

IMPACT OF SALES TAX ON BUYER'S BEHAVIOR: A STUDY OF BRANDED CLOTHES IN PAKISTAN

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Abstract

This study intends to look into how Pakistani customers' shopping habits are affected by sales tax, with a focus on branded clothing purchases. This study aims to provide insight on the choices made by customers when presented with various tax burdens by investigating the relationship between sales tax and consumer behavior. A mixed-method approach will be used to accomplish the research goals, including both quantitative surveys and qualitative interviews. The study will focus on a wide sample of Pakistani consumers from a range of age groups, income brackets, and geographic regions. The results of this study should provide important light on how sales tax affects consumer behavior when it comes to branded clothes. These data can help legislators create tax laws that reflect customer preferences and support the retail industry's sustainable expansion. Additionally, the findings can be used by merchants and marketers to create focused pricing plans and marketing strategies that will increase consumer happiness and brand loyalty in a tax-sensitive market. In conclusion, by analyzing the effect of sales tax on consumer behavior in relation to branded clothing in Pakistan, this study aims to add to the body of knowledge. The study's conclusions will have significance for both theoretical and practical situations, helping key stakeholders make well-informed decisions and enabling a better knowledge of consumer decision-making processes.

Keywords: Sales Tax; Consumer Behavior; Branded Clothing; Price Sensitivity; Pakistan.

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INTRODUCTION

An important element of a nation's fiscal strategy is the sales tax, which is a key source of funding for the state. Its adoption can have significant effects on consumer behavior, especially when it comes to branded clothing. Pakistan, a country in South Asia with a developing economy, has seen a rise in the consumption of branded clothes among its people. In Pakistan's fashion-conscious market, branded clothing commands a strong position and draws a sizable client base. Sales tax levied on these goods has an impact on consumer perceptions and preferences in addition to pricing. To create effective strategies and make wise judgements, legislators, merchants, and marketers must have a thorough understanding of the effects of sales taxes on consumer behavior.

According to what I know, branded clothing is subject to a 17% sales tax in Pakistan through September 2021. Under the ordinary sales tax regime, this rate is applicable to the majority of products and services, including branded clothes. It's crucial to remember that tax laws and rates are subject to modification, and there may have been changes since my previous instruction. For the most accurate and current information regarding sales tax rates on branded clothing in Pakistan, it is therefore advisable to reference the Federal Board of Revenue's (FBR) most recent data or a competent tax expert. This study seeks to provide answers to several important concerns by examining the connection between sales tax and consumer behavior. What impact does the introduction of sales tax have on Pakistani consumers' decisions to buy designer clothing? Do rising sales tax rates affect consumer behavior or the frequency of purchases? How do customers view and react to price fluctuations brought on by sales tax?

BACKGROUND

The population of Pakistan, a South Asian nation, is around 220 million. Its economy is varied, and many industries help to increase its GDP. The textile industry, which includes the production and marketing of branded clothing, is one significant sector. Consumers in Pakistan prefer branded clothing because of the perceived quality, style, and social standing that come with donning well-known labels. This is especially true in urban regions. Branded clothing is subject to sales tax in Pakistan, along with other goods and services. At every

level of manufacturing or distribution, sales tax is a consumption tax assessed on the sale of products and services and ultimately passed on to the final customer. Depending on the product's nature and other factors, the tax rate may change.

In Pakistan, the application of sales tax to branded clothing may significantly alter consumer behavior. It has an impact on affordability, market dynamics, and consumer purchasing decisions. Branded clothing that has sales tax added to it costs more in the end, which affects consumer behavior and preferences. In Pakistan, the following are some notable effects of sales tax on consumer behavior with regard to branded clothing:

1. *Price Sensitivity:* Consumers may become more price sensitive as a result of higher sales taxes, which can make branded clothing substantially more expensive. Customers may change their tastes in favor of less expensive options, such as unbranded or knockoff clothing, as a result.
2. *Demand Elasticity:* The extra costs brought on by the sales tax may drive the demand for branded clothing to become more elastic. As consumers' sensitivity to price changes increases, demand may fluctuate. This may have an impact on the revenue and profitability of makers and merchants of branded clothes.
3. *Consumer Spending habits:* Adding sales tax to branded clothing may alter general consumer spending habits. Increased taxes may result in consumers spending less on apparel out of their own discretionary funds or choosing more cost-effective solutions.
4. *Change in shopping Channels:* To lessen the impact of sales tax, consumers may look into alternate shopping channels. To find name-brand clothing at lesser costs or to benefit from tax-free or discounted deals in other areas, they may use internet marketplaces or transborder shopping.
5. *Sales tax on branded clothing can change how consumers feel about the value for their money.* When making purchases, consumers could be more analytical and discerning about the price-to-quality ratio. To preserve perceived value, brands may need to modify their pricing plans and marketing initiatives.

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6. *Market for Counterfeits: As buyers look for less expensive options, a higher sales tax on branded clothing may encourage the market for counterfeit goods. The sales of legal businesses are negatively impacted by counterfeit clothes, and it also raises questions about the quality of products, intellectual property rights, and consumer safety.*

For politicians, retailers, and manufacturers, it is essential to comprehend how Pakistani sales tax affects consumer behavior while purchasing branded clothing. It can help inform choices on tax laws, pricing plans, marketing methods, and consumer welfare. Insights into customer choices, market dynamics, and the overall economic effects of taxation on Pakistan's textile sector can be gained by analyzing this occurrence.

PROBLEM STATEMENT

“To investigate how consumer behavior, affordability, consumer preferences, demand variations, purchasing channel dynamics, consumer perception of value for money, and the possible expansion of the counterfeit market are affected by Pakistan's implementation of sales tax on branded clothing.”

RESEARCH MODEL

<i>Dependent Variable</i>	<i>Description</i>	<i>Definition</i>
<i>BB</i>	<i>Buyer's behavior</i>	<i>“The behavior of buyers, including their purchasing decisions, preferences, and spending patterns related to branded clothes in response to sales tax”.</i>
<i>Independent Variables</i>	<i>Description</i>	<i>Definition</i>
<i>ST</i>	<i>Sales Tax</i>	<i>“The independent variable of interest represents the imposition of sales tax on branded clothes. This variable can be operationalized by considering</i>

		<i>the tax rate or tax amount applied to the purchase of branded clothes”.</i>
<i>Control Variables</i>	<i>Description</i>	<i>Definition</i>
<i>AA</i>	<i>Affordability</i>	<i>“This variable measures the financial feasibility of purchasing branded clothes for consumers”.</i>
<i>CP</i>	<i>Consumer Preferences</i>	<i>“This variable explores changes in consumer preferences and the factors influencing their choices”.</i>
<i>DF</i>	<i>Demand Fluctuations</i>	<i>“This variable measures the changes in the quantity demanded of branded clothes due to variations in sales tax rates”.</i>
<i>D</i>	<i>Demographics</i>	<i>“This variable explores changes in consumer behavior on the basis of their gender, age, location, occupation, and education level”.</i>
<i>CPVM</i>	<i>Consumer Perception of Value for Money</i>	<i>“This variable assesses how consumers evaluate the price-to-quality ratio and the perceived value of branded clothes in relation to sales tax”.</i>
<i>CMG</i>	<i>Counterfeit Market Growth</i>	<i>“This variable explores the extent to which higher sales tax rates may drive consumers towards purchasing counterfeit alternatives”.</i>

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THEORETICAL FRAMEWORK

The theoretical framework for studying the impact of sales tax on buyer behavior in the context of branded clothes in Pakistan can be based on several relevant theories and concepts.

1. **Price Sensitivity Theory:** According to the principle of price sensitivity, price changes have an impact on customers' purchasing decisions. Increased pricing for branded clothing is a result of higher sales taxes, which may influence consumers' purchasing choices. This idea contends that when faced with higher prices brought on by sales tax, individuals who are highly price sensitive are more inclined to cut back on their purchases or choose different options.
2. **Consumer Perception Theory:** The consumer perception theory places a strong emphasis on how consumers' perceptions influence their purchasing decisions. The application of sales tax may affect how buyers see the price and worth of branded clothing. Consumer impressions that sales tax considerably raises the overall cost of branded clothing items may be negative, and this could result in a change in how they shop.
3. **Income Effect Theory:** According to the income effect theory, a person's income level can have a variety of effects on how they behave as a consumer when prices change, such as those brought on by a sales tax. Lower-income consumers might be more price-sensitive and more inclined to change their buying habits in reaction to price increases brought on by sales tax. Customers with greater incomes, on the other hand, can be less impacted by sales tax and continue to buy branded clothing despite the price increase.
4. **Consumer Preferences and Brand Loyalty Theory:** According to the consumer preferences theory, customers have particular preferences and brand allegiances when it comes to buying branded clothing. Sales tax can affect these choices by changing how expensive and valuable branded goods are perceived to be. Due to the higher prices brought on by sales tax, consumers may decide to switch to unbranded or counterfeit products if they believe they are more affordable alternatives. This hypothesis emphasizes how sales taxes may affect consumer preferences

and brand loyalty in the branded clothes sector.

The theoretical framework for this study will give a thorough understanding of how sales tax impacts consumer behavior in the context of branded clothing in Pakistan by integrating these theories and concepts. It will enable the investigation of consumer perceptions, income effects, price sensitivity, and the possible influence on brand choices and loyalty. In order to help policymakers, retailers, and marketers develop effective strategies to address the effects of sales tax on the market for branded clothes in Pakistan, it will be helpful to analyze these elements in order to gain a greater understanding of the dynamics between sales tax and consumer behavior.

LITERATURE REVIEW

In an article Shahzad, Bhatti, Islam, and Javed (2020) explored the influence of sales promotion techniques on consumers' purchasing decisions and behaviors. According to the study, sales promotions had a considerable impact on customer purchasing behavior, increasing both purchase intentions and actual purchases. Consumers' impressions of value and their propensity to purchase were found to be positively impacted by a variety of promotional tactics, including discounts, freebies, and loyalty programs. The study highlights the significance of comprehending consumer preferences and developing successful sales promotion techniques to affect consumers' purchasing decisions in Pakistan's textile sector (Shahzad, Bhatti, Islam, and Javed, 2020).

Rizwan et al. (2013) have investigated the effect of various promotional tools on consumer buying behavior in Pakistan. This study looked at how different advertising strategies affect consumers' choices and actions. The study discovered that promotional tools, including advertising, sales promotion, personal selling, and public relations, have a significant impact on consumer purchasing behavior and results have suggested that sales promotion strategies, like discounts, coupons, and contests, have a positive impact on consumers' purchase intentions, advertising is essential for raising consumer awareness and generating interest. Providing information and developing relationships with customers has proved to be effective ways to boost trust and purchase likelihood. Public relations initiatives help to improve the reputation and general image of the brand, which has an impact on customer purchasing behavior. The study emphasized the significance of adopting a well-rounded

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promotional mix to successfully affect customer purchasing behavior in the case of Pakistan (Rizwan et al., 2013).

The article by Baker, Johnson, and Kueng (2021) has examined the phenomenon of consumers shopping for lower sales tax rates and how sales tax rates influence consumer behavior and purchasing decisions. According to the study, customers are sensitive to changes in sales tax rates and frequently employ tax evasion techniques by shopping in locations with lower tax rates. The study has demonstrated the influence of sales tax differences on consumer purchasing patterns, with customers preferring to purchase in areas where they can take advantage of lower tax rates and the reason behind the possible effects of this behavior on regional economies has also been covered, since shoppers may decide to shop in neighboring jurisdictions with lower tax rates, resulting in revenue losses for regions with higher tax rates (Baker, Johnson and Kueng, 2021). The study has placed a strong emphasis on the importance of sales tax rates as a factor influencing consumer choice and the possible effects on both consumers and local economies.

Another study by Einav, Knoepfle, Levin and Sundaresan (2014) has explored the complex relationship between sales taxes and internet commerce and examined the impact of sales taxes on consumer behavior and the growth of online shopping. The study covered the historical background of online sales tax laws as well as the formation of the "Internet sales tax debate." It also emphasized the difficulties governments face in enforcing the collection of sales taxes from distant internet transactions and the possible consequences for conventional brick-and-mortar merchants (Einav, Knoepfle, Levin, and Sundaresan, 2014). The article also covers the various strategies and laws used by various nations and jurisdictions to deal with the taxes of online sales. This essay also examined the economic ramifications of taxing internet purchases, including possible effects on consumer behavior, market competition, and tax receipts. To maintain fairness, competition, and adequate revenue collection, the report also highlighted the necessity for a balanced and comprehensive approach to sales tax legislation in the digital age.

Anderson, Fong, Simester, and Tucker (2010) have also explored the effects of sales taxes on customer and firm behavior, with a particular focus on

the role of internet search, and examined how sales taxes influence consumer search behavior and their subsequent purchasing decisions. This study also discovered that sales taxes can have a significant impact on consumer search behavior, changing consumers' online search habits and preferences. It also underlined the fact that higher sales taxes cause consumers to look harder for alternatives with lower prices, including looking for out-of-state or online merchants with lower tax rates. Additionally, the research examined how sales taxes impact firm behavior, particularly in terms of pricing tactics and market rivalry, and found that businesses may modify their costs or shipping practices to appeal to clients looking to save money on taxes. The essay also covered the effects of sales taxes on market share, market structure, and general welfare and emphasized the significance of taking into account the function of internet search and the conduct of both consumers and businesses when examining the market in the digital age (Anderson, Fong, Simester, and Tucker, 2010).

The main focus of the mini research report done by Upadhyay (2020) is to check the impact of sales promotion on consumer shopping behavior, specifically in relation to branded electronic products in Chitwan and the results revealed that sales promotions have a significant impact on consumer shopping behavior, leading to increased purchase intentions and actual purchases. Different promotional tools, such as discounts, bundle offers, and freebies, are found to positively influence consumers' perception of value and their willingness to buy branded electronic products. This paper focused on the importance of understanding consumer preferences and designing effective sales promotion strategies to influence their shopping behavior in the specific context of Chitwan. This research also provided insights into the effectiveness of various promotional techniques and their implications for marketing strategies in the branded electronic products sector (Upadhyay, 2020).

Butt has done a research with main focus on the impact of brand name on purchase intention in the context of clothing in Karachi, Pakistan and investigated how the brand name of clothing products influences consumers' intention to purchase. His results suggested that brand name plays a significant role in shaping consumers' purchase intentions. Consumers in Karachi, Pakistan, attach importance to well-known brand names when making clothing purchase decisions. Brand reputation, brand image, and brand loyalty are

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identified as key factors that positively influence consumers' purchase intentions. This research has highlighted the importance of brand building and maintaining a strong brand image in the clothing industry in Karachi. It suggests that companies should invest in building brand equity to enhance purchase intentions among consumers (Butt). This can be achieved through effective marketing strategies, including advertising, brand promotion, and creating a positive brand image that resonates with the target market. The findings of the study provided valuable insights for clothing companies operating in Karachi, Pakistan, helping them understand the significance of brand names in influencing consumer behavior and guiding their marketing efforts to increase purchase intentions and drive sales.

Steindel (2001) has examined and focused on understanding how changes in tax policies influence consumer behavior and purchasing decisions. This study examined how tax changes affected consumer spending trends in several economic sectors. The study's findings suggested that tax policy changes have a significant impact on consumer spending. Lowering taxes, especially on frequently purchased goods and services, tends to stimulate consumer spending. Consumers also have more disposable income, which they can use for purchases, which results in an increase in spending across a variety of industries. Contrarily, consumer spending tends to decline when taxes are raised or new taxes are enacted. Higher taxes diminish disposable income and may cause changes in consumer behavior, such as reducing discretionary expenditure or choosing more affordable alternatives. The article has also made clear how crucial it is to take into account how tax laws affect consumer spending when creating fiscal strategies (Steindel, 2001). The importance of policymakers properly evaluating the possible effects of tax increases on consumer behavior and economic growth has been emphasized. Policymakers should combine the need for revenue with fostering consumer confidence and economic activity by considering how tax changes affect consumer purchasing.

The article by Key and Scribner (2004) has been done to examine the relationship between sales tax and consumer purchase decisions and investigated on how the imposition of sales tax affects consumer behavior and purchasing patterns. The research has also covered how a sales tax may affect

various businesses and product categories. It emphasized that depending on the price elasticity of the product and consumer preferences, sales tax can have a variety of consequences on consumer behavior. Additionally, variables like income levels and the accessibility of alternatives can affect how consumers react to sales taxes. The main focus of this essay is on how crucial it is for businesses and policymakers to understand how sales taxes affect consumer purchasing decisions. Among the recommendations are that policymakers take into account any potential repercussions of sales tax changes and work to strike a balance between maximizing revenue generation and minimizing adverse effects on consumer behavior. It highlights the necessity for companies to carefully consider how sales tax may affect their pricing strategy (Key and Scribner,2204).

RESEARCH GAP

There is a study gap explicitly focusing on branded clothing in Pakistan, despite the fact that numerous studies have investigated the impact of sales tax on buyer behavior in diverse situations. Although studies on customer behavior and preferences in the apparel business have been conducted, further study is required to particularly address how sales taxes affect consumer purchasing decisions for branded goods. The available literature has shed light on how sales taxes affect customer perceptions and behavior across various markets and nations. The branded clothes market in Pakistan does, however, have certain distinctive features, such as a growing consumer base, rising brand consciousness, and a competitive market. These elements support the need for a focused investigation of how sales tax impacts consumer behavior in this particular setting.

Furthermore, prior research has mostly emphasized quantitative methods, such as surveys and statistical analysis. While these techniques offer insightful information about consumer behavior, they frequently fall short of the in-depth knowledge of customer perspectives and motivations that qualitative research techniques may provide. To thoroughly explore the impact of sales tax on consumer behavior with regard to branded clothing in Pakistan, there is a research gap in the integration of quantitative and qualitative methodologies. Additionally, in the context of sales taxes, issues including income effects, customer preferences, and brand loyalty have received less attention in the

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research than price sensitivity and consumer perceptions. To create effective plans and policies that take into account the particular dynamics of the branded clothes industry in Pakistan, it is essential to comprehend how these variables interact with the sales tax and affect consumer behavior.

“An extensive study that combines quantitative surveys and qualitative interviews can give a deeper understanding of how sales tax affects consumer behavior, perceptions, preferences, and brand loyalty in particular relation to branded clothing in Pakistan. This study will close the knowledge gap in this area. Policymakers, retailers, and marketers can make educated judgments and create strategies that suit customer demands and preferences in a tax-sensitive market by filling this research gap”.

RESEARCH METHODOLOGY

With the help of both quantitative surveys and in-depth interviews, a mixed-method research technique will be used to examine the effect of sales tax on Pakistani consumers' purchasing decisions for branded clothing. This strategy will give a thorough understanding of the attitudes and actions of consumers in reaction to sales tax.

- 1. **Sampling:** A diverse sample of consumers across different age groups, income levels, and geographical locations in Pakistan can be included in this study as the questionnaire has been placed on the web through the help of google forms and a variety of cities both rural and urban areas have been included in the research. Not only national cities but some questionnaires have been filled out by various Pakistani nationals residing abroad to get a broader picture of people's points of view about their perception. The population sample will be including individuals who have already purchased branded clothes in the past year and visit the outlets again for purchase to ensure research relevance. The various brands available are Gul Ahmed, J., Sapphire, Zellbury, Maryum and Maria, Ethnic, Khaadi, Bonanza Satrangi, Generations, Sana Safinaz, Motifz, So Kamal, AlKaram, and many more.*
- 2. **Quantitative Surveys:** To gather quantitative consumer behavior data, a standardized questionnaire will be created. Demographics of consumers, shopping habits, knowledge and perception of sales tax,*

sensitivity to price changes, and preferences for branded clothing will all be covered in the survey. Data on customer attitudes and behaviors may be gathered using multiple-choice questions and Likert scales. To guarantee a broad reach, the survey will be delivered via in-person interviews or physical meetings.

3. **Data Analysis:** The quantitative data collected via questionnaires will be analyzed using statistical methods such as descriptive statistics, two-way ANOVA, and regression analysis. This analysis will help identify patterns, relationships, and statistical significance between variables related to sales tax and buyer behavior.

I have analyzed the data from the perspective of Rural and Urban areas depending upon the demographic information as a basis of independent variables affecting the buyer's behavior regarding the branded clothes purchase.

Data Analysis & Interpretations

1. Descriptive statistics

Table 1.1 – Descriptive Statistics					
	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>BB</i>	172	.67	3.67	1.80	.60
<i>ST</i>	172	1.00	2.67	1.53	.42
<i>AA</i>	172	1.00	3.50	1.90	.71
<i>CP</i>	172	1.00	3.00	1.83	.48
<i>DF</i>	172	1.00	4.00	1.70	1.06
<i>D</i>	172	1.20	3.25	2.20	.43
<i>CPVM</i>	170	1.00	4.00	1.80	1.17
<i>CMG</i>	172	1.00	3.00	1.53	.57
Valid N (list wise)	170				

Table 1.1 shows the descriptive statistics of the variables with mean values ranging between 1.8 of BB, 1.53 of ST, 1.90 of AA, 1.83 of CP, 1.70 of DF, 1.80 of CPVM and 1.53 of CMG which shows that all of the respondents are in favor of the basic relation tested here as to Sales Tax has a direct and significant impact on the buyer's behavior in a combination of the control

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variables including the affordability, perception, value and many others. However, the mean value of 2.20 of *D* shows that the demographics of people have a valuable impact on their buying patterns on the basis of not only location but also on the basis of education, gender, and occupation. All the variables have their standard deviation values closest to zero which has a true indication that data responses are majorly clustered around the mean as people in response to research relations have common and shared perceptions.

2. Linear Regression

Table 2.1 - Regression

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
<i>1</i>	.218 ^a	.048	.006	.59947
<i>a. Predictors: (Constant), CMG, D, AA, DF, ST, CP, CPVM</i>				

Table 2.1 shows the linear regression has also a positive result as a positive *r* value indicates that there is a positive relationship between the dependent variable and independent variables. A positive coefficient truly indicates that as the value of independent variables increases, the mean of the dependent variable also tends to increase.

Table 2.2 - ANOVA

<i>Model</i>		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
<i>1</i>	<i>Regression</i>	2.913	7	.416	1.158	.330 ^b
	<i>Residual</i>	58.217	162	.359		
	<i>Total</i>	61.130	169			
<i>a. Dependent Variable: BB</i>						
<i>b. Predictors: (Constant), CMG, D, AA, DF, ST, CP, CPVM</i>						

Table 2.2 shows the test results of two-way ANOVA which shows that

how the sum of squares is distributed according to the source of variation and the mean sum of squares. The df values show the degree of freedom for each variable and the significance value of 3% shows that an alternate hypothesis may occur. At $\alpha=0.05$, this regression is statistically significant because the p -value is less than 0.05.

Table 2.3 - Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.052	.334		3.148	.002
	ST	.128	.124	.089	1.034	.303
	AA	.077	.068	.091	1.130	.260
	CP	.201	.109	.163	1.842	.067
	DF	-.035	.051	-.061	-.682	.496
	D	.069	.110	.049	.625	.533
	CPVM	-.042	.047	-.081	-.891	.374
	CMG	.012	.087	.011	.132	.895
a. Dependent Variable: BB						

Table 2.3 shows the results of linear regression coefficient results of all variables in the model. All independent variables have positive p values indicating a positive relationship with the dependent variable which means as the independent variable increases, the value of the dependent variable also tends to increase. Again, at $\alpha=0.05$, all the t -values are statistically significant because their corresponding p -values are less than 0.05. Therefore,

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all the variables including ST, AA, CP, DF, D, CPVM, and CMG are individually useful in the prediction of BB.

3. Correlation

Table 3.1 - Correlations									
		<i>BB</i>	<i>ST</i>	<i>AA</i>	<i>CP</i>	<i>DF</i>	<i>D</i>	<i>CPV M</i>	<i>CMG</i>
<i>BB</i>	<i>Pearson Correlati on</i>	<i>1</i>	<i>.101</i>	<i>.102</i>	<i>.159*</i>	<i>.007</i>	<i>.050</i>	<i>.008</i>	<i>.057</i>
	<i>Sig. (2- tailed)</i>		<i>.185</i>	<i>.185</i>	<i>.037</i>	<i>.928</i>	<i>.519</i>	<i>.921</i>	<i>.456</i>
	<i>N</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>170</i>	<i>172</i>
<i>ST</i>	<i>Pearson Correlati on</i>	<i>.101</i>	<i>1</i>	<i>.066</i>	<i>.332*</i>	<i>.346*</i>	<i>.025</i>	<i>.308*</i>	<i>.285**</i>
	<i>Sig. (2- tailed)</i>	<i>.185</i>		<i>.392</i>	<i>.000</i>	<i>.000</i>	<i>.742</i>	<i>.000</i>	<i>.000</i>
	<i>N</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>170</i>	<i>172</i>
<i>AA</i>	<i>Pearson Correlati on</i>	<i>.102</i>	<i>.066</i>	<i>1</i>	<i>.190*</i>	<i>.184*</i>	<i>-.074</i>	<i>.190*</i>	<i>.175*</i>
	<i>Sig. (2- tailed)</i>	<i>.185</i>	<i>.392</i>		<i>.013</i>	<i>.015</i>	<i>.338</i>	<i>.013</i>	<i>.022</i>
	<i>N</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>172</i>	<i>170</i>	<i>172</i>
<i>CP</i>	<i>Pearson Correlati on</i>	<i>.159*</i>	<i>.332*</i>	<i>.190*</i>	<i>1</i>	<i>.377*</i>	<i>.131</i>	<i>.373*</i>	<i>.222**</i>
	<i>Sig. (2- tailed)</i>	<i>.037</i>	<i>.000</i>	<i>.013</i>		<i>.000</i>	<i>.086</i>	<i>.000</i>	<i>.003</i>
	<i>N</i>	<i>72</i>	<i>72</i>	<i>72</i>	<i>72</i>	<i>72</i>	<i>72</i>	<i>70</i>	<i>72</i>

DF	Pearson	.007	.346*	.184*	.377*	.1013	.430*	.180*
	Correlation							
	Sig. (2-tailed)	.928	.000	.015	.000	.869	.000	.018
	N	72	72	72	72	72	70	72
D	Pearson	.050	.025	.074	.131	.013	.132	.027
	Correlation							
	Sig. (2-tailed)	.519	.742	.338	.086	.869	.086	.728
	N	72	172	72	72	72	170	172
CPVM	Pearson	.008	.308*	.190*	.373*	.430*	.132	.296**
	Correlation							
	Sig. (2-tailed)	.921	.000	.013	.000	.000	.086	.000
	N	70	170	70	170	70	70	70
CMG	Pearson	.057	.285*	.175*	.222*	.180*	.027	.296*
	Correlation							
	Sig. (2-tailed)	.456	.000	.022	.003	.018	.728	.000
	N	172	172	172	172	72	72	172
*. Correlation is significant at the 0.05 level (2-tailed).								
**, Correlation is significant at the 0.01 level (2-tailed).								

Table 3.1 shows Pearson's correlation testing results for all variables, the person coefficient results show that the strongest correlation existed between buyers' behavior (BB) and demand fluctuations (DF) with $r=0.007$ and another strongest correlation also existed between buyers' behavior (BB) and consumer perception of value for money (CPVM) with $r=0.008$; buyer's behavior (BB) also correlated significantly with sales tax (ST) with $r=0.101$; buyers' behavior (BB) and affordability (A) with $r=0.102$; buyers' behavior (BB) and consumer

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perception (CP) with $r=0.159$; and buyer's behavior (BB) and counterfeit market growth (CMG) with $r=0.057$ all are significant correlations existed.

While talking about dependent variable buyers' behavior (BB), it has not so significant but the relation with demographics of respondents (D) with $r=0.050$ which is equal to $p=0.05$ means not less than but equal to p -value has a little significance or at least relationship existed. Also, there are some significant correlation existed between the independent variables including the most statistically significant relationship between affordability (AA) and demographics (D) with $r=-0.074$ followed by other significant relationships of demographics (D) and demand fluctuations (DF) with $r=0.013$; demographics (D) and sales tax (ST) with $r=0.025$; and demographics (D) and counterfeit market growth (CMG) with $r=0.027$. These results are based on Pearson's rule of ranging values from -1 to $+1$.

On the basis of significance where $n=172$ respondents and its 2-tailed significance which means $p=0.05$. it also means that there is a 0.01 probability of finding the sample correlation if the actual population is actually zero. A statistically significant correlation existed between buyer's behavior (BB) and consumer perception (CP) with a value of 0.037 which is less than 0.05 which means that any positive and negative effect in consumer perception related to buying branded clothes may affect the buyers' behavior patterns.

DISCUSSION & CONCLUSION

The study has been carried forward to study the impact of various independent variables as a combination of control effect with sales tax to check the patterns of consumer buying behavior of branded clothes in Pakistan. A significant correlation has been found in many variables with buying behavior patterns which may also depict that sales tax increase or decrease in case of GST added to prices of branded clothes; affordability of customers to buy not only depending upon the monthly incomes but the perception of price of branded clothes; consumer perception as a result of being affected by the imposition of higher GDT, price changes as well as the brand loyalty and brand name; demand fluctuations of quantity demanded of branded clothes as an effect of higher or lower prices and GST; demographics the most important variable affecting the dependent variable not only including the gender but the

knowledge, education and most important location of your survival; consumer perception of value for money as well as counterfeit market growth as a result of high or low GST brand switching as well as brand loyalty; all have significant correlated to the dependent variable of buying behavior patterns of respondents.

The study has some limitations which may include potential sample biases due to self-reporting and the limited generalizability of findings beyond the selected sample. The research may also be influenced by external factors such as economic conditions and changes in tax policies, which should be taken into account when interpreting the results. However, ethical guidelines have been followed throughout the research process. Informed consent has been obtained from participants, and their confidentiality and anonymity also ensured. The research is adhering to ethical data collection, analysis, and reporting standards.

The questionnaire respondents have also some recommendations that may lump sum included majorly that GST and prices of branded clothes must be reduced to accommodate buying affordability, threshold exemptions must be implemented to alleviate the price burden on low-income individuals and GST must also be adhere to differential base system depending on a variety of ranges from luxury brands supporting local manufacturing brands, and sales tax must be segregated and applied to facilitate the variety of income levels of customers. Another recommendation is not only to control sales tax but also to control prices to make it affordable to people according to their buying power and financial status.



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