasingly prevalent in contemporary society, especially in the context of a hyper-digitalized, consumer-driven economy. It manifests as an anxiety over missing rewarding experiences, often amplified by social media and digital platforms, which curate idealized lifestyles and product narratives. While FOMO was initially studied within the domains of psychology and communication studies, its economic and environmental consequences are now gaining scholarly attention.

Consumer behaviour influenced by FOMO tends to prioritize immediate gratification, social validation, and trend adoption, often at the expense of long-term sustainability. This behaviour contributes to overconsumption, increased carbon footprints, and unsustainable product lifecycles, particularly in sectors such as fashion, electronics, and lifestyle products. Given the urgency of climate change and the ambitious targets set under the United Nations' Sustainable Development Goals (SDGs), particularly Goal 12 (Responsible Consumption and Production), understanding and mitigating the impact of FOMO-driven consumption is crucial.

This paper seeks to unpack the ways in which FOMO functions as an economic driver and psychological motivator that shapes modern consumption patterns, and how these patterns hinder the broader goals of sustainable development.

2. Definition and Meaning of FOMO

The term "Fear of Missing Out" (FOMO) is defined as a pervasive apprehension that others might be having rewarding experiences from which one is absent (Przybylski et al., 2013). It is characterized by a desire to stay continually connected with what others are doing and to be part of trending social or consumer activities. FOMO arises from both social comparison and a fear of exclusion, and it often leads to behavioural shifts aimed at inclusion and gratification.

According to Blackwell et al. (2017), FOMO can be understood as an outcome of excessive digital engagement, where users feel pressured to respond to or participate in social events, product launches, and lifestyle trends as seen on social media. In the context of consumer behaviour, FOMO manifests in impulsive purchasing, limited-edition buying, and an urgency to consume new experiences and products, often without considering long-term consequences.

Researchers such as Abel et al. (2016) argue that FOMO not only affects emotional well-being but also drives unsustainable consumption patterns, making individuals more susceptible to marketing stimuli and herd behaviour. Thus, FOMO is not merely a psychological state but an influential behavioural driver in the digital economy.

3. Objectives of the Study

With FOMO becoming a defining trait of digital consumer culture, this study investigates its influence on consumption patterns and sustainability. By examining psychological, economic, and media-driven aspects of FOMO, the research aims to understand how it fuels unsustainable behaviours and to explore interventions that promote mindful consumption aligned with sustainable development goals.

1. To analyse the psychological and economic dimensions of FOMO in consumer behaviour.
2. To explore the relationship between FOMO-driven consumption and environmental sustainability.
3. To examine the role of digital media and marketing in reinforcing FOMO.
4. To assess the impact of FOMO-induced consumerism on the achievement of SDGs.
5. To propose behavioural and policy-level interventions that can align consumption with sustainability goals.

4. Research Questions

To delve deeper into the intersection of FOMO and sustainability, this study poses a set of focused research questions. These aim to uncover how FOMO influences individual consumption behaviours, particularly within digital and urban contexts, and to assess the broader environmental and policy-related implications. The questions also seek to understand the role of social media and explore strategies to foster more sustainable consumer choices.

1. How does FOMO influence individual consumer choices, particularly in digital and urban markets?
2. What are the environmental consequences of FOMO-driven consumption patterns?
3. How do social media and influencer culture exacerbate FOMO and unsustainable consumption?
4. What policy strategies can be adopted to counteract the unsustainable effects of FOMO on consumer behaviour?

5. Literature Review This section reviews existing literature relevant to the economic, psychological, and environmental dimensions of FOMO, structured under four thematic headings to reflect the multidisciplinary nature of the study.

5.1 Theoretical Foundations of FOMO and Consumer Psychology FOMO, a concept initially rooted in psychology, is defined as a pervasive apprehension of missing out on rewarding experiences (Przybylski et al., 2013). It is linked to emotional and social insecurity, often exacerbated by online social comparisons. Research by Abel et al. (2016) and Blackwell et al. (2017) suggests that FOMO leads to compulsive digital engagement and impulsive decision-making. This aligns with behavioral economic theories that connect decision heuristics, loss aversion, and social proof to consumer choices under uncertainty and peer pressure (Solomon, 2020).

Further studies indicate that FOMO is closely tied to the self-determination theory, particularly in the context of unmet psychological needs for relatedness and competence. When individuals perceive themselves as excluded from meaningful experiences, they experience anxiety that triggers compensatory behaviour in the form of excessive consumption (Deci & Ryan, 2000). Moreover, Zeng et al. (2021) emphasize that FOMO influences both experiential and materialistic consumption, as consumers seek to regain social standing and emotional security.

The integration of FOMO into consumer psychology highlights its complex role in shaping preferences, reducing self-control, and fostering dependency on external validation. These behavioural patterns can be especially pronounced among younger demographics who are digitally native and socially influenced, further reinforcing the need to understand FOMO within contemporary consumerism frameworks.

5.2 Digital Marketing and FOMO Amplification Digital platforms, especially social media, serve as powerful amplifiers of FOMO through curated content, limited-time offers, and influencer promotions. Studies have shown that marketing strategies deliberately leverage scarcity, urgency, and social validation cues to prompt immediate purchases (Good & Hyman, 2020). Influencer culture further reinforces the perception that missing out equates to social exclusion, pushing consumers toward unsustainable consumption in pursuit of identity and belonging (Djafarova & Trofimenko, 2019).

Moreover, algorithms on platforms such as Instagram and TikTok curate user feeds to prioritize aspirational content, often showcasing luxury goods, travel experiences, and exclusive events. This fosters a perpetual cycle of comparison, intensifying the psychological impact of FOMO (Hodkinson, 2019). Studies by Bright and Logan (2018) reveal that users exposed to such content are more likely to engage in impulse buying and display reduced awareness of environmental consequences.

Live shopping events, countdown timers, and viral product trends are also used as digital tools to create urgency and drive consumer action. These techniques exploit behavioural triggers like the scarcity effect and loss aversion, thereby enhancing the persuasive power of digital marketing (Kapitan & Silvera, 2016). Thus, digital ecosystems not only enable but actively engineer conditions that stimulate unsustainable consumption behaviours.

5.3 Impacts of Consumer Culture on Sustainable Development The consumer behaviours driven by FOMO often manifest in fast fashion, electronics turnover, and travel trends—sectors known for high ecological footprints. Jackson (2009) critiques the growth-driven economic model, asserting that consumerism undermines long-term ecological balance. FOMO-driven consumption perpetuates overproduction and waste, posing a direct challenge to SDG 12 (Responsible Consumption and Production). Scholars like Sheth (2021) highlight that unsustainable consumption patterns are rooted in lifestyle aspirations, many of which are digitally constructed.

Furthermore, the normalization of disposability and novelty in consumer culture discourages repair, reuse, and long-term ownership. According to Boström et al. (2018), digital consumerism accelerates product obsolescence and reinforces a mindset of perpetual upgrading. This phenomenon is particularly evident in the electronics and fashion industries, where trends shift rapidly, and consumers are incentivized to purchase new items frequently rather than value durability or sustainability.

Additionally, cultural narratives around success, happiness, and identity are increasingly shaped by digital media, reinforcing material acquisition as a form of self-expression. This cycle not only heightens individual environmental footprints but also poses systemic challenges for sustainable development planning, as governments and institutions struggle to counteract deeply embedded consumerist ideologies.

5.4 Behavioural Interventions for Sustainable Consumption Recent scholarship emphasizes the need for behavioural nudges and educational tools to counteract the unsustainable impulses triggered by FOMO. Thaler and Sunstein's (2008) concept of 'nudge theory' is applicable here, suggesting that subtle shifts in the choice environment can promote sustainable decision-making. Campaigns promoting mindful consumption, digital detox, and minimalism are gaining ground as potential antidotes to FOMO (White et al., 2019). However, the literature calls for systemic policy interventions to complement individual behavioural change.

Social marketing initiatives, such as "Buy Nothing Day" and "Conscious Consumer" movements, exemplify how collective action can shift norms around consumption. Tools like eco-labeling, sustainability ratings, and ethical influencer partnerships can also redirect consumer focus toward environmentally responsible options (Peattie & Peattie, 2009). Research by Verplanken and Wood (2006) further emphasizes the role of habit formation and suggests that sustainable choices can become default behaviours when supported by community engagement and institutional reinforcement.

Digital platforms themselves can play a constructive role by leveraging algorithmic nudges to promote sustainable content and limiting exposure to excessive materialism. Thus, behavioural interventions must be embedded not only in individual practices but within broader digital, cultural, and policy ecosystems.

These themes collectively establish a foundation for understanding how FOMO-driven behaviour impacts sustainability and what interdisciplinary strategies can be applied to mitigate these effects.

- Theoretical foundations of FOMO and consumer psychology
- Digital marketing and FOMO amplification
- Impacts of consumer culture on sustainable development
- Behavioural interventions for sustainable consumption.

6. Research Gap

While considerable literature has examined FOMO as a psychological phenomenon and its impact on individual behaviour, there is a noticeable gap in understanding its broader implications for sustainable development. Most existing research focuses on the emotional and social consequences of FOMO or its role in digital engagement, with limited exploration of how it systematically influences consumption patterns that conflict with environmental sustainability. Moreover, studies that connect FOMO with policy frameworks, SDG alignment, or ecological consequences remain scarce.

There is also a lack of regional and contextual analyses, particularly in developing economies like India, where digital adoption is rising rapidly and intersecting with evolving consumer aspirations. The behavioural influence of FOMO in such transitioning economies—and its long-term sustainability costs—warrants focused attention. Additionally, the role of digital platforms as both enablers of FOMO and potential tools for behavioural change has not been sufficiently explored in a policy-relevant context. This study aims to fill these gaps by providing an interdisciplinary analysis that connects FOMO-driven consumption with sustainability challenges and solutions.

7. Research Methodology

This study adopts a qualitative-dominant mixed-method research design to explore the relationship between FOMO-driven consumer behaviour and sustainable development. It incorporates secondary data analysis, content analysis, and thematic interpretation to draw insights from a wide range of interdisciplinary sources.

Research Design and Approach: The research employs an exploratory and interpretive approach, suitable for understanding emerging behavioural phenomena like FOMO. It draws from behavioural economics, environmental psychology, marketing studies, and sustainability literature to create a comprehensive analytical framework.

Secondary Data Analysis The study relies on secondary sources such as published journal articles, UN and NGO reports on sustainability, and consumer trend studies. These data provide insights into consumption patterns, FOMO indicators, and sustainability challenges across global and Indian contexts.

Content Analysis A content analysis was conducted on selected digital marketing campaigns and influencer content across platforms like Instagram, TikTok, and YouTube. The objective was to identify FOMO-inducing strategies such as scarcity messaging, urgency tactics, and aspirational branding. This helped assess the mechanisms through which FOMO is engineered digitally.

Thematic Analysis of Survey Literature The study incorporates findings from recent survey-based literature on youth behaviour, sustainable consumption, and digital engagement. These insights were thematically coded to understand behavioural drivers, consumer attitudes, and perceived barriers to sustainable decision-making.

8. FOMO in the Age of Digital Hyper consumption: An Analysis

This section synthesizes key patterns and implications derived from secondary research and thematic content analysis, highlighting how FOMO-driven consumer behaviour manifests in both global and Indian contexts. The findings are organized across four key dimensions:

Patterns of FOMO-Driven Purchases in Fashion and Electronics FOMO has accelerated the consumption of fashion and electronic goods, two sectors known for their fast turnover and environmental impact. Globally, consumers are increasingly influenced by 'drop culture'—limited-edition product releases promoted through social media that create artificial scarcity. In India, platforms like Myntra, Flipkart, and Instagram shopping reels have intensified trend-based consumption among urban youth. Studies suggest that consumers experiencing FOMO are 40% more likely to make impulse purchases, often driven by time-bound sales or influencer endorsements (Bright & Logan, 2018).

The Environmental Cost of Trend-Based Consumption These impulsive, emotionally-driven purchases often result in short product lifespans, contributing to growing textile and e-waste. According to UNEP (2021), the fashion industry alone accounts for 10% of global carbon emissions. India generates over 2 million tonnes of e-waste annually, much of it from short-cycle consumer electronics. The environmental cost of keeping up with digital trends is thus disproportionately high, undermining sustainability initiatives and increasing planetary pressure.

Digital Platforms: Agents of Unsustainability or Tools for Change? While digital media contribute heavily to the amplification of FOMO, they also hold transformative potential. Platforms like Instagram and TikTok have popularized sustainable influencers and eco-conscious trends such as 'low-buy challenges' and 'upcycled fashion.' At the same time, their monetization algorithms favour high engagement content—often materialistic and trend-centric. This duality positions digital platforms as both culprits and change agents in the sustainability discourse.

Generational Insights: Youth, FOMO, and Eco-Consciousness Youth populations—particularly Gen Z—display a complex relationship with FOMO and sustainability. While they are highly susceptible to social influence and digital marketing, they are also more likely to support ethical brands, adopt minimalist lifestyles, and participate in climate activism. Survey data from India (Nielsen, 2022) indicate that 64% of Gen Z respondents feel pressured by social media to make purchases, but 72% also express guilt about the environmental consequences. This cognitive dissonance reflects the urgent need for education and digital literacy programs that bridge the awareness-action gap.

Cultural Dimensions and Urban Consumer Identity FOMO-driven consumption is also influenced by deeper cultural narratives that equate material acquisition with success and social status. In urban India, upwardly mobile middle-class consumers are increasingly exposed to global lifestyle ideals through social media, which normalizes consumption as a measure of achievement. The desire to 'keep up' with peer networks, both digitally and socially, reinforces purchase decisions that are less need-based and more image-driven. Brands have tapped into this by embedding cultural cues within advertising—merging traditional aspirations with modern consumerism.

Economic Impacts of FOMO Consumption Patterns Beyond environmental consequences, FOMO has economic implications at the household level. It can lead to financial overextension, credit dependency, and reduced savings due to frequent discretionary spending. In India, the proliferation of 'buy now, pay later' apps has made it easier for young consumers to act on FOMO without immediate financial repercussions. However,

this delays accountability and fosters unsustainable economic habits that mirror unsustainable ecological practices. The intersection of FOMO, consumer credit, and economic precarity deserves further scholarly attention.

Overall, the analysis underscores that FOMO is deeply intertwined with structural consumption patterns, media culture, and identity politics. Addressing it requires multi-layered strategies that combine behavioural insights, digital platform accountability, and sustainable market alternatives.

9. Policy Recommendations

In light of the findings, the following policy recommendations are proposed to mitigate the adverse impacts of FOMO-driven consumer behaviour and promote sustainable development:

9.1 Strengthen Digital Literacy and Media Education Governments, educational institutions, and NGOs should introduce curricula that teach critical media consumption, with an emphasis on identifying manipulative digital marketing tactics and understanding the psychological triggers behind FOMO. Workshops and awareness campaigns aimed at youth can help foster resilience against impulse-driven digital consumption.

9.2 Regulate Influencer Marketing and Algorithmic Design There is an urgent need for regulatory oversight of digital marketing practices that exploit psychological vulnerabilities. Policies should enforce transparency in influencer promotions, including mandatory disclosures and ethical guidelines. In addition, platform algorithms should be designed to nudge users toward sustainable content rather than reward only high-engagement, trend-driven materialism.

9.3 Promote Eco-Labelling and Sustainable Product Visibility Governments and businesses should collaborate to develop clear and accessible eco-labels and sustainability certifications for consumer products. These tools should be integrated into online platforms and retail spaces, making environmentally responsible choices more visible and attractive to FOMO-prone consumers.

9.4 Incentivize Minimalist and Circular Economy Models Public policies should support businesses that promote rental, reuse, repair, and upcycling models—especially in fashion and electronics. Incentives like tax benefits, startup grants, or carbon credits can stimulate innovation in sustainable product design and distribution.

9.5 Embed Sustainability into Public Campaigns and Pop Culture Public service announcements and collaborative campaigns with artists, influencers, and cultural icons can reshape public imagination around consumption. By shifting the narrative from accumulation to mindful living, sustainability can be embedded into aspirational lifestyles, counteracting the FOMO effect.

9.6 Encourage Responsible Financial Behaviour Financial literacy programs should incorporate modules that address emotional spending and the impact of 'buy now, pay later' schemes. Partnerships between fintech firms, educators, and consumer rights bodies can promote budgeting tools that alert users to excessive discretionary spending linked to FOMO.

These recommendations aim to integrate behavioural insights, digital governance, and economic restructuring to foster a consumption culture that aligns with long-term sustainability goals.

10. Conclusion

The Fear of Missing Out (FOMO) has evolved from a social and psychological concern into a significant economic and environmental challenge. This study has demonstrated that FOMO-driven consumer behaviour is not only widespread but also deeply embedded within the fabric of digital consumer culture. From fast fashion and short-lifecycle electronics to financial overextension and rising ecological footprints, the influence of FOMO spans both individual actions and systemic outcomes. Particularly among digital-native youth and urban populations, FOMO has been found to drive impulsive, unsustainable, and status-oriented consumption patterns.

Through an interdisciplinary review of literature and secondary data analysis, the study highlights how digital platforms, influencer marketing, and aspirational content act as accelerators of unsustainable consumption. At the same time, these platforms also offer the potential to redirect attention towards sustainable lifestyles, ethical brands, and digital minimalism—if guided by the right policy frameworks and consumer education strategies.

The findings underscore the urgency of integrating FOMO-awareness into policy, education, and corporate practices. Tackling FOMO requires not only behavioural interventions at the individual level but also structural changes in how products are marketed, how platforms are designed, and how sustainability is embedded into popular culture.

Ultimately, a paradigm shift is necessary—from a culture of 'missing out' to a culture of 'mindful opting out'. This transformation is crucial for achieving long-term sustainability and aligning everyday consumption choices with the broader objectives of the Sustainable Development Goals (SDGs). Policymakers, educators, businesses, and digital platforms must collaborate to ensure that consumer aspiration does not come at the cost of planetary well-being.

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