

## A study on Consumer Perception towards GST with reference to Bengaluru City.

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### KEYWORDS

Tax System, Transparency,  
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### ABSTRACT

The Goods and Services Tax (GST) was imposed in India with the main goal of lightening the burden on all economic stakeholders. Consumer are crucial stakeholders in the GST since they indirectly pay taxes and make a donation to the government funds. preceding introduction the GST, there were numerous levies in place, which resulted in greater taxation of taxpayers was complicated, and there was a difficulty with increasing taxes. GST was introduced as a solution to the problems. of prior tax regimes and offer numerous advantages to consumers

### Introduction:

On July 1st, 2017, Arun Jaitley, the finance minister at the time, and the then-prime minister made the inaugural GST proposal in India. But the implementation itself didn't start until April 2018. As GST combined 17 various taxes into a single system, this action represented a significant advancement in India's indirect tax reforms. The government wants to learn how different demographics, including workers, businesspeople, and professionals, feel about the GST. Despite the passing of time, a sizeable segment of the populace continues to suffer with misconceptions and ambiguities regarding the GST system, creating a generally unfavourable perception.

60 people who represented these consumer groups participated in this survey, which was performed in Bengaluru City. A thorough questionnaire was used to gather data. The study's findings showed that participants had a moderate level of knowledge regarding GST. It's interesting to note that they don't generally seem to agree or disapprove with GST.

## II. Review of Literature

1. **(Sunil Kumar Das, 2023)** “Consumer Behaviour and GST Technology” The results showed that the people of Cuttack were in favor of the GST and its implementation, and that it had altered how consumers behaved when making purchases and saving money. The GST has a very evident impact on consumer perception, since the significance threshold is less than 0.05, and there is a definite relationship between the GST and consumer perception. The GST has a very clear impact on purchasing behavior, since the significance level is less than 0.05, indicating a definite relationship between the GST and consumer purchasing behavior. People are also knowledgeable about GST. The importance level indicates that individuals are aware of GST.
2. **(Sonkar & Gupta, 2023)** “To Study the Impact of Goods and Services Tax (GST) on Bajaj Electricals Ltd. Found out that 33.4% respondents feels that GST will increase the Tax Burden, 58.2% felt that impact of GST in long run will be beneficial for the economy, and there is a increase in price of the product of Bajaj electricals ltd. And also on consumer durable goods. And aslo Concluded that The new GST for electrical goods has replaced multiple tax structures, including VAT and service Tax structures including VAT and service Tax ,and suggested that increase in Tax system transparency and make it simpler for consumers to pay their taxes.
3. **(Nikam, 2022)** “Study of Consumer Perception towards Implementation of GST and its Effects”.The primary impact to be felt by the consumers would change in prices of goods and services on account of GST rates. Within the household budget, there are likely to be some obvious gainers and some obvious losers but once the law and pricing of commodities reach steady state, all consumers should gain. In terms of impact in prices,

while services would mostly be more expensive in the initial phases, impact on prices of goods could be a mixed bag. In the long run, once the benefits of GST are expected to kick in in terms of higher input credits and reduction in cascading effect, it is anticipated that the inflationary effect will come down and prices, in general, would come down and stabilize

### Statement of the Problem

The goods and services tax was imposed to bring the unorganized sector of the economy in line with the organized sector. It also helps the government increase money while offering products to people at a lower cost. It has been in effect since April 2018, despite the fact that the measures were passed in July 2017. It has been 5 years, since the introduction, it is reasonable to investigate consumer Perception on GST for consumer durable goods.

### Objectives

- To examine the perception of consumers towards GST

### Hypothesis

The following hypothesis have been formulated to study the relationship between consumer demographic variables and perceptions.

H<sub>0</sub>1: There is a significant difference between demographic profile and Perceptions towards GST.

### Design of Research

This is an exploratory study, and because GST is a new idea in Indian markets, this survey attempts to explore customer awareness and perception about GST. The study's sample size is 60 because the population is assumed unlimited, and the location of investigation is Bangalore city. Because the respondents were only those who had some knowledge about GST, Convenience sampling was utilized.

This study's research approach has been divided into the following sections:

#### Source of information:

Primary data has been gathered from consumers in Bengaluru City. It was gathered via a questionnaire, which is a systematic series of questions.

**Sample Size :** The Sample size for conducting this study was 60 consumers in the Bengaluru City

**sample technique:** The sample technique employed in this paper is convenience sampling. The Parametric data test has been used to analyse the primary data collected.

- Consumer Perception was analysed through weighted Average by Mean and Standard deviation

### Reliability statistics of the Questionnaire

**TABLE – 1: Scale: ALL VARIABLES**

Reliability Analysis Results					
		N	%	Cronbach's Alpha	No.of items
Cases	Valid	60	100.0	.961	36
	Excluded	0	.0		
	Total	60	100.0		

**TABLE -2: Demographic profile of respondents (N=60)**

Variables	Particulars	Frequency	Percentage
Age	18-36	42	70%

	36-60	13	21.67%
	60 & Above	05	8.33%
<b>Gender</b>	Male	39	65%
	Female	21	35%
<b>Qualification</b>	Upto 12th	09	15%
	Graduate	27	45%
	Post Graduate	24	40%
<b>Occupation</b>	Student	15	25%
	Employed	15	25%
	Professional	16	26.67%
	Businessman	14	23.33%
<b>Annual Income</b>	Below Rs.50,000	29	48.33%
	Rs.50,000-Rs.1,00,000	20	33.33%
	Rs.1,00,000-Rs.1,50,000	11	18.34%
<b>Total</b>		<b>60</b>	

## Part I

**Table -1: Consumer Perceptions about GST (Responses in No's)**

Sl.No	Statements on Perception	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Mean	$\sigma$	Decision (t <sub>g</sub> =3.73)	A
1	Do you agree Would GST enhance the capability, effectiveness and transparency of current taxation system?	2	1	18	20	19	3.88	.993	High Perception	
2	Do you agree GST will bridge the gap between low- and high-income earners?	16	2	14	25	3	2.95	1.320	Low Perception	
3	Do you agree GST is a fair substitute for all other taxes?	2	2	23	15	18	3.75	1.035	High Perception	
4	Do you agree would GST contribute additional revenue for the economy?	4	5	10	24	17	3.75	1.159	High Perception	
5	Do you agree Would GST be helpful for social development of the country?	1	2	21	24	12	3.73	.880	High Perception	
6	Do you agree GST implementation in India is necessary?	3	1	15	25	16	3.83	1.011	High Perception	

7	Do you agree The Government has introduced GST with complete Preparation for consumer durable goods	35	7	15	20	15	3.62	1.136	Low Perception
8	Do you agree Government should do some more awareness programs for increasing "awareness of GST implementation in India"?	8	0	6	29	17	3.78	1.250	High Perception
9	Do you agree The implementation of GST has led to increase in the prices of Consumer durable goods.	2	18	6	24	10	3.37	1.178	Low Perception
10	Do you agree GST has made it easier for you to understand and pay your taxes.	2	0	10	24	24	4.17	.827	High Perception
11	Do you agree GST has simplified the tax structure and reduced the overall tax burden for consumers on consumer durable goods	1	2	12	23	22	4.05	.928	High Perception
12	Do you agree Classification of goods & services under different tax slabs have been done according to the benefits of consumers.	1	7	16	22	14	3.68	1.017	Low Perception
13	Do you Agree Tax on Health care & personal care devices has increased after the implementation of GST	2	1	20	21	16	3.80	.971	High Perception
14	Do you Agree Tax on Consumer durable goods has been increased after implementation of GST	0	2	21	23	14	3.82	.833	High Perception

15	Do you Agree GST invoice is clear and easy to understand on invoices of consumer durable goods.	0	4	25	10	21	3.80	1.005	High Perception
							55.98/15=3.73		

Source: Primary Data

The perception towards acceptance of GST is ascertained through descriptive analysis mean has been taken and the weighted average has been calculated and based on weighted average individual item analysis and its over all acceptance analysis has been done.

From the above table it is ascertained that the perception of consumers towards acceptance of various items are above average. Overall the weighted average score is 3.73 and majority of the items are above weighted average score, which shows that consumers have a favourable perception towards GST implementation in India.

### Conclusion:

From the findings it is clearly observed that the perception of consumers towards acceptance of this Goods and Service Tax system is positive, and also found that consumers are not happy about tax rates and want more clarity on the rate of taxes. but some more actions by the government can give a boost to the high acceptance level and hence make way for a more effective implementation of GST system.

Overall this study reveals that consumers are moderately ready to accept this new change in taxation system . they are also looking for more awareness drives, like training programs ,campaigns and other knowledge based initiatives on GST. so that they can improve their complete knowledge about GST . Still there lot of efforts has to be made by the government for Transparent GST system by eliminating GST rates which are confusing and which are directly affecting Consumers satisfaction for consumer durable goods .

**Limitations and Scope for further studies :** This study is confined to sample size of 60 respondents and restricted to Bengaluru City.

### Scope for further Research :

the study can be conducted by considering more respondents at different Regional level on different areas.

### References:

1. Nikam, A. P. (2022). Study of Consumer Perception towards Implementation of GST and its Effects. *International Journal of Research*.
2. Sonkar, N., & Gupta, S. (2023). To Study the Impact of Goods and Services Tax ( GST ) on Bajaj Electricals Ltd . 6(12), 996–1001.
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