

Attitude of customers towards implementation of GST (Goods and Service Tax) and its impact on buying behavior with special reference to Angamaly Municipality, Ernakulum (DT)

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ABSTRACT

The Goods and Services Tax (GST) is one of the relevant topics discussed since its introduction in India. The main objective of the Goods and Services Tax ('GST') is to restructure the existing taxation policy within the federal setup, to create one simultaneous levy on goods and services imposed by the Centre and States. Customers have distinct attitude towards the central and state tax structure and GST have a great impact on the purchasing habit among consumers.

Thus, In this paper, We discussed about the "Attitude of customers towards implementation of GST and its impact on buying behavior with special reference to Angamaly Municipality, Ernakulum(DT)."

Keywords:

Goods and Services Tax (GST), consumer Behavior

Introduction

GST is a single value – added tax levied on the manufacture, sale and consumption of goods and services at the national level. In traditional tax system the customers needed to pay all the indirect taxes relating to particular product and service. The new tax reforms that GST subsumes all the taxes under one umbrella. In April 1st 2017 India has introduced GST initially, then 2017 July 1st India implemented GST. GST brings huge advantages to the consumers by paying single and transparent tax proportionate to the value of goods and services. It becomes imperative for consumers to keep themselves updated with this new tax in country's tax landscape. With the help of information communication technology the tax collection administration and sharing of tax have become transparent

speedy and error free without giving any chances to intermediaries to evade tax or escape from tax obligations and compliance of law. Elimination of multiple taxes, tax cascading and tax pyramiding will reduce the price of large number of products and services. Unification and streamlining of tax rates and procedures will help to improve compliance of law. In this study, we analyse the public attitude towards GST and its impact on buying behaviour.

Objectives of the study

- To study the concept of GST
- To understand the attitude of customers towards GST
- To evaluate the change in buying behaviour among customers after implementation of GST.

Research Methodology

In this study responses from 50 customers were collected through structured questionnaire by using convenient sampling method.

Results and Discussions

Buying behaviour is the total of consumer's attitudes, preferences, intentions and decisions regarding their behaviour in the market place while purchasing the product or services.

Implementation of Goods and Services Tax has lead to changes in the prices of consumer goods and services due to change in the cost of production and supplies. This study helps to evaluate the level of understanding of GST and its relation with the spending behaviour among consumers.

Table1: Awareness of GST among customers.

The table reveals the awareness level of customers towards GST.64% of customers are of the opinion that they are aware about the concept of GST. The remaining 36% are unaware about it.

Table 2: Opinion regarding way of implementation of GST in India

The table exhibits the opinion of customers about the manner of implementation of GST. According to the opinion of 66% of the respondents, the GST was implemented in an improper manner. Others ,ie. 34% are responded that it was implemented properly.

Table 3: Change in buying behaviour after implementing GST

The table shows that 50% of the respondents' buying habit have

increased after implementing GST. 30% of the respondents have consistent buying behaviour before and after implementation of GST. There was a decrease in the consumption habit of 18% of the respondents. 2% have no opinion about their response.

Table 4: Opinion about price of goods and services after implementing GST.

The table reveals that opinion regarding the price of goods and services after implementing GST. 76% of the customers opined that they can obtain the goods and services at a fair price and 24% of the customers have an

opposite opinion regarding this, ie. the prices are unfair.

Table 5: Satisfaction level of customers towards "one Nation one Tax".

The table indicates the satisfaction level of customers towards "one nation one tax". 66% of the respondents are satisfied with the concept "one Nation one Tax". Highly satisfied and dissatisfied respondents are equal towards this concept ie, 16%.Whereas 2% of the respondents have no opinion about it.

Data Analysis

Table 1: Awareness of GST among customers.

Response	Number of respondents	Percentage (%)
Yes	32	64
No	18	36
Total	50	100

Table 2: Opinion regarding way of implementation of GST in India

Response	Number of respondents	Percentage (%)
Proper	17	34
Improper	33	66
Total	50	100

Table 3: Change in buying behaviour after implementing GST

Response	Number of respondents	Percent
Decrease	9	18
Consistent	15	30
Increase	25	50
No Opinion	1	2
Total	50	100

Table 4: Opinion about price of goods and services after implementing GST.

Response	Number of respondents	Percentage (%)
Fair	38	76
Unfair	12	24
Total	50	100

Table 5: Satisfaction level of customers towards "one nation one tax".

Response	Number of respondents	Percentage
Highly Satisfied	8	16
Satisfied	33	66
Neutral	1	2
Dissatisfied	8	16
Total	50	100

Conclusion

GST ensures uniformity of taxes across the states in India, regardless of the place of manufacture or distribution in India, which is the better option when compared to VAT. This study concludes that, most of the customers are aware about the concept of GST and its applicability in India. Most of the customers are of the opinion that prices of the products and services are fair but at the same time its implementation is improper as different rates are applied for different products like 0%, 5%, 12%, 18% and 28%. Majority of the customers consumption habit has increased because of the implementation of GST in certain products as they are satisfied with it.

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