

# A Study on the Perception of Consumer Towards GST Special Reference to Kolkata

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## **Abstract:**

Consumer perception is the opinion, feeling, and belief which included positive or negative feelings, expectation and experience. It plays an important role in understating the particular topic or situation. Here to examine the consumer perception towards “GST 1.0”. An online survey has been conducted consisting of 15 questions meant to capture respondents' thoughts and experiences regarding GST. The survey data indicates a broad perception among participants that GST has had a widespread impact on multiple categories of goods and services. 20% of participants noted that groceries were most affected, while 56% felt that GST affected all the categories equally.

**Keyword:** Consumer Perception, awareness & GST

## **Introduction**

The implementation of the Goods and Services Tax (GST) 1.0 in India on July 1, 2017, marked a massive structural shift from a complex, cascading tax regime to a unified "one nation, one tax" system. The key aspect of GST are (i) Subsumed multiple central and state indirect taxes (VAT, Excise, Service Tax) into a single, comprehensive tax, facilitating free movement of goods across state borders. (ii) Four-Tier Tax Slab: Implemented with rates of 0%, 5%, 12%, 18%, and 28%. (iii) Digital Compliance: Introduced an online, technology-driven, invoice-matching system. (iv) Initial Challenges: The rollout experienced software glitches, confusion regarding tax slabs, and high compliance costs. This paper focus on grabbing the consumer perceptions towards the implementation of GST 1.0.

## **Literature Review:**

Maji et al.,(2016) attempted to explore the extent of GST literacy and preparedness among tax professionals and also tried to understand the reason for non -the implementation of GST revealed that many business houses waiting for the implementation of GST, the multiple tax system will exit and he found appropriate literacy among the tax professional. The reason for the non-implementation of GST is political unwillingness, bureaucratic delays, and opposition parties.

Chauhan et al.,(2017) studied the awareness of goods and service tax among the business owner of Rajasthan and found that the awareness towards implementation of GST is relatively low and moderate and also found most of the respondents were not willing to support and accept the implementation of GST.

Sharma, B., & Kharub, M.(2018) have talked about the technical issues faced by the businessman during GST registration in the first quarter of implementation and propose a solution related to this problem. He

concluded that at the time of registration, six potential issues were traced. Provisional ID invalid, registration certificate canceled, OTP not received, range code error, GST helpline number not working and the internet speed is low. The study proposes to have a workshop on GST that will be helpful for traders, stakeholders, small businessmen, small manufacturers, etc.

Rao, N., & Babu, B. K. (2018) have tried to know the perception of engineering faculty towards goods and service tax and data collected from different colleges and universities and concluded that engineering faculty are not fully aware of GST and have some apprehension on GST.

Babu, G. S. (2019) has examined the effect of the impending implementation of Goods and Services Tax (GST) in India and its impact on common man's budget and affects consumers' money. From the study researcher suggested that it will be good if a consumer makes the analysis of the applicable rates and then make purchases or consume the services according to his income pattern.

Dhanuja, H. A., & Venkateswaran, A. (2020) have studied the awareness and level of satisfaction with the current GST system among retailers in Kanniyakumari district with special reference to Kalkulam Taluk and came up with 40% of the retailers in its southernmost territory are fully aware of the new tax system rest required more awareness about GST

Nayaka, B. (2022) has studied consumers' perception, level of awareness, and satisfaction about GST. To achieve the objectives of the study online survey has been undertaken by randomly sharing survey links to consumers of Kalaburagi district of Karnataka state. The study's findings reveal that consumers have a moderate level of awareness about GST, and level of awareness depends upon educational qualifications of respondents.

Sabitha, R., & Priya, K. L. (2024) have done systematic literature review to map relevant studies on Perception of Tax Payers towards GST and consolidate the reviewed studies and thus combine the findings to get answers to the research question.

**Statement of the Problem** The goods and services tax was imposed to bring the unorganized sector of the economy in line with the organized sector. It also helps the government increase money while offering products to people at a lower cost. After going through the literature review it has been found many studies have done on consumer perception throughout the country neglected the specific perception of consumer of Kolkata.

## Objectives

To examine the perception of consumers towards GST with special reference to Kolkata

## Research Design

This is an exploratory study, and because GST is a new idea in Indian markets, this survey attempts to explore consumer awareness and perception about GST. Data is collected from Kolkata district through an online survey (Google Form) consisting of 15 questions meant to capture respondents' thoughts and experiences regarding GST. The questionnaire utilizes a 5-point Likert scale, ranging from 1 (Strongly agree) to 5 (Strongly disagree), and contains demographic information such as age, gender, occupation, qualification, and yearly income. This study utilized a stratified random sample method to guarantee the inclusion of participants from various regions. The study population was stratified into four groups according to their geographical regions: North, East, South, and Central Kolkata. The participants were chosen at random from each category, leading to initial sample sizes of 110 from the South, 106 from the North, 112 from the East, and 108 from the Central. After the data cleaning process which includes the

exclusion of cases with missing data, the final sample size modified to include 100 participants from each stratum, resulting in a total sample size of 400 for the study. The methodology employed guarantees a balanced representation from each region while maintaining the integrity and quality of the data.

Consumer response are presented through Frequency tables and pie charts that concisely represents the demographic attributes of the participants and offer a comprehensive overview of the survey replies.

**Data Analysis**

**Reliability test:** Reliability refers to the extent of consistency within the variables under investigation in the study. A construct or variable is regarded as reliable if the Alpha ( $\alpha$ ) value surpasses 0.70. The reliability of the variable was assessed using Cronbach's Alpha.

<b>Case Processing Summary</b>			
		N	%
Cases	Valid	400	100.0
	Excluded <sup>a</sup>	0	.0
	Total	400	100.0

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.989	25

**Interpretation:**

The Cronbach’s Alpha value for extent of uses is 0.989 with 25 items which indicates that there is a high level of consistency within the dataset and can be concluded that data of extent of uses is highly reliable.

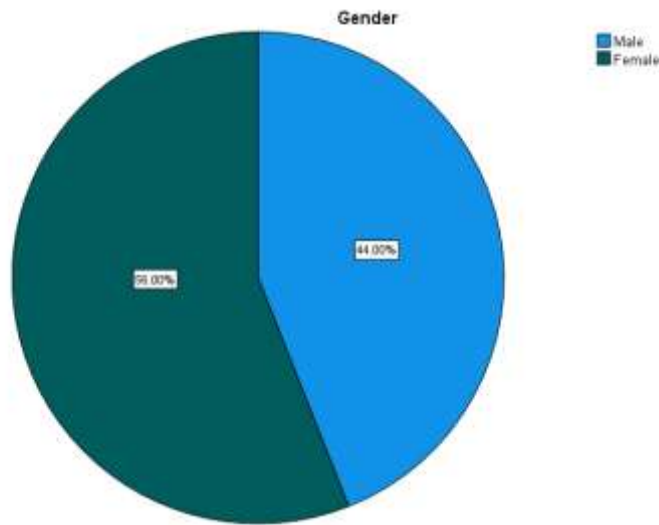
**Frequency Table:**

**Table -1**

<b>Gender</b>			
		Frequency	Percent
Valid	Male	176	44.0
	Female	224	56.0
	Total	400	100.0

The gender distribution shows that out of the total 400 participants, there are 176 being male (44.0%) and 224 being female (56.0%).

**Figure 1**

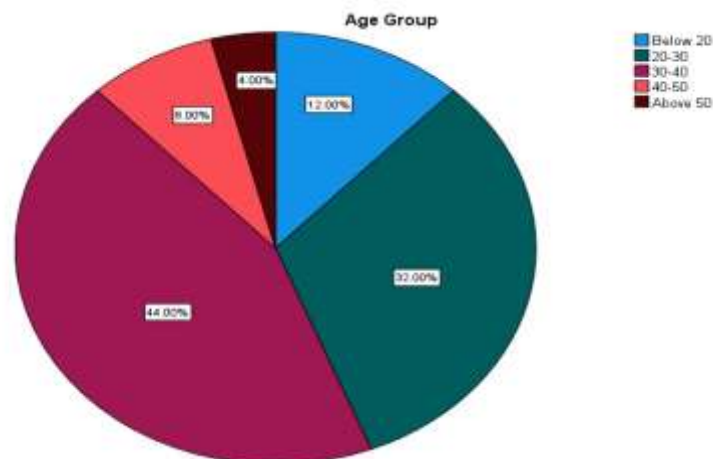


**Table -2**

Age Group		Frequency	Percent
Valid	Below 20	48	12.0
	20-30	128	32.0
	30-40	176	44.0
	40-50	32	8.0
	Above 50	16	4.0
	Total	400	100.0

The survey indicates the age distribution as 48 individuals (12.0%) were below 20 years, 128 individuals (32.0%) were between 20 and 30 years, 176 individuals (44.0%) were between 30 and 40 years, 32 individuals (8.0%) were between 40 and 50 years, and 16 individuals (4.0%) were above 50 years. The data reveals that the largest age group among the respondents fell within the 30 to 40 years range, whereas the smallest age group consisted of individuals above 50 years.

**Figure -2**

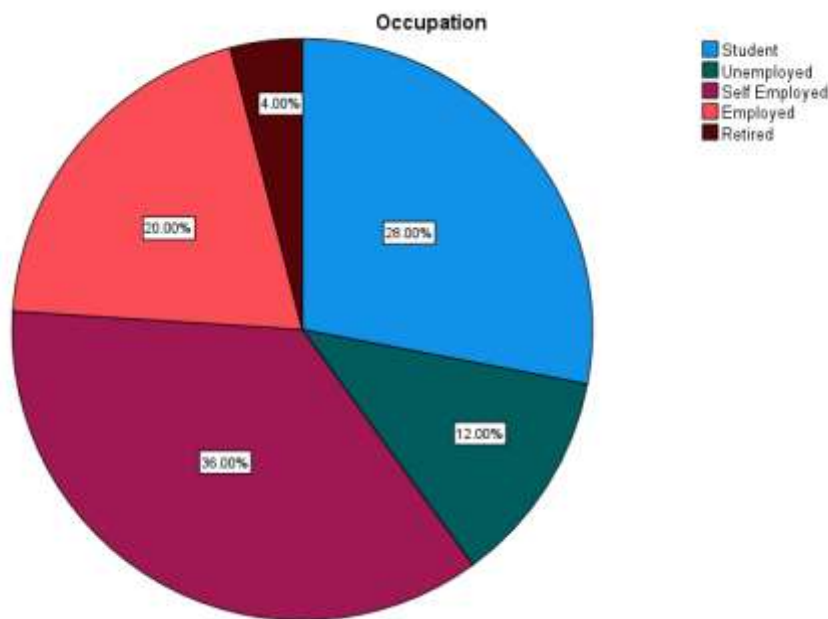


**Table - 3**

Occupation			
		Frequency	Percent
Valid	Student	112	28.0
	Unemployed	48	12.0
	Self Employed	144	36.0
	Employed	80	20.0
	Retired	16	4.0
	Total	400	100.0

The survey respondents' occupation division reveals that out of the 400 participants, 112 persons (28.0%) were students, 48 participants (12.0%) were unemployed, 144 participants (36.0%) were self-employed, 80 participants (20.0%) were employed, and 16 individuals (4.0%) were retired. The data reveals that the most significant proportion of respondents were persons who were self-employed, whilst retired individuals constituted the lowest group.

**Figure -3**

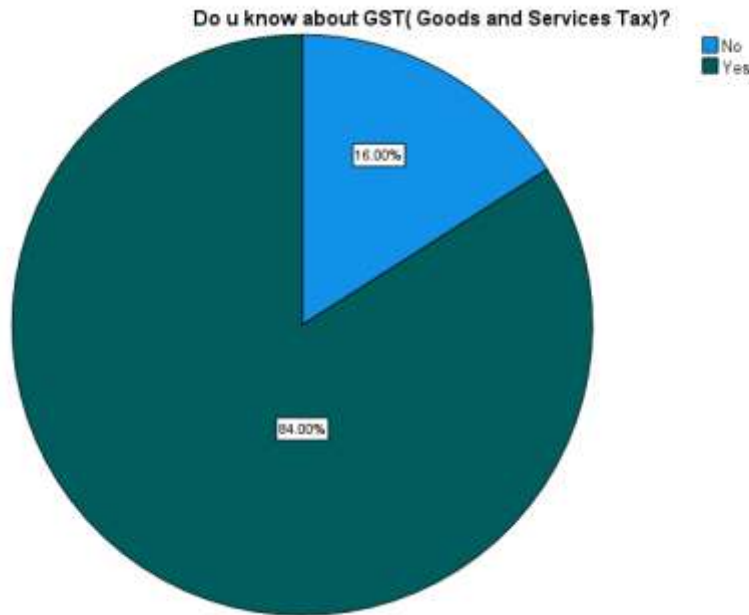


**Table 4**

1 Do u know about GST(Goods and Services Tax)?			
		Frequency	Percent
Valid	No	64	16.0
	Yes	336	84.0
	Total	400	100.0

From the above table, we can infer that 336 respondents know about GST (Goods and Services Tax) and 64 are not aware.

**Figure -4**

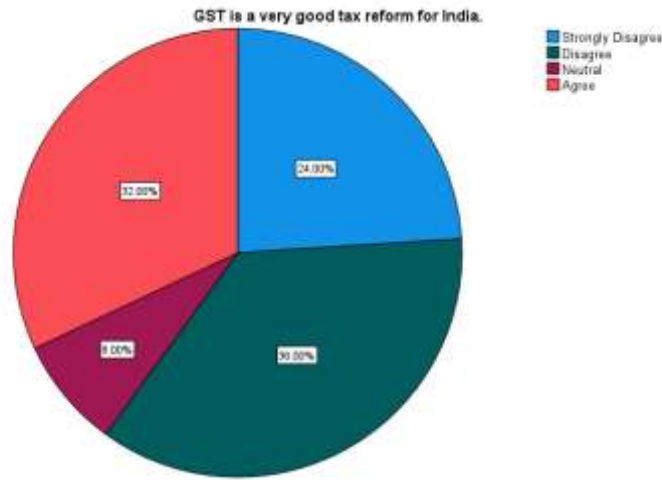


**Table -5**

<b>2 GST is a very good tax reform for India.</b>			
		Frequency	Percent
Valid	Strongly Disagree	96	24.0
	Disagree	144	36.0
	Neutral	32	8.0
	Agree	128	32.0
	Total	400	100.0

The results of the survey indicate the opinions on the effectiveness of GST as a tax reform for India. Out of the total 400 participants, 96 persons (24.0%) strongly disagree, 144 individuals (36.0%) disapprove, 32 individuals (8.0%) are neutral, and 128 individuals (32.0%) agree. The data indicates that the majority of the respondents (60.0%) hold a negative perspective on GST as a tax reform, either strongly disapproving or disagreeing. In contrast, a lesser number (32.0%) agree with the statement, and a minimal fraction (8.0%) stay neutral.

**Figure -5**

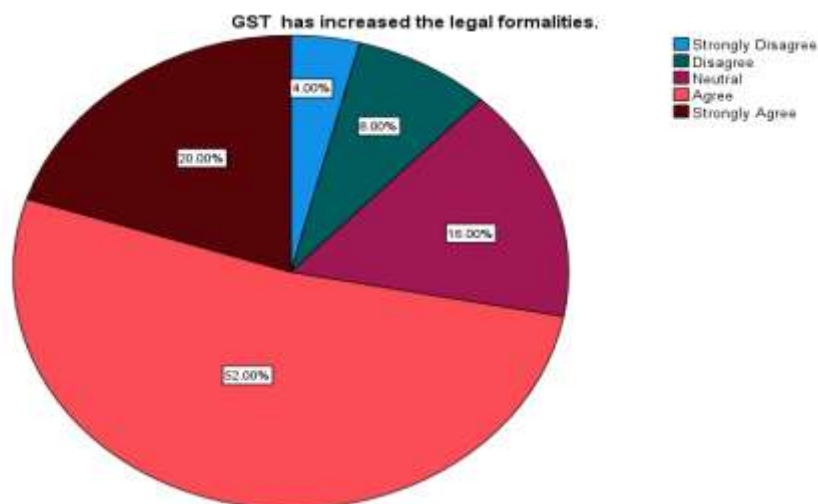


**Table -6**

3 GST has increased the legal formalities.			
		Frequency	Percent
Valid	Strongly Disagree	16	4.0
	Disagree	32	8.0
	Neutral	64	16.0
	Agree	208	52.0
	Strongly Agree	80	20.0
	Total	400	100.0

The opinion of the respondents on whether GST has increased the legal formalities are distributed as follows: out of the total 400 participants, 16 respondents (4.0%) strongly disagree, 32 respondents (8.0%) disagree, 64 respondents (16.0%) are neutral, 208 respondents (52.0%) agree, and 80 respondents (20.0%) strongly agree. This data indicates a varied perception among respondents, with majority 72.0% expressing agreement (either agree or strongly agree).

**Figure – 6**

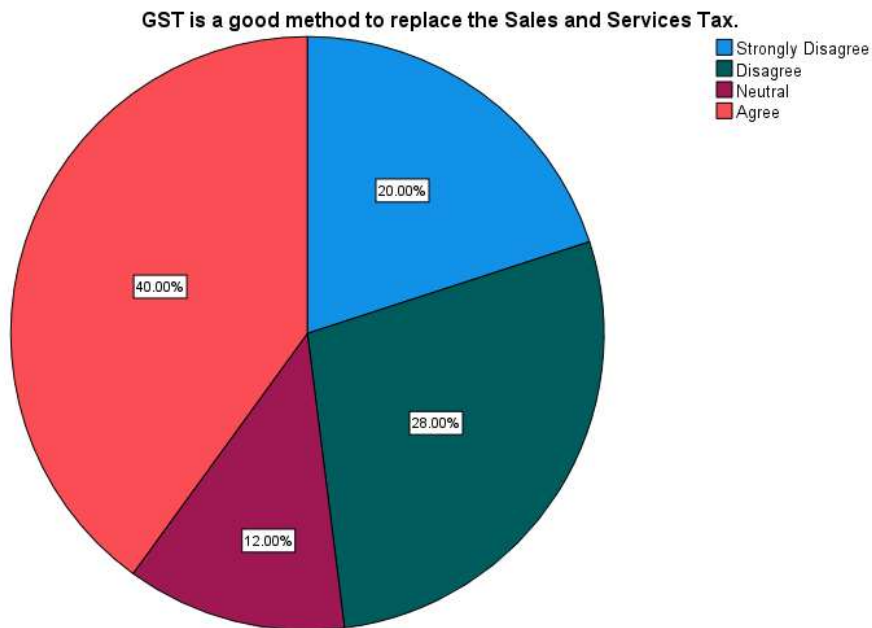


**Table - 7**

4 GST is a good method to replace the Sales and Services Tax.			
		Frequency	Percent
Valid	Strongly Disagree	80	20.0
	Disagree	112	28.0
	Neutral	48	12.0
	Agree	160	40.0
	Total	400	100.0

The opinion of the respondents on GST is a good method to replace the sales and services tax are distributed as follows: out of the total 400 participants, 80 respondents (20.0%) strongly disagree, 112 respondents (28.0%) disagree, 48 respondents (12.0%) are neutral, and 160 respondents (40.0%) agree. This data indicates a varied perception among respondents, with majority 48.0% expressing disagreement (either disagree or strongly disagree).

**Figure -7**



**Table 8**

The opinion of the respondents on GST is a good method to replace the sales and services tax are distributed as follows: out of the total 400 participants, 80 respondents (20.0%) strongly disagree, 192 respondents (48.0%) disagree, 80 respondents (20.0%) are neutral, and 48 respondents (12.0%) agree. This data indicates a varied perception among respondents, with majority 68.0% expressing disagreement (either disagree or strongly disagree).

Figure -8

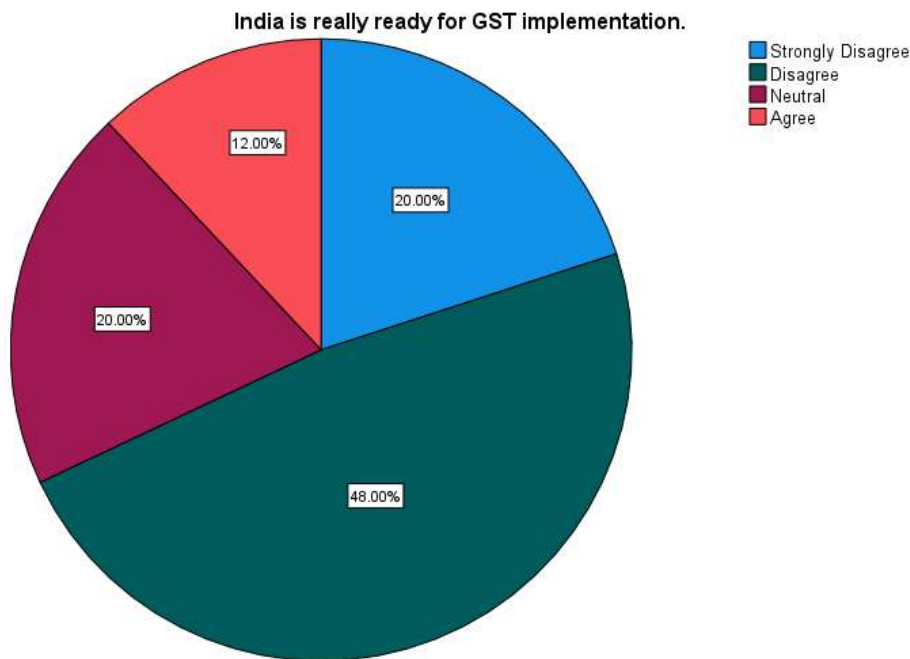


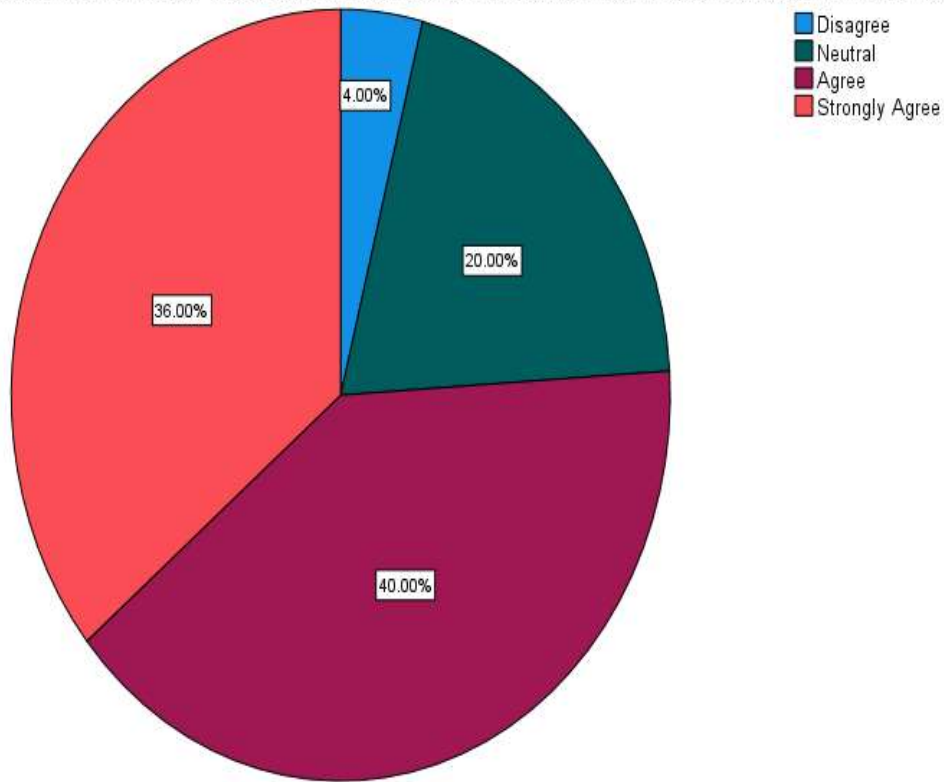
Table - 9

<b>5. India is really ready for GST implementation.</b>			
		Frequency	Percent
Valid	Strongly Disagree	80	20.0
	Disagree	192	48.0
	Neutral	80	20.0
	Agree	48	12.0
	Total	400	100.0

The opinion of the respondents on the implementation of GST reduced the number of taxes but increased the burden on common man are distributed as follows: out of the total 400 participants, 16 respondents (4.0%) disagree, 80 respondents (20.0%) are neutral, 160 respondents (40.0%) agree, and 144 respondents (36%) strongly agree. This data indicates a varied perception among respondents, with majority 76.0% expressing agreement (either agree or strongly agree).

**Figure - 9**

Implementation of GST reduced the number of taxes but increased the burden on common man.



**Table -10**

7. GST has imposed on the people without any preparation.			
		Frequency	Percent
Valid	Strongly Disagree	16	4.0
	Disagree	16	4.0
	Neutral	48	12.0
	Agree	160	40.0
	Strongly Agree	160	40.0
	Total	400	100.0

The opinion of the respondents on GST has imposed on the people without any preparation are distributed as follows: out of the total 400 participants, 16 respondents (4.0%) strongly disagree, 16 respondents (4.0%) disagree, 48 respondents (12.0%) are neutral, 160 respondents (40.0%) agree, and 160 respondents (40.0%) strongly agree. This data indicates varied perceptions among respondents, with only 8.0% expressing disagreement (either strongly disagree or disagree) and 80.0% expressing agreement (either agree or strongly agree).

Figure -10

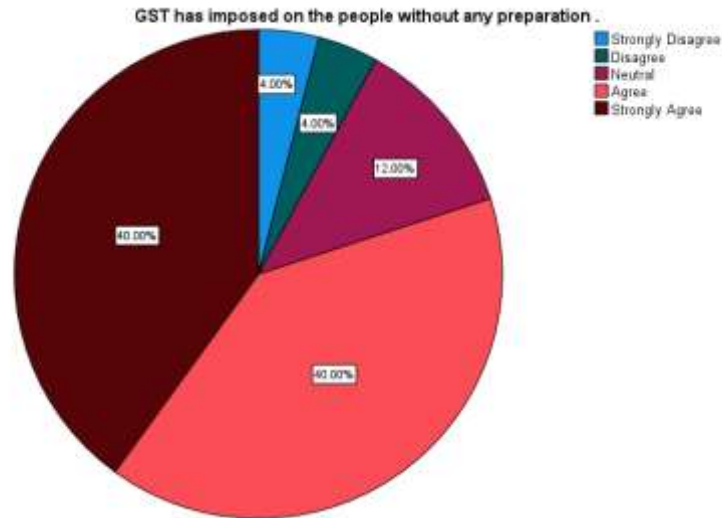
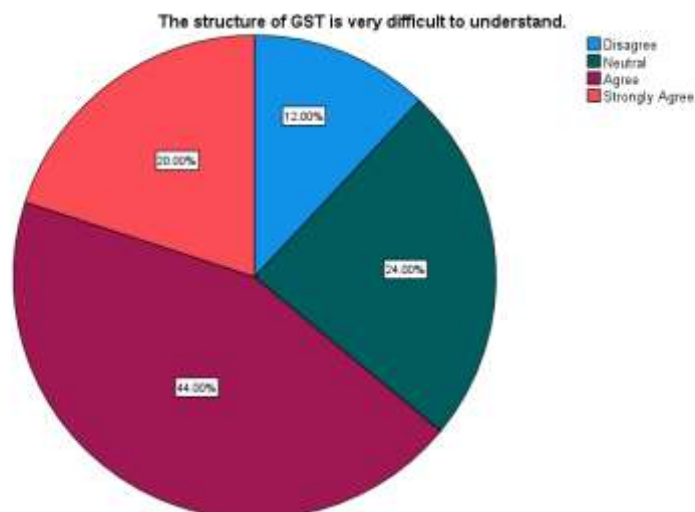


Table -11

8. The structure of GST is very difficult to understand.			
		Frequency	Percent
Valid	Disagree	48	12.0
	Neutral	96	24.0
	Agree	176	44.0
	Strongly Agree	80	20.0
	Total	400	100.0

The opinion of the respondents on whether the structure of GST in very difficult to understand are distributed as follows: out of the total 400 participants, 48 respondents (12.0%) disagree, 96 respondents (24.0%) are neutral, 176 respondents (44.0%) agree, and 80 respondents (20%) strongly agree. This data indicates a varied perception among respondents, with majority 64.0% expressing agreement (either agree or strongly agree).

Figure -11

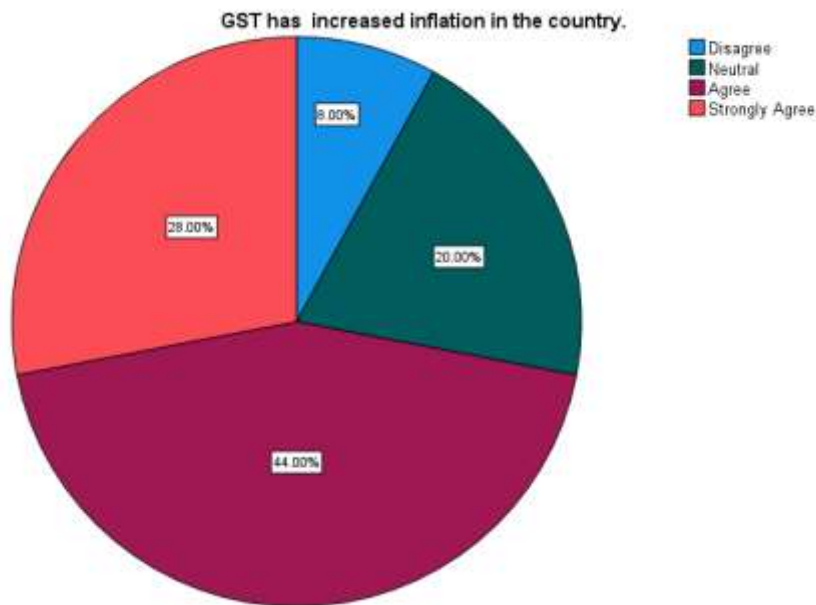


**Table - 12**

9. GST has increased inflation in the country.			
		Frequency	Percent
Valid	Disagree	32	8.0
	Neutral	80	20.0
	Agree	176	44.0
	Strongly Agree	112	28.0
	Total	400	100.0

The opinion of the respondents on GST has increased inflation in the country are distributed as follows: out of the total 400 participants, 32 respondents (8.0%) disagree, 80 respondents (20.0%) are neutral, 176 respondents (44.0%) agree, and 112 respondents (28%) strongly agree. This data indicates a varied perception among respondents, with majority 72.0% expressing agreement (either agree or strongly agree).

**Figure 12**



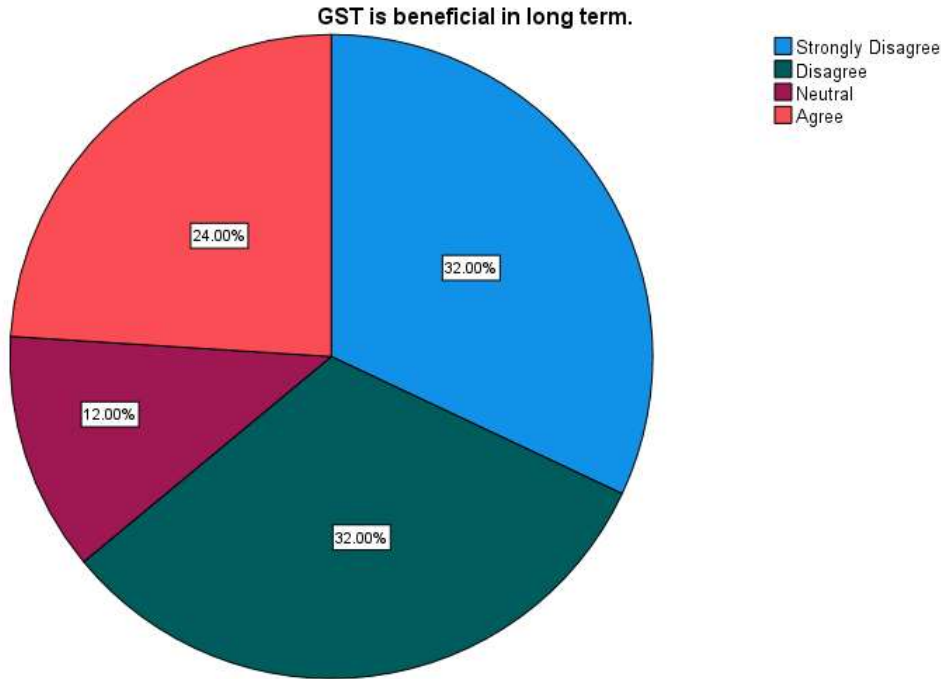
**Table -13**

10. GST is beneficial in long term.			
		Frequency	Percent
Valid	Strongly Disagree	128	32.0
	Disagree	128	32.0
	Neutral	48	12.0
	Agree	96	24.0
	Total	400	100.0

The opinion of the respondents on whether GST is beneficial in long term are distributed as follows: out of the total 400 participants, 128 respondents (32.0%) strongly disagree, 128 respondents (32.0%) disagree, 48 respondents (12.0%) are neutral, and 96 respondents (24.0%) agree.

disagree, 48 respondents (12.0%) are neutral, and 96 respondents (24.0%) agree. This data indicates a varied perception among respondents, with majority 64.0% expressing disagreement (either disagree or strongly disagree).

**Figure -13**

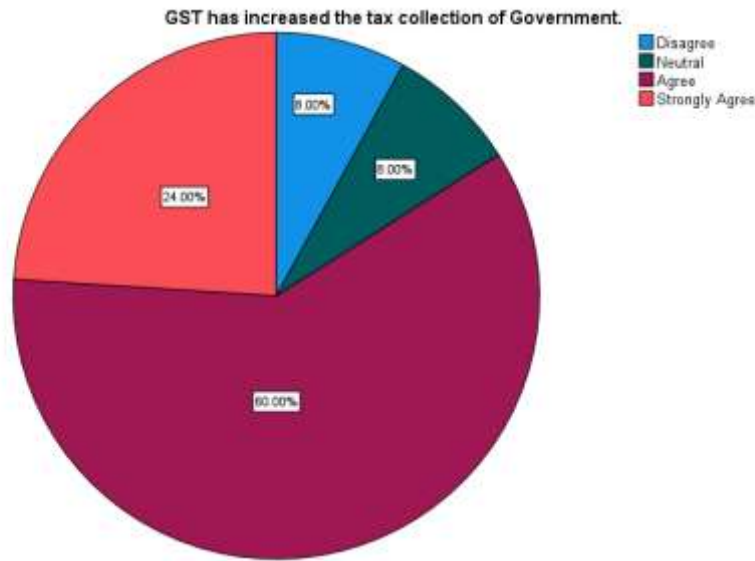


**Table -14**

<b>11. GST has increased the tax collection of Government.</b>			
		Frequency	Percent
Valid	Disagree	32	8.0
	Neutral	32	8.0
	Agree	240	60.0
	Strongly Agree	96	24.0
	Total	400	100.0

The opinion of the respondents on GST has increased the tax collection of government are distributed as follows: out of the total 400 participants, 32 respondents (8.0%) disagree, 32 respondents (8.0%) are neutral, 240 respondents (60.0%) agree, and 96 respondents (24%) strongly agree. This data indicates a varied perception among respondents, with majority 84.0% expressing agreement (either agree or strongly agree).

**Figure - 14**

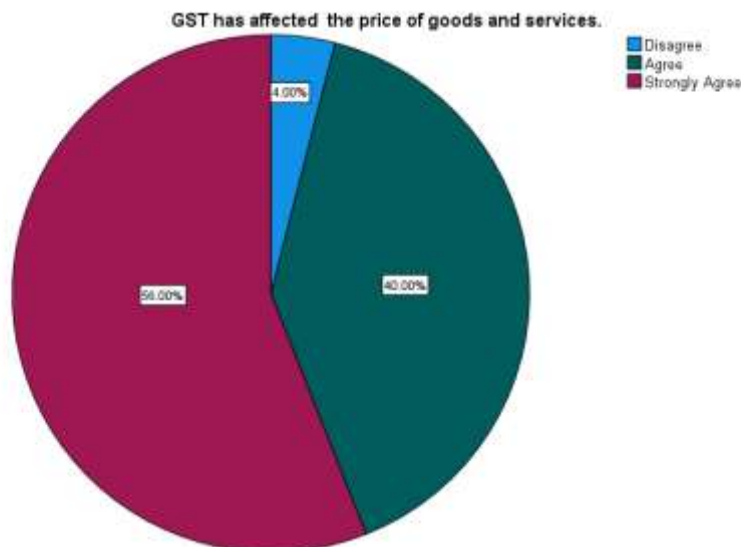


**Table -15**

12. GST has affected the price of goods and services.			
		Frequency	Percent
Valid	Disagree	16	4.0
	Agree	160	40.0
	Strongly Agree	224	56.0
	Total	400	100.0

The opinion of the respondents on whether GST has affected the price of goods and services are distributed as follows: out of the total 400 participants, 16 respondents (4.0%) disagree, 160 respondents (40.0%) agree, and 224 respondents (56%) strongly agree. This data indicates majority 96.0% expressing agreement (either agree or strongly agree).

**Figure -15**

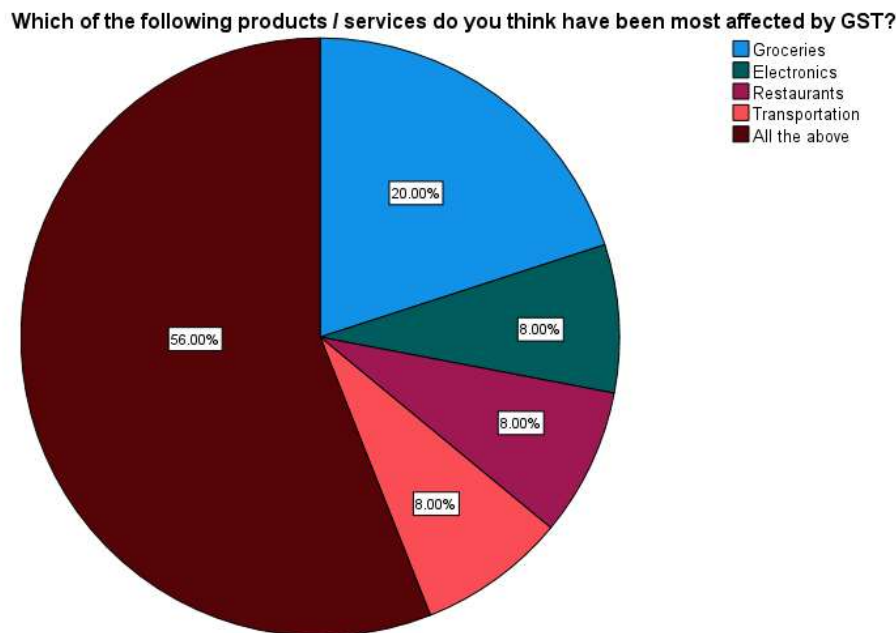


**Table - 16**

<b>13. Which of the following products / services do you think have been most affected by GST?</b>			
		Frequency	Percent
Valid	Groceries	80	20.0
	Electronics	32	8.0
	Restaurants	32	8.0
	Transportation	32	8.0
	All the above	224	56.0
	Total	400	100.0

The frequency distribution for which products/ services they think GST has affected the most are distributed as follows: out of the total 400 participants, 80 participants said groceries (20%), 32 participants said electronics (8%), 32 participants said restaurants (8%), 32 participants said transportation (8%) and 224 participants said all the above (56%). The data shows that 56% of the participants agree that all of the products (groceries, electronic, restaurants and transportation) are affected by GST.

**Figure -16**

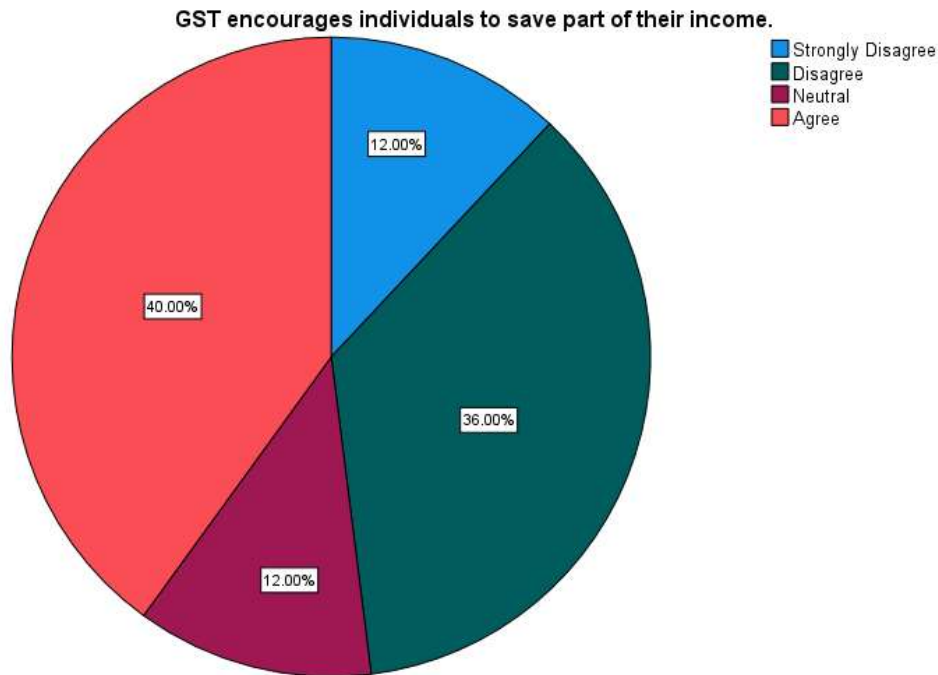


**Table - 17**

<b>14 GST encourages individuals to save part of their income.</b>			
		Frequency	Percent
Valid	Strongly Disagree	48	12.0
	Disagree	144	36.0
	Neutral	48	12.0
	Agree	160	40.0
	Total	400	100.0

The opinion of the respondents on whether GST encourages individuals to save part of their income are distributed as follows: out of the total 400 participants, 48 respondents (12.0%) strongly disagree, 144 respondents (36.0%) disagree, 48 respondents (12.0%) are neutral, and 160 respondents (40.0%) agree. This data indicates a varied perception among respondents, with majority 48.0% expressing disagreement (either disagree or strongly disagree).

**Figure -17**

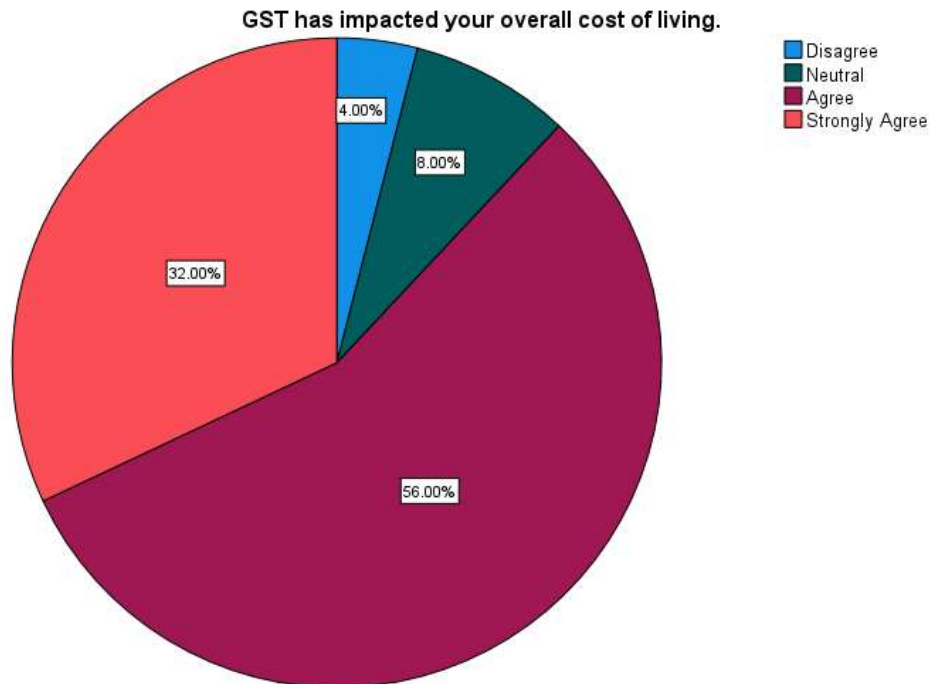


**Table - 18**

<b>15 GST has impacted your overall cost of living.</b>			
		Frequency	Percent
Valid	Disagree	16	4.0
	Neutral	32	8.0
	Agree	224	56.0
	Strongly Agree	128	32.0
	Total	400	100.0

The opinion of the respondents on whether GST has impacted your overall cost of living are distributed as follows: out of the total 400 participants, 16 respondents (4.0%) disagree, 32 respondents (8.0%) are neutral, 224 respondents (56.0%) agree, and 128 respondents (32%) strongly agree. This data indicates a varied perception among respondents, with majority 88.0% expressing agreement (either agree or strongly agree).

Figure -18



### Conclusion

1. The survey data revealed the frequency distribution of products and services most affected by GST according to 400 participants:

Groceries: 80 participants (20%)

Electronics: 32 participants (8%)

Restaurants: 32 participants (8%)

Transportation: 32 participants (8%)

All the above: 224 participants (56%)

The survey data collected from 400 participants revealed that the Goods and Services Tax (GST) had varying effects on different product and service categories. Specifically, 20% of participants noted that groceries were most affected, 8% each reported significant impacts on electronics, restaurants, and transportation, while 56% felt that GST affected all these categories equally.

2. Consumers did not show overwhelmingly positive or negative sentiments but were moderately ready to accept the change, often acknowledging it as a good long-term economic reform.

3. Awareness levels were significantly higher among younger populations (under 25) and those with higher educational qualifications.

4. Strong perception has been noted i.e. the 70% of respondents felt GST increased the overall tax burden on the common man.

5. Many consumers and small businesses felt that the GST led to an increase in the price of essential goods and services, contributing to inflation and increasing the cost of living.

6. From this study there is a suggestion for the government to led awareness programs to clear doubts and provide a better understanding of the tax regime.

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