

A STUDY ON THE IMPACT OF GST ON CONSUMER PRICES WITH REFERENCE TO FORTUNE OIL PRODUCTS INDIA

¹PEDDAPELLI GOUTHAMI (24UJ1E00H0) Student of 2nd Year MBA,
Malla Reddy Engineering College and Management Sciences, Medchal, Hyderabad – 501 401.

²DR M SREEDHAR REDDY, Professor of Computer Science and Engineering (AIML), and Guest Faculty,
Dept of MBA in Malla Reddy Engineering College and Management Sciences, Medchal, Hyderabad – 501 401.

ABSTRACT

Goods and Services Tax (GST), introduced in India on 1 July 2017, replaced several indirect taxes with a unified destination-based tax system. This study examines the impact of GST on consumer prices with specific reference to Fortune Oil Products India. It focuses on consumer awareness, perceptions of price changes, purchasing behaviour, and satisfaction after GST implementation. Primary data were collected from 100 Fortune Oil Products consumers through a structured questionnaire, and percentage analysis was applied. The findings indicate generally positive consumer awareness, improved pricing transparency, and favourable satisfaction. The study suggests clearer price communication and continued consumer education regarding GST.

Keywords-Goods and Services Tax; Consumer Prices; Fortune Oil Products; Consumer Behaviour; Pricing Transparency

1. INTRODUCTION

Taxation is a source of government revenue and supports public administration, healthcare, education, social welfare, infrastructure development, and economic growth. India introduced the Goods and Services Tax (GST) on 1 July 2017 as an indirect tax reform intended to create a unified taxation structure. GST replaced several central and state indirect taxes and introduced a destination-based system in which tax is collected on consumption, with input tax credit available for taxes paid at earlier stages. The reform has influenced manufacturing, retail, logistics, and fast-moving consumer goods. Edible oil is particularly important because it is a regularly purchased household commodity. Changes in taxes, production expenses, transportation, distribution, packaging, and market conditions can therefore affect retail prices and consumer purchasing decisions. Fortune is a major edible-oil brand marketed by AWL Agri Business Limited. Its product range includes sunflower, soybean, rice bran, mustard, groundnut, blended, and other edible oils. GST was expected to reduce tax cascading, simplify compliance, improve movement of goods between states, and increase transparency. For businesses, input tax credit and streamlined interstate movement can improve supply-chain efficiency. For consumers, however, the final price of a product depends not only on GST but also on raw-material costs, inflation, transportation expenses, market demand, and competitive conditions. Consequently, consumers may find it difficult to isolate the exact effect of GST on the price they pay. Consumer awareness is therefore important in evaluating the practical effect of tax reform. Consumers who understand GST and the tax components shown on invoices may better interpret price changes and make informed purchasing decisions. Their satisfaction also depends on affordability, availability, quality, and perceived value for money. The present study examines the impact of GST on consumer prices with reference to Fortune Oil Products India. It evaluates consumer awareness of GST, perceptions regarding its effect on product prices, purchasing behaviour, and satisfaction. The study uses primary information obtained from consumers and analyses their responses through percentage analysis. Its findings are intended to provide useful insights for consumers, retailers,

businesses, policymakers, researchers, and academicians regarding pricing transparency, consumer behaviour, and the practical effects of GST in the edible-oil market.

2. REVIEW OF LITERATURE

Research on GST has examined consumer awareness, prices, purchasing behaviour, and the performance of FMCG businesses. Parashar, Joshi, and Chopra (2017) examined consumer behaviour during the transition to GST and highlighted differences in perceptions of consumption taxes. Alie et al. (2019) reported that GST simplified indirect taxation and reduced the cascading effect in the FMCG sector. Shukla (2019) identified supply-chain restructuring, technology costs, and compliance as important issues for FMCG retailers and wholesalers. Dey and Garu (2022) studied consumer understanding of GST in Odisha and examined perceptions of price changes and purchase decisions using descriptive and inferential methods. Ramkumar and Chitra (2022) examined consumer buying behaviour and reported that GST-related pricing can influence purchase decisions. Recent research by Garg, Mittal, and Garg (2025) examined GST and inflation using intervention modelling and found that the initial increase in general prices around implementation was temporary. Official CBIC information describes GST as a destination-based consumption tax with input-tax credit intended to reduce cascading. The supplied study extends this literature by focusing specifically on Fortune Oil Products and combining consumer awareness, price perceptions, purchasing behaviour, and satisfaction within one descriptive study.

3. OBJECTIVES OF THE STUDY

1. **To examine the impact of GST on the consumer prices of Fortune Oil Products.**
2. **To assess consumer knowledge about GST and its effect on product prices.**
3. **To analyse the effect of GST on consumer purchasing behaviour and buying decisions.**
4. **To assess customer satisfaction with Fortune Oil Products' availability and prices following the introduction of GST.**
5. **To make appropriate recommendations for enhancing pricing transparency and raising consumer knowledge of GST.**

4. RESEARCH METHODOLOGY

The study follows a descriptive research design. Primary data were collected from 100 Fortune Oil Products consumers through a structured questionnaire using convenience sampling. Secondary information was obtained from GST reports, government publications, company reports, books, journals, newspapers, and reliable online sources. Responses were summarized and interpreted using percentage analysis.

4.1 STATISTICAL TOOL

Percentage Analysis-Percentage analysis is selected as the appropriate statistical tool because the study analyses consumer responses expressed through frequencies and percentages. It provides a simple method for comparing levels of GST awareness, perceptions of price effects, and satisfaction among the 100 respondents.

Formula-Percentage = (Number of Respondents / Total Number of Respondents) × 100

The report specifically states that the responses were analysed using the **straightforward percentage technique** and presented in tables for interpretation.

5. DATA ANALYSIS AND INTERPRETATION

Table 1: Awareness of GST among Consumers

Response	Number	Percentage
Highly Aware	38	38%
Aware	40	40%
Neutral	10	10%
Less Aware	8	8%
Not Aware	4	4%
Total	100	100%

Interpretation: The table shows that **40% of respondents are aware** and **38% are highly aware** of GST. Therefore, **78%** of consumers demonstrate a positive level of GST awareness. Only 12% are less aware or not aware, while 10% remain neutral. This indicates that most respondents possess reasonable knowledge of GST and its relevance to consumer prices.

Table 2: Views on the Effect of GST on Product Prices

Response	Number	Percentage
Strongly Agree	31	31%
Agree	42	42%
Neutral	12	12%
Disagree	10	10%
Strongly Disagree	5	5%
Total	100	100%

Interpretation: The results indicate that **73%** of respondents either strongly agree or agree that GST has affected product prices. Twelve percent have a neutral opinion, while 15% disagree or strongly disagree. The finding suggests that most consumers perceive GST as having a noticeable effect on the prices of Fortune Oil Products.

Table 3: GST Implementation Overall Satisfaction

Response	Number	Percentage
Highly Satisfied	31	31%
Satisfied	43	43%
Neutral	11	11%
Dissatisfied	10	10%
Highly Dissatisfied	5	5%
Total	100	100%

Interpretation: The table indicates that **74%** of respondents are either highly satisfied or satisfied with GST implementation. Eleven percent are neutral, while 15% are dissatisfied or highly dissatisfied. The result indicates a generally favourable consumer response toward GST implementation in relation to Fortune Oil Products.

6. RESULTS

1. **78% of respondents** are either aware or highly aware of GST.
2. The study indicates that consumer awareness of GST is generally favourable.
3. **73% of respondents** agree or strongly agree that GST has affected product prices.
4. The findings indicate that consumers perceive GST as an important factor influencing product-price perceptions.
5. **74% of respondents** are satisfied or highly satisfied with GST implementation.

6. The results indicate a generally positive consumer perception of GST in relation to Fortune Oil Products.
7. The uploaded study reports that consumers perceive GST as contributing to greater pricing transparency.
8. The study also indicates that GST has influenced purchasing decisions because consumers examine prices more carefully.
9. The findings suggest that supply-chain improvements and better product availability are perceived as benefits following GST implementation.
10. Overall, the study concludes that GST has contributed to greater pricing clarity, consumer confidence, and improved distribution efficiency for Fortune Oil Products.

7. SUGGESTIONS

1. **Fortune should clearly communicate GST-related price information** through invoices, labels, and retail displays.
2. **Consumer awareness programmes** should be conducted to explain GST, taxation, and price components.
3. Retailers should provide transparent information regarding the final price paid by consumers.
4. Businesses should regularly review pricing strategies in response to GST rate changes and market conditions.
5. Fortune should maintain competitive prices because edible oil is a frequently purchased household product.
6. Consumers should be educated about the difference between GST-related price effects and changes caused by raw-material costs, inflation, and transportation expenses.
7. Government authorities should continue simplifying GST communication and taxpayer information.
8. Digital GST systems should remain user-friendly and accessible to consumers and businesses.
9. Supply-chain efficiency should be continuously improved to minimise unnecessary distribution and transportation costs.
10. Businesses should monitor consumer satisfaction regularly to understand changing price perceptions and purchasing preferences.
11. Pricing information should be presented consistently across retail stores, supermarkets, and online platforms.
12. GST awareness campaigns should particularly target consumers who have limited knowledge of indirect taxation.

8. CONCLUSION

GST represents a major transformation in India's indirect taxation system and has influenced consumer prices, business operations, supply-chain practices, and purchasing behaviour. The present study, with specific reference to Fortune Oil Products India, indicates that consumers generally possess a favourable level of GST awareness and perceive GST as having an effect on product prices. The analysis shows that 78% of respondents are aware or highly aware of GST, while 73% agree or strongly agree that GST affects product prices. Further, 74% of respondents are satisfied or highly satisfied with GST implementation. These findings suggest that consumers recognise the importance of GST in pricing and taxation and generally view its implementation positively. The study also indicates that pricing transparency, product availability, and supply-chain efficiency are important aspects of consumer evaluation. However, consumer prices are influenced by several factors beyond GST, including raw-material costs, transportation expenses, inflation, market demand, and competitive conditions. Therefore, businesses should maintain transparent pricing and communicate GST components clearly. Continued consumer education and simplified tax information can further improve understanding and confidence. Overall, GST has contributed to greater tax transparency and operational efficiency, while its ultimate effect on Fortune Oil consumer prices remains dependent on wider market conditions.

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