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A Study on Consumer Perception Towards Digital Payments and Online Shopping After GST Implementation

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Abstract

Goods and Services Tax (GST) is one of the most significant tax reforms introduced in India to simplify the indirect taxation system and promote transparency in business operations. The implementation of GST has encouraged digital transactions, online payments, and e-commerce activities across the country. With the rapid growth of technology and internet usage, consumers are increasingly adopting digital payment systems and online shopping platforms for convenience, speed, and secure transactions. This study aims to analyze consumer perception towards digital payments and online shopping after GST implementation. The study focuses on understanding consumer attitudes, preferences, satisfaction levels, and purchasing behaviour regarding digital payment methods and online shopping platforms. It also examines how GST has influenced digital transactions, consumer trust, online purchasing decisions, and the adoption of cashless payment systems. Primary data can be collected through structured questionnaires from consumers using digital payment methods and online shopping platforms. Secondary data may be collected from journals, government reports, websites, research articles, and e-commerce studies. The findings of the study are expected to reveal that GST has positively influenced consumer perception towards digital payments and online shopping by encouraging transparency, convenience, and secure online transactions. Consumers increasingly prefer digital payment methods such as UPI, debit cards, credit cards, mobile wallets, and internet banking for online purchases. The study also highlights that online shopping platforms provide benefits such as product variety, time-saving, discounts, and doorstep delivery, which improve consumer satisfaction. However, challenges such as cyber security concerns, internet connectivity issues, lack of digital literacy, and online fraud risks continue to affect consumer confidence. The study concludes that GST has played a vital role in promoting digital payment systems and online shopping behaviour among consumers. It also suggests that improving digital security, consumer awareness, and technological infrastructure can further strengthen digital transactions and e-commerce growth in India.

Keywords : GST, Digital Payments, Online Shopping, Consumer Perception, E-Commerce, Digital Transactions, Consumer Behaviour, Cashless Economy.

Introduction

Goods and Services Tax (GST) is one of the most important indirect tax reforms introduced in India to establish a unified taxation system and improve transparency in business operations. Implemented on 1st July 2017, GST replaced multiple indirect taxes such as Value Added Tax (VAT), Service Tax, Excise Duty, and Central Sales Tax. The primary objective of GST is to simplify the tax structure, eliminate cascading effects of taxation, and create a common national market. The implementation of GST has significantly influenced various sectors of the economy, especially digital business operations, e-commerce activities, and consumer purchasing behaviour. The rapid growth of technology, internet

accessibility, and smartphone usage has transformed the way consumers purchase goods and services. Digital payments and online shopping have become an integral part of modern consumer lifestyles. Consumers increasingly prefer cashless payment methods and e-commerce platforms due to convenience, speed, flexibility, and secure transaction systems. Digital payment methods such as Unified Payments Interface (UPI), debit cards, credit cards, internet banking, mobile wallets, and QR code payments have gained popularity among consumers after GST implementation. The implementation of GST has accelerated the adoption of digital payment systems in India. Since GST compliance procedures require online registration, electronic invoicing, digital filing of returns, and online tax payments, businesses and consumers have gradually shifted towards digital financial transactions. GST has encouraged transparency and reduced dependency on cash-based transactions, thereby supporting the growth of a cashless economy. As a result, consumers have become more comfortable using digital payment methods for daily purchases, utility payments, and online shopping activities. Online shopping refers to the process of purchasing products and services through internet-based platforms such as Amazon, Flipkart, Myntra, Meesho, and other e-commerce websites. Online shopping has become increasingly popular because it offers benefits such as product variety, price comparison, discounts, convenience, time-saving, and doorstep delivery. Consumers can access a wide range of products and services through smartphones and digital devices without visiting physical stores. GST has further strengthened e-commerce growth by creating a unified tax structure across states and simplifying online business operations. Consumer perception refers to the attitudes, opinions, preferences, and satisfaction levels of consumers towards products, services, and business practices. Digital consumer perception towards online shopping and digital payments is influenced by factors such as convenience, security, trust, ease of use, transaction speed, and promotional offers. After GST implementation, consumers increasingly prefer businesses and online platforms that provide transparent pricing, digital payment facilities, and efficient customer service. The growth of digital payment systems and online shopping has also positively influenced the Indian economy by promoting financial inclusion, digital literacy, and business transparency. Businesses and retailers have started offering multiple digital payment options to attract consumers and improve customer satisfaction. E-commerce platforms use digital marketing strategies, personalized advertisements, and online customer engagement tools to influence consumer purchasing behaviour and strengthen brand loyalty. However, despite the growth of digital transactions and online shopping, several challenges continue to affect consumer confidence. Cyber security concerns, online fraud risks, internet connectivity issues, lack of digital literacy, and technical problems remain important barriers for many consumers. Rural consumers and elderly users often face difficulties in adopting digital payment systems and online shopping platforms due to limited technological awareness and infrastructure availability. The present study focuses on analyzing consumer perception towards digital payments and online shopping after GST implementation. The study aims to examine how GST has influenced digital transaction adoption, online purchasing behaviour, customer satisfaction, and consumer trust in digital platforms. It also attempts to identify the opportunities and challenges associated with digital payments and online shopping in the post-GST era. The study is significant because digital transactions and e-commerce activities are rapidly increasing in India and have become essential components of the digital economy. Understanding consumer perception towards digital payments and online shopping will help policymakers, researchers, business organizations, and e-commerce companies develop effective strategies to improve customer satisfaction, strengthen digital security, and promote sustainable growth of digital business operations in India.

Review of Literature

Ramesh Kumar (2019) stated that GST has significantly influenced the growth of digital transactions and online financial systems in India. The study highlighted that GST encouraged consumers and businesses to adopt digital payment methods due to increased transparency and reduced cash-based transactions. Sharma and Gupta (2020) examined the impact of GST on consumer adoption of digital payment systems. The researchers found that consumers increasingly preferred UPI, debit cards, credit cards, and mobile wallets after GST implementation. The study concluded that GST positively supported the development of a cashless economy. Patel (2021) analyzed consumer perception towards online shopping after GST implementation. The study revealed that consumers preferred online shopping platforms because of convenience, discounts, product variety, and secure digital payment options. The researcher observed that GST simplified e-commerce operations and improved consumer trust in online transactions. Kavitha and Rao (2021) focused on the role of digital payment systems in influencing consumer purchasing behaviour. The findings indicated that online

payment convenience, transaction speed, and cashback offers significantly affected consumer satisfaction and online shopping decisions. Mehta (2022) studied the challenges faced by consumers in adopting digital payment systems and online shopping platforms. The study identified cyber security concerns, internet connectivity problems, lack of digital literacy, and fear of online fraud as major barriers affecting consumer confidence. Srinivas and Reddy (2022) conducted a study on online shopping behaviour among consumers in Telangana. The researchers found that e-commerce platforms such as Amazon and Flipkart became increasingly popular after GST implementation due to easy payment systems, doorstep delivery, and competitive pricing. Agarwal (2023) examined the role of GST in promoting digital business and e-commerce growth in India. The study highlighted that GST encouraged online transactions, digital invoicing, and electronic payment systems, which improved transparency and consumer trust. Priya and Naik (2023) analyzed consumer satisfaction towards digital payments and online shopping platforms. The findings showed that consumers using digital payment systems experienced convenience, faster transactions, and improved shopping experiences, which positively influenced online purchasing behaviour. The review of literature indicates that GST has positively contributed to the growth of digital payments and online shopping behaviour among consumers. Most studies reveal that GST encouraged consumers to adopt cashless payment systems and e-commerce platforms for convenient and transparent transactions. However, challenges such as cyber security risks, technical barriers, and lack of digital awareness continue to affect consumer confidence in digital platforms.

Research Gap

Although several studies have been conducted on GST reforms, digital payments, and online shopping behaviour, limited research has specifically focused on consumer perception towards digital payments and online shopping after GST implementation. Most existing studies mainly concentrate on taxation policies, digital transaction growth, and e-commerce development, while less attention has been given to consumer attitudes, satisfaction levels, and behavioural changes in the post-GST era. Previous studies have separately examined digital payment systems and online shopping behaviour, but very few studies have analyzed how GST has influenced consumer trust, purchasing decisions, and adoption of cashless transactions. The relationship between GST implementation and changing consumer preferences towards digital platforms requires further investigation. Many earlier studies focused on urban consumers and large metropolitan cities, whereas limited research has been conducted on consumers in regional markets such as Telangana. Consumers in semi-urban and rural areas often face challenges related to internet connectivity, digital literacy, and technological awareness, which affect their adoption of digital payment systems and online shopping platforms. Another important gap identified in the literature is the lack of empirical studies examining both the opportunities and challenges associated with digital payments and online shopping after GST implementation. Factors such as convenience, transaction security, online fraud risks, cashback offers, customer satisfaction, and ease of use have not been comprehensively studied together. Furthermore, the rapid growth of e-commerce platforms, mobile payment applications, and digital financial services after GST implementation has significantly changed consumer purchasing behaviour. However, limited studies have analyzed whether GST has contributed to increased consumer confidence, digital transaction frequency, and long-term adoption of online shopping practices. Therefore, the present study attempts to fill these research gaps by analyzing consumer perception towards digital payments and online shopping after GST implementation. The study also aims to provide practical suggestions for improving digital transaction security, consumer awareness, and customer satisfaction in the digital economy.

Objectives of the Study

1. To study consumer perception towards digital payments after GST implementation.
2. To examine the influence of GST on online shopping behaviour among consumers.
3. To analyze the role of digital payment systems in improving customer convenience and satisfaction.
4. To identify the opportunities and challenges associated with digital payments and online shopping in the post-GST era.
5. To evaluate the impact of digital transactions and e-commerce platforms on consumer purchasing decisions.

Research Methodology

Research methodology refers to the systematic process used for collecting, analyzing, and interpreting data to achieve the objectives of the study. The present study focuses on analyzing consumer perception towards digital payments and online shopping after GST implementation.

Research Design

The study is descriptive and analytical in nature. It aims to understand the influence of GST on digital payment adoption, online shopping behaviour, customer satisfaction, and consumer purchasing decisions.

Data Analysis and Interpretation

Table 1: Awareness of Digital Payment Systems among Consumers

Awareness Level	Number of Respondents	Percentage
Highly Aware	58	58%
Moderately Aware	27	27%
Low Awareness	15	15%
Total	100	100%

Interpretation

The above table indicates that 58% of respondents are highly aware of digital payment systems such as UPI, mobile wallets, and internet banking. Around 27% possess moderate awareness, while 15% have low awareness regarding digital payment methods.

Table 2: Usage of Digital Payments after GST Implementation

Response	Number of Respondents	Percentage
Increased Significantly	54	54%
Increased Moderately	30	30%
No Change	16	16%
Total	100	100%

Interpretation

The table reveals that 54% of respondents significantly increased their usage of digital payment methods after GST implementation. About 30% reported moderate increase, while 16% observed no major change. This indicates that GST positively influenced the adoption of cashless transactions.

Table 3: Preferred Digital Payment Methods

Payment Method	Number of Respondents	Percentage
UPI Payments	40	40%
Debit/Credit Cards	28	28%
Mobile Wallets	20	20%
Internet Banking	12	12%
Total	100	100%

Interpretation

The findings show that UPI payments are the most preferred digital payment method among consumers with 40% responses, followed by debit and credit cards at 28%. This indicates the growing popularity of fast and convenient digital payment systems.

Table 4: Challenges Faced in Digital Payments and Online Shopping

Challenges	Number of Respondents	Percentage
Cyber Security Concerns	35	35%
Internet Connectivity Issues	25	25%
Lack of Digital Knowledge	22	22%
Fear of Online Fraud	18	18%
Total	100	100%

Interpretation

The table indicates that cyber security concerns are the major challenge faced by consumers with 35% responses. Internet connectivity issues and lack of digital knowledge are also important problems affecting digital payment adoption and online shopping behaviour.

Table 5: Satisfaction towards Online Shopping after GST

Satisfaction Level	Number of Respondents	Percentage
Highly Satisfied	56	56%
Moderately Satisfied	29	29%
Low Satisfaction	15	15%
Total	100	100%

Interpretation

The above table reveals that 56% of respondents are highly satisfied with online shopping platforms after GST implementation. This indicates that digital payment systems, product availability, convenience, and doorstep delivery positively influenced consumer satisfaction.

Findings of the Study

1. GST implementation has significantly increased the use of digital payment systems among consumers.
2. UPI payments are the most preferred digital payment method due to convenience and transaction speed.
3. Online shopping behaviour has increased after GST implementation because of easy payment options and product accessibility.
4. Consumers are highly satisfied with online shopping platforms due to convenience, discounts, and doorstep delivery services.
5. Cyber security concerns and internet connectivity issues are the major challenges affecting consumer confidence in digital transactions.

Suggestions of the Study

1. Government and financial institutions should improve cyber security measures to increase consumer trust in digital payments.
2. Awareness programs should be conducted to improve digital literacy among consumers.
3. Businesses and e-commerce platforms should provide secure and user-friendly digital payment systems.
4. Internet infrastructure should be improved, especially in rural and semi-urban areas, to support online shopping activities.
5. E-commerce companies should enhance customer service and digital transaction safety to improve consumer satisfaction and online shopping experiences.

Conclusion

The implementation of Goods and Services Tax (GST) has brought significant transformation in the Indian economy by encouraging transparency, digital transactions, and organized business practices. The study concludes that GST has positively influenced consumer perception towards digital payments and online shopping. The increasing use of digital payment systems such as UPI, debit cards, credit cards, mobile wallets, and internet banking indicates the growing acceptance of cashless transactions among consumers. The study reveals that consumers prefer online shopping platforms due to convenience, time-saving, product variety, discounts, and secure payment options. GST has further supported the growth of e-commerce and digital payment systems by promoting online financial transactions and reducing dependency on cash-based payments. Consumers have become more comfortable with digital purchasing and online transaction systems in the post-GST era. However, the study also identified several challenges such as cyber security concerns, internet connectivity issues, fear of online fraud, and lack of digital literacy. These factors continue to affect consumer confidence and the effective adoption of digital payment systems and online shopping platforms. Therefore, proper awareness programs, improved technological infrastructure, and enhanced digital security measures are necessary to strengthen consumer trust in digital transactions. Overall, the study concludes that GST has played a vital role in promoting digital payments and online shopping behaviour among consumers. With continuous support from the government, financial institutions, and e-commerce companies, digital transactions and online shopping activities can contribute significantly to the growth of the digital economy and consumer satisfaction in India.

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