



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

A Study On Consumers Perception Towards Gst On Restaurants

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Abstract

The Goods and Services Tax (GST), executed on July 1, 2017, is viewed as a significant tax collection change till date carried out in India since freedom in 1947. GST was intended to be carried out in April 2010, however was deferred because of policy driven issues and clashing interest of partners. The essential goal behind advancement of GST is to subsume a wide range of aberrant charges in India like Central Excise Tax, VAT/Sales Tax, Service charge, and so on also, carry out one tax assessment framework in India. The GST based tax assessment framework gets more straightforwardness tax collection framework and builds GDP rate from 1% to 2% and decreases charge robbery and debasement in country. The paper featured the foundation of the tax collection framework, the GST idea alongside critical working, examination of Indian GST tax assessment framework rates with other world economies, and furthermore introduced inside and out inclusion in regards to benefits to different areas of the Indian economy in the wake of requiring GST and illustrated a few difficulties of GST execution. Thusly, this study endeavors to review **Consumer Perception Towards Gst On Restaurants**.

Introduction

The Goods and Services Tax (GST) is an aberrant expense, which is utilized in India on the stockpile of different labor and products. It is to be sure a multistage, complete, objective based charge: it is Multi-organized, on the grounds that the GST is being forced at every single step of the creation processes, however it is intended to be really discounted to every one of the gatherings at the different phases of the creation other than the last customer, it is viewed as thorough due to the explanation that it has truly subsumed practically each of the roundabout expenses notwithstanding a couple of state charges. Lastly, as an objective based charge, it is generally gathered from the place of utilization and not at the starting place as it was on account of past expenses. This concentrate on hence endeavors to break down the consciousness of buyers about GST and there by examine the view of customers about GST in eateries.

GST is considered as one of the significant assessment changes throughout the entire existence of Indian Tax framework. It has especially impacted practically every one of the areas of Indian economy. The Fast Moving Consumer Goods (FMCG) industry is one of the most out-performing ventures in India today and is likewise viewed as the most affected by the presentation of GST. The GST rates framework altogether affects the different FMCG items. The Goods and administrations charge is considered as an objective put together expense collected with respect to the utilization of different labor and products where in the duty will be imposed at every one of the various stages right from the phase of assembling to work the last utilization is made and the set off is permitted as info tax breaks to business parties associated with those interaction.

Review of literature

D. Poorani & Dr. J. Vidiya (2019) –In their research study titled "A study on customer's perception towards Goods and services Tax (GST)" have stated that, GST will without a doubt build the degree of GDP and the Consumers are happy with the four levels of GST. The Consumers know about the GST rate. The view of the shoppers portray that buyers have positive assessment among purchasers.

Karthick R etal (2017) in their research paper "A Study on consumer perception towards goods and services tax in Kanchipuram district" found that purchasers feel that the assessment rates are high for the results of day to day use. They further observed that purchasers feel that strategy being followed for GST is exceptionally muddled and intermittent assessment of expense rates is required. Further they presumed that GST can find true success just when business people have a right comprehension of how GST must be charged to the customers.

Manoj Kumar Agarwal (2017) in his research paper titled "People's perception towards GST – An empirical study" found that individuals feel that GST has expanded the legitimate compliances and it will build the expense assortment of the public authority. He further observed that GST has expanded the taxation rate of finance managers and proposed that endeavors ought to be made with respect to the public authority to guarantee individuals have a legitimate comprehension of the labor and products charge carried out in India.

Anshu Ahuja (2017) in the research paper titled "Perception of people towards goods and services tax" found that customers are fulfilled that labor and products expense will lessen the tax avoidance in the nation and will expand the straightforwardness in the duty structure. He further proposed that administration ought to give an unwinding to ranchers and limited scope business to stay away from the antagonistic effect of labor and products charge on their pay level.

Khurana, A. And Sharma, A., (2016), in their paper 'Goods and Services Tax in India – A Positive Reform for Indirect Tax' highlighted the objectives of GST and reforms in indirect taxation system in India. And conclude after implementation of GST, manufacturer, wholesaler and retailer can be easily recovered input taxes in form of tax credit.

Kumar, R., (2016), in his paper 'Comparison between Goods and Services Tax and Current Taxation System – A Brief Study' differentiate the GST framework and previous taxation system and highlighted the impact of GST on Indian economy.

Objectives of the study

- To examine consumer's awareness towards the GST rates on restaurants.
- To find out the level of satisfaction of the consumers towards GST rates in restaurants.
- To analyse the consumers perception towards the GST rates in restaurants.

Research methodology

The present study has been done from both primary and secondary data. The primary data was collected based on issue of questionnaire. Secondary data have been collected from various published reports, journals, Articles and websites etc..

Area of study

The study area has been identified in Vadapalani.

The questionnaire was designed and contained several questions for collection of data from the customers or mobile banking users.

Sample size

The overall sample size for study was only 60 respondents.

Sampling method

The method of sampling used is simple random sampling.

Chi square and Anova tools to be used.

HYPOTHESIS

The study is based on the following hypotheses.

H0: There is no significance difference between consumer's age and perceive GST rates are high in restaurants.

H1: There is a significance difference between consumer's age and perceive GST rates are high in restaurants.

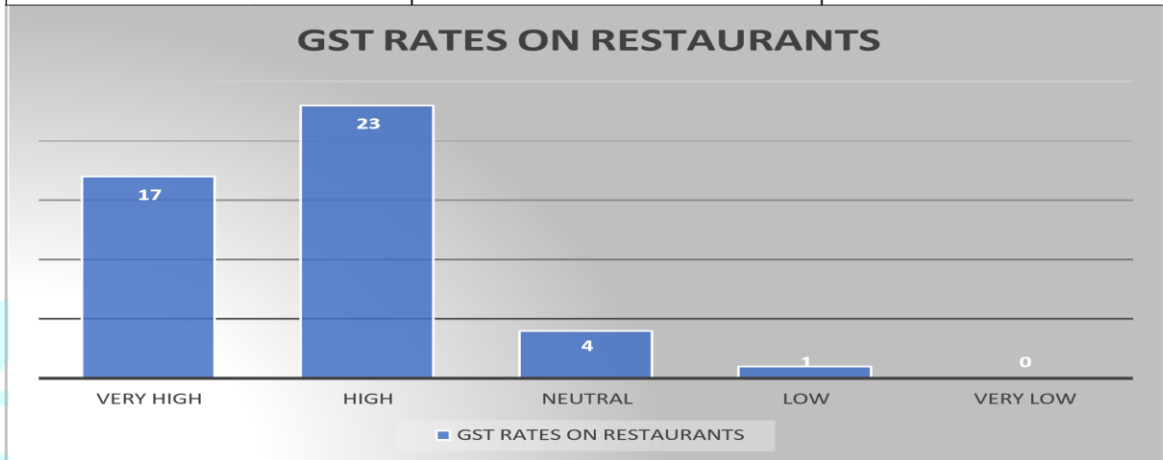
H0: There is no significance difference between consumer's occupation and their satisfaction on GST rates in restaurants.

H1: There is significance difference between consumer's occupation and their satisfaction on GST rates in restaurants.

Data Analysis

Consumers view on GST rates

Particulars	No of respondents	
Very high	17	37.8
high	23	51.1
neutral	4	8.9
low	1	2.2
Very low	0	0

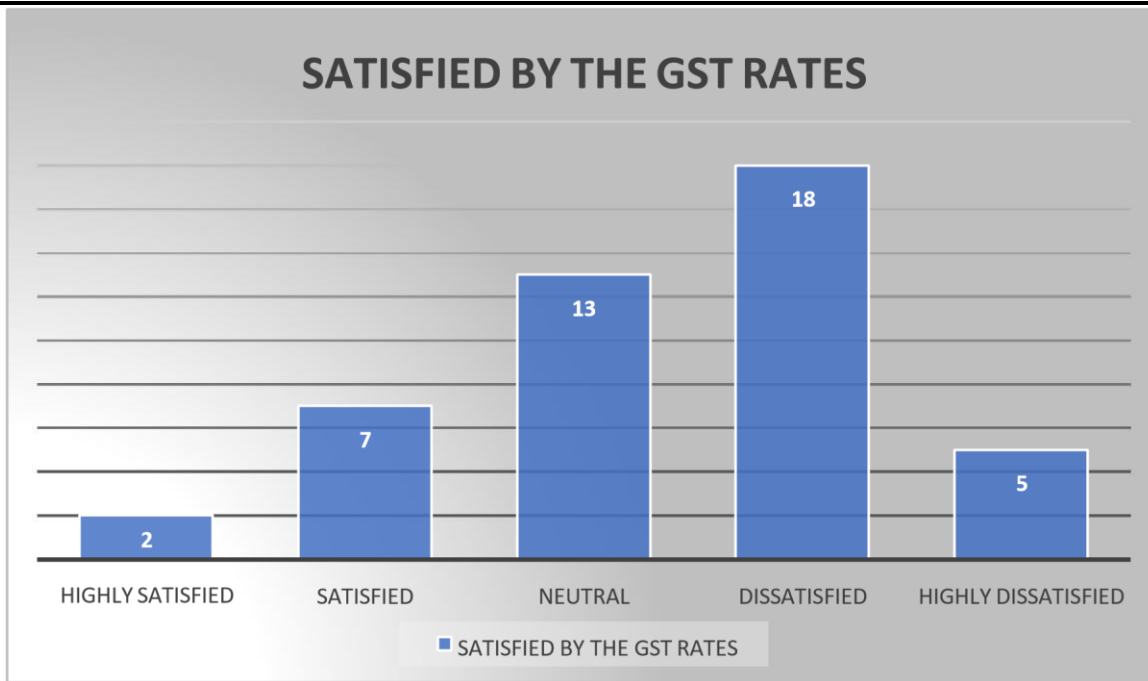


Inference:

Most of the respondents (51.1%) agree that GST rates are high in restaurants.

Satisfaction level of consumers.

Particulars	No of respondents	Percentage
Highly satisfied	2	4.4
satisfied	7	15.6
neutral	13	28.9
dissatisfied	18	40
Strongly dissatisfied	5	11.1



Inference:

Most of the respondents (40%) are dissatisfied by the GST rates in the restaurants.

Chisquare Case Processing Summary

Cases

	Valid N	Percent	Missing N	Percent	Total	
					N	Percent
Age	* 45	100.0%	0	0.0%	45	100.0%
What_do_you_feel_about_the_GST_rates_on_restaurants						

Age * What_do_you_feel_about_the_GST_rates_on_restaurants Crosstabulation

Expected Count

	What_do_you_feel_about_the_GST_rates_on_restaurants				
	very high	high	neutral	low	
20-30	16.6	22.5	3.9	1.0	44.0
30-40	.4	.5	.1	.0	1.0
Total	17.0	23.0	4.0	1.0	45.0

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	45.000 ^a	3	.000
Likelihood Ratio	9.591	3	.022
Linear-by-Linear Association	10.160	1	.001
N of Valid Cases	45		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is .02.

Interpretation:

Since p value is 0.001 is less than 0.05 null hypothesis is rejected, alternate is accepted. Hence, there is significant association between Age and what do you feel about the GST rates on restaurants.

Oneway ANOVA

Descript

Are_you_satisfied_by_the_GST_rates_on_restaurant

	N	Mean	Std. Deviation	Std. Error
Employed	12	2.08	.669	.19
Unemployed	2	3.00	.000	.00
Student	31	3.90	.651	.11
Total	45	3.38	1.029	.15

ANOVA

Are_you_satisfied_by_the_GST_rates_on_restaurant

	Sum Squares	of df	Mean Square
Between Groups	28.951	2	14.476
Within Groups	17.626	42	.420
Total	46.578	44	

Post Hoc Tests

Homogeneous Subsets

Are_you_satisfied_by_the_GST_rates_on_restaurant

Duncan^{a,b}

Occupation	N	Subset for alpha = 0.05		
		1	2	3
Employed	12	2.08		
Unemployed	2		3.00	
Student	31			3.90
Sig.		1.000	1.000	1.000

Means for groups in homogeneous subsets is displayed.

- a. Uses Harmonic Mean Sample Size = 4.873.
- b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Interpretation:

Since p value is 0.00 is less than 0.05 null hypothesis is rejected, alternate is accepted. Hence, there is significant association between Occupation and Are you satisfied by the GST rates on restaurant.

Findings

- Most of the respondents agree that GST has increased the tax burden of a common man.
- Most of the respondents agree that GST confuses the consumers.
- Most of the respondents agree that GST rates are high in restaurants.
- Most of the respondents are dissatisfied by the GST rates in the restaurants.
- Most of the respondents do not agree that GST is a good tax reform for India.
- Most of the respondents do not agree that GST is useful for a common man.
- Most of the respondents agree that GST is difficult to understand.

Suggestions

The examination concentrate on recommended that the shoppers should be made mindful of GST rates on eateries. Charge exception should be given to those eateries which fall under the 5% chunk. Prior the cafes were permitted to guarantee Input Tax Credit yet when the GST came to the front, they were denied of this right. Since larger part of the customers are of the inclination that the GST rates charged are high and henceforth it is recommended that the GST rates ought to be diminished. It is believed and recommended that the cafés should be constantly observed to ensure that the eateries are really charging the right pace of GST from their clients. The Government should consider bringing back ITC basically in the eateries area to safeguard the interest of both the proprietors of cafés as well as that of the customers.

Conclusion

The examination inferred that in view of the investigation of the impression of shoppers obviously greater part of the buyers are of the assessment that the GST rates must decreased since they are too high in café area. It is the need of great importance to direct customary mindfulness programs in regards to the GST rates in cafés to keep the shoppers from being taken advantage of. It is obvious from the review that the purchasers are the majority of the times limiting from going to cafés because of high GST rates in numerous eateries. Thus it is presumed that either the paces of GST ought to be decreased or the rates ought to be paid by the proprietors and shouldn't pass on the customers.

References

- **D. Poorani & Dr. J. Vidiya (2019)** –"A study on customer's perception towards Goods and services Tax (GST)
- **Karthick R etal(2017)** in their research paper "A Study on consumer perception towards goods and services tax in Kanchipuram district"
- **Manoj Kumar Agarwal (2017)** in his research paper titled "People's perception towards GST – An empirical study"
- **Anshu Ahuja (2017)** in the research paper titled "Perception of people towards goods and services tax"

