

# A STUDY ON THE CONSUMERS' AWARENESS AND ITS IMPACT OF GST

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## Abstract

The factors undertaken for study include the relation between various things related to awareness and its impact on GST such as age, gender, income, occupation and qualification of consumers. Different levels of awareness factors and how they did influence the consumers are indeed identified first and the impact GST made in the life of customers are brought together and analyzed. Chi-square test has been used to examine the level of awareness and level of impact of GST. Levels of significance chosen are one and five percent level. Respondents who have high level of awareness on GST are of opinion that implementation of GST have high level of impact. Respondents who have low level of awareness on GST are of opinion that implementation of GST have low level of impact.

**Keywords:** GST, Consumer awareness, Impact of GST

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## I. Introduction

Indian economy has been created a number of problems by the introduction of GST. GST does remain one of the biggest tax reforms in India. It lays its impact not only on business, but also on the common man. As far as business sector is concerned, the primary impact is to have change in price of goods and services on account of GST rates. The impact on price is that mostly the services would be highly expensive in the initial stages. Impact on prices of goods could become a mixed pack. Because of this, it is necessary to go for a study on the impact of GST on business. It does aim to stitch together a common market by dismantling the financial barriers existing between states. GST is the single national uniform tax levied across India in terms of all goods and

services. In GST, all forms of indirect taxes get subsumed under a single regime. Multiple taxes that are leveled on different products starting from the manufacturing source to reaching the end consumer would be put an end by GST taxation laws. The fundamental principle working behind GST is 'One Country One Tax'.

## **II. Statement of the Problem**

This research throws light into the consumer awareness and its impact of GST on various Goods and services. Under GST many sectors are widely provide large variety of goods and services. They are fast consumed by consumers so that single percentage change in tax rate will create a dynamic change the price of product and services. The study focuses on the various issues and difficulties faced by the economy. Various suggestions are provided to improve Indian tax system and make it a better one.

## **III. Objective of the Study**

- ❖ To analyze the level of consumers' awareness about GST and its level of impact.

## **IV. Research Hypothesis**

H0: Awareness on GST is not associated with level of impact

## **V. Scope of the Study**

The study titled 'A Study on the consumers' awareness and its impact of GST' has been undertaken to assess the impact of GST on consumer. The respondents of the study are common man who has gone through GST implementation process. Hundreds respondents' have been selected for this study. The research study reveals that all the Indian respondents are affected by GST. For convenience of the study, 100 respondents had been selected from Ernakulum district of Kerala.

## **VI. Research Methodology**

Data required for the study are collected from primary and secondary data. The people in Ernakulum are the sample for the survey. By adopting simple random sampling data has been gathered from 100 respondents of selected areas in Ernakulum district, Kerala, India. After completing the data collection through the questionnaire the data has been analyzed by SPSS. The major tools under study are Percentage analysis and Chi-square test.

## **VII. Limitations of study**

Data for the study have been gathered through questionnaire. Consumer respondents' considering the secrecy on certain aspects may not disclose accurate information. Furthermore, the present study is restricted to Ernakulum district, Kerala. Considering the time from each and every consumer opinion is optioned only from 100 respondents. There were some restrictions regarding data collection due to Covid19.

### **VIII. Review of Literature**

**Kiran Ajeev, Somasekharan T M (2019)** in their study identify that GST has led to cost reduction throughout the business cycle from manufacturer to retailer and to the end consumer. They also stated that single tax system reduces transportation time.

**Kiran Ajeev (2019)** in his study mentions that, it is clear that coming of GST have increased the legal formalities and the current rate of GST is high. It also affected the family budget of the respondents negatively. And it is clear that majority of the people didn't even know about the anti-profiteering provisions of GST.

**Rekha D.M. Swathi V (2019)** in their study finds that, FMCG sector mainly depends on distribution and transportation and also mention that the purchase decision of consumers also changed after GST implementation.

**Sindhu S and Kirubakaran K (2018)** in their study disclose that significant impact on due to implementation of GST in household expenditure.

**Kiran Ajeev, Somasekharan T M (2019)** in their study ascertains that the sector is the major taxation contributor both direct and indirect in the economy. As per this study, FMCG sector has undergone changes with the implementation of GST. GST alters production-based taxation system to a consumption-based taxation system.

**Prof. Sreekumar P. G, Chitra.R (2018)** The main idea of this research study is to understand customer's attitude to enforcing GST. This study is also intending to know the attitude of consumer's in executing GST by taking the account various consumer durable segment of Fast Moving Consumer Goods (FMCG).

**Sindhu S and Kirubakaran K (2018)** in their study find that there is no significant impact on implementation of GST in household expenditure.

**Dr. Harshal Anil Salunkhe (2017)** in his study find that GST would be beneficial to growth of Indian economy but temporarily hurt the growth of tax on services which accounts of 60 percent of India's GDP. The government should provide ample time to industries and customers to adapt to the biggest reform in the tax history.

### **IX. Data Analysis and Interpretation**

The pretention of data analysis and interpretation is to make over data collected into beneficial evidence about the 'A Study on the consumers' awareness and its impact of GST'. The data required for the study was collected from 100 respondents above 18 years of age from selected area. The statistical tools used for analysis are Percentage analysis and Chi-square test.

**Personal Profile**

The following table discuss about personal profile of consumers.

**Table: 1**

Items	Numbers	Percentage
<b>Male</b>	<b>61</b>	<b>61</b>
Female	39	39
<b>Age</b>		
Up to 30	29	29
<b>31-40</b>	<b>30</b>	<b>30</b>
41-50	25	25
Above 50	16	16
<b>Income</b>		
<b>Up to 25000</b>	<b>41</b>	<b>41</b>
25001- 50000	29	29
50001 – 75000	14	14
Above 75000	16	16
<b>Marital status</b>		
Married	44	44
<b>Unmarried</b>	<b>56</b>	<b>56</b>
<b>Occupation</b>		
Business	28	28
<b>Employed</b>	<b>38</b>	<b>38</b>
Unemployed	19	19
Student	15	15
<b>Education</b>		
SSLC	10	10
H.Sc.	20	20
<b>Diploma / Graduation</b>	<b>42</b>	<b>42</b>
Post Graduate	28	28

Out of 100 respondents 61% respondents are male, 30% respondents age ranges between 31 and 40 years, 41% respondent’s monthly income ranges up to Rs. 25,000, 56% respondents are unmarried, 38% respondents are employed and 42% respondents are with Diploma/under Graduate qualification.

**Chi-square Test**

Study on the consumers’ awareness and its impact of GST has been measured by assigning scores to questions. Answers to the questions have been rated on a five-point scale. The scores allotted to the answers range from one to five. Chi–square test has been used to examine the level of awareness and level of impact of GST. Levels of significance chosen are one and five percent level.

**Level of Awareness**

To ascertain whether there exists any significant association between gender, age, income, marital status and education and level of awareness, the following hypothesis is framed and tested.

- Average : 54.72
- Standard Deviation : 12.22
- Low : 42.50
- Moderate : 42.51-66.93
- High : 66.94

**Table 2 H<sub>0</sub>: Gender is not associated with level of awareness**

Gender	Level of Awareness			Total
	Low	Moderate	High	
Male	6	40	15	61
	(9.8)	(65.6)	(24.6)	(100.0)
Female	9	27	3	39
	(23.1)	(69.2)	(7.7)	(100.0)
<b>Total</b>	<b>15</b>	<b>67</b>	<b>18</b>	<b>100</b>
<b>Df:2</b>	<b>Chi-square : 6.602</b>		<b>P Value: 0.037</b>	<b>Significant</b>

Male respondents have high level of awareness and female respondents have low level of awareness. As the calculated P value is less than 0.05 there exists a significant association between gender and level of awareness. Hence, the null hypothesis is rejected.

**Table 3 H<sub>0</sub>: Age is not associated with level of awareness**

Age	Level of Awareness			Total
	Low	Moderate	High	
Up to 30	3	21	5	29
	(10.3)	(72.4)	(17.2)	(100.0)

31-40	5	20	5	30
	(16.7)	(66.7)	(16.7)	(100.0)
41-50	4	15	6	25
	(16.0)	(60.0)	(24.0)	(100.0)
Above 50	3	11	2	16
	(18.8)	(68.8)	(12.5)	(100.0)
<b>Total</b>	<b>15</b>	<b>67</b>	<b>18</b>	<b>100</b>
<b>Df:6</b>	<b>Chi-square : 1.766</b>		<b>P Value: .940</b>	<b>Not Significant</b>

Respondents whose age ranges from 41 to 50 years have high level of awareness. Respondents who are above the age of 50 years have low level of awareness. As the calculated P value is greater than 0.05 there does not exist any significant association between age and level of awareness. Hence, the null hypothesis is accepted.

**Table 4 H0: Income is not associated with level of awareness**

Income	Level of Awareness			Total
	Low	Moderate	High	
Up to 25000	5	31	5	41
	(12.2)	(75.6)	(12.2)	(100.0)
25001- 50000	3	19	7	29
	(10.3)	(65.5)	(24.1)	(100.0)
50001 – 75000	4	7	3	14
	(28.6)	(50.0)	(21.4)	(100.0)
Above 75000	3	10	3	16
	(18.8)	(62.5)	(18.8)	(100.0)
<b>Total</b>	<b>15</b>	<b>67</b>	<b>18</b>	<b>100</b>
<b>Df:6</b>	<b>Chi-square : 5.089</b>		<b>P Value: .532</b>	<b>Not Significant</b>

Respondents whose income ranges between Rs. 25,001 and Rs. 50,000 have high level of awareness. Respondents whose income ranges between Rs. 50,001 and Rs. 75,000 have low level of awareness. As the calculated P value is greater than 0.05 there does not exist any significant association between income and level of awareness. Hence, the null hypothesis is accepted.

**Table 5 H0: Marital Status is not associated with level of awareness**

Marital Status	Level of Awareness			Total
	Low	Moderate	High	
Married	5	30	9	44
	(11.4)	(68.2)	(20.5)	(100.0)
Unmarried	10	37	9	56
	(17.9)	(66.1)	(16.1)	(100.0)
<b>Total</b>	<b>15</b>	<b>67</b>	<b>18</b>	<b>100</b>
<b>Df:2</b>	<b>Chi-square : 0.972</b>		<b>P Value: .615</b>	<b>Not Significant</b>

Married respondents have high level of awareness and unmarried respondents have low level of awareness. As the calculated P value is greater than 0.05 there does not exist any significant association between marital status and level of awareness. Hence, the null hypothesis is accepted.

**Table 6 H0: Occupation is not associated with level of awareness**

Occupation	Level of Awareness			Total
	Low	Moderate	High	
Business	4	19	5	28
	(14.3)	(67.9)	(17.9)	(100.0)
Employed	7	23	8	38
	(18.4)	(60.5)	(21.1)	(100.0)
Unemployed	1	14	4	19
	(5.3)	(73.7)	(21.1)	(100.0)
Students	3	11	1	15
	(20.0)	(73.3)	(6.7)	(100.0)
<b>Total</b>	<b>15</b>	<b>67</b>	<b>18</b>	<b>100</b>
<b>Df:6</b>	<b>Chi-square : 3.580</b>		<b>P Value: .733</b>	<b>Not Significant</b>

Both employed and unemployed respondents have high level of awareness. Students have low level of awareness. As the calculated P value is greater than 0.05 there does not exist any significant association between occupation and level of awareness. Hence, the null hypothesis is accepted.

**Table 7 H0: Education is not associated with level of awareness**

Education	Level of Awareness			Total
	Low	Moderate	High	
SSLC	5 (50.0)	5 (50.0)	0 (0.0)	10 (100.0)
Pre Degree/Plus Two	2 (10.0)	15 (75.0)	3 (15.0)	20 (100.0)
Diploma/ Graduation	6 (14.3)	29 (69.0)	7 (16.7)	42 (100.0)
Post Graduate	2 (7.1)	18 (64.3)	8 (28.6)	28 (100.0)
<b>Total</b>	<b>15</b>	<b>67</b>	<b>18</b>	<b>100</b>
<b>Df:6</b>	<b>Chi-square : 14.026</b>		<b>P Value:0.029</b>	<b>Significant</b>

Respondents who are with post graduate’s educational qualification have high level of awareness. Respondents SSLC educational qualification has low level of awareness. As the calculated P value is less than 0.05 there exists a significant association between education and level of awareness. Hence, the null hypothesis is rejected.

**Level of Impact**

To ascertain whether there exists any significant association between gender, age, income, marital status and education and level of impact, the following hypothesis is framed and tested.

- Average : 70.10
- Standard Deviation : 9.34
- Low : 60.76
- Moderate : 60.77-79.43
- High : 79.44



**Table 8 H0: Gender is not associated with level of impact**

Gender	Level of Impact			Total
	Low	Moderate	High	
Male	9	40	12	61
	(14.8)	(65.6)	(19.7)	(100.0)
Female	7	27	5	39
	(17.9)	(69.2)	(12.8)	(100.0)
<b>Total</b>	<b>16</b>	<b>67</b>	<b>17</b>	<b>100</b>
<b>Df:2</b>	<b>Chi-square : 0.856</b>		<b>P Value: 0.652</b>	<b>Not Significant</b>

Male respondents are of opinion that implementation of GST have high level of impact and female respondents are of opinion that implementation of GST have low level of impact. As the calculated P value is greater than 0.05 there does not exist any significant association between gender and level of impact. Hence, the null hypothesis is accepted.

**Table 9 H0: Age is not associated with level of impact**

Age	Level of Impact			Total
	Low	Moderate	High	
Up to 30	3	19	7	29
	(10.3)	(65.5)	(24.1)	(100.0)
31-40	6	19	5	30
	(20.0)	(63.3)	(16.7)	(100.0)
41-50	2	19	4	25
	(8.0)	(76.0)	(16.0)	(100.0)
Above 50	5	10	1	16
	(31.2)	(62.5)	(6.2)	(100.0)
<b>Total</b>	<b>16</b>	<b>67</b>	<b>17</b>	<b>100</b>
<b>Df:6</b>	<b>Chi-square : 6.599</b>		<b>P Value: .360</b>	<b>Not Significant</b>

Respondents who are within the age of 30 years are of opinion that implementation of GST have high level of impact. Respondents who are above the age of 50 years are of opinion that implementation of GST have low level of impact. As the calculated P value is greater than 0.05 there does not exist any significant association between age and level of impact. Hence, the null hypothesis is accepted.

**Table 10 H0: income is not associated with level of impact**

Income	Level of Impact			Total
	Low	Moderate	High	
Up to 25000	3 (7.3)	24 (58.5)	14 (34.1)	41 (100.0)
25001- 50000	6 (20.7)	22 (75.9)	1 (3.4)	29 (100.0)
50001 – 75000	4 (28.6)	8 (57.1)	2 (14.3)	14 (100.0)
Above 75000	3 (18.8)	13 (81.3)	0 (0.0)	16 (100.0)
<b>Total</b>	<b>16</b>	<b>67</b>	<b>17</b>	<b>100</b>
<b>Df:6</b>	<b>Chi-square : 18.259</b>		<b>P Value: .000</b>	<b>Significant</b>

Respondents whose income ranges up to 25,000 are of opinion that implementation of GST have high level of impact. Respondents whose income between Rs. 50001 and Rs. 75000 are of opinion that implementation of GST has low level of impact. As the calculated P value is less than 0.05 there exists a significant association between income and level of impact. Hence, the null hypothesis is rejected.

**Table 11 H0: Marital Status is not associated with level of impact**

Marital Status	Level of Impact			Total
	Low	Moderate	High	
Married	8 (18.2)	26 (59.1)	10 (22.7)	44 (100.0)
Unmarried	8 (14.3)	41 (73.2)	7 (12.5)	56 (100.0)
<b>Total</b>	<b>16</b>	<b>67</b>	<b>17</b>	<b>100</b>
<b>Df:2</b>	<b>Chi-square : 2.483</b>		<b>P Value: .289</b>	<b>Not Significant</b>

Married Respondents are of opinion that implementation of GST has high level of impact. Married Respondents also are of opinion that implementation of GST has low level of impact. Comparing the percentage, it is inferred that Married Respondents are of opinion that implementation of GST has high level of impact. As the calculated P value is greater than 0.05 there does not exist any significant association between marital status and level of awareness. Hence, the null hypothesis is accepted.

**Table 12 H0: Occupation is not associated with level of impact**

Occupation	Level of Impact			Total
	Low	Moderate	High	
Business	6 (21.4)	16 (57.1)	6 (21.4)	28 (100.0)
Employed	6 (15.8)	25 (65.8)	7 (18.4)	38 (100.0)
Unemployed	0 (0.0)	16 (84.2)	3 (15.8)	19 (100.0)
Student	4 (26.7)	10 (66.7)	1 (6.7)	15 (100.0)
<b>Total</b>	<b>16</b>	<b>67</b>	<b>17</b>	<b>100</b>
<b>Df:6</b>	<b>Chi-square : 7.205</b>		<b>P Value: .302</b>	<b>Not Significant</b>

Respondents who carryout businesses are of opinion that implementation of GST have high level of impact. Students are of opinion that implementation of GST have low level of impact. As the calculated P value is greater than 0.05 there does not exists any significant association between occupation and level of impact. Hence, the null hypothesis is accepted.

**Table 13 H0: Education is not associated with level of impact**

Education	Level of Impact			Total
	Low	Moderate	High	
SSLC	1 (10.0)	6 (60.0)	3 (30.0)	10 (100.0)
Pre Degree/Plus Two	6 (30.0)	10 (50.0)	4 (20.0)	20 (100.0)
Diploma / Graduation	8 (19.0)	27 (64.3)	7 (16.7)	42 (100.0)
Post Graduate	1 (3.6)	24 (85.7)	3 (10.7)	28 (100.0)
<b>Total</b>	<b>16</b>	<b>67</b>	<b>17</b>	<b>100</b>
<b>Df:6</b>	<b>Chi-square : 9.821</b>		<b>P Value:0.132</b>	<b>Not Significant</b>

Respondents with SSLC educational qualification are of opinion that implementation of GST have high level of impact. Respondents with Pre Degree / Plus Two educational qualification is of opinion that implementation of GST have low level of impact. As the calculated P value is greater than 0.05 there does not exists any significant association between occupation and level of impact. Hence, the null hypothesis is accepted.

**CONSUMERS' AWARENESS ON GST AND LEVEL OF IMPACT**

**Table 14 H0: Awareness on GST is not associated with level of impact**

Awareness on GST	Level of Impact			Total
	Low	Moderate	High	
Low	4 (26.7)	10 (66.7)	1 (6.7)	15 (100.0)
Moderate	9 (13.4)	48 (71.6)	10 (14.9)	67 (100.0)
High	3 (16.7)	9 (50.0)	6 (33.3)	18 (100.0)
<b>Total</b>	<b>16</b>	<b>67</b>	<b>17</b>	<b>100</b>
<b>Df:4</b>	<b>Chi-square : 6.276</b>		<b>P Value: 0.179</b>	<b>Not Significant</b>

Respondents who have high level of awareness on GST are of opinion that implementation of GST have high level of impact. Respondents who have low level of awareness on GST are of opinion that implementation of GST have low level of impact. As the calculated P value is greater than 0.05 there does not exist any significant association between awareness on GST and level of impact. Hence, the null hypothesis is accepted.

**X. Summary of the Findings**

The following paragraph narrates the findings of the study.

**Personal Profile**

- Majority of the respondents are male.
- Majority of the respondent's age ranges between 31 and 40 years.
- Majority of the respondents are unmarried.
- Most of the respondents are employed.
- Most of the respondent's monthly income ranges up to Rs. 25000.
- Most of the respondents are with Diploma / Under Graduate qualification

### **Level of Awareness**

- Male respondents have high level of awareness.
- Respondents whose age ranges from 41 to 50 years have high level of awareness.
- Respondents whose income ranges between Rs. 25,001 and Rs. 50,000 have high level of awareness
- Married respondents have high level of awareness
- Both employed and unemployed respondents have high level of awareness.
- Respondents who are with post graduate's educational qualification have high level of awareness.

### **Level of Impact**

- Male respondents are of opinion that implementation of GST have high level of impact.
- Respondents who are within the age of 30 years are of opinion that implementation of GST have high level of impact.
- Respondents whose income ranges up to 25,000 are of opinion that implementation of GST have high level of impact
- Married Respondents are of opinion that implementation of GST have high level of impact.
- Respondents who carry out businesses are of opinion that implementation of GST have high level of impact
- Respondents with SSLC educational qualification are of opinion that implementation of GST have high level of impact.
- Respondents who have high level of awareness on GST are of opinion that implementation of GST have high level of impact.

### **XI. Suggestions**

- Government should take necessary actions to educate about GST among low income group and high income group.
- The Government should estimate the way by which the GST rates are executed, so it will be a provision to reduction price of goods and service.
- Special programs like campaign, seminar etc. may be implemented to familiarize businesses and consumers

with the functioning of GST.

- Government should ensure a proper mechanism in setup so that benefit of GST is passed on to consumers.
- Measures to be taken to make women as well as youngsters aware about GST.
- To improve the awareness of GST among employed persons.
- People await an exemption in the GST rates for essential particulars and also reduce its price in coming future.
- The National Anti-Profiteering Authority should properly monitor the various goods and services and the benefits should reach the ultimate customer.

## **XII. Conclusion**

GST is a great idea which decreases the pollution on earth with corporation and through unnecessary black marketing. It can be understood from the report that implementation of GST was done without a thorough analysis and study. After four and half years of the biggest reform in Indian tax history, many changes are taken day to day in GST regime by the council. The Government has imposed “One nation one tax one market” without any preparation. GST has increased the tax burden on consumers and it resulted in an increase in the cost of living. The Respondents who have high level of awareness on GST are of opinion that implementation of GST have high level of impact. Respondents who have low level of awareness on GST are of opinion that implementation of GST have low level of impact. In an overall view GST have many negatives and positives it has affected the people in negatively even after four and half years from the introduction stage and it will correct the faults and become better in the near future. As the Prime Minister NarendraModi quoted that GST is a “great step by team India, great step towards transformation, great step towards transparency”.

## **XIII. Scope for further Research**

In this study, only consumer awareness is taken into account so that, studies could be carried out leading to people who aided in formulating laws related to GST. Besides customer awareness, we could also study about business people and other employees of indirect tax and their awareness and impact. The advance studies would help to learn of the tax system of foreign country and to bring about changes through it.

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