Research Article

CUSTOMERS' PERCEPTION TOWARDS GOODS AND SERVICE TAX – A STUDY OF HAVERI DISTRICT

Sumangala G M and Gururaj S Barki

KLE GH College, Haveri (Karnataka)

A R T I C L E I N F O	A B S T R A C T

Customer is a person who receives or consumes goods or services and who has the ability to choose between different products and suppliers. Customer plays an important role in an economy as because the customers are king in the market. Revenue is necessary for the government for public administration such as health, infrastructure, education etc. To generate the revenue from the public in terms of tax there are two sources they are direct tax and indirect tax. Direct tax includes income tax, gift tax, property tax etc and indirect tax includes sales tax, service tax, customs etc. Majority share of the public revenue is generated to the government by way of indirect tax at present i.e. Goods and Service Tax (GST).Customers are the most sensitive for any change in the regulations made by the government regarding indirect taxation. GST is one of the revolutionary in the Indian economy which turned out from the scenarios of indirect taxes.

INTRODUCTION

GST has great impacted on the customers across the country; the primary impact to be felt by customers is change in prices of goods and services on account of GST rate. The impact on prices of services is most expensive and impact of prices while on goods is mixed bag. GST is a single tax on the supply of Goods and Services right from the manufacturer to the customer which leads to the transparency of taxes paid to the final consumer. Most of the products price will come down due to one of the feature that is levy of the tax only on value addition of the products which in turn increases the buying capacity of the customers.

From the customer's point of view reduction in overall tax burden on goods is the biggest advantage and from business point of view reduction in a multiplicity of taxes and a much simpler tax regime with fewer rates and exemptions are the advantages. But number of questions and opinions rose in the minds of customers regarding implementation of GST. This study is done to know the degree of understanding and the level of expectations of customers towards GST under the study area.

Review of literature

Dr.G Sureshbabu (2019), "*Consumer perception towards GST rates in India", the researcher focused on consumers perceptions on GST rates in India and also they studied the to furnish the information regarding GST rates to the consumers. **Lourdunathan F and Xavier P,** " A study on implementation of goods and services tax (GST) in India:

Corresponding author: **Sumangala G M**
KLE GH College, Haveri (Karnataka)

Prospectus and challenges" the present paper focused on the inexplicit opinions among the Manufactures, traders and society about the Goods and Services Tax (GST),study about the Challenges of Introduction of Goods and Service Tax (GST in India). and Study on Prospects in Implementation of Goods and services Tax (GST) in India. ***Gowtham Ramkumar (2018)*** Consumer perceptions towards goods and services tax implementation – an economic approach. The present studiedthe GST mechanism implemented in India, consumers opinion with regard to goods and services tax implementation and the consumers opinion with regard to goods and services tax rates.***Rathi K N, Sreeraj M K (2018)-***"Customers' Perception on Goods and Service Tax (GST)" the study focused on the understand the perceptions towards GST among the consumers and to identify the significant difference between the perceptions towards GST among consumers based onage, educational qualification and income level. ***Laveena Mehta and Baljinder Kaur (2018)*** "Tax Payers' Perception Towards Goods and Service Tax in India" the study focused on the perception and level of satisfaction of tax payers towards Goods and Service Tax and the attitude expressed by the tax payers towards Goods and Service Tax.

Objectives of the study

1. To study the customers opinion with regard to Goods and Service Tax.
2. To study whether GST is the best method to replace the value added tax (VAT).
3. To study the customers opinion with regard to disposable income and spending ability after GST implementation

4. To identify the significant difference among the customers perception towards GST

Need of the study

There is a saying in Kautilaya's Arthshastra, which is the first book of economics in the world, states that the best taxation regime is the one which is "liberal in assessment and ruthless in collection". The implemented GST seems to be based on this principle. This study will help us to examine the customers' perceptions towards GST and impact of GST after its implementation; it will show the gap between earlier tax policies and present GST. The study also shows whether tax reforms will benefit to customers or not.

Scope of the study

The study is mainly conducted in Haveri District to know the perception of the customers towards GST. The respondents selected are of mixed group which will give wider difference in understanding. Present study is limited to the concerned area of study which cannot be reasonable for any other place. The study will be able to reveal the views, attitudes, level of satisfaction and the expectations of the customers regarding GST.

Research methodology

It provides a detailed description of the research approach adopted in this study. Research design, target population, research instruments, data collection and analysis methods which are used were presented in the subsequent sections.

Research Design

This study is descriptive and analytical in nature. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection and it often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution and therefore leading to a better clarification.

Sample frame

Convenience sampling technique was used to select the respondents, 107 samples are drawn for the study.

Data Collection

The research made use of primary data, which was collected using structured questionnaire through Google form and the link was shared to the customers and their responses used for analysis. The questionnaire had both close ended questions and open ended questions to guide the respondent through filling of the questionnaire as well as to explore them for more information.

Data Analysis

The study applied nominal, ordinal, interval scale and also 5 point Likert Scale was used to measure a range of factors establishing the effectiveness of customer perception towards GST. Descriptive statistics was used to analyze the data. Firstly the data was coded according to the responses. Mean, Standard Deviation and other relevant statistical measures were computed to better understand the data. The responses was assessed and presented using tables and graphs and analysis was done using SPSS. One sample t test was applied in this study for testing hypothesis.

Hypothesis

For the study following hypothesis will be tested:

H_0: Customers perception is not significant towards Goods and Service Tax.

H_1: Customers perception is significant towards Goods and Service Tax.

Limitations of the study

1. The response from the customers may be biased.
2. Since the sample size is limited it may lead to the partial true factor about the research.
3. The information obtained or the collection of the data is limited.

Analysis of the study

Table 4.14 One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
1.GST is best method to replace the VAT and Service Tax	107	4.1869	1.00123	.09679
2.GST is one of the great tax reforms in India	107	4.1215	1.04349	.10088
3.GST is a "Good and Simple Tax"	107	3.9346	1.08394	.10479
4.Tax evasion has decreased by GST	107	3.6449	1.10958	.10727
5.GST has made relief for Common man	107	3.6075	1.09680	.10603
6.GST has made relief for Businessman	107	3.4579	1.06647	.10310
7.GST is very difficult to understand	107	2.8879	1.28362	.12409
8.Buying Capacity of the customers has increased by GST	107	3.2804	1.11418	.10771
9.GST encouraged savings	107	3.4112	1.01826	.09844
10.GST is beneficial for short term	107	3.0841	1.09993	.10633
11. Mechanism of GST is easier.	107	3.5888	1.07241	.10367
12 GST has increased the price of goods and services.	107	3.2991	1.28280	.12401
13.GST has transparency	107	3.7944	1.03467	.10002
14. GST need to have single rate on goods rather than four rates.	107	3.5701	1.14193	.11039
15. Tax evasion has decreased by GST.	107	3.5421	1.18386	.11445
16.GST has increased inflation in the country	107	3.4019	1.08035	.10444
17. GST is one of the steps towards economic development of the country.	107	4.1495	.95960	.09277

Source: Primary Source and computed

Table 4.15 One-Sample Test

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
1.GST is best method to replace the VAT and Service Tax	43.256	106	.000	4.18692	3.9950	4.3788
2.GST is one of the great tax reforms in India	40.856	106	.000	4.12150	3.9215	4.3215
3.GST is a "Good and Simple Tax"	37.548	106	.000	3.93458	3.7268	4.1423
4.Tax evasion has decreased by GST	33.979	106	.000	3.64486	3.4322	3.8575
5.GST has made relief for Common man	34.023	106	.000	3.60748	3.3973	3.8177
6.GST has made	33.540	106	.000	3.45794	3.2535	3.6623

relief for Businessman						
7.GST is very difficult to understand	23.272	106	.000	2.88785	2.6418	3.1339
8.Buying Capacity of the customers has increased by GST	30.455	106	.000	3.28037	3.0668	3.4939
9.GST encouraged savings	34.653	106	.000	3.41121	3.2161	3.6064
10.GST is beneficial for short term	29.004	106	.000	3.08411	2.8733	3.2949
11. Mechanism of GST is easier.	34.616	106	.000	3.58879	3.3832	3.7943
12. GST has increased the price of goods and services.	26.603	106	.000	3.29907	3.0532	3.5449
13.GST has transparency	37.934	106	.000	3.79439	3.5961	3.9927
14.GST need to have single rate on goods rather than four rates	32.339	106	.000	3.57009	3.3512	3.7890
15. Tax evasion has decreased by GST.	30.949	106	.000	3.54206	3.3152	3.7690
16. GST has increased inflation in the country	32.572	106	.000	3.40187	3.1948	3.6089
17. GST is one of the steps towards economic development of the country.	44.730	106	.000	4.14953	3.9656	4.3335

Source: Primary Source and computed

Interpretation

The above table shows that the absolute value of the test static is greater than the critical value for all the seventeen variables. Hence, the null hypothesis i.e. Customers perception is not significant towards Goods and Service Tax is rejected.

CONCLUSION

The development of any country will be based on the government policies. GST policy is the biggest indirect tax reform in India which affected the businessman and consumers behavior too. The present study is an attempt to investigate the perceptions of customers towards GST, their satisfaction from GST's implementation and the significant differences between their perceptions. The acceptance level of GST was found to be positive based on the mean score. However, one sample t-test provided evidences that there is a significant difference among their perceptions. Based on the study, most of the respondents viewed that single rate of GST is preferred instead of more than one rate and awareness need to be created to make the people more understandable about GST. Therefore this study suggests that government should make training and awareness program and try to reduce the tax burden on businessman.

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