



A STUDY ON CONSUMER PERCEPTION TOWARDS GST IN COIMBATORE CITY

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ABSTRACT

Goods and Services Tax (GST) has been one of the most groundbreaking tax reforms implemented in India to simplify and introduce consolidation in the Indian indirect tax regime. The present study was aimed at analyzing consumers' awareness, consumers' attitudes, and consumer satisfaction levels towards GST among consumers located in Coimbatore. By using systematic questionnaires and statistical instruments such as percentages, Likert scale, and rank analysis, the research sets the level of consumer awareness, issues confronted by them, and the effects of GST on their buying decision and cost of living.

Keywords: GST, Consumer Awareness, Tax Perception, Indirect Tax, Coimbatore.

1.1 INTRODUCTION

GST is a wide-based indirect tax imposed on the supply of goods and services in India. It was brought in as a replacement for numerous indirect taxes and for the establishment of one national market. Although widely praised globally for tax administration simplification, the consumer's perception of its impact—particularly in a fast-developing city such as Coimbatore—is needed to gauge its true impact in the real world. The current study investigates how consumers perceive, understand, and react to the GST regime.

1.2 STATEMENT OF THE PROBLEM

Impersonation of GST has been embraced with cold enthusiasm by the man on the road. Although it has promised to bring transparency and ease of doing business, its ground-reality impact on prices, compliance, and the mindset of consumers is questionable. Current research fills this knowledge gap

regarding understanding consumers' attitudes towards the role of GST in their economic decisions and day-to-day life in Coimbatore city.

1.3 SCOPE OF THE STUDY

The study identifies consumer awareness, attitude, and level of satisfaction in Coimbatore City towards the rollout and functioning of GST. The study also assesses the role of GST towards influencing consumer habits, living expenditure, and patterns of shopping.

1.4 OBJECTIVES OF THE STUDY

- To Identify the extent of consumer consciousness towards GST.
- To scrutinize consumer attitude towards rollout and taxation of GST.
- To analyze the effect of GST on consumer expenditure behaviour and cost of living.

1.5 RESEARCH METHODOLOGY

Research Design: Descriptive Research

Sample Size: 120 Respondents

Sampling Technique: Convenience Sampling

Data Sources:

Primary Data: Standardized questionnaires

Secondary Data: Journals, websites, government reports

Tools Used for Analysis:

- Simple Percentage Analysis
- Likert Scale Analysis
- Rank Analysis

1.6 LIMITATIONS OF THE STUDY

- The study is confined to Coimbatore city.
- The sample size is restricted to 120 respondents.
- Responses are dependent on personal assumptions and can be vulnerable to prejudice.

2.1 REVIEW OF LITERATURE

Sunil Kumar Das, (2023)¹ “Consumer Behavior and GST Technology” The results showed that the people of Cuttack were in favor of the GST and its implementation, and that it had altered how consumers behaved when making purchases and saving money. The GST has a very evident impact on consumer

perception, since the significance threshold is less than 0.05, and there is a definite relationship between the GST and consumer perception. The GST has a very clear impact on purchasing behavior, since the significance level is less than 0.05, indicating a definite relationship between the GST and consumer purchasing behavior. People are also knowledgeable about GST. The importance level indicates that individuals are aware of GST.

Sonkar & Gupta, (2023)² “To Study the Impact of Goods and Services Tax (GST) on Bajaj Electricals Ltd. Found out that 33.4% respondents feels that GST will increase the Tax Burden, 58.2% felt that impact of GST in long run will be beneficial for the economy, and there is a increase in price of the product of Bajaj electricals ltd. And also, on consumer durable goods. And aslo Concluded that the new GST for electrical goods has replaced multiple tax structures, including VAT and service Tax structures including VAT and service Tax, and suggested that increase in Tax system transparency and make it simpler for consumers to pay their taxes.

Akanksha (2022)² conducted a study with the primary objective of assessing the awareness level of small businessmen towards GST and understanding the actual impact they are facing. The study, based on surveys conducted among 50 businessmen residing in Muzaffarpur City, Bihar, utilized structured questionnaires as the data collection tool. The results indicated that the businessmen were aware of the implementation of GST and generally viewed it as a fair tax system. However, they expressed the need for more clarity and simplification in procedures, particularly in relation to online submissions, as they often relied on Chartered Accountants (CAs) for assistance.

3.1 ANALYSIS AND INTERPRETATION

SIMPLE PERCENTAGE ANALYSIS

Simple Percentage Analysis is used to assess the distribution of respondents across various categories. Since the results are represented in percentages, this technique allows for easier comparison and uniformity. It provides a structured understanding of how respondents are classified under different segments, offering valuable insights into their demographics and investment behavior.

FORMULA

$$\text{Percentage} = \frac{\text{No of respondents}}{\text{Total number of respondents}} \times 100$$

TABLE 3.1.1**TABLE SHOWING AREA OF RESIDENCE OF RESPONDENTS**

S.NO	AREA OF RESIDENCE OF RESPONDENTS	NO.OF. RESPONDENTS	PERCENTAGE
1	Rural	32	26.7%
2	Urban	65	54.2%
3	Semi-Urban	23	19.2%
	TOTAL	120	100%

(Source: Primary Data)

INTERPRETATION

The above table shows that 26.7% respondents of Rural area, 54.2% respondents of Urban area, 19.2% respondents of semi urban,

INFERENCE

Majority of the respondents 54.2% are Urban area.

LIKERT SCALE ANALYSIS

Likert Scale Analysis is a statistical method used to measure people's attitudes, opinions, or perceptions by asking them to rate statements on a scale (e.g., Strongly Agree to Strongly Disagree). The responses are converted into numerical values to calculate averages, frequencies, or correlations for analysis.

FORMULA

$$\text{Likert scale} = \frac{\sum (fx)}{\text{Total number of respondents}}$$

TABLE 3.1.2**TABLE SHOWING THE DO YOU BELIEVE GST HAS SIMPLIFIED THE TAX SYSTEM IN INDIA**

S.NO	PARTICULARS	NO. OF. RESPONDENTS	LIKERT SCALE (X)	TOTAL (FX)
1	Strongly Agree	17	5	85
2	Agree	47	4	188
3	Neutral	33	3	99
4	Disagree	19	2	38
5	Strongly Disagree	4	1	4
	TOTAL	120		414

(Source: Primary Data)

$$\begin{aligned} \text{LIKERT SCALE} &= \sum (fx) / \text{Total no of respondents} \\ &= 414/120 \\ &= 3.45 \end{aligned}$$

INTERPRETATION

The above table showing the GST has simplified the tax system in India.

INFERENCE

Majority of the respondents consider Agree in GST has simplified the tax system in India.

TABLE 3.1.3

**TABLE SHOWING THAT DO YOU THINK GST HAS CONTRIBUTED TO THE
OVERALL ECONOMIC DEVELOPMENT OF INDIA**

S.NO	PARTICULARS	NO.OF. RESPONDENTS	LIKERT SCALE (X)	TOTAL (FX)
1	Strongly Agree	13	5	65
2	Agree	40	4	160
3	Neutral	34	3	102
4	Disagree	27	2	54
5	Strongly Disagree	6	1	6
	TOTAL	120		387

(Source: Primary Data)

$$\text{LIKERT SCALE} = \sum (fx) / \text{Total no of respondents}$$

$$= 387/120$$

$$= 3.225$$

INTERPRETATION

The above table showing that the GST has contributed to the overall economic development of India.

INFERENCE

Majority of the respondents consider Agree in GST has contributed to the overall economic development of India.

RANK ANALYSIS

Rank means ordering data points from greatest to least or vice versa and assigning an ordinal number to determine relative positions. Ranking can simplify data and makes it easier to compare and understand.

TABLE 3.1.4

TABLE SHOWING RANK OF THE RESPONDENTS THINK THE MAIN ADVANTAGES OF GST

SOURCES	RANK 4	RANK 3	RANK 2	RANK 1	TOTAL	RANK
Simplification of tax structure	15(1)	19(2)	32(3)	54(4)	365	1
Reduction in tax evasion	13(1)	36(2)	61(3)	10(4)	308	2
Increased transparency	25(1)	56(2)	18(3)	21(4)	275	3
Boost to the economy	67(1)	9(2)	9(3)	35(4)	252	4

(Source: Primary Data)

INTERPRETATION

The above table shows that Accuracy Simplification of tax structure updates ranked as 1, Reduction in tax evasion ranked as 2, Increased transparency ranked as 3, Boost to the economy ranked as 4.

INFERENCE

Majority of the respondents have ranked Accuracy Simplification of tax structure updates as first source which helps them to gather Accuracy of tax structure updates in India by central Government.

4.1 FINDINGS

- 54.2% of the respondents are from urban area.
- The respondents consider Agree in GST has simplified the tax system in India.

- The respondents consider Agree in GST has contributed to the overall economic development of India.
- The respondents have ranked Accuracy Simplification of tax structure updates as first source which helps them to gather Accuracy of tax structure updates in India by central Government.

4.2 SUGGESTION

- Special focus on awareness of various types GST is to be given for all consumers, traders and manufacturers.
- The people are not well informed on the implementation of GST. Therefore, in order to ensure efficient implementation of GST, the government should come out with a proper guideline to the society on the procedures for implementation of GST.
- The customers suggested that there should be a smooth, transparent and simple transaction provision which is easily understandable.

4.3 CONCLUSION

The study identifies that while customers in Coimbatore are highly conscious of GST and are grateful for the role that it has played in streamlining India's taxation process, the majority of them relate it to increased prices and cost of living. While there is some satisfaction with the implementation at an average level, more has to be done to improve its image. Through solutions such as mitigating price impact, compliance complexity, and limited consumer awareness, the GST system can become more efficient, transparent, and participative, finally culminating in higher acceptance and support from society.

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