

## FOMO: A new tool to drive organizational change



### Tracing the origins of FOMO

Though FOMO has been recently popularized, mostly through the proliferation of social media, it has existed throughout history. The tulip bubble burst, or tulipmania, of Holland in the mid-1630s makes a fascinating study not only of finance and economics but also of social behavior and the human psyche related to FOMO (see the sidebar on p. 1). More recently, think of any sort of fashion trend or fad. How did the big hair of the '80s get so big and widespread? Popular media deemed teased hair attractive, and suddenly women spent fortunes on tools and hair spray to be a part of this fad since their peers were doing the same. Ripped jeans, which saw an explosion in the '90s and are still popular today, are an example of a product that is empirically worse than its original form. Yet, because a group of people deemed it fashionable, people were and are willing to spend more money for a tattered and damaged product. These trends do not serve any actual value; they are not safer, warmer, more efficient, or necessarily improved in any way. Then why are humans driven to adopt them? FOMO.

Remember that feeling you got in 5th grade when the popular kid had a party and didn't invite you? Or that wedding you saw pictures of on Facebook because all of your friends went, but you couldn't make it? Whether you know the name or not, that anxiety and jealousy people feel in these situations is FOMO. FOMO is universal and timeless, and cuts across age, class, and race.

### FOMO: Fear of Missing Out

While we no longer spread company news via a photocopied memo in everyone's mailbox, today's typical organizational communication styles and strategies still lack effectiveness in the modern workplace. Internal corporate communicators, such as HR professionals or anyone with an internal audience, often struggle to elicit engagement and action from the same type of communications that worked in years past. Certainly the sheer volume of messages the average worker receives (more than 100 emails alone every day<sup>1</sup>), coupled with the lure and distraction of having texts, social media, news headlines, and the entire Internet as close as one's cell phone, contributes to the communicator's dilemma. What does it take in such a hyper-informed environment to gain attention to a message and then spur the desired response?

The answer may lie in a centuries-old phenomenon with a recently coined name: FOMO, the fear of missing out. Implementing FOMO in corporate communications strategies helps to get the new information to the workforce in the way they want to read it and the way in which they are accustomed to receiving it. As a result, organizational messages can command closer attention and are better able to drive change and spur action.

<sup>1</sup> The Radicati Group, Inc.: Email Statistics Report, 2014-2018.

From the idea of conspicuous consumption to the popular idiom “keeping up with the Joneses,” the comparison of oneself to peers has been a recurring cultural phenomenon for centuries. This age of social media has made it easier to make such comparisons and more pronounced to experience FOMO. FOMO captures the anxiety, jealousy, and competition those on social media feel when others do or have something of popular interest.

### FOMO may be positive or negative

While FOMO may make individuals experience negative emotions, it also drives continued viewership and active participation on social media sites like Facebook, Twitter, and Instagram. Social media is how many people receive popular opinions on culture and media topics and is particularly influential on Generation Y and Millennials. The social media experience is multidimensional. Many individuals strive to obtain goods, experiences, and especially information faster than their peers and then enjoy sharing what they’ve acquired online.

Though social media has popularized FOMO, it is a concept that should not be trivialized. FOMO is a powerful phenomenon that can drive large-scale groupthink and affect decisions with considerable economic impact, as seen with tulipmania and our other examples. Though tulip investors were most likely rational and educated individuals, their actions reveal FOMO’s power to trigger emotional responses with huge economic implications. This same emotional response could have equally large implications when harnessed in the workplace.

### Why should the corporate sector care about FOMO?

The current working environment is changing more quickly than in perhaps any other time in history. Just looking at common conversation, words like “Skype,” “hacker,” and “viral” that are ubiquitous in today’s workplace either did not exist 20 years ago or have taken on completely new meanings. Consider “BlackBerry®.” This was cutting edge technology that was essential to the corporate world a decade ago that experienced a shift in market share as retail consumer sentiment towards mobile devices changed.

### Tulipmania: An early form of FOMO

Tulips were introduced to Holland in the early 1590s when they were brought over from the Ottoman Empire. Reportedly, like the Dutch, those in the Ottoman Empire were in deep admiration of the beautiful flower, which was unlike any flora of that time.<sup>2</sup> But was it beauty alone that compelled the Dutch to engage in such irrational buying behavior?

At its peak, the tulip craze was so intense that it is rumored that a Dutch sailor was thrown in jail for eating a tulip bulb he mistook for an onion. Though the story’s historical accuracy is uncertain, it exemplifies the unexplainable value of the tulip. However, what is factual, is that many of the Dutch traded their land, homes, life savings, and any other assets in order to acquire tulip bulbs. The volume, rate, and price at which bulbs were traded was so high that one particularly popular bulb type rose from 125 florins a pound to 1,500 florins within 2 months—an 1,100% increase.

It is safe to say that the flower’s beauty alone did not trigger this illogical behavior. One factor was the long growing period, which naturally increased scarcity. Another reason is that though it affected the whole country, it was only a small segment of the population—merchants, skilled craftsmen—that actually bought, sold, and traded the bulbs. Seeing and hearing others buy into the promises of tulip profitability encouraged others to do the same and with even more gusto and abandonment than their peers. These factors of exclusivity, scarcity, and comparative wealth created the bubble and burst phenomena that is still studied today. At the core of those emotions was the direct comparison and desire to “keep up” with those seemingly gaining in wealth and prestige. Some researchers propose that all financial bubbles are created out of concerns over relative wealth.<sup>3</sup> Here, “relative” means that investors are averse to trading against the crowd because it increases the risk of their relative wealth. This is a fear of missing out; a fear of going against the crowd and missing out on the potential wealth attained by the group. The research continues to state that individuals “care directly about what others consume.” On a less economically driven level, those same emotions are alive and well today, and have been newly coined as FOMO, or the fear of missing out.

<sup>2</sup>Holodny, Elena, “TULIPMANIA: The True Story of How A Country Went Totally Nuts for Flower Bulbs,” Business Insider, September 16, 2014.

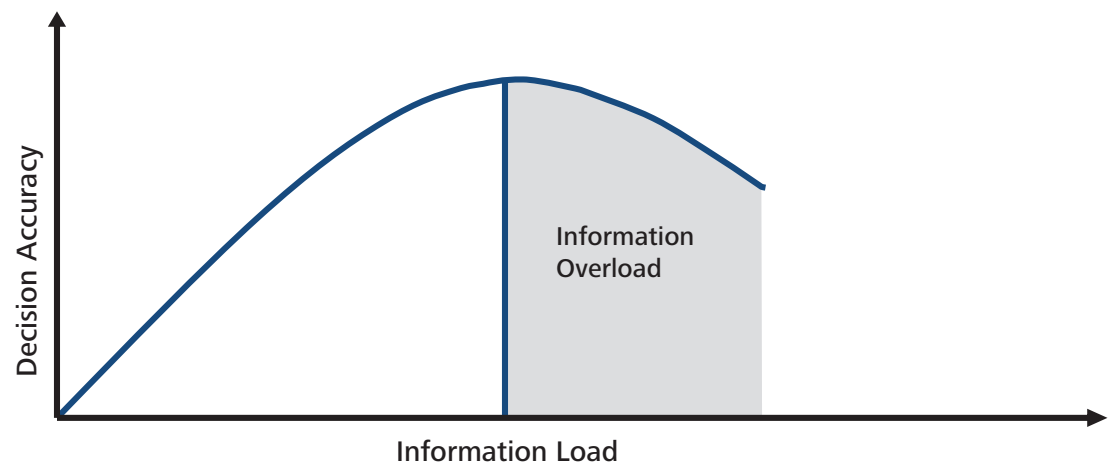
<sup>3</sup>DeMarzo, Kaniel, and Kremer, “Relative Wealth Concerns and Financial Bubbles” Rev. Financ. Stud. (2008) 21 (1): 19-50

The invention of the bitcoin is a modern example of a product that does not physically exist and has no material benefits. Yet, because a few people invested, others began scrambling to buy up bitcoins, creating a bubble in the market similar to tulipmania. This new currency and the resulting market fluctuations affected many dot-com businesses trying to stay relevant in their marketplace and on top of trends. The entire theory of bitcoin rests on the idea of comparative wealth and hoping that the jealousy and anxiety of missing out on investment opportunity will drive up the sale of this fictitious monetary system. And it has worked.

The companies that are likely to come out on the other side of the digital revolution are those that are most equipped to evolve and roll with the changes, which includes developing strategies that work for the modern workforce. Companies that are not able to effectively communicate to their workforce or aren't able to adapt and respond to changes in an agile manner will likely get left behind and become less and less able to compete in the market.

Another complication facing corporate communicators is the diversity of the current workforce, including an ever-growing generational gap. As a result, it is increasingly difficult for communications to reach and resonate with this widespread group of employees. Many internal communications are too monolithic, too frequent, and too general and miss the mark in effectively inspiring action or encouraging knowledge sharing—key components of a productive work environment.

#### Decision making accuracy decreases as information increases



(Eppler and Mengis 2004)<sup>4</sup>

#### Using FOMO to effectively engage the audience

Typical communication styles and strategies lack effectiveness in the modern, diverse workplace. Internal corporate communicators, such as HR professionals or anyone with an internal audience, may struggle to elicit engagement and action from the same type of communications that worked in years past.

Old communication strategies of bombarding the staff with masses of media and messages via huge distribution lists are no longer merely ineffective, but have now been proven to decrease the decision-making ability of workers. In a study done in coordination with the Institute of Corporate Communication and University of Lugano titled, "The Concept of Information Overload: A Review of Literature from Organization Science, Accounting, Marketing, MIS, and Related Disciplines," the researchers find that the correlation between information load and decision accuracy is an inverted bell curve. This means there is a peak amount of information a person can take in that improves decision-making ability; any additional information added past this point results in a decrease in accuracy.

Therefore, the superfluous information can have negative effects on a worker's accuracy in the workplace, resulting in poorer products, and have potentially expensive and/or detrimental consequences<sup>5</sup>. For corporate communicators trying to elicit a desired response, overload is clearly something to be avoided—but it often clearly exists.

<sup>4</sup>Eppler, M.J.; Mengis, J. "The Concept of Information Overload: A Review of Literature from Organization Science, Accounting, Marketing, MIS, and Related Disciplines." *The Information Society* 20.5 (2004)

<sup>5</sup>(2008) 21 (1): 19-50

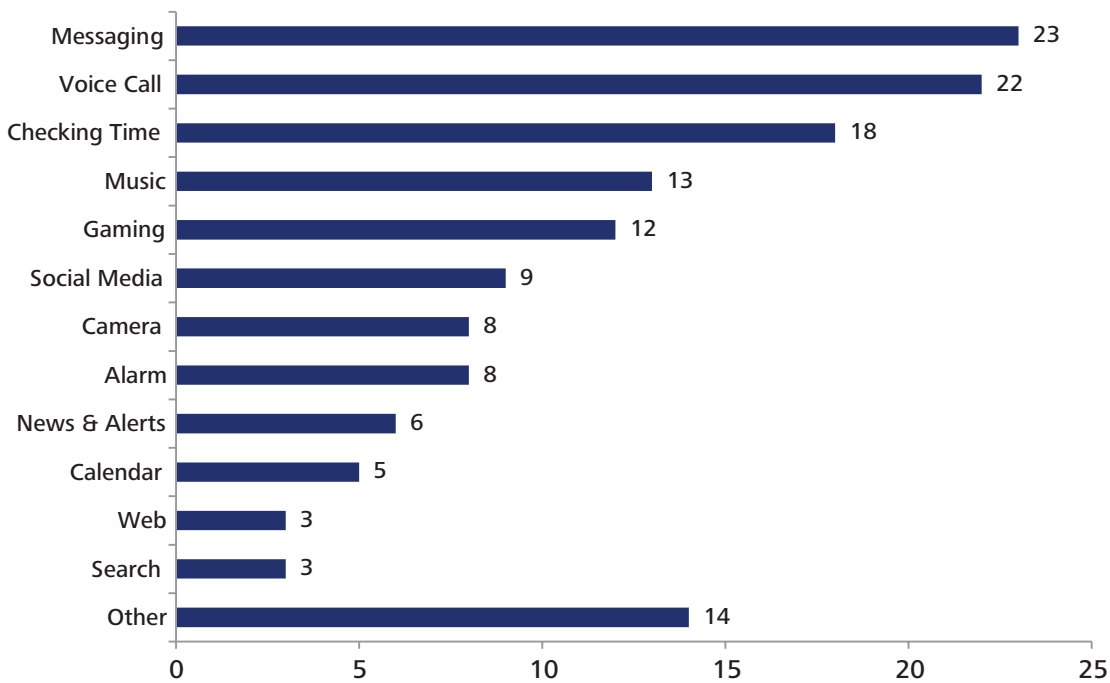
### How big is the problem?

The volume of work-related communications the corporate worker receives has undoubtedly increased. The average person spends 2.5 hours of his or her workday reading and responding to emails alone<sup>6</sup>. This does not even include notifications that come via alternative methods like instant messaging and various social media platforms. Not only are workers bombarded with communications while at work, but the introduction of personal digital assistants (PDAs), cell phones, tablets, and smartwatches all make information immediately accessible at all hours of the day. The workday no longer ends when you leave the office. Work, and the related notifications, now follow you around in your pocket. Studies show that consumers reach for their phones about 150 times per day (per the following graphic). When compared with the number of consumer emails sent or received on a daily basis, over 80<sup>7</sup>, there are a lot of distractions besides just email that are vying for the finite amount of attention of every worker. Therefore, it can be implied that the consumer is actively choosing which notifications are important to read, and which are not.

PDAs have made it possible for the American workforce to be on-call 24/7, which triggered the loss of the “shutdown period” that used to occur outside of the office. The business sector alone contributes to 108.7 billion emails sent and received each day around the world,<sup>8</sup> a significant portion of which are sent outside of “normal” working hours. This constant checking and engaging with emails and notifications in the ever-expanding workday tends to desensitize workers and decrease the urgency of all communications, causing them to ignore the vast majority of what they receive. Basic economics would argue that “more is less.” When messages are too frequent, they become less valuable and urgent, causing delays in action.

### Smartphone Users Reach to Phone ~ 150x a Day could be Hands-Free with wearables

# of Times Typical User Checks Phone per Day



<sup>6</sup>Osterman Research, “Results of a Survey with Email Users”, April 2013

<sup>7</sup>The Radicati Group, Inc.: Email Statistics Report, 2013-2017

<sup>8</sup>The Radicati Group, Inc.: Email Statistics Report, 2014-2018.

The delayed or uninspired action is not necessarily procrastination, but rather a personal filter. The volume of daily notifications is so high that people are forced to choose the bits and pieces of information they can take in, and then ignore the rest. This disregard happens most often to those notifications that are not urgent or do not immediately apply to the recipient. This filter can reduce the overall urgency a recipient feels to take action or absorb the message, making the majority of communications impotent and information flow and change adoption within companies much more difficult.

### Business Emails Sent/Received Per User/Day

Business Email	2014	2015	2016	2017	2018
Average Number of Emails Sent/Received per user per day	121	126	131	136	140
Average Number of Emails Received	85	88	91	95	97
Average Number of Legitimate Emails	75	77	79	83	83
Average Number of Spam Emails*	10	11	12	12	14
Average Number of Emails Sent	36	38	40	41	43

*The Radicati Group, Inc.: Email Statistics Report, 2014-2018*

Business email data from 2014 and projections through 2018, reveal that the number of emails sent and received is only increasing.

### Breaking through, Being heard

Corporate communicators, then, have several factors working against them: too much information being sent, over too many media, which requires individuals to apply their own filters to decide what to pay attention to. To get through the recipient's personal filter and on their way to generating FOMO-like appeal, communications should be targeted, purposeful and, above all, strategic.

### 1. Limit the number of messages sent.

One way to integrate FOMO and harness its power is by proactive filtering. Before the individual has the chance to employ his/her own filter, the corporate communicator should be the one to limit the number of communications that are sent. This scarcity automatically increases the value of each message. For example, instead of sending out daily and weekly reminder emails with instructions for a new software implementation, the communicator could limit the communications in order to give the recipient less of a reason to apply his/her own filter. If people feel as though they might miss the instructions, rather than being overwhelmed by the instructions, they may become more likely to take action when needed.

### 2. Target how messages are sent.

Implementing FOMO in corporate communications strategies means getting information to the workforce in the way they want to read it and the way in which they prefer to receive it. While email has become the corporate default, another vehicle may be more effective. Think about alternatives: should the message be written or perhaps video-based? Perhaps it should be posted to a company-managed intranet project site with push notifications when new information is added. Perhaps publicized via the company's internal social media platform (e.g., Yammer, and the like). It may take some research or polling on the communicator's part to uncover preferred, effective communication methods, but using an unconventional communication method could increase attention, engagement, and FOMO.

### 3. Be strategic about who sends the message.

Another method of filtering and increasing the value of a message is to strategically choose who is sending the communication. Information coming from a peer or direct superior with a personal connection to the recipient will likely be much more effective in eliciting action than a figurehead with no personal connection with the staff. If important messages are sent using a waterfall mechanism whereby communications are disseminated by social groups or peer groups, instead of blasted to entire departments at once, they naturally insight FOMO because they have been made more personal, interesting, or valuable than the standard notification.

#### 4. Be exclusive about who receives the message.

Consider the corporate norm: newsletters and invitations are sent out en masse to giant distribution lists and employees are informed of news, events, or opportunities as a group. This recent rise in inclusivity is the natural result of the information age and the ease of sharing information. While inclusivity is typically regarded as a positive trend in the business community, it can have a negative effect on participation, in part, due to the Bystander Effect.

Most any organizational change comes with a measure of employee apathy. The Bystander Effect principle suggests that the more people present at an event, the less likely people are to offer aid to someone in need. People will instead assume someone else in the mass has already offered or provided aid. In the context of change adoption, staff may have the tendency to delay action, under the premise that someone else is currently acting as or will be the early adopter, so they do not need to act. FOMO helps directly combat the problem of change apathy and lack of action by persuading everyone to want to be an early adopter and take immediate action.

In general, exclusivity is known to generate interest and buzz for most any object or event. Exclusivity involves restricting access or information to a subset of people who hold a certain credential or match a particular quality or standard. Exclusivity can make the information or event more attractive to the audience because they know they are in a small group of “privileged” users. It plays to humans’ natural inclination to feel desired or special. In this case, they get the best of both worlds by being included in a group as well as still feeling superior to others because they have something covetable.

To create this feeling of exclusivity, the communicator should narrow the information or invitation so that it is highly specific and relevant to only a small group of people, and then make it available for only the select audience. This should result in smaller distribution lists, fewer names in the cc: line, and, ultimately, increased engagement and reaction. Exclusivity tends to create a heightened interest around information or activities and is therefore more likely to incite a desired result.<sup>9</sup>

#### 5. Pay attention to how the message is crafted.

Choosing words that make information sound more exclusive can also generate more interest with minimal effort. Using words like “select,” “elite,” and “limited” make information more eye-catching and raise the interest of users.<sup>10</sup>

Creating an air of accomplishment can also create exclusivity. Applying for and then being chosen to enter into a group or being part of a select few that is privy to certain information is something aspirational and makes the user stand out as superior.

All of these tactics can add a measure of desirability to whatever information or event is communicated, thus generating FOMO within others who are not associated with that select inner circle. In the corporate setting, change champions could be on an application-only or high rating basis.

#### **The bottom line: Work changes, but people will be people**

For many reasons, the workplace is not what it once was, and its workers have also evolved. Technological advancements have drastically changed the way individuals receive information and the volume and frequency of that information, with both positive and negative results. The Internet and the proliferation of social media has infiltrated nearly every aspect of our world, giving a new name, FOMO, to a phenomenon that has long existed.

FOMO is largely a product of human nature, a reflection of a widespread tendency to be influenced by those around us, to want to be “in the know” and involved in activities other people value. Corporate communicators can tap into these tendencies to make their messages more desirable, noticeable, and impactful. FOMO gives them a tool to plan, craft, and disseminate information in ways that can invigorate the workplace, prompt employees to take interest and ownership in the changes in their company, and compel desired action.

<sup>9</sup> Ritson, M. “Exclusivity: Brand Equity Power.” *Branding Strategy Insider*. (2008)

<sup>10</sup> Underscore. “Luxury Brands and the Power of Exclusivity” (2015)

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