

# A Study of impact of GST on Buying Decision of Customers with Special Reference to Electronic Goods.

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**ABSTRACT :** In this new era lots of electronic appliances have become part of basic needs. Every household has a fridge, washing machine, vacuum cleaner etc for basic need. In this research paper we studied the impact of GST on purchase decision of electronic goods. Consumer behavior is depending upon the consumer's choice and need. Consumer Buying behavior totally depend on consumer's attitudes, preferences, intentions and decision regarding the consumer's behavior in the market place while purchasing the product or service. This study examined the impact of GST on buying decision of customers of electronic goods after GST implication in India.

**Keywords:** Goods and Services Tax, Purchase Decision, Consumer Behavior, Behavior Perception, Electronic Goods.

## I. INTRODUCTION

Buying decision of consumer is depend on psychological process that consumer go through in recognizing need and then consumer find a way to solve these need and think about to purchase (whether purchase or not purchase) whenever a person have to purchase something he search lot's of thing and then select a think to purchase. The decision of purchase impact by different factors like age, mood, choice, time, social as well as physical factors. The implementation of GST Goods and Services Tax is definitely affecting the decision of purchase. Tax is big factor that a person considers before purchase. It has been 2 years since the implementation of GST, still there is difficulty in understanding the tax system as well as they have different perception on taxes on consumption. The GST made rates of goods and services cheaper. People still are not familiar with GST and are confused about the rates of GST.

**The following is the list of indirect taxes Before GST regime:**

- Central Excise Duty

- Duties of Excise
- Additional Duties of Excise
- Additional Duties of Customs
- Special Additional Duty of Customs
- Cess
- State VAT
- Central Sales Tax
- Purchase Tax
- Luxury Tax
- Entertainment Tax
- Entry Tax
- Taxes on advertisements
- Taxes on lotteries, betting, and gambling

## Concept of Consumer Behaviour

Consumer behavior involves the psychological processes that consumers go through recognizing needs, finding ways to solve these needs, making purchase decisions (e.g., whether or not to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans (e.g., by engaging in comparison shopping or actually purchasing a product).



**Factors affecting on purchase decision**

- ✓ Age
- ✓ Gender
- ✓ Choice
- ✓ Occasion
- ✓ Life style
- ✓ Perception
- ✓ Belief and attitude
- ✓ Psychological factor
- ✓ Social factors

**Stages of consumer decision making process**



➤ **Electronic Goods**

Electronic appliances have become part of basic needs. Every household has a fridge, washing machine, vacuum cleaner etc for basic need. The electronic Goods that do not have to be purchased frequently because they are made of last for an extended period of time normally more than three years. They also called durable goods.

**List of Electronic Products**

Sr. no	Electronic Products
1	Television
2	Air Condition
3	Washing Machine
4	Refrigerator
5	Mixer Grinder
6	Cooler
7	Furniture
8	Fan
9	Mobile
10	Sports Equipment
11	Water dispenser
12	Computers/ Laptop
13	Sewing Machine
14	Camera
15	Microwave oven

16	Speakers/ Home theatre system
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**Rate of Tax before and After GST**

Description of Goods	Before GST rate	GST Tax Rate
LED	15 %	18 to 28%
Sewing machine	5 %	12 %
CCTV	19%	18%
Printer (other than multifunction printers)	26 %	18 %
Television	31.3%	18% to 28 %
Camera	14.5 %	28%
Fan	14.5 %	28 %
Air Condition	26%	28%
Washing Machine	13.5%	18%
Refrigerator	26%	18%
Mixer Grinder	31.3%	18 %
Cooler	31.3 %	18%
Furniture	25 to 3 %	18%
Mobile	18 to 25 %	12 %
Sports Equipment	18.5 %	12%
Water dispenser	26%	28%
Computers/ Laptop	28%	18%
Microwave oven	14.5 %	18%

**II. REVIEW OF LITERATURE**

Prof.Krishna jaimin Desai studied that implementation of GST has definitely not affected or impact the preference behavior of branded cloths.

Nidhi paraskar ,deepa joshi and p.k. chopra have considered only FMCG goods only they opined that people are aware about the tax they pay on purchase of commodities but are not much interested in giving importance to such tax on their purchase FMCG. However they recognize

proper billing helps to decide accountability of tax compliance.

**Jaspreet Kaur** Studied there will be fall in prices of some commodities but on the other hand price of some commodities but on the other hand price of some other good and services will rise.

**Kankipati Ajay Kumar** concluded in research the government of India focuses on creating one single tax and market for all in India. Dual model of GST will result in more employment opportunity.

### OBJECTIVE OF THE STUDY

- 1) To find out impact of GST on purchase decision of customers.
- 2) To analyze the change in price of electronic goods after GST.
- 3) To identify tax on electronic goods before and after GST.

### III. RESEARCH METHDOLOGY

For the research paper all data is collected by secondary source .The Research paper is based on past literature, books, journals, magazines etc. It also covers a wide range of academic literature on Goods and Services Tax.

### IV. CONCLUSION

Earlier tax rate on electronics goods was lower than now.

Now a day's GST attracts additional tax rate over the electronic items of about **4 to 5 %** and this would be paid finally by consumer.

Earlier it was **23 to 28 %**with cumulative tax i.e. excise and vat.

The electronic goods like Refrigerator, Vacuum cleaners, grinder, mixer, electronic ironing machine earlier had in 28 % slab but now government decrease the rate is i.e.18%.

Because of GST rate the price of some electronic goods have been increased and on some items decreased. In some items there is positive change in price.

It is observed that lots of people never consider the tax rate while purchasing products.

It is found that before purchasing any goods customers wait for various concession, cash back offers.

It is considered that normally people do not demand for tax invoice.

It is found that most of customers even don't know they pay GST in day to day transactions.

It is found that customers don't know that MRP i.e.(Maximum Retail Price) includes GST .

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