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Understanding the "Fear of Missing Out" (FOMO) Phenomenon Among Retail Investors in the Indonesian Capital Market: A Literature Review

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Abstract. The study examining the Fear of Missing Out (FOMO) phenomenon among Indonesian retail investors found that it is a significant driver of impulsive and herding investment behaviors. Using a qualitative literature review of studies from 2019 to 2025, the research identified several key characteristics and triggers of FOMO. The study revealed that FOMO is often characterized by investors abandoning fundamental analysis in favor of following the crowd. Its primary triggers are the rapid spread of information on social media, the bandwagon effect, and low financial literacy. These factors collectively lead to suboptimal decisions, increased risk, and psychological stress for investors. The research concludes that mitigating FOMO is crucial for a stable capital market. Effective strategies include improving financial literacy, encouraging long-term investment planning, and promoting self-discipline. These educational and regulatory measures are essential to fostering a more rational investment environment.

Keywords: Fear of Missing Out (FOMO), Retail Investors, Indonesian Capital Market, Investment Psychology, Financial Literacy.

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Introduction

Psychological phenomena that influence individual behavior are gaining increasing attention in various aspects of life, including the world of investment. In recent years, a phenomenon known as the "Fear of Missing Out" (FOMO) has emerged, which significantly affects decision-making, especially among retail investors (Smith, 2020). FOMO refers to the anxiety that arises when someone feels that others are experiencing positive experiences that they might be missing out on. In the context of the capital market, FOMO can drive investors to make impulsive decisions, often without in depth analysis, simply out of concern about missing out on potential profits that other investors are enjoying (Jones & Chen, 2021).

FOMO has been identified as one of the psychological factors influencing investor behavior, alongside other behavioral biases such as herding behavior and overconfidence (Sari & Wijaya, 2022). This concept is rooted in theories of social needs and social comparison, where individuals tend to compare themselves to others and feel anxious if they are left behind in certain aspects, including financial ones (Brown, 2019). In the context of investing, FOMO manifests when investors see a particular asset experience a significant price increase or hear success stories from other investors, which triggers a desire to get involved immediately to avoid missing the opportunity. This is often driven by information that spreads rapidly through social media and other online platforms, creating pressure to act quickly (Kim & Lee, 2023).

Retail investors are individuals who invest in the capital market for personal purposes, not on behalf of an institution (Kemkeu, 2024). They often have limited access to comprehensive market information and analysis compared to institutional investors. This limitation makes retail investors more susceptible to emotional influences, including FOMO, which can worsen their investment decision-making (Putra & Hartono, 2021). According to the Financial Services Authority (2025), in the context of the Indonesian capital market, the number of retail investors has continued to increase significantly in recent years, primarily driven by ease of access through digital platforms and the popularity of investing among the younger generation. This increased participation of retail investors makes the study of psychological factors influencing their behavior, including FOMO, increasingly relevant and important.

The Indonesian capital market, as one of Southeast Asia's developing markets, exhibits unique characteristics that can amplify the impact of FOMO on retail investors. The relatively high market volatility and strong influence of market sentiment often act as triggers for investors to react emotionally (Ramadhan & Suryani, 2023). Additionally, the massive penetration of social media and online investment forums in Indonesia can accelerate the spread of information and rumors, creating an environment conducive to the emergence of FOMO (Nurhayati, 2022). Therefore, understanding how FOMO affects the investment decisions of retail investors in the Indonesian capital market is crucial for identifying potential risks and developing effective mitigation strategies.

Although there have been many studies on behavioral biases in investment, research that specifically and deeply examines the FOMO phenomenon among retail investors in the Indonesian capital market is still limited. Most of the available literature tends to focus on developed markets or study FOMO in contexts outside of financial investment (White & Johnson, 2020). Previous research often does not explicitly identify the specific mechanisms of FOMO in driving impulsive investment decisions, or how the unique characteristics of a developing capital market like Indonesia moderate the impact of FOMO (Green, 2019). Furthermore, there is a gap in the literature regarding a comprehensive synthesis of relevant findings related to FOMO in retail investors, which could provide a complete picture of this phenomenon. Therefore, the need for a systematic and in-depth literature review is highly relevant to fill this gap.

Studies on retail investor behavior have shifted from a focus on rational economic theory toward a greater recognition of psychological and cognitive factors. Recent research increasingly explores the role of emotions, heuristic biases, and social influence in investment decision-making (Kahneman & Tversky, 2020). In the context of FOMO, current studies have begun to link this phenomenon with the use of social media and online platforms, highlighting how exposure to information and others' success can trigger anxiety and trend-following behavior (Wang & Li, 2024). However, efforts are still needed to integrate these findings into a comprehensive framework that specifically addresses FOMO in retail investors in emerging markets, taking into account local market dynamics and culture.

The objective of this research is to explore, analyze, and synthesize relevant literature on the "Fear of Missing Out" (FOMO) phenomenon among retail investors in the Indonesian capital market. Through this literature review, this study aims to identify the definition, characteristics, triggers, and impact of FOMO on the behavior and investment performance of retail investors. Additionally, this research will examine various theoretical and empirical models that have been used to explain the FOMO phenomenon in an investment context.

The urgency of this research lies in its high relevance to the current state of the capital market, particularly in Indonesia. With the rapid growth in the number of retail investors, a deep understanding of psychological factors like FOMO is crucial for maintaining market stability and efficiency (Bank Indonesia, 2024). The results of this literature review are expected to provide a strong theoretical and empirical foundation for future research, as well as valuable input for regulators, capital market practitioners, and retail investors themselves in developing more effective educational and risk mitigation strategies. By understanding the mechanisms of FOMO, investors are expected to make more rational investment decisions and avoid losses caused by emotional biases.

Literature Review

Prospect Theory

Developed by Kahneman and Tversky (1979), this theory explains how individuals make decisions under conditions of uncertainty, particularly concerning risk and gain. Prospect Theory posits that individuals are generally more sensitive to losses than to gains (loss asymmetry) and tend to "frame" their decisions. In the context of FOMO, investors may feel a psychological "loss" for not participating in a market rally that others are experiencing. This drives them to chase potential gains, even at high risk (Kahneman & Tversky, 1979). Its relevance to this research is to explain the cognitive biases that underlie investment decisions influenced by FOMO, especially when facing potential gains or losses.

Social Cognitive Theory

This theory, pioneered by Albert Bandura (1986), emphasizes the role of personal factors (cognition), behavior, and the environment as they interact to shape individual behavior. Observing and imitating the behavior of others, especially on social media or in online communities, can shape investors' perceptions and expectations. In the context of FOMO, investors might see the investment success of friends or influencers on social media, which triggers a desire to imitate that behavior to avoid "missing out" (Bandura, 1986). This theory is relevant for understanding how social influence and exposure to information (especially from social media) can trigger FOMO in retail investors.

Diffusion of Innovations Theory

Developed by Everett Rogers (2003), this theory explains how, why, and at what rate new ideas or technologies spread through a culture. While most often used in the context of technology adoption, this concept is relevant for understanding how investment trends or "hot stocks" spread among retail investors, creating social pressure to participate to avoid being left behind. In the context of FOMO, the perception that an investment is an "innovation" or a trendy new opportunity can accelerate the spread of FOMO behavior among investors.

Availability Heuristic

This heuristic is a cognitive bias where people assess the probability of an event based on how easily they can recall similar examples. If investors frequently hear stories about the success of a particular investment or see posts about large gains on social media, they tend to overestimate the likelihood of such gains and underestimate the associated risks, triggering FOMO (Tversky & Kahneman, 1973). This concept is crucial for understanding how easily accessible and repetitive information can influence risk perception and trigger impulsive investment decisions driven by FOMO.

Previous Research

Several studies have examined the phenomenon of FOMO in various contexts, including investment. These findings provide an initial understanding of the impact of FOMO on retail investors. A study by Pratiwi & Santoso (2020), published in the Journal of Finance and Banking, showed that FOMO has a positive and significant effect on impulsive investment behavior among millennial investors in Indonesia. This finding supports the idea that the pressure not to miss out on trends can drive unplanned investment decisions. Furthermore, a study by Aditya & Kusumadewi (2021) in the Journal Research Accounting and Finance revealed that social media plays a mediating role in the relationship between information exposure and FOMO, as well as its impact on investment decisions. This indicates that digital platforms amplify the sensation of FOMO among retail investors.

A study by Setiawan & Handayani (2023) in the Journal of Service Management and Marketing found that a low level of financial literacy can worsen the impact of FOMO on retail investors, making them more vulnerable to misleading information and irrational investment decisions. Consistent with this, an international perspective from a study by Sadiq, et al. (2021) in the Journal of Behavioral and Experimental Finance showed that individuals with higher FOMO scores tend to exhibit herding behavior and high-frequency trading, which often leads to losses. This highlights the negative impact of FOMO on investor profitability.

However, some studies also present different findings. For example, a study by Chen & Li (2020) in Psychology & Marketing argued that under certain conditions, the urge to not miss out can motivate individuals to seek more information and diversify their portfolios, which can paradoxically mitigate risk. Nevertheless, this finding is more relevant for investors with good financial literacy. Similarly, research by Rahmawati and Putri (2019) in the Journal Accounting and Business mentioned that while FOMO can encourage impulsive decisions, some retail investors with sufficient experience can manage these emotions and make more strategic decisions, which suggests the presence of a moderating factor.

Overall, the majority of the literature supports the view that FOMO has a negative impact on investment behavior, driving impulsive decisions and increasing risk. Social media and a lack of financial literacy are factors that exacerbate this phenomenon. However, there are indications that higher levels of experience or financial literacy can mitigate these negative effects.

Based on this literature review, this research will fill several important gaps and provide new perspectives:

1. Focus on Retail Investors in the Indonesian Capital Market: Although there is research on FOMO in investing, qualitative research specifically examining the subjective experiences and narratives of Indonesian retail investors is still limited. This research will provide a richer understanding of how FOMO is understood, felt, and influences decision-making within the Indonesian cultural and social context, especially amid the onslaught of information in the digital age.
2. In-depth Qualitative Exploration of Psychological Mechanisms: Previous research has tended to use a quantitative approach to measure the impact of FOMO. This research will use a qualitative approach (literature review) to delve deeper into the psychological mechanisms underlying FOMO, such as how emotions, perceptions, and social interactions shape investment decisions. This will complement existing quantitative findings with descriptive and interpretive nuances.
3. Identification of Coping Strategies: Through a literature review, this research has the potential to identify various strategies that retail investors use or could use to overcome or mitigate the negative effects of FOMO. This will provide practical insights for both investors and policymakers.
4. Offering a Comprehensive Perspective Through Multi-Theory Synthesis: By integrating Prospect Theory, Social Cognitive Theory, Diffusion of Innovations Theory, and the Availability Heuristic, this research will offer a more comprehensive analytical framework for understanding FOMO, moving beyond a single theoretical focus. This will provide a holistic view of the interaction between cognitive biases, social influence, and market dynamics.

By filling these gaps, this research is expected to make a significant contribution to the understanding of FOMO among retail investors in the Indonesian capital market, as well as offer practical implications for financial literacy and investor protection policies.

Research Method

This research adopts a qualitative research design with a literature review approach. This approach was chosen to systematically identify, evaluate, and synthesize relevant research evidence on the phenomenon of FOMO, particularly as it relates to the behavior of retail investors in the Indonesian capital market. The objective is to build a solid conceptual framework and identify research gaps for future study. This design allows for an in-depth exploration of various aspects of FOMO, from its definitions, triggers, and impacts to coping strategies, based on findings from previous studies.

The research population includes all relevant scientific literature on the phenomenon of FOMO, specifically related to the behavior of retail investors in the Indonesian capital market from various databases and publishers. This includes accredited national journals (Sinta) and International journals (Scopus, Web of Science), proceedings, research reports, and books published between 2019 and 2025. The sampling technique used is purposive sampling. The researcher will selectively choose literature based on its high relevance and proven academic quality. The inclusion criteria are as follows: *First,* scientific journals published within the 2019 to 2025 timeframe. *Second,* a focus on the FOMO phenomenon, particularly concerning the behavior of retail investors in the Indonesian capital market. *Third,* publication in reputable national (Sinta) and International journals (Scopus, Web of Science, or those with a high impact factor).

The data for this study will be collected through systematic documentation and literature review, following these steps: *First,* keyword identification to pinpoint relevant keywords such as "Fear of Missing Out," "Retail Investor," "Indonesian Capital Market," "Investment Psychology," and "Financial Literacy." *Second,* database searching to find literature on platforms like Google Scholar, Scopus, Web of Science, ScienceDirect, Emerald Insight, and reputable Sinta accredited national journals. *Third,* initial screening to identify potentially relevant articles. *Fourth,* a full text review of screened articles to ensure their relevance to the research objectives. *Fifth,* data extraction to identify and extract key information from each piece of literature, including research objectives and questions, methods, main findings, conclusions, arguments/theories, and implications/recommendations. The data will be organized using reference management software such as Mendeley or Zotero (Hair et al., 2022).

Table 1
Summary of Reviewed Articles

Publication Year	Database Source	Number of Articles	Research Focus
2019	Google Scholar, Sinta 2	6	Behavioral biases, early FOMO discussions
2020	Scopus, Sinta 1	7	Impulsive investment behavior, herding, social media influence
2021	Scopus, Web of Science	8	Role of literacy and digital platforms
2022	ScienceDirect, Emerald Insight	6	FOMO and emotional regulation
2023–2025	Sinta 1 & 2, Scopus	8	Emerging patterns of FOMO in Indonesian market
Total	—	35 Articles	—

Source: Processed Data (2025)

Data analysis will be conducted using a qualitative interpretive approach with thematic analysis or narrative synthesis. The steps include: *First,* coding the literature to identify recurring variables, concepts, or patterns. *Second,* categorization and variable formation to group similar variables into broader categories and develop key variables as the research's resulting framework. *Third,* synthesis and interpretation to synthesize information from various sources to build a coherent understanding of the FOMO phenomenon, particularly concerning the behavior of retail investors in the Indonesian capital market, and to interpret the findings within the context of relevant theories and conceptual frameworks. *Fourth,* verification and triangulation (if possible) to cross verify findings across sources for consistency. Triangulation can be performed across different types of literature or author perspectives (Lincoln & Guba, 2020). *Fifth,* drawing conclusions to formulate conclusions based on the data synthesis and interpretation, answer the research questions, and identify the theoretical and practical implications of the findings.

Result and Discussion

Defining FOMO and Its Characteristics in Indonesian Retail Investors

The fear of missing out (FOMO) in the context of investing typically refers to the anxiety that arises from the belief that other people are having a significant positive experience in this case, investment gains that you are not experiencing yourself (Przybylski et al., 2013). This phenomenon is amplified by the rapid dissemination of information through social media and online investment platforms, creating the perception of "hot" investment opportunities that must be acted upon immediately.

The characteristics of FOMO among Indonesian retail investors include:

1. Herding Behavior: Investors tend to mimic the actions of other investors who are perceived as successful, without conducting in-depth analysis (Budiarto & Permana, 2020). This is often observed when the price of a particular stock soars, prompting many new investors to buy in (Setiawan & Sari, 2021).
2. Impulsivity in Decision Making: Investors experiencing FOMO tend to make hasty investment decisions without careful consideration or adequate research, fearing they will miss out on a profit momentum (Nofie & Haryanto, 2022).
3. Increased Trading Frequency: There is a tendency to frequently buy and sell assets in a short period, not based on a long-term strategy, but driven by daily price fluctuations or rumors (Puspita & Suryani, 2019).
4. Tendency to Ignore Fundamentals: The focus shifts from the fundamental analysis of a company to price movements and market sentiment driven by rumors or fleeting popularity (Kurniawan & Pratiwi, 2020).

This phenomenon is consistent with findings from previous studies showing that FOMO is a psychological phenomenon triggered by the need for social connection and the fear of exclusion, which manifests in economic behavior (Wegmann & Brand, 2017). In the Indonesian context, these characteristics are reinforced by the dominance of young retail investors who are familiar with social media, where information (and rumors) about stocks are easily spread (Wijaya & Astuti, 2021).

Identifying the Triggering Factors of FOMO in Indonesian Retail Investors

Several key factors that trigger FOMO (Fear of Missing Out) in Indonesian retail investors have been identified:

1. Social Media and Online Investment Communities: Platforms like Instagram, Twitter, TikTok, and Telegram/WhatsApp groups have become the primary channels for spreading information (both valid and invalid) about "trending" stocks. The success (or claimed success) of other investors showcased on social media triggers a feeling of being "left out" (Putra & Lestari, 2022).
2. The Bandwagon Effect: When a certain stock or asset becomes very popular and its price continues to rise, investors tend to join in without considering rationality, assuming that if many other people are investing in it, it must be a good decision (Sari & Hidayat, 2019).
3. Lack of Financial Literacy and Investment Knowledge: Retail investors with a limited understanding of market analysis, risk management, and company fundamentals are more susceptible to FOMO because they tend to rely on recommendations or "signals" from others rather than their own independent analysis (Anggraini & Setiawan, 2020).
4. Technological Support and Easy Access: User-friendly investment apps and low transaction costs make investing highly accessible, even for beginners. This convenience sometimes encourages impulsive transactions without adequate research (Siregar & Permata, 2022).
5. Social and Environmental Pressure: Conversations among friends or family about certain investment gains can create pressure to invest and not be left behind (Wijayanti & Santoso, 2021).

These triggering factors align with behavioral economics theories, which highlight the role of cognitive biases and emotions in investment decision making. Global studies also confirm the role of public sentiment and social media in triggering FOMO, especially among less experienced investors (Caporale et al., 2020).

Identifying the Impact of FOMO on Investment Decisions and Performance of Indonesian Retail Investors

The impact of FOMO on the investment decisions and performance of retail investors is significant and tends to be negative:

1. Suboptimal Investment Decisions: FOMO causes investors to buy assets at their peak price (when they are already very expensive) and sell them at a low price (when the assets are correcting), following market trends reactively rather than proactively (Lestari & Putra, 2021). This is often referred to as "buying high, selling low."
2. Increased Unnecessary Risk: The urge to not miss out on opportunities leads investors to ignore the principles of diversification and risk management.

They may allocate a large portion of their capital to one or two popular assets, even though the risk is high (Budiman & Wulandari, 2020).
3. Decreased Investment Performance: As a result of impulsive decisions and excessive risk-taking, many retail investors affected by FOMO experience investment losses or poor long-term portfolio performance (Hartanto & Setiadi, 2022). This poor performance often contrasts with the expectation of quick gains that drove them to experience FOMO.
4. Psychological Stress and Anxiety: In addition to financial losses, FOMO can also cause stress, anxiety, and even depression in investors, especially when they see their held assets losing value while other assets are "soaring" (Sari & Putra, 2021).

These impacts are consistent with findings from previous studies that link cognitive biases with lower investment performance (Barber & Odean, 2020). FOMO exacerbates biases such as herding bias and the disposition effect, where investors tend to hold onto losing stocks for too long and sell winning stocks too quickly (Novitasari & Sudaryono, 2019).

Mitigation Efforts for FOMO in Indonesian Retail Investors

Given its negative impacts, it is crucial to implement mitigation efforts to address FOMO among retail investors:
1. Increased Financial Literacy and Investment Education: One of the most effective mitigation strategies is to provide comprehensive education on investment fundamentals, fundamental and technical analysis, risk management, and investment psychology. Educated investors are better equipped to make rational decisions (Indriani & Setyawati, 2020). Market regulators (OJK) and Self Regulatory Organizations (SRO) like the IDX have been aggressively conducting educational programs, but their reach needs to be expanded, and the materials should be tailored to the needs of young investors (Otoritas Jasa Keuangan, 2023).
2. Development of a Long Term Investment Plan: Encouraging investors to have a clear investment plan based on their financial goals and personal risk profile can help them stay focused and not be easily swayed by market fluctuations or fleeting sentiment (Sujarwo & Hidayat, 2022).
3. Self Discipline and Emotional Control: Investors need to be trained to identify and manage their emotions, including anxiety and greed. This can be done by setting pre defined loss limits (stop loss) and profit targets (take profit) (Rahayu & Firmansyah, 2021).
4. Information Filtering and Social Media Selectivity: It is important to encourage investors to be more critical in filtering information from social media and to rely only on credible sources. Disengaging from groups or accounts that spread baseless recommendations is also crucial (Santoso & Yulianti, 2020).
5. Leveraging Technology for Education and Early Warnings: Investment platforms can integrate educational features, risk assessment tools, or even early warnings when an investor makes a highly risky transaction or one that is outside their usual investment habits (Pratama & Nugroho, 2023).

The implications of these findings for the phenomenon of FOMO (Fear of Missing Out), particularly as it relates to retail investor behavior in the Indonesian capital market, are profound. The FOMO phenomenon is not merely a "trend" but reflects information asymmetry, uneven financial literacy, and the psychological vulnerability of investors. A strong argument is that easy access to the capital market through digitalization, without being balanced by adequate literacy and emotional maturity, will continue to trigger FOMO behavior.

The specific mechanism at play is a positive feedback loop on social media: the more people talk about a rising stock, the more people are motivated to buy, which then drives the price up further. This cycle repeats until the bubble bursts. A key instrument is the highly intuitive trading application that makes buying and selling stocks as easy as playing a game, thereby reducing the psychological barriers to transactions (Chen, 2021). Another factor is the "get rich quick" narrative often echoed on social media, creating unrealistic expectations of instant profits (Wijaya & Santosa, 2022). To address this, regulators, market participants, and educators need to collaborate to build a healthier investment ecosystem, where investors are encouraged to make decisions based on rational analysis and long-term goals, not momentary emotions or the fear of being left behind.

Theoretical Implication

The findings of this study align closely with the theories discussed earlier. Based on Prospect Theory (Kahneman & Tversky, 1979), retail investors' fear of potential "losses" from missing profitable opportunities explains their tendency to take higher risks during market rallies. Social Cognitive Theory (Bandura, 1986) reinforces this by emphasizing observational learning investors imitate peers' or influencers' behavior seen on social media. Diffusion of Innovations Theory (Rogers, 2003) also manifests as the rapid spread of new investment trends that create social pressure to participate. Finally, the Availability Heuristic (Tversky & Kahneman, 1973) is evident as investors rely on easily accessible success stories rather than analytical evaluation. Collectively, these theories provide a cohesive framework to explain how psychological and social mechanisms drive FOMO among Indonesian retail investors.

Conclusion

This study concludes that the phenomenon of Fear of Missing Out (FOMO) is a significant psychological factor influencing the behavior of retail investors in the Indonesian capital market. Key findings show that FOMO manifests as impulsive investment decisions, a strong tendency to follow herd behavior, and increased trading activity often not based on deep fundamental analysis. Various external factors, such as the rapid flow of instant information from social media, the search for social validation from fellow investors, and the perception of large profits in a short time, synergistically strengthen the emergence of FOMO among retail investors, pushing them toward less rational decisions.

Furthermore, this research indicates that investors who are susceptible to FOMO tend to ignore basic investment principles such as portfolio diversification and prudent risk management. This ultimately puts them in a highly risky position, with the potential for substantial financial losses, especially when the market experiences volatility or a correction. This psychological condition aligns with the concept of bounded rationality in behavioral finance theory, which emphasizes how cognitive and emotional biases can distort the investor decision-making process.

Therefore, understanding FOMO is not only important for analyzing investor behavior but also crucial for developing educational and regulatory strategies in the capital market. Identifying the triggers and impacts of FOMO is the first step to helping retail investors make more informed and rational decisions, as well as to building a more stable and sustainable capital market ecosystem in Indonesia.

This research contributes to the development of behavioral finance theory, particularly in explaining the dynamics of investor decision-making in emerging markets like Indonesia. Theoretically, this study strengthens the view that the bounded rationality of retail investors is heavily influenced by cognitive and emotional biases, with FOMO being one of the dominant biases. These findings also provide an empirical basis for the development of theoretical models that integrate psychological and social factors in predicting investor behavior. Furthermore, this study highlights the relevance of Prospect Theory in the context of FOMO, where investors exhibit a greater aversion to the potential loss from a missed opportunity than to the potential gain from a realized one, pushing them toward suboptimal risk-taking behavior.

Based on these findings, here are some recommendations or suggestions that can be given to Indonesian capital market stakeholders:

1. For Market Participants (Brokers/Securities Firms): Securities companies can develop educational features or programs focusing on financial literacy and investment risk management. For example, providing a FOMO risk calculator or alerts that remind investors about potentially impulsive decisions.
2. For Regulators (Financial Services Authority & Indonesia Stock Exchange): The OJK and IDX need to increase supervision of marketing practices or social media endorsements that have the potential to trigger FOMO. Public education on investment risks caused by FOMO should also be promoted through national campaigns.
3. For Educators (Academics/Financial Education Institutions): The investment education curriculum needs to be enriched with materials on investment psychology and behavioral biases, including case studies of FOMO in the Indonesian capital market. This can help young investors build mental resilience against the emotional pressures of the market.

Limitations of the Study

This study has several limitations. *First*, the scope of literature was limited primarily by the databases accessed, including Scopus, Web of Science, ScienceDirect, Emerald Insight, and Sinta-accredited journals. While these databases ensure reliability and peer-reviewed quality, some relevant literature indexed elsewhere might not be covered. *Second*, as a literature review, this research did not involve primary data collection, thus it could not capture the dynamic, real-time nature of investor behavior. *Third*, the focus on retail investors may not fully represent institutional investor behavior, which typically follows different motives and analytical models.

Suggestions for Future Research

Based on the limitations and findings of this study, here are some suggestions for future research:

1. Further Empirical Research: Conduct direct surveys or experiments on retail investors in Indonesia to measure the level of FOMO and its correlation with actual investment decisions.
2. Focus on Specific Demographics: Investigate the FOMO phenomenon in specific demographic groups, such as young investors (Generation Z and millennials) or those new to the capital market, to better understand specific triggers and impacts.
3. Analysis of Social Media Influence: Conduct a more in-depth study on the role of financial influencers and social media platforms (e.g., Telegram, TikTok, Instagram) in triggering and amplifying FOMO among retail investors.
4. Development of FOMO Measurement Tools: Create or validate a FOMO measurement tool specifically tailored for the Indonesian capital market.
5. The Role of Financial Literacy: Analyze how financial literacy levels moderate or mitigate the impact of FOMO on retail investors' investment decisions.

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