

This study includes the effects of the value-added tax to Akeed Foodstuff Company in Oman, where the value-added tax was implemented in year 2020. With the implementation of value-added tax, there was significant increase in the price of some products. Akeed finds it necessary to study all those effects of VAT to every aspects of company's operations and to stakeholders as well; and find appropriate solutions for those negative effects. It is also necessary to evaluate and determine all the effects that resulted from the application of the tax in order to maintain the company's productivity and continuity in the market (Merkx, 2018).

Statement of the Research Problem

Companies that specialize in the retail sale of foodstuffs online are interested in working on the continuation of their commercial platforms in Oman. There are many retail platforms for foodstuffs, including Talabat, Akeed, Rafeeq, and also Tam Done. All of these companies are interested in saving time and effort for consumers by providing all consumer demands in their platforms, the most important of which is food, but after the value-added tax decision was imposed, these companies were affected as it cut portion of the projected revenues.

Aim and Objectives of the Study

Aims

This study aims to know the impact of value-added tax on the retail sale of foodstuffs online in Akeed company, and to know how to mitigate those effects that resulted from imposing the added tax and what are the methods that will be followed to assess these effects. There will be evaluation and identification of all effects and recommendation to resolve any negative impact of the imposition of tax.

Research Objectives

- 1- To identify the effect of the consumer's bearing value-added tax to Akeed Company.
- 2- To analyze the effects that the company was exposed to after the value-added tax decision on retailers of foodstuffs.
- 3- To evaluate the company's strategy to reduce the impact of value-added tax on retailers of foodstuffs in a company.
- 4- To suggest some recommendations to address impact of the value added tax on retailers of foodstuffs in Akeed Company.

Research Question

1. What are the effects of the consumer bearing the value-added tax to Akeed Company?

2. How to analyze the effects of the value-added tax on retailers of foodstuffs?
3. What are the strategies that the company had followed in order to reduce the effects that it has after the value-added tax decision?
4. What are the recommendations to address impact of the value added tax on retailers of foodstuffs in Akeed Company?

Literature Review

According to a study conducted in Saudi Arabia on the impact of value-added tax on the consumer, and this study was conducted to measure and determine the effects that accumulated on consumers after the decision of the value-added tax, it was observed that many consumers complained about the rise in the price of some goods. This increase in the price of some products directly affect the consumer's savings. This will tell the consumer to dispense with the product, which leads to a decrease in the sales of the product on which the tax was applied. There are many results that have been drawn through this study, including that the consumer may be affected by the application of the value-added tax, which makes him change his opinion about buying any of the products applied with value-added tax. The consumer dispenses with some food products, which are classified by him as non-essential. Consumers avoided products that have been taxed to be more economical and this affects his decision making at the time of purchase. There is also a strong impact on low-income consumers who decide to buy goods of lower quality due to the high prices of some food products (Mona, 2020). The consumer also bears a tax that reduces the consumer's desires for foodstuffs.

Egypt, conducted research on analyzing the effects that companies face after the application of the added tax decision, where the focus was on analyzing all the effects, including the companies bearing the value-added tax, in order to maintain customers in the company. Among those effects is how the tax is applied to the goods of companies that specialize in selling foodstuffs, since the company pays from the manufacturing process until it reaches the consumer. This study summarized its points, which is the presence of a specialized administration in taxes that contributes in reducing the value-added tax rate, which is estimated at 5% (Ali, 2018).

A review was directed named "An examination of the effect of charges on items and organizations, including the worth added charge," as one of the duties have caused a lot of commotion lately. This study affirmed that there are tremendous impacts that charges might deliver, whether to merchants or even customers, albeit, the economy in general. Assuming the organization bears the charges, it is probably going to fall in specific periods Third, the absence of mindfulness among organizations about charges. This is one of the impacts that this study dissected. The review affirmed that there should be adequate consciousness of each expense so the entire organization comprehends that the duty isn't not set in stone and applied, yet rather a sum that can adversely influence the organization if a particular division isn't laid out to oversee corporate charges.

Research Methodology

Research methodology may refer to the scientific method of research when it comes to the researcher's design of the methodological form of research. This study used a survey questionnaire and interview; and a review of previous literature, theories and references to collect, present and discuss the results. The researcher adopted a descriptive and exploratory research design.

Information was collected and analyzed, and an exploratory approach was used to determine whether or not the theory fit the research. The researcher also determined the type of information collected, whether it was quantitative or qualitative; the research tools to collect this information and the tool for analyzing results. The researcher adopted the Excel program in order to analyze all the data that were collected.

Sampling Technique

The main goal of the researcher using the sampling technique in the study is to obtain a greater amount of data and statistics, as they will be classified either qualitative and quantitative. This method will help facilitate the conduct of the study, including determining the research results accurately and correctly. Errors might occur at the time of sampling, such as not obtaining the required samples (McCombes, 2022). The researcher selected non-probability sampling method for collecting data, and in this type of sampling the convenient sampling technique was used. With this technique, the researcher had kept in her understanding to have the diverse workers from finance, accounts and audit departments of Omantel as participants in this research. The sampling framework of employees and banks has been presented in tabular form below to understand the division of employees from both departments mentioned.

Table 1: Sampling Framework

Sr. #	Names of Departments in Omantel	No. of Staff / Employees	No. of Dept. head and managers
1	Finance and Accounts Department	40	5
2	Audit Department	40	5
3	Top management	3	2
Grand Total		83	12

According to the above table of sampling framework of this research; the total of 95 employees from 2 departments and top management of Omantel has been considered as respondents for this study. The distribution of employees has been shown in sampling framework.

Population and Sampling Size

The study population in this research was the Akeed's sales and finance department totalling 119. The questionnaire was sent to them by the Human Resources Department of the company.

In this research, the computed sample size was 95 employees from Finance and Accounts department, and audit department of Omantel. The researcher chooses the departments because both of these departments plus top management all are well acquainted with its use.

$$\text{Finite population: } n' = \frac{n}{1 + \frac{z^2 \times \hat{p}(1-\hat{p})}{\epsilon^2 N}}$$

The calculated value of value was 95 employees with 95% C.I, 5% z-core and population proportion up to 50%.

Data Collection Techniques

The primary data and information were collected through the use of a questionnaire or interviews with stakeholders in the study.

The secondary data and information has been extracted from previous studies and is concerned with the theoretical framework such as taxes on foodstuffs and taxes on online retail. Some information was extracted from the books in MEC Library, as well as the use of some studies conducted by other universities outside and inside the Sultanate of Oman (Shahbaz, 2022)

Data Analysis

Question : Does the company has to bear the value added tax to keep its customers?

Table 1 The company has to bear the value added tax to keep its customers.

	Responses	Percentage
Agree	28	35%
Strongly agree	30	38%
Neutral	19	24%
Disagree	1	1%

Strongly disagree	2	3%
Total	80	100%

The above table revealed that the responses were almost similar, as some residents of the study indicated agreeing and strongly agreeing, and the rates ranged between 28% for agreeing and 30% for agreeing and strongly. It constitutes 19% for the neutral team, as it constitutes 1% for the non-conforming and 2% for the disapproving. It is natural for the employees to support the company with this decision, because the employee is the main supporter of the company's continuity. The point of view may be illogical, but it is natural for the employees of each company to think about the company's situation in the event that the company does not bear the value-added tax. If the number of customers decreases, so some employees will be dismissed or their wages would be reduced. Therefore, employees prefer that the company bear the tax for continuity (Sliusar,2021).

Question 2: Does the company attached importance to the added tax effects?

Table 2 Company attached importance to the added tax effects

	Responses	Percentage
Agree	25	31%
Strongly agree	40	50%
Neutral	14	18%
Disagree	1	1%
Strongly disagree	0	0%
Total	80	100%

The-of the fees above represents the percentage of the company's interest in the value-added tax, as the largest percentage in the fee was for the strongly agree with 50, where 50% was divided among the rest of the options, represented by 31% for the agree, 18% for the neutral, and a small percentage of 1% representing disapproval. The approval of a company to pay attention to the effects of tax is a great thing and an achievement, because a company is concerned with the effects of taxes before its benefits. The researcher is interested in the interests of companies to the effects that may result after issuing any compulsory decision on companies, even if the decision is to raise the economic level in the country (Madzharova, 2019).

Question : Does the company cares about the effects of the added tax

Table 3 The company cares about the effects of the added tax.

Does the company cares about the effects of the added tax	Responses	Percentage
Agree	45	56%
Strongly Agree	17	21%
Neutral	14	18%
Disagree	2	3%
Strongly disagree	2	3%
Total	80	100%

This is the first question of the multiple choice, as there are five opinions from which one can choose between agreeing and neutral and also not agreeing. The question about whether the company is interested in the effects of the value-added tax. The percentages varied between the opinions and choices of the Markers, as the percentages differed significantly. The largest percentage is 56% for those who agree and strongly agree with 21% and the neutrals at 18%, and those who disagree and strongly disagree have the same percentage, which is 3% of the total number who participated in solving this question.

This question illustrates the company's interest in the effects of the value-added tax. There is a large and noticeable reaction from the employees about the company's interest in the effects of the value tax, because of the fact that it can cause internal problems. If the company ignores taxes or even bears them, the company must pay attention, after the company has observed the effects. It must shed light on the importance of the effects. It conducts studies and spreads greater awareness among employees about ways to pay attention to the effects of value added tax.

The researcher also has a point of view that if the company is interested in such effects, it is considered that the company has sufficient awareness of the taxes that government imposed on individuals and institutions, and the companies must also have interests of this kind, and that is from the company's continuation without facing obstacles or pitfalls.

Question : Akeed Company trying to reduce the effects of the value-added tax??

Table 4 The company tried to reduce the effects of the value-added tax.

Is Akeed Company trying to reduce the effects of the value-added tax??	Responses	Percentage
Agree	40	50%
Strongly Agree	17	21%
Neutral	17	21%
Dis agree	3	4%
Strongly Disagree	3	4%
Total	80	100%

Agreeing was 50% of the total number of respondents in the questionnaire. The other 50% was distributed between strongly agree, neutral, disagree, strongly disagree. The percentages of disagree and strongly disagree, as they represented 4% for each, in contrast it was also noted the concordance between the percentage of those who agree strongly with those who are neutral, as each of them represents 21% of the total number that was counted and analyzed.

After analyzing the question, it was noted that the number of those who agreed and who agreed strongly scored 71%, and it is considered as a number for a large segment of people who agree that the company is trying hard to limit the aggravation of the effects of value-added tax. Companies that are interested in their internal interests before their external ones, and the company's interest in reducing risks by developing plans that can help the company in facing any effects resulting from taxes in the future, it is necessary to work on one of the effects of the value-added tax requires effort and great work by the company, but on the other hand, all the efforts and time spent is due to the company's continuity and its survival in the market.

Summary of Findings

The research focused on determining the effects of value-added tax on the retail sale of foodstuffs at Akeed, and reviews of the literature focused on the effects of consumer tolerance for value-added tax, as well as analyzing all the effects experienced by the company. After the value-added tax decision on food retailers, and also focus on evaluating the company's strategy to reduce the effects of value-added tax on the company's retail food sellers, and that literature reviews focused on proposing some solutions and recommendations to address all the effects of value-added tax on food retailers in the company, there are some key and significant findings of this study.

Based on the results, it is clear that a certain company has effects after VAT implementation, as large number of respondents agreed on this point. Studies are conducted and greater awareness is spread among employees about ways to pay attention to the effects of value-added taxes, in the event that the effects produced by taxes are neglected, even if they are simple, they may be exacerbated, especially in online retail companies because consumers notice every small change that occurs in prices, for

example if there was a bag of rice with a value of 7.500 Omani riyals, after applying the value-added tax on it, its price will become 7,875 Omani riyals (Purnamasari, 2020).

Through the interview that was conducted with employees from the sales department, it was found out how the company deals with the effects that resulted from the value-added tax, as well as the tariff of the strategies followed by the company, and how the company deals with price changes after applying the value-added tax and how to deal with the role of consumer action on these changes. On the other hand, it was noted that the company suffers from the effects of the tax because the tax places the company between two confusing matters, such as the company bearing the tax and gaining customers, or the company applies value-added tax and loses its customers.

More than 70% agreed that the company is working to find an end to the effects without causing any problems in the company or without affecting the consumer directly and significantly. and there are also some studies that were mentioned previously, which are how to deal with taxes and value-added tax as well as how to work to reduce the effects of taxes and the effects of taxes on consumers (Purnamasari, 2020)

The results showed that the company always contributes to working on the effects of the value-added tax, and that it is interested in working on all the effects, such as being from the local Omani company, and it must put a clear imprint on it in the Omani society. More important than its external interests, and one of the company's internal interests is the customer, being the primary consumer of the product. It is necessary to work on the effects of the added tax in retail companies. The company sometimes bears value-added tax for the sake of the company's reputation among the members of society and so as not to lose a large number of its customers. Therefore, the company tries to balance between bearing the tax and the customer bearing the tax.

Finally, Akeed Company recommends its customers and employees to be sufficiently aware of the value-added tax and how to deal with any effects that may affect the company after the application of the value-added tax. The company's stability in the market is the most important to prove its strength in the field of retail sales. The company has applied some strategies to mitigate the value-added effects. The company also contributes to spreading awareness about price changes for products, contributes to reducing the effects on the consumer and contributes to attracting the consumer by bearing the tax. There are many recommendation proposed by the company in order to overcome the losses and effects of the value-added tax.

Conclusions

To identify the effect of the consumer's bearing value-added tax in Akeed Company

- With the implementation of VAT, the burden is also borne by both the company and the consumer. The consumer also experienced price changes, which cause the prices to rise, even if it is related to the redistribution of the consumer's income in some other way; that is, the consumer resorts to buying some food of lower quality, but at a price that suits his needs and income. The consumer may be exposed to reduced basic nutritional needs.

VAT may cause the consumer to pay more than his usual consumption to provide for his nutritional needs in return. These are all effects that may negatively affect the consumer and affect his monthly food consumption. The researcher focused on this goal and mentioned the effects borne by the consumer, because the consumer is the main source of the Akeed company's existence and the company's top priority.

To analyze the effects that the company was exposed to after the value-added tax decision on retailers of foodstuffs. - The effects were identified after conducting the questionnaire and the interview, as it was mentioned that the company was exposed to many effects after applying the value-added tax on the products or on the final bill, such as the decrease in the number of customers, the lack of customers to purchase some products due to the change in the price of the product after the tax, and continuous customer complaints about changing prices. These effects will affect the company's financial stability.

To evaluate the company's strategy to reduce the impact of value-added tax on retailers of foodstuffs in a company. - In regards to the strategies that the company has followed in reducing the tax effects, which is to spread awareness among employees and how to deal with customer reactions, the company has worked hard to attract its customers and maintain its financial stability, as the company has provided some foodstuffs with other brands of excellent quality, but at a price that suits the needs of the customer. The company is trying to bear a tax after applying it using discount offers and also through discount codes. Akeed company is one of the most promising Omani food retail companies, so it must be steadfast in such crises. The researcher confirms that the company is fully prepared in the face of any difficulties and challenges as it was able to face the effects of the value-added tax since tax inception.

Recommendations

The value added taxes have a significant impact, and the company must work to spread awareness of value-added tax among consumers, as consumers are the basis of the company's continuity. Their awareness should be increased on the company's accounts in the social media. The company should work on developing awareness on marketing plans that benefit customers with confidence about value added taxes. Providing questionnaires and statistics to the consumer about the effects of value-added tax on him as a consumer, and finding solutions that commensurate with the effects to customers should be considered. The company must know the opinions of customers about the tax in order to improve the purchasing power on some products on which the value-added tax has been applied.

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