

CHAPTER V

CONCLUSION

5.1 Conclusion

The purpose of this study is to analyze the effect of changes in VAT rates, changes in import duty thresholds, and changes in tax treaty rates on K-pop merchandise purchase decisions. This study used primary data obtained by distributing questionnaires with purposive sampling techniques to 105 college student respondents of K-pop fans in Padang. Based on the results of the analysis using SPSS, it can be concluded that:

1. Changes in VAT rates do not affect K-pop merchandise purchase decisions. This shows that the high and low changes in VAT rates do not affect the purchase decisions of K-pop merchandise by K-pop fans.
2. Changes in the threshold of import duties have a positive impact on the purchasing decisions of K-pop merchandise. This indicates that a decrease in the threshold of import duties reduces the purchase of K-pop merchandise by K-pop fans and vice versa.
3. Changes in tax treaty rates do not affect K-pop merchandise purchase decisions. This shows that the high and low changes in tax treaty rates do not affect the purchase decision of K-pop merchandise by K-pop fans.

5.2 Research Implications

1. For the Community or K-pop Fans

The public or buyers of K-pop merchandise need to realize that their purchasing decisions are not only influenced by factors such as price, product design, and product quality but also by tax and import duty policies. Knowing how changes in tax policies can affect the prices of K-pop merchandise can help them make more informed purchasing decisions. Buyers of K-pop merchandise need to pay attention to the effect of these government policies on prices. A decrease or increase in import duty thresholds can affect the final price of merchandise, so buyers need to factor this factor into their purchase planning.

2. For Businesses Engaged in Providing Official K-Pop Merchandise from South Korea

Businesses that provide official K-pop merchandise sales services should adapt their business strategies taking into account changes in import duty thresholds. Understanding how import duty policies affect consumer behaviour can help Micro, Small and Medium Enterprises (MSMEs) make informed decisions regarding inventory management, pricing, and market expansion. Given that changes in VAT rates and tax treaty rates do not have a significant impact on purchasing decisions, MSMEs can prioritize improving other aspects of their operations, such as customer service, giving away freebies or gifts, and online marketing to increase their sales.

3. For Government

Based on the conclusions above, the VAT variable does not have a significant influence on K-pop merchandise purchase decisions. However, it should be noted that VAT is imposed on all levels of society, including those

with established and unestablished economies, who wish to purchase taxable goods. This VAT charge directly affects people's consumption behaviour, because they have to consider additional tax costs when deciding to make purchases. Therefore, the government needs to pay attention to factors that affect people's purchasing power so that increasing purchasing power can contribute to an increase in tax revenue from the VAT sector.

In addition, the government also needs to consider the impact of changing import duty thresholds on purchasing decisions for K-pop merchandise and other taxable goods or services. Adjustments to import duty policy can trigger or dampen demand for taxable goods and services. Therefore, policymakers need to review and possibly revise import duty thresholds to support the growth of Micro, Small and Medium Enterprises (MSMEs) that provide sales services for imported goods without hindering other local MSMEs from continuing to compete with imported products.

In addition, the government can evaluate the imposition of royalty tax in tax treaties to ensure that fair and effective tax provisions are implemented, which in turn can encourage more investment and economic growth. Thus, the government has an important role in creating a conducive business environment for the development of the K-pop industry, in particular, and other industries for both sides of the country, while paying attention to fairness and sustainability in the tax system.

5.3 Limitations and Future Research

After conducting this research, several limitations and suggestions for further research were found based on the results of this research, namely:

1. In this study, respondents from each university in Padang City are not evenly distributed. This is because there are still several universities, namely Poltekkes Kemenkes Padang and Stikes Mercubaktijaya, which were only obtained by one respondent each. Therefore, the suggestion that can be given is for future researchers to expand the sample used to obtain a larger dataset, thereby strengthening the conclusions drawn by previous researchers.
2. The primary data collected was limited because it was only through questionnaire questions answered by respondents without direct interviews to obtain additional information needed. This allows for different interpretations behind the respondents in answering the questionnaire. Therefore, the suggestion that can be given is for future researchers is expected to add data from interviews with respondents to get results with additional data that is more relevant so that it can enrich the discussion.
3. Indicators and questionnaire items arranged on each variable are still too few so they do not describe the variables as a whole and also have an impact on the number of respondents who can be used as samples. Therefore, the suggestion that can be given is for future researcher is expected to add indicators and questionnaire items to describe the variables more thoroughly. This will also result in a larger number of respondents as a sample.