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THE INFLUENCE OF *FoMO* ON INVESTOR INVESTMENT DECISION MAKING IN *GEN Z* AT KOREA INVESTMENT AND SECURITIES INDONESIA PEKANBARU

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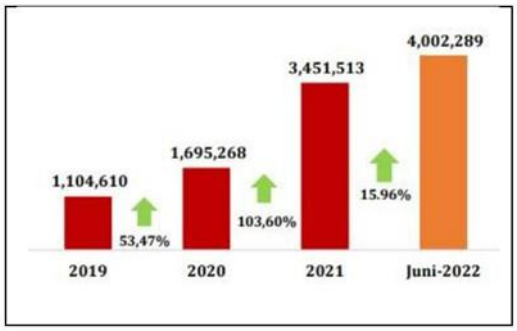
Abstract:
This study aims to determine and analyze the influence of FoMO on investor investment decision making in GEN Z in Korea Investment and Indonesian securities Pekanbaru. In this study using descriptive survey research types and quantitative research methods using SPSS 25 software. The results of this study showed that the FoMO variable with indicators of Fear, Anxiety and Worry got results from respondents with the Agree category. Meanwhile, the Investment Decision variables with indicators of Representativiness, Availability Bias, Anchoring, Overconfidence, Regreat Aversion, Loss Aversion, Mental Accounting and Herding get results from respondents with the Agree category. The results of a simple linear regression study show that FoMO has a significant relationship to investment decisions

Keywords*:* *Fear of missing out; Investment Decision; Generation z*

I. Introduction

In 2022, the number of stock investors entered 4 million in the Indonesian capital market. According to the data at the end of the first semester, the total single number of investor identities already amounted to 4,002,289, of which 99.79% were local individual investors. When viewed in 2021, total investors increased by 15.96% from 3,451,513. The upward trend began to be known in 2020 when the number of investors was still counted at 1,695,268 (PT Kustodian Sentral Efek Indonesia (KSEI).

Picture 1 : Stock Investor Data



Source: KSEI (2022)

It is known that the stock market is controlled by investors under 40 years old, namely generation Z and millennials with a total of 81.64% and has wealth of up to Rp 144.07 trillion. While the other 60.45% are investors who have professions as civil servants, teachers, private employees, and students whose total wealth is Rp 358.53 trillion. This is explained by PT Kustodian Sentral Efek Indonesia (KSEI). This increase is driven by social media factors dominated by *Gen Z.* In introducing the world of investment on social media, usually someone chooses to rely on a group *of Influencers and target generation Z, with this strategy the generation sees someone getting rich thanks to investment,* while they themselves do not understand deeply how investment works properly and correctly. Investment is the placement of a number of funds at this time with the hope of generating profits in the future (Halim, 2005). Korean Investment and Securities Indonesia (KISI) companies are in great demand among generation Z, it can be seen from their customers who are mostly occupied by students in the city of Pekanbaru, the interest of generation Z to invest in KISI companies that the company provides transaction *fees* with 0.13 buy and 0.23 sell and if to

open an online account for regular options get 1 lot of XKMS that can be resold. To make a deposit, potential investors only need a minimum of IDR 100,000. KISI company also promotes its products by visiting universities in the city of Pekanbaru. Currently, KISI has 175 generation Z customers, so this can influence their investment decisions. Investment decisions taken or made by an investor are not always based on rational considerations, but there is also an irrational perspective in it that is very closely connected to one's psychic or more commonly referred to as *Behavioural Finance / Behavioural Biases / Psychological Biases "*(Aini and Lutfi 2019) then Rehan & Umer (2017) stated Investment decisions usually involve cognitive factors *(cognitive biases)* and emotional factors *(emotional biases).* The cause of this problem is also driven by the *Fear of Missing Out* factor or often referred to as *FoMO,* this will make someone rash in doing something including investing. Following what others do with anxiety of being abandoned or losing a race is what FoMO is called *(*Hodkinson and Dogan, 2019). Based on the observations of this study, there is a phenomenon of the emergence of emotions in a generation Z investor in Korean investment companies and Indonesian securities Pekanbaru, to buy large amounts of shares without thinking about the risks and when making investment decisions, investors tend to follow their anxiety and herd factors when making decisions when investing. So it is irrational and relevant in finding definite information to optimize decisions.

PROBLEM STATEMENT

Based on the background that has been described, it can be concluded that the formulation of the problem in this study is "does *FoMO* affect the Investment Decisions of Investors in *Gen Z* in Korea Investment and Securities Indonesia Pekanbaru?"

RESEARCH OBJECTIVES

To analyze *FoMO* influence on investors' Investment Decisions on *Gen Z* in Korean Investment and Sekuritas Indonesia Pekanbaru**.**

THEORETICAL FRAMEWORK

1. **Behavioral Finance Theory**
   According to behavioral financial theory, rational attitudes are not always the basis of one's actions, but irrational attitudes as well (Fridana &; Asandimitra, 2020). Behavioral financial theory investigates how psychological events can influence investor and market

decisions. Based on research gaps from previous research, there are several behavioral finance that influence investment decisions in investors, namely regret aversion bias, loss aversion, mental accounting, herding bias, financial literacy, and risk perception.

Candy and Kellen Vincent (2021) in their research on behavioral finance using factors of representativiness, anchoring, availability bias, overconfidance and loss aversion. Meanwhile, Syifa Aulia Mahadevi and Nadia Asandimitra's (2021) research uses herding, representativiness, status quo, regret aversion, and mental accounting factors. In this study the author took several factors from previous research such as representativiness, availability bias, anchoring, overconfidance, loss aversion, regret aversion, herding, and mental accounting.

So it can be concluded that behavioral finance is how an investor makes investment decisions that are driven by psychological factors consciously or not with several factors from behavioral finance itself.

2. Fear of Missing Out (FoMO)

According to research conducted by Przybylski, Murayama, and DeHaandan Gladwell (2013), each type of internet use is increasingly providing information to its users. Searching for information on the internet can be done through social media and applications. According to a study by JWTIntelligence (2012), up to 40% of users reach the internet in the world afraid of missing out (FoMO). FoMO is a social fear, this phenomenon is caused by the development of technology and the internet that is increasingly fast and rapid (JWT Intelligence, 2012), so the conclusion that can be given is the fear of losing something (FoMO) about the loss of individual or collective precious moments that the individual is unable or following, but still has the desire to be able to relate to these activities through others who do it through the internet as well as in the real world.

3. Investment Decisions

Investment decision is a choice between two or more

investment options with the aim of receiving future benefits (Budiarto &; Susanti, 2017). Investors need information when making investment decisions. This information consists of important elements that help make investment decisions. In considering decision makers, investors conduct *Behavioural Finance / Behavioural Biases / Psychological Biases* as a basis for consideration of irrational components related to a person's psychology, in addition to rational ones (Aini and Lutfi, 2019). It can be known that in making investment decisions, investors involve irrational aspects such as *behavioral finance.*

II. Legal Materials and Methods

A. Research Type

Descriptive based on the opinion of Sukmadinata (2017: 72), that descriptive research is one type of research that aims to be able to carry out descriptions that explain the phenomena that occur, both naturally and artificially consisting of characteristics, activities, relationships, changes, differences, and similarities between one phenomenon and another. The use of this method serves to enable population research which is also referred to as a specific sample. After the data is collected with research instruments, the established hypotheses are tested quantitatively or statistically.

In this case, the author's research place is at PT. Korean Investment and Securities Indonesia Pekanbaru. To do so, the author conducts a direct survey of something that has a relationship with the research that the author will examine which can provide an overview of the conditions that occur through data collection, processing so that an analytical formulation is obtained on the problems faced.

B. Research Location

The research was conducted at PT. Korean Investment and Securities Indonesia Pekanbaru. Jl. Sudirman Business Central Block B1, South Tangkerang, Bukit Raya District, Pekanbaru City, Riau 28288. The author conducted research on this place is because at PT. Korean

Investment and Sekuritas Indonesia Pekanbaru itself often provide education about what investment is in a university in Pekanbaru.

C. Population and Sample

Population when looking at Sugiyono's opinion (2017; 80) that is, as an area of generalization in which the researcher studies objects or subjects that have certain qualities and characteristics, and further makes conclusions. The population in this study is every customer consumer at PT. Korean Investment and Securities Indonesia Pekanbaru.

In the population, there is a part derived from the number and characteristics, this is referred to as a sample (Sugiyono, 2016: 80). In this study, the authors used measures that were considered feasible to be sampled, namely 30 to 500 respondents. The number of generation Z customers in the KISI company is 175 people, so the author rounded it up to 100 respondents.

D. Sampling Technique

The sampling technique that the authors used in this study was random sampling. According to Sugiyono (2022: 82), proportionate stratified random sampling is used when the population has members / elements that are not homogeneous and stratified proportionally.

E. Data Types and Sources

The types of data used in this study are:

1) Data Primer
   Is a collection of data obtained directly at the research location through interviews with respondents and other data from the object of research.
2) Data Seconds
   Is data obtained directly through information sources related to research, in this case the Marketing Officer of PT. Korean investment and securities Indonesia Pekanbaru.

F. Data Collection Techniques

To complete this research, it is necessary to use data pooling techniques, including:

1) Conducting interview techniques, which is an activity by bringing together two or more

people with the aim of collecting data and information about the object of research.

2) Conducting questionnaire techniques, which is a data collection technique through providing several questions and written statements to PT. Korean Investment and Securities Indonesia Pekanbaru to answer.
3) Conducting observation techniques is by observing directly with respondents to find out customer responses about investing in PT. Korean Investment and Securities Indonesia Pekanbaru. The use of this method is carried out to obtain accurate data.
4) Conduct documentation, namely data collection methods that focus on documents relevant to this research and also the organization or company studied.

G. Data Analysis Techniques

The author uses quantitative methods to analyze the data, which is based on the philosophy of positivism. This method is used to study certain populations or samples and data is collected using research instruments, data analysis is carried out quantitatively or statistically to test hypotheses that have been made (Sugiyono, 2015; 12).

III. Result and Discussion

In this research the author discusses two research variables consisting of FoMO variables and investment decision variables. For a more detailed discussion of these two variables, see the following table:

FoMO *recapitulation variable* (X)

Table 1 : Recapitulation of respondents' responses to *FoMO*

No		Respondents' Responses	Sum	Weight	information

	Information	STS	TS	CS	S	SS			
1.	Fear	8	25	94	101	70	298	1.096	Agree
2.	Anxiety	16	42	92	89	61	300	1.037	Agree
3.	Concerns	11	23	55	74	37	200	703	Agree
Sum		**35**	**90**	**241**	**264**	**168**	**798**	**2.836**	**Agree**

Source : Author's Processed Data, 2024

Based on the recapitulation table of *FoMO* variables, it can be seen that the total weight is in the interval 2,723-3,363 and is included in the category of agree, which means that according to 100 respondents agree that fear, anxiety and worry influence customers to invest in PT. Korea Investment and Securities Indonesia Pekanbaru.

Investment Decision Recapitulation Variable (Y)

Table 2: Recapitulation of respondents' responses to investment decisions

No	Information	Respondents' Responses					Sum	Weight	information
		STS	TS	CS	S	SS			
1.	*Representativiness*	1	8	42	86	63	170	792	Agree
2.	*Availibility Bias*	0	1	21	43	35	100	412	Agree
3.	*Anchoring*	6	28	81	55	40	210	725	Agree
4.	*Overconfidence*	1	12	124	97	66	300	1.115	Agree
5.	*Regreat Aversion*	3	8	63	74	52	200	764	Agree
6.	*Loss Aversion*	2	8	24	36	30	100	423	Agree
7.	*Mental Accounting*	1	8	20	69	64	162	604	Simply Agree
8.	*Herding*	0	5	70	132	93	300	1.213	Agree
Sum		**14**	**78**	**483**	**592**	**433**	**1.600**	**6.048**	**Agree**

Source : Author's Processed Data, 2024

Based on the recapitulation table of variable Y, it can be seen that the total weight is in the interval 5,443-6,723 and is included in the category of agree, which means that according to 100 respondents agree that *Representativinness, Availability Bias, Anchoring, Overconvidence, Regreat Aversion, Loss Aversion, Mental Accounting* and *Herding* influence customers to make investment decisions at PT. Korea Investment and Securities Indonesia Pekanbaru.

a) Data Analysis Test Results

1) Validity Test

If the questionnaire is considered to provide measurable information, it is considered valid. Each question item was tested for validity using the Corrected Item-Total Correlation correction correlation.

If the value of r is calculated > r table, then the statement items in the questionnaire correlate significantly and are valid results.

Test the validity of *FoMO* variable data (X)

Table 3 : Results Test Validity FoMO Variabel (X)

No	Item	r calculate	r table	Description
1.	X1	0,272	0,195	Valid

2.	X2	0,211	0,195	Valid
3.	X3	0,207	0,195	Valid
4.	X4	0,241	0,195	Valid
5.	X5	0,332	0,195	Valid
6.	X6	0,294	0,195	Valid
7.	X7	0,260	0,195	Valid
8.	X8	0,303	0,195	Valid

Source : SPSS Results 25, 2024

Based on table 3, it can be seen that items 1 through 8 each have a calculated r value greater than the table r value for N = 100 which is 0.195. then based on the results of processed data using the SPSS 25 program, all statement items 1 to 8 regarding the *FoMO* (X) variable are declared valid.

Test Data Validity of Investment Decision Variables (Y)

Table 4: Results of Investment Decision Variable Validity Test (Y)

No	Item	r calculate	r table	Information
1.	Y1	0,561	0,195	Valid
2.	Y2	0,397	0,195	Valid
3.	Y3	0,398	0,195	Valid
4.	Y4	0,447	0,195	Valid
5.	Y5	0,476	0,195	Valid
6.	Y6	0,682	0,195	Valid
7.	Y7	0,592	0,195	Valid
8.	Y8	0,527	0,195	Valid
9.	Y9	0,633	0,195	Valid
10.	Y10	0,436	0,195	Valid
11.	Y11	0,520	0,195	Valid
12.	Y12	0,619	0,195	Valid
13.	Y13	0,541	0,195	Valid
14.	Y14	0,503	0,195	Valid
15.	Y15	0,542	0,195	Valid
16.	Y16	0,500	0,195	Valid

Source : SPSS Results 25, 2024

Based on table V.6, it can be seen that items 1 through 16 each have a calculated r value greater than the table r value for N = 100 which is 0.195. Therefore, based on the results of processed data using the SPSS 25 program, all statement items 1 to 16 regarding the Investment Decision variable (Y) are declared valid.

2) Reliability Test

Reliability tests use a questionnaire as a variable measuring device. The reliability of an instrument ensures consistent and stable measurements over a period of time for various instrument items as the measurement results of such instruments are unbiased or free from measurement errors. If respondents' answers to statements are consistent over time, the questionnaire is considered reliability.

If the Cronbach Alpha > 0.6 then the observation instrument is declared reliable.

Table 5 : Reliability Test Results

No	Variable	Cronbach Alpha's	Reliable Terms	Information
1.	*FoMO*	0,987	>0,6	Reliable
2.	Investment Decisions	0,840	>0,6	Reliable

Source : SPSS25 Results, 2024

Based on table 5, it can be concluded that the FoMO variable (X) and Investment Decision Variable (Y) are reliable. So that it can qualify as data in research.

3) Linear Regression Analysis

A simple linear regression test is used to determine the changes that occur in the dependent variable (Y), the value of the dependent variable based on the known independent value (X).

Table 6 : Simple Linear Regression SPSS Output Table

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Say.
1	(Constant)	40.486	3.939		10.278	.000
	FoMO	.743	.137	.481	5.434	.000

Source : SPSS Data Processing Results, 2024

From the output of the SPSS program data above, it is known that the significance level is 0.000 < 0.05. So the regression model can be used to predict the participation variable or the influence of the *FoMO* variable (X) on Investment Decisions (Y) and found the form of a linear regression equation, namely:

Y = 40.486 + 0.743

From the following equation, it can be interpreted that the regression coefficient of variable X *(FoMO)* is 0.743, then if the *FoMO variable* increases by one unit, then the investment decision will increase by 0.743. This shows that there is a positive value coefficient between *FoMO* and Investment Decisions, which means that the larger the *FoMO*, the greater the influence of Investment Decisions.

4) Hypothesis Testing

1) Test Coefficient of Determination (R2)

To find out how much influence variable (X) has on variable (Y) can use the coefficient test. The value of the coefficient of determination (R2) only ranges from 0-1, while if the value (R2) is negative (-) then it can be said that there is no influence of the variable (X) on (Y). The smaller the value of the coefficient (R2), the weaker the influence of the variable (X) on (Y).

Table 7 : Output Table Coefficient of Determination (R2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.481a	.232	.224	7.576

Source : SPSS Data Processing Results, 2024

From the output of the SPSS program above, it can be seen that the value of the coefficient (R square) between the independent variable and the bound variable is 0.232. So it can be concluded that there is a relationship between the independent variable *(FoMO)* and the dependent variable (Investment Decision) of 0.232 or 23.2%. While the remaining 76.8% was influenced by other independent variables that were not studied in this study. This is supported by research by Hafshoh Nurul Fitriyah (2023) who said the influence of *FoMO* is not large in gen z investment decisions.

Hafsoh Nurul Fitriyah (2023) also explained that investment decisions are also driven by financial knowledge, financial transparency and social media influencers.

2) Test – t

The partial test aims to test the partial effect of the independent variable (Y) on the non-free variable (X) by assuming that the other variable is considered constant. The t test is performed using α = 5%, with the test criterion, if t counts > t table, then Ho is rejected with Ha accepted.

Table 8 : Test Output Table – t

Coefficientsa

Unstandardized Coefficients		Standardized Coefficients
B	Std. Error	Beta
40.486	3.939	
.743	.137	.481

Source : SPSS Data Processing Results, 2024

From the table above, it was found that the result of calculating the *FoMO* variable was 5,434 with a significant level of 0.000. Meanwhile, to find out the value of ttabel can be searched in the following way:

T_{tabel} = /2 = n-2 *a*

= 0,05/2 = 100-2

= 0.025 = 98

T_{tabel} =1.98447

For t_{table} obtained by 1.98447, it can be concluded that the calculation of the *variable FoMO* (X) is greater than tt_{able}, which is 5.434 > 1.98447 and the significance of 0.000 < 0.05 then HO is rejected and Ha is accepted. So it can be interpreted that the *FoMO* variable (X) has a significant influence on Investment Decisions (Y). So it can be concluded that the hypothesis proposed:

Ha = It is alleged that *FoMO* is accepted against the Investment Decision of Investors in Gen Z at PT. Korea Investment and Securities Indonesia Pekanbaru.

IV. Conclusion and Suggestion

A. Conculation

Based on research and discussion of chapter V regarding the influence of *FoMO* on Investor Investment Decision making in Gen Z at PT. Korean Investment and Sekuritas Indonesia Pekanbaru quantitatively which has been carried out with the number of respondents 100 people using *purposive sampling techniques* drawn conclusions, namely :

1. FoMO that has been studied has a positive influence on investment decisions, where the influence of FoMO on investment decisions is 23.2% and the remaining 76.8% is influenced by other factors that are not studied in this study.
2. For t_{table} obtained by 1.98447, it can be concluded that the value of the calculation of the variable FoMO (X) is greater than ttable, which is 5.434 > 1.98447 and the significance of 0.000 < 0.05 then HO is rejected and Ha is accepted. FoMO conducted by Gen Z customers at PT. Korean Investment and Sekuritas Indonesia Pekanbaru have a positive and significant influence on the investment decisions of Gen Z customers.

B. Suggestions

From the conclusions obtained in this study, for the non-occurrence of sustainable FoMO for Gen Z customers, the author provides advice to parties, as follows:

1. For PT. Korean Investment and Securities Indonesia Pekanbaru
   a. It is expected to further maximize the utilization of the features of PT. Korean Investment and Sekuritas Indonesia Pekanbaru, by creating educational content that is interesting and easy to understand by prospective customers.

b. When educating prospective customers, especially to generation z, the company not only explains what promos and products are owned by the company, but also educates more deeply about stocks and risks when entering the investment world.
c. As a researcher, I want PT. Korean Investment and Sekuritas Indonesia Pekanbaru added that education is not only about investment. But also educate money management and think critically when you want to start investing.
d. For clients and those who read this research, the author expects to add insight into the world of investment. First to invest yourself from the neck up to better understand and master how to invest properly and correctly.

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