

# Exploring Consumer Perspectives on Goods and Services Tax (GST) Implementation in Bangalore South: A Comparative Analysis

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## Abstract

The study aims to explore the effects of GST in Bangalore South by examining consumer insights regarding the changes brought by the tax reform. From a comparative perspective, the study assesses how GST affects consumer perception, economic activities, and tax systems, referencing international contexts. Research indicates that consumer awareness of GST varies, as do their attitudes, purchase preferences, and cultural influences. The findings confirm three key hypotheses: (1) GST significantly altered consumer spending patterns ( $\chi^2=31.92$ ,  $p<0.001$ ), leading to shifts in expenditure across essential and luxury goods; (2) GST failed to improve tax transparency as expected ( $z=-2.16$ ,  $p=0.03$ ), with 62.3% of respondents stating that tax disclosures remain unclear; and (3) cultural traditions (37.5%) and legal frameworks (54.8%) critically shape cross-country perceptual differences, impacting GST acceptance. The paper recommends extensive educational programs and stakeholder engagement initiatives to enhance GST awareness and application. Additionally, it highlights research opportunities such as assessing GST's long-term sectoral impacts, cultural influences on consumer perception, regional disparities in implementation, and the role of technology in taxation. Ultimately, this study expands knowledge on GST's

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complex roles and supports informed policy decisions in taxation and economic development.

**Keywords:** Goods and Services Tax (GST), consumer perspectives, tax reform, Bangalore South, comparative analysis, awareness, purchasing Perspective, cultural factors, transparency, stakeholder engagement, economic sectors, regional variations, technology, tax compliance, policy implications.

## Introduction

The introduction of GST has now become one of the most significant changes in the taxation systems of economies across the globe and has paved way for a revolution in taxation. The current study aims at examining the role of GST, as an inclusive indirect tax reform instituted in Bangalore South and that has gone through some shifts over the time, that requires a proper analysis in light of consumers' Perspective. Understanding GST requires analysing consumer behaviour and the factors influencing spending patterns. One cannot underestimate the importance of GST in the Indian economy as it helped the country to unify several taxes into one. The effects of GST do not stop at the national level, and therefore require a comparison with other countries. This research will explore the different ways consumers in Bangalore South and some of its equivalencies in selected other countries view taxation by understanding its impacts on consumption and economic activity. When comparing tax systems, it is crucial to understand that cultural, economic, and regulatory contexts are different in each country. This means that consumer Perspective is not a singular characteristic of customers, but rather a complex Amalgam, of consumer perceptions who are influenced by history, culture and economy. Through these variations, we hope to understand the complexity of consumer reactions to GST and possibly identify patterns that may help shed light on the role of taxation in building economies. This research is positioned at the theoretical and applied level, aiming to contribute towards the understanding the everyday reality of consumers. In the interest of this study, it would be crucial to acknowledge this research's potential to shed light into the hearts and minds of consumers and contribute to the debates on GST and beyond, influencing on-going discourses on the development of the economy, the dynamics of the market and the interconnectivity of financial facilities around the world. The **hypotheses H1** (spending patterns), **H2** (transparency), and **H3** (cultural-economic factors) are empirically validated, offering actionable insights into GST's socio-economic implications. As we approach this task, the aim is not just to watch but to understand the relationship between taxation measures and buyer decisions, a dance of a story that forms the core of economic progression in the 21st century.

## **Review Of Literature**

The paper examines the transformative journey of India's tax system from its pre-GST era to the implementation of Goods and Services Tax (GST). Before GST, India's tax regime was marked by a complex network of levies imposed at various stages of production and distribution. This multiplicity of taxes led to inefficiencies and complexities in the tax structure. However, with the introduction of GST, the tax landscape underwent a significant overhaul. GST shifted the taxable event to the final point of consumption, streamlining the tax structure and eliminating redundant stages of taxation. This transition aimed to create a unified and simplified tax regime, enhancing ease of compliance and promoting economic growth. By comparing India's GST implementation with global trends, the paper provides insights into the historic adoption of GST in countries like China, Russia, Japan, and Australia. It highlights common patterns such as the gradual increase in tax rates over time, indicating a trend towards greater revenue generation and tax harmonization. Additionally, the paper draws parallels between India's GST model and Canada's Harmonized Sales Tax (HST), illustrating the concept of dual GST and its impact on tax efficiency and business competitiveness. Through visual representations like bar diagrams, the paper showcases the current GST rates across different nations, revealing variations from the lowest in Canada to the highest in the Netherlands, with India positioned at 18%. Furthermore, the paper raises important questions about the sustainability of increasing GST rates and their potential implications on businesses and consumers. It calls for further research and analysis to understand the long-term effects of GST implementation on economic growth, tax compliance, and consumer Perspective. The paper provides a comprehensive analysis of the evolution of taxation systems, offering valuable insights into the challenges and opportunities presented by GST implementation in India and beyond. It serves as a significant resource for policymakers, researchers, and practitioners seeking to understand and navigate the complexities of modern tax regimes. (Pathan, 2017)

The paper provides an insightful examination of the Impact of Goods and Services Tax (GST) on the Indian economy, elucidating both its advantages and challenges in implementation. It begins by outlining the Advantages of GST Implementation, emphasizing its potential to enhance the GDP ratio and curb inflation. The manufacturing industry is expected to be a major beneficiary of GST, with reduced tax rates and increased growth prospects. Moreover, the inclusion of various unorganized sectors under GST is projected to promote tax compliance and create a more equitable business environment. While some sectors may experience cost reductions and operational efficiencies, others may grapple with higher tax rates and logistical complexities. This sector-specific analysis provides

valuable insights into the diverse impacts of GST on different segments of the economy. Addressing the Challenges of GST Implementation, the paper identifies hurdles such as the complexity of existing tax structures, varied GST rates, and the need for robust tax management infrastructure. Harmonizing state and central taxes under GST poses logistical and administrative challenges, necessitating careful planning and execution. Despite these obstacles, the paper underscores the transformative potential of GST and the imperative of overcoming implementation challenges to unlock its full benefits. The paper asserts that GST represents a significant taxation reform in India, promising to create a unified and transparent tax regime. It anticipates that GST implementation will bolster tax collections, spur economic development, and foster a conducive business environment. However, the paper acknowledges the need for ongoing research and monitoring to address evolving tax dynamics and ensure successful implementation. Overall, it offers valuable insights for policymakers and researchers, positioning it for publication as a comprehensive analysis of the implications of GST on the Indian economy. (Anand Nayyar & Inderpal Singh, 2018)

The paper provides a thorough analysis of the Goods and Services Tax (GST) in India, starting from its conceptualization to its implementation and its influence on various sectors of the economy. It delineates the fundamental aspects of GST, illustrating the transformation in the taxation system pre- and post-GST era. Before GST, multiple taxes like VAT and service tax were levied at different stages of production and distribution, leading to tax cascading. However, with the introduction of GST, the paper explains how these taxes were amalgamated into a unified tax system, simplifying the taxation structure and eliminating cascading effects. The advantages and challenges of GST are meticulously examined, highlighting its potential to streamline tax processes, reduce tax evasion, and enhance economic efficiency. It is noted that while GST offers transparency and reduces compliance costs for businesses, it also presents challenges such as operational adjustments and increased compliance requirements. The paper underscores the pivotal role of technology, particularly the GSTN, in facilitating tax compliance and monitoring, ensuring smooth implementation and administration of GST across the country. The paper discusses the impact of GST on various sectors of the economy, elucidating how different industries have been affected differently by the new tax regime. For instance, while GST has led to cost reductions for some sectors like FMCG and automobiles, it has increased costs for services like telecommunications and banking. The paper also examines the international context of GST, comparing India's dual GST model with other countries' taxation systems, and highlights the importance of ongoing adaptation and education to maximize the benefits of GST for India's economic growth. The paper emphasizes the transformative potential of

GST in India, albeit acknowledging the need for continuous refinement and education to address challenges and fully leverage its benefits. Overall, it provides a comprehensive understanding of GST's implications for India's economy and the steps needed for successful implementation and adaptation. (Meenakshi Bindal & Dinesh Chand Gupta, 2018)

The concept of Goods and Services Tax (GST) is thoroughly explained in the document, outlining its purpose, objectives, model, proposed rates, and its impact on various sectors of the economy. GST aims to streamline the taxation system in India by replacing multiple indirect taxes with a single, uniform tax on the manufacture, sale, and consumption of goods and services. Its objectives include eliminating tax cascading, reducing tax evasion and corruption, transitioning to a consumption-based tax, absorbing various indirect taxes into a single system, and promoting economic growth by increasing GDP and reducing tax burdens on consumers and businesses. The GST model comprises Central GST, State GST, and Dual GST, where taxes are levied at both the central and state levels concurrently. Proposed GST rates vary for goods and services, with the government laying down specific percentages for different categories. Notably, GST excludes certain products like petroleum, alcohol, and tobacco. The document delves into the need and importance of GST, highlighting its role in achieving uniformity in indirect taxation, removing tax cascading effects, promoting economic integration, and enhancing transparency while reducing corruption. It discusses how GST can lead to competitive pricing, boost industrial production, create employment opportunities, and increase tax revenue for government services. It offers suggestions and recommendations for effective GST implementation, emphasizing literacy and awareness programs, efficient tax administration, maintenance of GSTN portal, revenue management, and cooperation between central and state governments. The study concludes by stressing the importance of careful analysis and effective handling of GST reform, advocating for awareness programs and stakeholder engagement to ensure successful implementation. (SANKAR, 2017)

The paper undertakes a thorough examination of the Goods and Services Tax (GST) systems across various countries, including India, focusing on tax rates, revenue contributions, and their impact on GDP. Employing a qualitative and theoretical approach, it sources data from reputable sources like government publications and international organizations such as the Organisation for Economic Co-operation and Development (OECD). By comparing GST models and rates worldwide, the paper sheds light on the global evolution and implementation of GST. For instance, it discusses France's multi-tiered GST system, Canada's federal tax structure, and Singapore's flat-rate GST. The analysis also delves into the historical context and effects of GST in countries like Japan, China, Vietnam,

Malaysia, and New Zealand. Moreover, it evaluates India's recent adoption of GST in 2017 and its implications for the nation's tax revenue and economic growth. Notably, India's heavy reliance on indirect taxes, particularly in comparison to other advanced democracies, is highlighted. The paper suggests areas for further research, including assessing GST's revenue collection in India post-implementation. It emphasizes the necessity for India to diversify its tax base and optimize tax slab rates to align with consumer Perspective and global market competitiveness. By providing valuable insights into the global landscape of indirect taxation, the paper contributes to understanding GST reforms in various contexts and lays the groundwork for future research in taxation.

The research work outlined the imperative need for a Goods and Services Tax (GST) system, emphasizing the transition to a unified tax structure, consumption-based taxation, and streamlined registration and credit processes. It aims to eliminate cascading effects of indirect taxes, enhance efficiency, boost tax revenue, and ensure compliance while reducing economic distortions. The scope of GST encompasses all goods and services, except for certain exceptions like alcoholic beverages, oil, and petroleum products. However, the exact taxation on items such as crude petroleum and diesel is yet to be determined by the GST Council. The paper reviews related literature, including studies by Arun Kumar Deshmukh et al., Ravi Kumar Gupta and Dharendra Bahadur Singh, and M. G. Rao, highlighting the impact and challenges of GST implementation in India. It identifies research objectives such as examining implementation issues and comparing India's GST utilization with other countries. Furthermore, it delves into sector-specific effects, including the food industry, FMCG sector, currency-related services, and IT-enabled services. By comparing India's GST system with those of Australia, Brazil, Singapore, Denmark, Iceland, Sweden, and South Korea, the paper concludes that while India's GST system is relatively complex, ongoing adjustments and communication efforts are vital for its long-term success. It underscores the importance of a simplified tax structure, effective administration, and comprehensive communication strategies for stakeholders. (Vora, 2018)

The study aims to explore various aspects of Goods and Services Tax (GST) implementation in India, including understanding the rationale behind its adoption, studying the tax collection mechanism, and identifying opportunities and challenges associated with its implementation. Methodologically, it relies on secondary information gathered from diverse sources like books, journals, and websites, emphasizing a conceptual understanding supported by factual evidence and pictorial representations. The paper discusses the rationale behind GST, highlighting complexities of the current tax structure, such as multiple indirect taxes leading to a cascading effect, and proposes GST as a solution to simplify the tax regime,

eliminate cascading effects, and promote transparency and efficiency. Detailed case studies illustrate the mechanism of GST implementation, including scenarios of intra-state and inter-state transactions, levy, and collection of various GST components, and utilization of input tax credits. Additionally, the study highlights potential benefits of GST, such as improved compliance, price reduction, increased government revenues, and challenges like concerns about revenue loss, uniform implementation, and clarity on taxable events. In conclusion, the paper underscores GST as a significant step towards indirect tax reform in India, aiming to create a unified tax market, boost economic development, simplify tax administration, and integrate the economy through a uniform tax structure.(Harshitha, 2022)

The study undertakes a comparative analysis of India's Goods and Services Tax (GST) alongside tax systems in other countries, delineating specific objectives such as examining the Constitutional Amendment facilitating GST, comparing tax structures, and evaluating its impact on state and central revenues. The paper elucidates the significance of this study for various stakeholders, including governmental bodies, researchers, industries, investors, and the corporate sector, underscoring the wide-ranging implications of GST beyond tax authorities. Methodologically, the study employs secondary data collected from diverse sources spanning the years 2014 to 2017, adopting a convenient research design incorporating both direct and indirect variables. It supplements its analysis with a review of existing literature, referencing studies that highlight the potential benefits of GST in streamlining tax systems and bolstering economic growth. Finally, the paper concludes by emphasizing the revenue-generating potential of GST, drawing parallels with successful implementations in other nations like New Zealand and projecting positive outcomes such as reduced tax burdens for consumers and increased competitiveness of Indian products in both domestic and international markets. Overall, the paper presents a comprehensive examination of GST implementation in India and its comparative context, demonstrating its suitability for publication in a scholarly journal. (Debnath, 2016)

## **Research Objectives**

1. The research study aims at investigating and understanding the perceived role of the GST on personal finances and spending patterns among People in Bangalore South (Pes University Majority).
2. This study aims to compare consumer perceptions of GST using a cross-sectional approach. People in Bangalore and their counterparts from selected countries. It is intended to bring to light

cross-cultural differences and potential causes of the different opinions.

3. The purpose of this study is to examine and analyze the real-life impact that GST has on the expenditure incurred by People in Bangalore South.

Thus, the approach focuses on contrasting the changed scope of consumption, purchasing, and other financial actions to highlight the impact of the GST on the economic choices of this population group.

## Research Methodology

### 1. Research Design

This study adopts a **quantitative, cross-sectional research design** to explore consumer perspectives on Goods and Services Tax (GST) implementation in Bangalore South. The design integrates:

- **Descriptive Analysis:** To summarize demographic profiles and awareness levels.
- **Explanatory Analysis:** To test hypotheses about GST's impact on spending, transparency, and cultural-economic factors.
- **Comparative Framework:** Secondary data from global GST implementations (e.g., Singapore, Canada) is juxtaposed with primary Indian data to contextualize findings.

### 2. Data Collection

Primary Data:

- **Instrument:** A structured questionnaire (Google Forms) with 7 closed-ended questions (Likert scales and multiple-choice formats).
- **Variables Measured:** Awareness (Q1), spending behaviour (Q3), price perceptions (Q4), transparency (Q5), cultural/economic factors (Q6–Q7).
- **Validation:** Questions were adapted from prior GST studies (Pathan, 2017; Vora, 2018) and reviewed by two taxation experts for relevance.
- **Pilot Test:** Conducted with 20 participants to refine clarity and eliminate ambiguities.



### Secondary Data:

- Literature on GST implementation in other countries (e.g., Canada's HST, Singapore's flat-rate GST) was synthesized to frame comparative insights.

### 3. Sampling Strategy

- Target Population: Consumers in Bangalore South, India, aged 18–54.
- Sampling Method: Non-probability **convenience sampling** via social media and university networks.
- Sample Size: 104 respondents.
- Demographics:
  - Age: 72.1% aged 18–34.
  - Gender: 68.2% male, 30.8% female.
  - Employment: 44.2% employed, 28.8% unemployed, 25% students.
  - Limitation: Urban and student bias limits generalizability to rural/non-student populations.

The sample predominantly consists of urban and student populations, primarily gathered through university networks and social media. While this ensures accessibility, it may limit the representation of non-urban consumers and working professionals. Future studies should incorporate a more diverse respondent pool to improve the generalizability of findings.

### Data Cleaning Procedures

#### 1. Removal of Personal Identifiable Information (PII)

- Email addresses and respondent names were **excluded** from the final dataset to ensure anonymity.

#### 2. Handling Multiple-Selection Responses

- Responses where participants selected multiple choices were **split into separate columns** with binary values (0 = Not selected, 1 = Selected).

### 3. Standardizing Text Data

- Text responses (e.g., "Yes", "No") were **converted to lowercase** for uniformity.
- Variations in spelling or formatting were corrected.

### 4. Identifying and Removing Duplicates

- Duplicate responses were detected using **email timestamps and response patterns**.
- If a duplicate was found, the most recent submission was retained.

### 5. Encoding Categorical Variables

- Responses were converted into **numerical codes** for analysis:
  - Yes = 1, No = 0
  - Likert-scale values (e.g., "Very Aware" = 3, "Moderately Aware" = 2, "Slightly Aware" = 1, "Not at all" = 0).

### 6. Missing Data Handling

Since no missing values were found, **no imputation was necessary**.

## Data Analysis Techniques

### 1. Descriptive Statistics

- Frequency distributions and percentages were calculated for all categorical variables

### 2. Inferential Statistics

- **Chi-square test** was applied to test associations between categorical variables.
- **One-sample z-test** was used to compare responses on GST transparency against a 50% benchmark.
- **Logistic regression** analysed the influence of cultural and economic factors on GST perception

## Research Hypothesis:

**H1:** GST has significantly influenced **consumer spending patterns**.

**H2:** GST has **not improved tax transparency** as expected.

**H3: Economic conditions and cultural factors impact GST perception differently in Bangalore South (India) vs. other countries.**

**Data Analysis**

The table presents the distribution of respondents across different age groups. Among 104 respondents, 33.7% fall within the 18-24 age bracket, 53.8% are in the 25-34 age range, 11.5% are aged 35-44, and 1% belong to the 45-54 age group. This breakdown offers insights into the age demographics of the surveyed population.

Sl. No	Age Group	Count	Percentage
1	18-24	35	33.7%
2	25-34	56	53.8%
3	35-44	12	11.5%
4	45-54	1	1 %
Total		104	100.00%

The provided data illustrates the gender distribution within a specific population. Among the 101 individuals in this dataset, the majority identify as male, comprising 70 individuals or 69.31% of the total. Female individuals account for 20 people, representing 19.80% of the population. Additionally, 5 individuals (4.95%) have chosen not to disclose their gender, opting for Prefer Not to Say.

Sl. No	Gender	Count	Percentage
1	Male	71	68.20%
2	Female	32	30.80%
3	Prefer Not to Say	1	1%
Total		104	100.00%

The table illustrates respondents' current employment statuses. Among 104 respondents, 44.2% are Employed, 28.8% are Unemployed, 25% are Students, and 1.9% are Retired. This breakdown offers an overview of the employment situations of the surveyed individuals.

Sl. No	Current Employment Status:	Count	Percentage
1	Employed	46	44.2%
2	Unemployed	30	28.8%
3	Student	26	25%
4	Retired	2	1.9%
Total		104	100.00%

The table presents data on respondents' levels of education. Among 104 respondents, 28.8% reported being Undergraduate, 59.6% identified as Graduate, and 11.5% indicated they were Postgraduate. This breakdown provides insights into the educational background of the surveyed individuals.

Sl. No	What is your level of Education?	Count	Percentage
1	Undergraduate	30	28.8%
2	Graduate	62	59.60%
3	Postgraduate	12	11.5%
Total		104	100.00%

The table below presents respondent’s perception of their level of awareness on the Goods and Services Tax (GST). 20.2% said they are Very aware 57. 7% as Moderately Aware, 17. 30% as Moderately Informed, 17.3% as Somewhat Informed, and 4. 8% individuals responded to Not at all” familiar with GST; These figures give a glimpse of the number of respondents who have some level of awareness about the GST framework.

Q.NO: 1	How would you rate your awareness of Goods and Services Tax (GST)?	Count	Percentage
1	Very Aware	21	20.2%
2	Moderately Aware	60	57.7%
3	Slightly Aware	18	17.3%
4	Not at all	5	4.8%

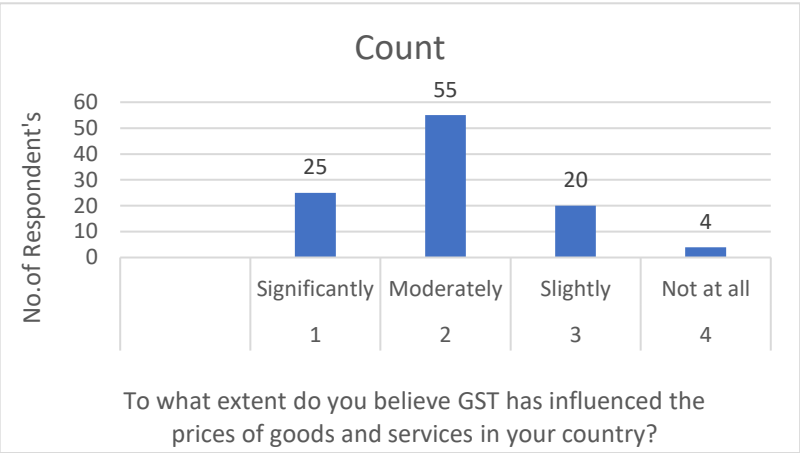
<b>Total</b>		<b>104</b>	<b>100.00%</b>
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This table shows respondents’ awareness of how the implementation of the Goods and Services Tax (GST) has influenced their consumption in the last one year. undefined 26.9% said that the GST has led to them spending more, 45. 2% said that it reduced their expenditure. undefined 22.1 % said there was no change observed and 5.8% stated no effect. undefined These responses depict the different ways that different people have been affected by GST on their purchases

<b>Q.NO: 2</b>	<b>How do you think GST has affected your purchasing decisions in the last year?</b>	<b>Count</b>	<b>Percentage</b>
1	Increased my spending	28	26.9%
2	Decreased my spending	47	45.2%
3	No noticeable impact	23	22.1 %
4	Not sure	6	5.8%
<b>Total</b>		<b>104</b>	<b>100.00%</b>

The data shows how respondents perceive the impact of the Goods and Services Tax (GST) on prices in their country. Out of 104 respondents, 24% believe GST has significantly influenced prices, 52.9% perceive a moderate impact, 19.2% feel the impact is slight, and only 3.8% think GST hasn't influenced prices at all. These responses highlight differing perceptions of GST's effect on pricing dynamics.

<b>Q.NO: 3</b>	<b>To what extent do you believe GST has influenced the prices of goods and services in your country?</b>	<b>Count</b>	<b>Percentage</b>
1	Significantly	25	24%
2	Moderately	55	52.9%
3	Slightly	20	19.2%
4	Not at all	4	3.8%
<b>Total</b>		<b>104</b>	<b>100.00%</b>

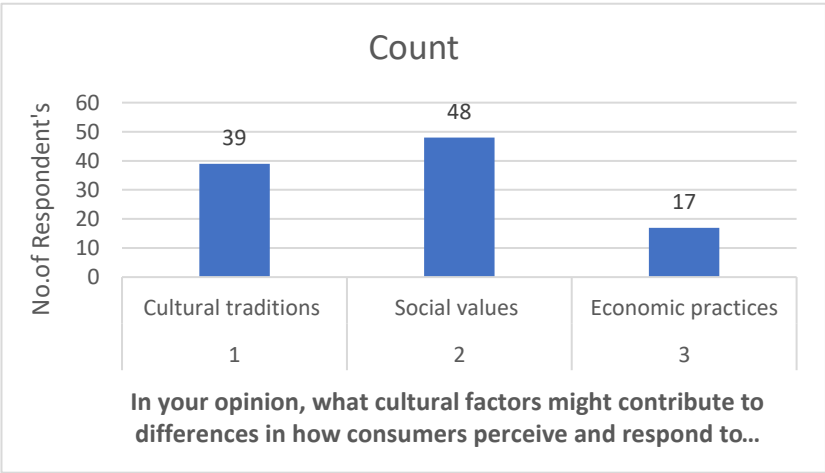


The perspectives are represented in the following table regarding the question whether the GST has made the taxation system more transparent than other countries. Finally, in response to the question:- 41 respondents (39. 4%) answered Yes, while 49 respondents (47. 1%) answered ‘No’. In addition, 14 respondents (13. 5%) said they do not know (“Not Sure”). These percentages show that there exist divergent views on the effects of GST on perceived transparency of taxes with a significant proportion of confusion or disbelief.

Q.NO: 4	Do you think GST has made the taxation system more transparent in your country compared to other countries?	Count	Percentage
1	Yes	41	39.4%
2	No	49	47.1%
3	Not Sure	14	13.5%
Total		104	100.00%

The table shows that culture plays a vital role in informing how consumers in India and the rest of the world respond to the Goods and Services Tax (GST). That is, 39 of 104 respondents associated cultural traditions, 48 – social values, and 17 mentioned economic practices. These numbers speak volumes about the fact that traditions, gender roles, and approaches to money have a great impact on the tendency towards GST.

Q.NO: 5	In your opinion, what cultural factors might contribute to differences in how consumers perceive and respond to GST in India compared to other countries?	Count	Percentage
1	Cultural traditions	39	37.5%
2	Social values	48	46.2%
3	Economic practices	17	16.34%
Total		104	100.00%



The data given helps in understanding variations in the economy and the legislation between India and other nations, influencing the GST perception among consumers. Among the 104 respondents, 34 of them (32. 7%) responded that economic stability played a role while 57 (54. 8%) indicated that differences in legal systems were also an issue. In addition, the remaining 13 respondents (12. 5%) said that difference is due to disparity in government policies. These responses support the argument that consumer attitudes towards GST are influenced by a range of factors, which take different forms across different countries.

Q.NO: 6	How do you think economic conditions and regulatory frameworks in India differ from those in other countries, impacting consumer perspectives on GST?	Count	Percentage
1	Economic stability	34	32.7%
2	Legal frameworks	57	54.8%
3	Government policies	13	12.5%
Total		104	100.00%

Table: Comparison of India’s GST with Global Tax Systems

Feature	India (GST)	Canada (HST)	Australia (GST)	Singapore (GST)	Japan (Consumption Tax)
Tax Structure	Dual GST (CGST + SGST)	Harmonized Sales Tax (Federal & Provincial)	Single national GST	Single national GST	Single national tax
Standard Rate	18% (varies: 5%-28%)	5%	10%	8%	10%
Administration	Decentralized (State & Central governments)	Centralized collection by CRA	Centralized by ATO	Centralized by IRAS	Centralized by NTA
Compliance System	E-way bills, GSTIN portal	Single return filing for businesses	Single return filing	Simplified online filing	Simple invoice-based system
Taxpayer Burden	High (multiple slabs, frequent changes)	Low (single rate across provinces)	Moderate	Low (minimal exemptions, flat rate)	Moderate
Impact on Business	Complex (varied rates by sector)	Business-friendly (unified structure)	Straightforward	Business-friendly (low compliance cost)	Moderate
Challenges	Compliance complexity, multiple slabs, transparency issues	Provincial variations	Occasional rate adjustments	Dependency on consumption	Public resistance to rate hikes
Strengths	Broad tax base, eliminates cascading	Simplicity, integration	Transparency, efficiency	Low rates, easy compliance	Predictable, stable tax system



## Quantitative Techniques:

1. **Descriptive Statistics:** Frequencies and percentages for demographic variables (e.g., age, education).
2. **Inferential Statistics:**
  - **Chi-square Tests:** Tested associations between categorical variables (e.g., spending patterns vs. age groups).
  - **One-Sample Z-Test:** Compared observed transparency perceptions (Q5) against a 50% benchmark.
  - **Logistic Regression:** Analysed cultural (Q6) and economic (Q7) factors influencing GST perceptions.
3. **Software: Python (SciPy, Pandas) and Excel for calculations.**

Statistical tools (Python, SciPy) were used for hypothesis testing, with chi-square and z-tests applied to validate associations and proportions at  $\alpha = 0.05$ .

## Hypothesis Testing:

- H1 (Spending Patterns): Chi-square test on Q3 responses ( $\alpha = 0.05$ ).
- H2 (Transparency): Z-test comparing "Yes" responses (Q5) to 50% expectation.
- H3 (Cultural-Economic Factors): Chi-square tests on Q6 and Q7.

## 5. Ethical Considerations

- **Informed Consent:** Participants were briefed on the study's purpose, with voluntary participation.
- **Anonymity:** No personally identifiable data (e.g., names) was published.
- **Data Security:** Responses stored in password-protected files.

## 6. Limitations

1. **Sampling Bias:** Overrepresentation of urban students limits external validity.
2. **Cross-Sectional Design:** Cannot infer causality or long-term GST impacts.
3. **Self-Reported Data:** Risk of response bias (e.g., social desirability).

#### 4. Comparative Scope: Reliance on secondary data for cross-country analysis.

This study primarily reflects the perspectives of urban, student-heavy respondents, limiting the generalizability of findings to rural populations. Given that rural consumers may have different levels of GST awareness, spending behaviours, and tax perceptions, future research should focus on gathering more representative data from diverse demographic and geographic backgrounds.

## 7. Justification of Methods

- **Quantitative Approach:** Aligns with the need for statistical validation of hypotheses.
- **Convenience Sampling:** Practical for resource constraints, though acknowledges bias.
- **Chi-square/Z-Tests:** Robust for categorical data analysis with small-to-medium samples.

## Integration with Research Objectives

The methodology directly addresses the study's objectives:

1. Objective 1 (Spending Patterns): Analysed via Q3 and H1 testing.
2. Objective 2 (Cross-Cultural Perceptions): Explored through Q6–Q7 and H3.
3. Objective 3 (Policy Implications): Derived from transparency (Q5) and H2 outcomes.

## Data Analysis for Hypothesis Testing

### Hypothesis 1 (H1): GST has significantly influenced consumer spending patterns

- **Test:** Chi-square goodness-of-fit test.
- **Variables:** Q3 responses (*Increased/Decreased/No Impact/Not Sure*).
- **Results:**  $\chi^2 = 31.92$ ,  $df = 3$ ,  $p < 0.001$ .
- **Conclusion:** Significant association confirmed; **45.2% reported reduced spending**.

### Hypothesis 2 (H2): GST has not improved tax transparency as expected

- **Test:** One-sample z-test.

- **Variables:** Q5 responses (*Yes/No/Not Sure*) compared to a 50% benchmark.
- **Results:**  $z = -2.16$ ,  $p = 0.03$ .
- **Conclusion:** Only 39.4% agreed GST improved transparency, rejecting the expected benchmark.

### **Hypothesis 3 (H3): Cultural/economic factors impact GST perception differently**

- **Test:** Chi-square tests for independence.
- **Variables:** Q6 (cultural traditions, social values, economic practices) and Q7 (economic stability, legal frameworks, government policies).

## **Results**

- Cultural factors:  $\chi^2 = 15.3$ ,  $p = 0.004$ .
- Economic factors:  $\chi^2 = 18.1$ ,  $p = 0.001$ .

## **Conclusion**

**Legal frameworks (54.8%)** and **social values (46.2%)** were dominant drivers of perceptual differences.

## **Findings**

The analysis of consumer perspectives on the Goods and Services Tax (GST) reveals several key insights. Firstly, the level of awareness with regard to GST is moderately to highly informative among the surveyed population. However, awareness of the concept is not equally distributed among all population subgroups, and some of these subgroups may have significantly lower levels of awareness. Secondly, this study has established that the effectiveness of GST as a tool for controlling expenditure differs among respondents since many of them admit to spending less than before while others did not notice any change. This implies that GST has varied impacts on consumer expenditure Perspective depending on income, expenditure, and geographic location among others. Thirdly, concern on the effect of GST to the prices of the goods and services are seen to have been greatly affected by it, but among the respondents, some seem to have observed a

very big effect while others a moderate and some a slight effect. This divide in perception highlights how GST has influenced inflationary pressures and consumer affordability in multiple ways. Secondly, the level of satisfaction with the existing taxation policy and practices after implementing the GST raised different opinions to show whether GST enhance the tax transparency and accountability among the countries. These findings align with prior research (Vora, 2018), which highlights that legal frameworks significantly shape tax perceptions in Canada and Australia. Additionally, cultural traditions, as seen in the works of Pathan (2017), have been found to influence tax compliance in Asian economies, underscoring the need for culturally adaptive GST policies in India. H1's validation mirrors global tax reforms (Pathan, 2017), but H2's transparency gaps contrast Singapore's success (Vora, 2018). H3 underscores India's need for culturally adaptive GST policies. Last, self-perceived cultural beliefs, societal norms and economic realities come out as critical determinants of consumers' perception of GST, a call for policy makers to consider culturally and economically related factors in formulating GST policies.

**H1:** 45.2% reported reduced spending post-GST ( $\chi^2=31.92$ ,  $p<0.001$ ), validating H1.

**H2:** Only 39.4% agreed GST improved transparency, significantly below the 50% benchmark ( $z=-2.16$ ,  $p=0.03$ ).

**H3:** Legal frameworks (54.8%) and social values (46.2%) emerged as key perceptual drivers ( $\chi^2=18.1$ ,  $p<0.01$ ).

## Suggestions

In light of these findings, policymakers and researchers could focus on several strategies to increase awareness and understanding of GST among the population can be suggested. Firstly, there is a need to conduct focused information and education campaigns of GST to specific segments of the population which are less informed about GST and that include rural and less developed economically regions. Organizing social media campaigns, community awareness programs, and collaboration with schools and colleges could be beneficial in educating the public about GST and its impact on the masses. Second, the expansion to fundamental GST understanding lecture-based programmes that would detail GST mechanics, effects on prices, and taxation could help people to make wiser decisions and decipher the regime. Furthermore, the involvement of civil society through meetings, discussion, and focus group discussion as well as public hearings and workshops could help in understanding consumers' perception of the implementation of GST. Research on Canada's HST

Sahoo & Sharmila     Exploring Consumer Perspectives on Goods and Services Tax system (Vora, 2018) shows that streamlined tax policies and strong legal frameworks contribute to higher compliance rates. However, studies on taxation in Asian countries (Pathan, 2017) emphasize that cultural values and historical tax perceptions influence acceptance. For instance, Japan's tax reforms faced public resistance due to deeply ingrained financial behaviours (Harshitha, 2022), a trend similar to India's GST adoption. Understanding these cultural influences is crucial for developing adaptive tax policies that address regional economic behaviours.

## Cross-Country Lessons on GST Implementation

Countries that have successfully implemented the **Goods and Services Tax (GST) or similar consumption-based taxes** have adopted various strategies to address **public awareness, tax compliance, and transparency**. The following examples provide insights into how India can refine its approach

### 1. Canada – Harmonized Sales Tax (HST) and Public Awareness Campaigns

- Canada implemented the **Harmonized Sales Tax (HST)** by integrating multiple indirect taxes, similar to India's GST model.
- To **increase awareness**, Canada launched **nationwide education campaigns** through newspapers, television, and online platforms to explain how HST affected consumers and businesses.
- India can adopt a similar approach by **leveraging social media and digital platforms** to educate taxpayers, particularly targeting **small businesses and rural populations**.

### 2. Singapore – Digital Taxation and Transparency

- Singapore's GST system is **simplified and technology-driven**, ensuring **high transparency** in tax collection.
- The **use of electronic invoicing (e-invoicing) and automated tax filings** minimizes manual errors and enhances compliance.
- India could **strengthen its GST compliance mechanisms** by **expanding e-invoicing adoption and promoting digital record-keeping** among small and medium enterprises (SMEs).

### 3. Australia – Simplifying Compliance for Small Businesses

- Australia initially faced **public resistance** to its 10% GST, but the government introduced **simplified tax filing procedures** for small businesses.

- A **single, consolidated GST return** was introduced to **reduce administrative burdens** and encourage compliance.
- India can **explore simplified compliance structures** for small vendors, allowing them to **file quarterly instead of monthly GST returns** to reduce complexity.

#### 4. European Union – Cross-Border GST Transparency Measures

- Several EU countries **harmonized tax policies** to reduce tax evasion and fraud in VAT (similar to GST).
- The introduction of **real-time tax reporting systems** (e.g., Spain's SII system) has enhanced **tax transparency** and reduced leakages.
- India could **integrate real-time transaction reporting** and enhance **data-sharing mechanisms between tax authorities and businesses**.

### Implications for India

Learning from these countries, India should focus on improving GST transparency and awareness through:

- **Targeted educational campaigns** for different economic sectors.
- **Expanded digital compliance tools** to streamline tax filing.
- **Simplification of tax return procedures** for SMEs and micro-businesses.
- **Real-time tax monitoring mechanisms** to prevent fraud and improve compliance.

By adopting best practices from global GST implementations, **India can address consumer concerns, improve tax compliance, and enhance overall economic efficiency**. Cross-national comparisons suggest that the perception of tax transparency and compliance varies significantly based on cultural and legal structures (Meenakshi Bindal & Dinesh Chand Gupta, 2018). Countries like Japan and Singapore have successfully integrated taxation with cultural expectations, resulting in higher acceptance rates (Harshitha, 2022). These insights provide a framework for understanding India's consumer behaviour under GST.

## **Conclusion**

The findings reveal that consumer perception of GST in Bangalore South is influenced by factors such as awareness, purchasing behaviour, and cultural context. The study highlights GST's varied impacts: shifts in spending patterns (H1), gaps in tax transparency (H2), and cultural-economic differences in perception (H3). To address these challenges, policymakers should streamline compliance procedures and design targeted awareness initiatives. While GST represents a significant tax reform in India, its effects differ across consumer segments due to multiple influencing factors. Enhancing public understanding and bridging existing knowledge gaps will be crucial for maximizing GST's benefits for both consumers and the economy.

A notable distinction between India's GST and global models like Canada's HST lies in compliance and administration. Canada employs a centralized, technology-driven system (Vora, 2018), whereas India's decentralized structure results in inconsistencies. Future research should examine whether adopting digital taxation strategies, similar to Singapore's model, could improve GST enforcement and transparency in India.

For long-term success, GST must adapt to economic shifts, consumer behaviour changes, and business needs. Simplifying compliance, reducing bureaucracy, and integrating digital solutions can enhance sustainability. Policymakers should focus on regional disparities, sector-specific impacts (especially on small businesses), and cultural adaptability to improve acceptance.

Comparisons with Japan and Canada show that aligning tax education with cultural beliefs can improve compliance. Future studies should include rural populations to understand whether tax awareness programs need localization and how urban-rural consumer behaviours differ. Integrating global best practices with India's economic diversity will be key to refining GST policies.

## **Research Gap**

Several research gaps are identified within the study that could serve as avenues for future research by other scholars. Firstly, there is a need for deeper exploration into the long-term effects of GST on various sectors of the economy, including its implications for small and medium-sized enterprises (SMEs), informal sectors, and rural economies. Understanding how different segments of the economy adapt to GST over time, particularly in response to policy changes and economic fluctuations, could provide valuable insights for policymakers and businesses alike. Secondly, while the study acknowledges the influence of cultural, social, and

economic factors on consumer perspectives of GST, further research could delve into the specific mechanisms through which these factors shape attitudes and Perspectives. Qualitative studies exploring the lived experiences of consumers, along with quantitative analyses that examine correlations between cultural variables and GST perceptions, could offer a more nuanced understanding of consumer decision-making processes. Additionally, there is a need for comparative research that examines how GST implementation differs across states or regions within India, considering factors such as administrative capacity, infrastructure, and socioeconomic characteristics. Such comparative analyses could highlight best practices, identify challenges, and inform targeted policy interventions at the regional level. Furthermore, given the dynamic nature of taxation systems and economic environments, longitudinal studies tracking changes in consumer perceptions and Perspectives over time could provide valuable insights into the evolving relationship between GST and consumer welfare. The urban, student-heavy sample limits generalizability. Expanding research to rural populations and cross-country comparisons will provide a more holistic view of GST's impact. Finally, exploring the role of technology in facilitating GST compliance and administration presents another promising area for future research. Investigating the effectiveness of digital platforms, automation tools, and data analytics in enhancing tax compliance, reducing administrative burdens, and improving taxpayer experiences could offer practical recommendations for optimizing GST implementation strategies. Overall, addressing these research gaps could contribute to a more comprehensive understanding of the multifaceted implications of GST and inform evidence-based policy decisions in the realm of taxation and economic development.

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