

## Analysis of The Impact of The Existence of Virtual Events on E-Commerce in Increasing People's Consumptive Value

Roswita Hafni<sup>1</sup>, Fanni Khoiriyyah<sup>2</sup>

<sup>1,2</sup>Muhammadiyah University of North Sumatra.  
Kapten Muchtar Basri Street, Number 3, 20238, Indonesia  
Correspondence Email: [roswita-hafni@umsu.ac.id](mailto:roswita-hafni@umsu.ac.id)  
ORCID ID: <https://orcid.org/0000-0002-2590-2436>

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### ABSTRACT

The development of virtual events is the impact of disruptive innovations that force new technology to always develop following the needs of society, technology has a very important role in supporting the success of today's events, so the ability to master technology is a challenge for both participants and organizers. This study aims to analyze perceptions and what factors influence decisions in using virtual events that can increase people's consumptive value, sampling techniques using the Non-probability sampling method with a sample of 100 respondents. The data used was sourced from the results of questionnaire distribution and sourced from the Central Bureau of Statistics and ICCA. This study used factor analysis method. The results showed that individual, social, psychological, and product attributes had an effect and were significant on the use of virtual events that could increase people's consumptive value.

**Keywords:** Virtual Events; E-Commerce; Consumptive Value

## **INTRODUCTION**

The COVID-19 pandemic not only disrupts health causing a fairly high increase in morbidity and mortality, but also has an impact on the state of the economic level which sharply reduces consumption, production, and investment activities, as well as people's own behavior. Severe pressures also occur on financial markets in line with uncertainty in the global outlook, which, if continued, risks impacting the course of financial system stability.

The Covid-19 pandemic is the reason for how new forms of competition between parties to find new things. How conventional traders must innovate by utilizing these technological developments, still market or offer their wares remotely due to Social Distancing policies made by the government. In an interview conducted by Denning, (2016) This theory explains how a phenomenon that occurs from a new innovation can change existing market conditions by introducing simplicity, convenience, accessibility, and affordability at a fairly high cost. Innovations developed especially in the era of the industrial revolution 4.0 today have brought many significant changes, where if the company is not able to adapt and have an open attitude, it will disrupt overall operations which will ultimately harm the company. Technology has made production, marketing, distribution, and overall business processes more efficient and effective. The connectivity built in also allows many businesses to connect with new access to capital and markets. Phillip Kotler explains the theory of digital marketing with new marketing approaches to help marketers anticipate and manage the impact of technology. The concept combines online interaction and offline interaction between companies and customers because in fact, precisely when the online world develops, offline touch becomes a strong point of differentiation. Digital Marketing provides an opportunity for small businesses to attract new customers and reach existing customers more efficiently. (Julita, & Arianty, N. 2019).

From the impact, constraints or changes in habits that occur due to the Covid-19 pandemic, of course, there is limited space for human activities. Whether working, schooling, shopping and others. As the COVID-19 pandemic continues to have an unprecedented impact on the global economy and the entire world's population, the need to connect people effectively, efficiently, and with the right information is urgently needed. The increasingly sophisticated times force humans to continue to innovate in order to continue to survive in the midst of the Covid-19 pandemic like now. All planned events eventually had to be postponed or even canceled, although some were done with adjustments. The number of events that were hampered made the event industry in Indonesia suffer losses reaching IDR 44.3 trillion in 2020. Therefore, innovation is the most needed thing by the event industry today in order to adapt to changing environmental conditions. One innovation that is considered to be able to provide solutions for the event industry today is virtual events. In managing an event, of course, a marketing strategy is needed to increase occupancy.

Based on conservation, directly entering May 2020, the intensity of activities carried out virtually increased, almost every day there were virtual events, ranging from just tens of spectators, hundreds, to thousands of spectators with topics discussed regarding Covid-19 in terms of various aspects and predictions. The emergence of this new trend is certainly interesting to discuss further as a form of market strategy research from this virtual event activity, to find out the extent to which virtual events are in demand by many users.

## **LITERATURE REVIEW**

### **Consumer Behavior**

Consumer Behavior is the process of consumer transactions which can be carried out individually, in groups or organizations which will form consumer markets, group purchasing units and organizational business markets. (Mananeke et al., 2017). In general, people believe that consumer behavior is the way individuals buy good services, but actually consumer behavior is something more than what is stated (Zhang et al., 2005), namely the way consumers carry out the purchasing decision making process, which includes processes and actions. psychology which starts from planning to product selection and ends in purchasing decisions, which aims to help fulfill consumer wants and needs.

### **Purchase Decision**

Philip Kotler states that the main factors that influence consumer purchasing behavior are cultural factors, social factors, personal factors and psychological factors, Kotler (2000). Behavior Change Theory states that behavior is all of an individual's biological manifestations in interacting with the environment, from the most visible behavior to the invisible, from the perceived to the least perceived (Okviana, 2015). Current technological advances have changed a person's behavior. Technology is developing very rapidly, making very significant changes to a person's behavior towards modernization, starting from the development of television, cellphones, the internet, etc.

### **Demand and Supply Theory**

Demand Theory states that The most important relationship in individual markets is the relationship between market price and quantity demanded. According to Case and Fair (2007). Now, entrepreneurs are starting to utilize information and telecommunications technology to run and support their business activities. (Nasution, E.Y, 2021). Changes in the price of a product will affect the quantity demanded per period. Changes in other factors, such as demand or preferences, will affect demand. Supply theory states that the quantity offered is the number of certain products that a company will be willing and able to offer for sale at a certain price during a certain period (Case and Fair, 2007). If there is an increase in market price, it will result in an increase in quantity supplied, and a decrease in market price will result in a decrease in quantity supplied.

### **Driving Technological Change**

Technological changes are caused by other economic factors, such as changes in demand and growth (Dixon, 1997: 1518). The effect of changes in the economic environment on technological change. 1. Demand pull, which emphasizes the importance of changes in market demand for knowledge and technology. 2. macro growth, very fast rate of increase in wages, the possibility of innovation (Innovation Possibility Frontier). 3. Micro model, that relative changes in the prices of production factors encourage innovation and inventions that are directed at making the use of factors used relatively more expensive to be economical. Ruttan (1997: 1520-1526).

### **Theory of Technological Development**

The development of information technology can improve performance and enable various activities to be carried out quickly, precisely and accurately, which gives rise to various types of technology-based activities, such as e-government, elaboratory, e-commerce, e-education, e-medicine, etc. . According to Martin Lister et al (2009: 13-14), new media has several characteristics, namely digital, interactive, hypertextual, virtual, networked and simulated.

### **E-Commerce**

Business Processes in the context of E-Commerce, that a company, group of people, or individuals who want to offer their products or services, can start a series of businesses using the internet as a communication medium (Kosiur, 1997), All digital payment transactions are carried out online (Hastina, Koto, and Rahayu 2019), electronic payments allow someone to make payments automatically, making it easier for someone to carry out financial transactions (Astuti, Anjung, and Putri 2019). With a website or homepage, sellers can provide various information related to their business profile and the products or services they offer. On the consumer side as potential buyers, the internet provides wide and free access to all companies that have been registered in cyberspace. The use of e-commerce for marketing and sales is currently growing in Indonesia (Nasution, E.Y, 2019)

### **RESEARCH METHOD**

This research uses a descriptive analysis method by describing the data that has been collected into information (Hafni, R, 2024) and factor analysis methods. The data analysis technique in this research uses Partial Least Square (PLS) discusses the factors that influence consumer behavior regarding the decision to remain interested in using or enjoying virtual events. The variables that will be used in this indicator are 1. Social Factors, 2. Individual Factors, 3. Psychological Factors, 4. Product Attributes.

### **RESULTS**

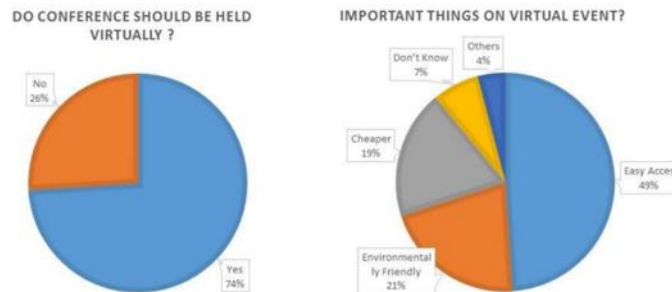
#### **Development of Virtual Events**

The rapid development of technology, the digital world and the internet of course also influences developments in the form of events and marketing strategies which of course follow the needs of humans themselves. This change gave birth to a new format in organizing events and caused a shift in the form of organizing events. Currently there are new models in the form of Virtual Events and Hybrid Events (Ireland, 2020). Original events are starting to be abandoned or become less interesting. Based on a number of data releases and experiences reviewed by event observers, virtual events and hybrid events are the types of events that will become a trend in the future. Data from the Indonesia Event Industry Council (IVENDO) in 2020 shows that 43% of events were canceled and 48% were postponed during the pandemic. According to ICCA (International Congress and Convention Association) data, of the 13,252 events planned for 2020, only 4,843 were achieved. This condition resulted in losses estimated at 3.95 billion rupiah.

#### **User Interest in Virtual Events**

Based on ICCA (International Congress and Convention Association) data records due to the pandemic, the total number of world events postponed reached 44%, canceled events reached 14%, virtual events 30%, hybrid events (online-offline) 2% and those still being held are the same as original plan (not affected) of 9%.

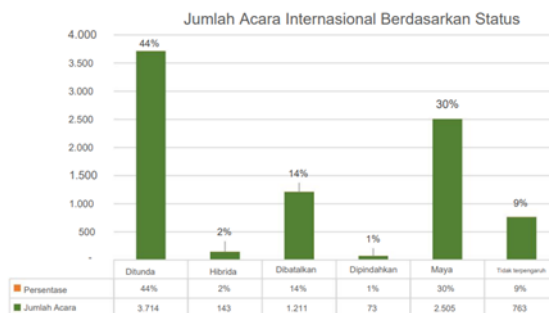
Figure 1.



(Source: Based on a survey of 925 scientists involved in many virtual events)

From the graphic results of a survey conducted by the international survey institute 'Nature' of 925 academics who had experience attending virtual meetings, it was stated that they would still choose virtual conferences compared to conventional (original) and hybrid conferences (Remmel, 2021).

Figure 2.



(Source based on ICCA data (Iccaworld, 2022)

The graphic image explains that the percentage of events held in cyberspace has a higher presentation. This data explains that the transfer of events to virtual worlds is more popular today. This is proven by the facts found from the trend of this virtual event: A. Fomo (Fear of missing out), is the strongest reason for how the development of this virtual event is becoming increasingly popular with the public, the driving force behind the use of the internet and social media in particular. B. Forums are available before and after the conference. C. Virtual conferences not only reproduce many physical characteristics, but also have their own benefits. D. virtual events are more flexible and more accessible. Eliminating the need for travel facilitates the presence of researchers with family or time constraints.

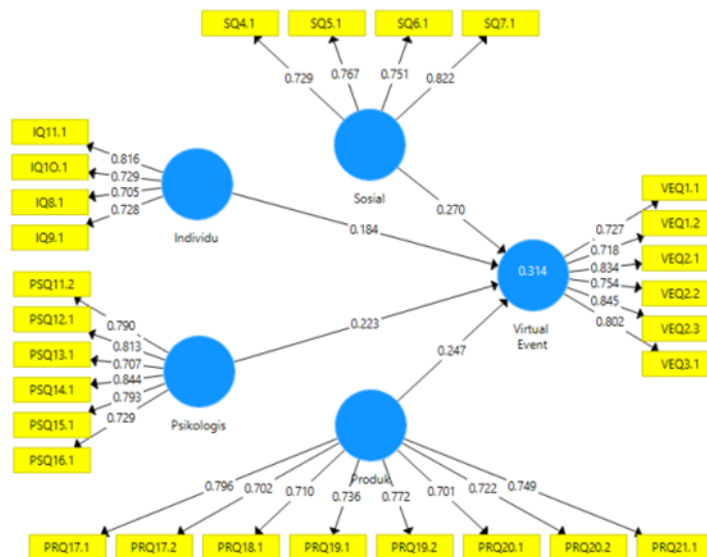
## DISCUSSION

The development of virtual events is the impact of disruptive innovation which forces new technology to always develop following the needs of society. Technology has a very important role in supporting the success of current events, so that the ability to master technology is a challenge in itself for both participants and organizers. Consumer behavior regarding the decision to remain interested in using or enjoying virtual events, in this case using SEM-PLS

### Convergent Validity

The results of the evaluation of the measurement model for each construct indicator of Convergent Validity through loading factors can also be presented in the image below.

**Figure 3.**



Convergent Validity for Individuals of 4 indicators. Social Factors, Individual Factors, Psychological Factors, Product Attributes, show that respondents have not reduced their habit of consuming online shopping, have not affected their lifestyle, have not reduced their habit of continuing to participate in trendy virtual activities, and feel more confident. when using a trendy brand. Convergent Validity on Products with 8 indicators explains that the brand on the product is not a consideration when wanting to consume an item, the brand or brand has no influence on purchasing decisions, advertisements that appear on social media applications or online shopping are the respondents' most answers, when watching advertisements which are broadcast often make respondents want to buy even though they don't really need the item. Convergent Validity: In psychology, the current trend has succeeded in increasing respondents' purchases or consumption. Fomo (Fear of missing out) was the most common reason according to respondents. Respondents admitted that they often buy goods that are included in the secondary group, often buy goods just because they are interested in the advertisement that is being broadcast, and just because they are curious about a product. Convergent Validity in Social is able to increase the consumption value of respondents, respondents admitted that they feel fast when they appear the same, harmonious, unified, like the people around them who are following trends, whether in fashion or events held virtually, work, education, or social status is not a decision in purchasing, respondents admitted that when shopping online there are many products on offer, many choices of quality and price range offered, so that when they want to buy an item the respondent only needs to match the price or the respondent's own level of ability, so they can get the same item at a different or often lower price.

### Discriminante Validity

Table 1.

	Individu	Produk	Psikologis	Sosial	Virtual _Event
Individu	0,746				
Produk	0,294	0,737			
Psikologis	0,265	0,307	0,781		
Sosial	0,036	0,083	-0,007	0,768	
Virtual _Event	0,325	0,392	0,346	0,296	0,782

It can be seen that the average variance extracted value for each Virtual Event Existence variable, Individual, Product, Psychological and Social variables meet the criteria for discriminant validity, this is assessed from the average variance extracted (AVE) which is greater than 0.50 ( $> 0.50$ ).

### Composite Reliability

Table 2.

	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
Individu	0,740	0,746	0,833	0,556
Produk	0,880	0,887	0,905	0,543
Psikologis	0,873	0,890	0,903	0,610
Sosial	0,773	0,806	0,851	0,589
Virtual _Event	0,873	0,886	0,904	0,611

If all constructs have a Cronbach's Alpha value  $> 0.70$ , it can be said that all of these constructs are reliable. Then, based on the table above, all constructs have met the unidimensionality requirements because the composite reliability value is  $> 0.7$ . And based on the Average Variance Extracted (AVE) value to determine whether convergent validity requirements have been achieved, all constructs have achieved convergent validity requirements because all AVE values are  $> 0.50$ .

### Structural Model Evaluation (Inner Model)

Table 3.

	R Square
Virtual _Event	0,314

The R-S square value for the Virtual Event Existence variable is 0.314, so 31.4% of virtual events can be explained by Individual, Product, Psychological and Social, while the remaining 68.6% is explained by other variables outside the research.

**Table 4.**

	Virtual _Event
Individu	0,043
Produk	0,076
Psikologis	0,063
Sosial	0,105
Virtual _Event	

So based on the F Square value table above, the individual, product, psychological and social influence on virtual events is small because the F Square value is in the range of 0.02 to 0.15. Meanwhile, there is no negligible influence because none of them has an f square value <0.02.

Based on the results of data analysis using SEM-PLS in hypothesis testing, the following table can be presented:

**Table 5.**

	Original Sample (O)	T Statistics ( O/STDEV )	P Values	Keputusan
Individu -> Virtual _Event	0,184	2,175	0,030	H1-diterima
Produk -> Virtual _Event	0,247	2,036	0,042	H1-diterima
Psikologis -> Virtual _Event	0,223	2,474	0,014	H1-diterima
Sosial -> Virtual _Event	0,270	2,741	0,006	H1-diterima

Based on the hypothesis testing table, individuals influence virtual events with a positive regression coefficient value of 0.184, meaning that every time there is an increase in individuals, virtual events will increase. Products influence virtual events with a positive regression coefficient value of 0.247, meaning that every time there is an improvement in the product, the virtual event will increase. Psychology has an influence on virtual events with a positive regression coefficient of 0.223, meaning that every time there is an improvement in psychology, virtual events will increase. Social influences virtual events with a positive regression coefficient of 0.270, meaning that every time there is an increase in social events, virtual events will also increase.

## CONCLUSION

Virtual Events, which are the result of technological developments, have a very broad meaning every day, virtual events no longer only have the meaning of organizing events online, but are a new form of marketing strategy that is increasingly in demand by the public, forms of digital marketing such as live shopping are now included. into a virtual event type. The results of research in the field show that virtual events are able to increase people's consumption value. Fomo (Fear of missing out) is the reason most



often given by respondents. Fomo makes respondents continue to consume goods that are trending in the entertainment market. Individual factors have a significant influence on the reasons for buying or enjoying activities carried out virtually.

#### **LIMITATION (OPTIONAL)**

This research has been attempted and carried out in accordance with science and procedures, but it still has limited problems in evaluating what factors influence consumer behavior regarding the decision to remain interested in using or enjoying virtual events.

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#### **DECLARATION OF CONFLICTING INTERESTS**

The author has no conflict of interest in writing this article.

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