



AN ANALYSIS OF GST AND ITS IMPACT ON ONLINE PURCHASER BEHAVIOUR WITH REFERENCE TO TUMKUR CITY IN KARNATAKA

Dr. E. Eswara Reddy

Professor, School of Economics and Commerce, CMR University Bangalore.

Dr. Rajeeana Syed

Associate Professor and Programme co-ordinator School of Economics and Commerce, CMR University Bangalore.

Prof. Shakila A

Assistant Professor, School of Economics and Commerce, CMR University Bangalore.

ABSTRACT

GST is a single indirect tax for the whole nation, one which will make India a unified common market. It is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Under GST, the government has fixed GST rates on 1,211 goods and 500 services in the range of 5 to 28 per cent. Therefore to identify the impact of GST over online purchasers, the research title was developed and the survey was done with the objectives to know the level of awareness the online purchasers have towards GST, and further study the impact of GST on Online Purchasers & there Purchase Intention. Some of the major findings are 83% of the respondents agree that, there is a general increase in Tax rates of products after implementation of GST, 72% of the respondents strongly agree that, return of products is complicated after implementation of GST, 73% of respondents strongly agree that, Cancellation of products purchased online is difficult after implementation of GST, 98% of respondents strongly agree that the product delivery is much faster. With the findings finally it is concluded that GST has a greater impact on online purchasers despite of this there is a greater scope for E-Retailing in future.

KEYWORDS : GST (Goods & Services Tax), Electronic Retailing, Online Purchasers

INTRODUCTION

On July 1, India moved on to a new era of taxation with the rollout of Goods and Services Tax (GST). It has now subsumed 17 central and state indirect taxes and 23 cesses into a single tax regime. Such a big transition is bound to change the lives of many individuals and businesses.

It is a single indirect tax for the whole nation, one which will make India a unified common market. It is a single tax on the supply of goods and services, right from the manufacturer to the consumer. GST will break the complicated structure of separate central and state taxes which often overlap with each other to create a uniform taxation system which will be applicable across the country.

Under GST, the government has fixed GST rates on 1,211 goods and 500 services in the range of 5 to 28 per cent. Certain items such as alcohol, petrol, diesel and natural gas will be exempt under the GST.

GST Tax Slabs

Sl. No	Slabs	Tax Rate
1.	First Slab	5 percent
2.	Second Slab	12 percent
3.	Third Slab	18 percent
4.	Fourth Slab	28 percent

Source: Secondary data

Meaning of E-Retailing

Electronic retailing is the sale of goods and services through the internet. Electronic retailing, or e-tailing, can include business-to-business (B2B) and business-to-consumer (B2C). The **Electronic Retailing** also called as *e-tailing* or *internet retailing*, is the process of selling the goods and services through electronic media, particularly the internet.

GST & Its Impact On E- Retailing

GST will not impact customer experience- All India Online Vendors Association of India (An umbrella body of 1,500 active sellers). Currently, e-commerce websites do not collect tax in any form. Under the GST, they will collect tax at a fixed rate of 1 per cent while paying to the sellers listed on their websites. This is likely to impact prices and make your online shopping more expensive.

Need For The Study

GST is one of widest economic reforms undertaken, which has its impact on all the three sectors and also their subsectors. E-commerce is one such subsector of Tertiary sector or service sector, the E-commerce is the playing a major role in the 20th century and the E-Retailing is one of the important branches of E-commerce.

Therefore to identify the impact of GST over the online purchasers and there purchase intention, we have chosen the topic – *An analysis of GST on Online Purchaser behaviour with Reference to Tumkur City in Karnataka*”

Objectives of Study: The following are the objectives of the study

1. To know the Online Purchasers awareness towards GST.
2. To study the impact of GST on Online Purchasers & there Purchase Intention.
3. To offer suitable suggestions for the growth of Online sales.

Scope Of Study

This study is limited to the online purchasers of Tumkur . Further scope of the study is limited to identify the impact of GST on Online Purchasers & there purchase intention.

Research Design

Type of the Study	Descriptive
Sources of data collection	1. Primary Data: Questionnaire with the help of interview. 2. Secondary Data: Published article
Sampling Design	
Sampling Unit	Online Purchasers in chikkamgluru City
Population size	Cannot be defined
Sampling Size	100
Sampling Procedure	Convenience Sampling
Contact Method	Interview with the help of Questionnaire

Limitations Of The Study: The Following Are The Limitations Of The Study.

- The study is confined only to know impact of GST on online Purchasers
- The outcome of the study is restricted to the customers who

- buy products online
- The study is restricted to the geographical location of Tumkur city

Data Analysis

Sl. NO	Response	Count	Percentage	
1.	Are you aware of GST (Goods & Services Tax)?	Yes	98	98
		No	02	02
		Total	100	100
2.	There is a general increase in Tax rates of products after implementation of GST	Strongly Agree	02	02
		Agree	83	83
		Cannot Define	05	05
		Disagree	05	05
		Strongly Disagree	05	05
		Total	100	100
3.	Return of products is complicated after implementation of GST	Strongly Agree	72	72
		Agree	03	03
		Cannot Define	10	10
		Disagree	8	8
		Strongly Disagree	7	7
		Total	100	100
4.	Cancellation of products purchased online is difficult after implementation of GST	Strongly Agree	73	73
		Agree	08	08
		Cannot Define	04	04
		Disagree	05	05
		Strongly Disagree	10	10
		Total	100	100
5.	Product Delivery is much Faster	Strongly Agree	98	98
		Agree	02	02
		Cannot Define	-	-
		Disagree	-	-
		Strongly Disagree	-	-
		Total	100	100
6.	There is relatively price hike in products after GST	Strongly Agree	10	10
		Agree	10	10
		Cannot Define	06	06
		Disagree	64	64
		Strongly Disagree	10	10
		Total	100	100
7.	Do you still continue with Online Purchase	Yes	92	92
		No	8	8
		Total	100	100

Source: Primary Data

Findings Of Research Study: The Following Are The Findings Of The Study.

- 98% of respondents are aware of GST.
- 83% of the respondents agree that, there is a general increase in Tax rates of products after implementation of GST
- 72% of the respondents strongly agree that, return of products is complicated after implementation of GST
- 73% of respondents strongly agree that, Cancellation of products purchased online is difficult after implementation of GST
- 98% of respondents strongly agree that the product delivery is much faster.
- 64% of respondents disagree that, there is relatively price hike in products after GST.
- 92 % of the respondents want continue with Online Purchase in future

Suggestions:

- The following are the suggestions.
- Awareness should be created about the GST and online purchasing of goods
- Taxes should be reduced to increase the sales.
- Smooth process of sales returns should be introduced so that customers will be satisfied.

- Timetaken to deliver the products should be reduced. On time delivery should be introduced.

CONCLUSION

Finally the study can be concluded stating that GST has a significant impact that is both positive & negative on online purchasers, like they feel prices of products has increased, the cancelation & returning of the products is more difficult after GST etc, with this there is also a positive impact like the delivery of products is much faster etc despite of this still majority of online purchasers still want to continue with E-Retailing and this shows that greater scope for E-Retailing in future.

Annexure

QUESTIONNAIRE

Dear Respondents,

I Prof. Mallikarjuna Prasanna, Professor department of commerce PA Collge, tiptur , Undertaking the Research Titled *An analysis of "Impact of GST on Online Purchaser behaviour with Reference to Tumkru city "*. Requesting you to provide your valuable time & response for the below questions.

PART-A

Personal Information

- Name of the respondent:
- Address:
- Age:
 - a) Below 20 [] b) 21 to 35 [] c) 36 to 50 [] d) 50 and above []
- Educational qualification:
 - a) Post graduation [] b) Graduation [] c) Under graduation []
 - d) SSLC and below []
- Occupation:
 - a) Employed [] b) Self Employed [] c) Student [] d) Others []
- Monthly Income level
 - a) 10000 & Less [] b) 10001-15000 [] c) 15001-25000 [] d) more than 25000 []

PART-B

Questions Related To Know The Impact Of GST On Online Purchasers & There Purchase Intention

- Since how long you are purchasing products Online
 - a) Less than 6 Months [] b) 6-11 Months [] c) 1-2 years [] d) more than 2 years []
- Are you aware of GST (Goods & Services Tax)?
 - a) Yes [] b) No []

Sl. No	Problems	Strongly Agree	Agree	Can not Define	Disagree	Strongly Disagree
8	There is a general increase in Tax rates of products after implementation of GST					
9	Cancellation of products purchased online is difficult after implementation of GST					
10	Return of products is complicated after implementation of GST					
11	Product Delivery is much Faster					
12	There is relatively price hike in products after GST					

12. Do you still continue with Online Purchase?

a) Yes [] b) No []

Signature

Thank You

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