Perceived Communication and Psychological Factors by Shopkeepers Regarding Goods and Services Tax (GST)

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ABSTRACT

India has gone through a lot of changes during past years and this scenario had an adverse impact on India's economy. First there was demonetization to choke back the black money and later there was Goods and Services Tax (GST) that is still updating its tax slabs. Due to the implementation of GST, both consumers and shopkeepers finds themselves with low knowledge level and negative perception of GST. So, there arises the need to find the factors affecting the people in accepting and rejecting this new tax reform. The present study was conducted in Hisar city of Haryana state where 30 respondents from five respective sections were selected i.e. Food, Clothing and Textiles, Electrical appliances, Medical and Cosmetics and Communication and Transportation; thus making a total sample of 150 respondents. Data inferred that majority of the respondents had accessibility to newspapers, televisions and mobile phones to receive and share information. Further, they used to obtain information regarding GST from their friends and the shopkeepers' meetings held in their area; processing and its evaluation was done by discussing it with elders and other shopkeepers; and dissemination of information was done through the group meetings and newspaper articles/social media posts respectively. It was also found that they had high change proneness with medium risk orientation and entrepreneurial motivation. The present study may attracts the attention towards giving the shopkeepers and consumers efficient and effective news about various household products and holding training for paying their personal taxes.

Keywords: Communication variable, Goods and Services Tax, Mass media exposure, Psychological variable, Shopkeepers

INTRODUCTION

India is going through a lot of changes in recent past years. First there was demonetization to choke back black money and remove corruption followed by GST. He ralded as one of the India's biggest tax refinement since Independence Goods and Services Tax (GST) replaced the previous cascading tax system and came into force after 17 thundering and uncertain years of debate, unifying more than a dozen central and state levies. The new tax regime was ushered under the One Hundred and First amendment of the constitution of India, officially known as the constitution (One Hundred and First Amendment) Act, 2016, in the parliament at the late night of 30th June and came into force on 1st July 2017. The one National GST unifies the country's USD 2 trillion economy and 1.3 billion people into a common market (Rani, 2017).

The proposed GST is likely to change the whole scenario of previous indirect tax system. India has got a well-structured and simplified taxation system, where authoritative segregation has been done among the

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Central government, different state governments and local bodies. The Department of Revenue under, Ministry of Finance, Government of India is solely responsible for the computation of taxes. The department levy taxes on individuals or organizations for income, custom duties, service tax and central excise. However, the agriculture based income taxes are levied by the respective state governments. Local bodies have got the power to compute and levy taxes on properties and other utility services like drainage, water supply and many others. The past years have witnessed tremendous reformations of the taxation system in India.

In India dual system of GST is proposed including CGST and SGST. In India, GST is a dual taxation power bestowed on union and state governments where three taxes applicable under GST includes Central GST (CGST), State GST (SGST) and Integrated GST (IGST). CGST is collected by the central government on an intra-state sale (within state), SGST is collected by the state government on an intra-state sale (within state), IGST is collected by the central government for inter-state sale (state to state). GST is levied on each of these stages which make it a multi-stage tax. Goods and Services Tax (GST) include One Tax One Nation which is governed by a GST council and its chairman (Ministry of Finance Minister). GST council's recent decisions were nevertheless systematically eroding the strongest features of new regime i.e. simplicity and transparency. In addition, cess of 15 per cent, 22 per cent and 28 per cent or other rates on top of 28 per cent GST applies on few items like aerated drinks, luxury cars and tobacco products (Anonymous, 2019).

GST has been perceived as a revolutionary structure to ensure a uniform taxation system in Indian market and bringing compliance and advocacy. However, there are certain challenges and constraints faced by the shopkeepers in implementation of GST as increased legal formalities and complications of return filing, etc. and further, it has impacted small and medium enterprises by increasing their operational costs and impacting their profitability. There need to be an intense focus on the awareness, media exposure and psychology of the people as this will encourage professionals to understand the way to make people understand about the taxation system and they can support and accept the GST implementation.

METHODOLOGY

The present study was conducted in Hisar district from Haryana state. The study was conducted in urban markets of Hisar city. Urban markets viz. Rajguru market, PLA market, Red square market and Auto market was selected randomly. Thirty (30) respondents were selected randomly from each section of household product i.e. food, clothing, electrical appliances/equipments, medical and cosmetics and communication and transportation items etc. making a total of 150 shopkeepers (including both male and female). A well structured interview schedule was used for the collection of data regarding the communication and psychological variable of shopkeepers in context with Goods and Services Tax (GST). Data was collected personally by the researcher and statistical tool for data analysis were frequency, percentages, weighted mean scores and rank.

RESULTS AND DISCUSSION

The results shows that the majority of the respondents were male having 41-50 years of age, belonging to general caste, who had nuclear family type and small family size (Figure 1). Whereas, results regarding the business profile highlighted that more than half of the respondents had self started their business with a rented type of shop having 11-20 years of experience with a annual turnover of Rs 30.1 to Rs 40 lacs. Overwhelming, majority of them were GST registered and do provide GST bills/invoices to their customers and increase in workers hiring capacity was noticed after GST implementation (Figure 2).

The communication pattern of the respondents was studied through two parameters viz. mass media exposure and information source utilization. The perusal of Table 1clearly shows the mass media possession of respondents in terms of print and electronic media and its frequency has been calculated on three point continuum scale. It is evident from the Table that in print media cent per cent of the respondents had subscribed the newspaper and always use it and Rank IInd was given to magazines. In electronic media, cent per cent of the respondents had an exposure to television (Rank IIIrd) and always use it, which was followed by mobile phones and computer/ laptops (with internet, 60.6% each) and landline (42%, rank IInd), mobile phones and computer/laptops (without

Figure 1: Socio personal profile of shopkeepers
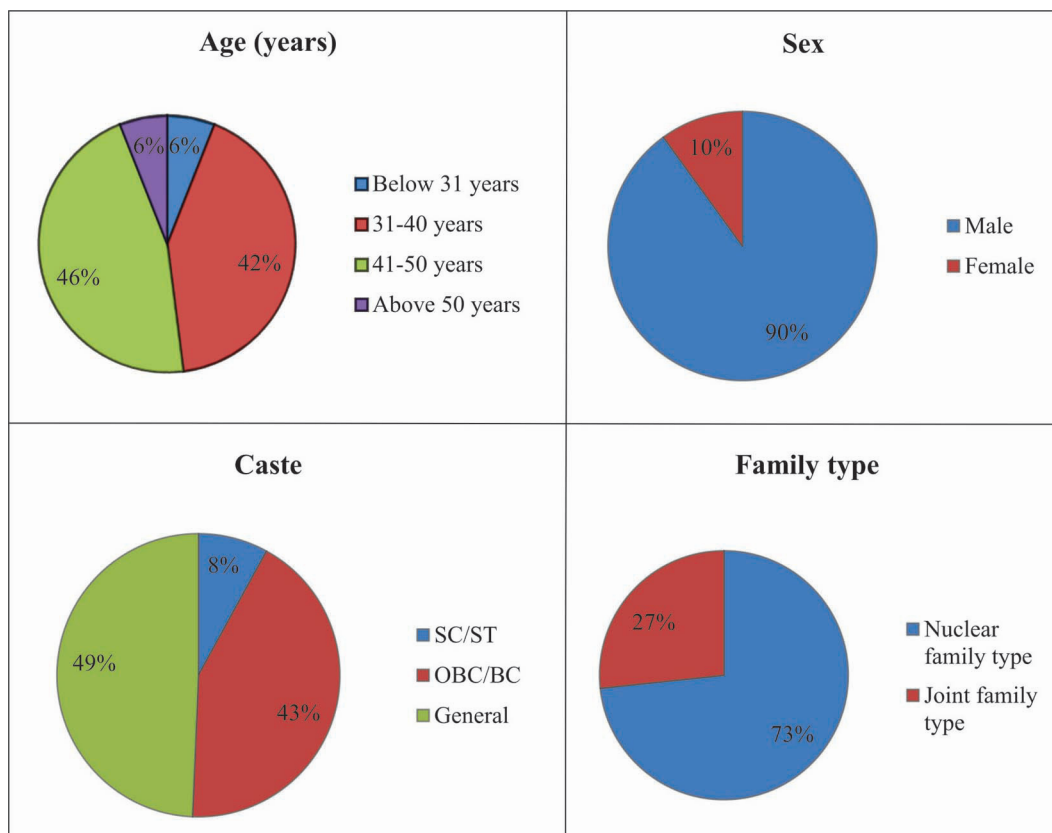
internet) was given Rank Ist. Only 2.6 percent of respondents possessed radio as a mass media (Rank IVth) for attaining information. Regarding utilization of electronic mass media, most of the respondents had exposure to mobile phones with or without internet, computer/laptops with or without internet which were given first rank with weighted mean score 3.0 which was followed by landlines (IInd rank), television (IIIrd rank) and radio (IVth rank) respectively for attaining information regarding GST. Similar findings have been reported by Sharma (2018) that respondents obtain information regarding GST from their friends.

Table 1: Mass media exposure of respondents for attaining information regarding GST (N=150)

Mass media	Assets possession	Frequency of use			Weighted Mean Score	Rank
		Always (3)	Sometime (2)	Never (1)		
Print						
Newspaper	150 100.00)	119	31	-	2.79	I
Magazine	17 (11.33)	2	9	6	1.76	II
Electronic						
Radio	4 (2.66)	-	4	-	2.00	IV
Television	150 100.00)	79	71	-	2.52	III
Landlines	63 (42.00)	60	3	-	2.95	II
Mobile phones (without internet)	59 (39.33)	59	-	-	3.00	I
Mobile phones (with Internet)	91 (60.66)	91		-	3.00	I
Computers/Laptops (without Internet)	12 (8.00)	12	-	-	3.00	I
Computers/Laptops (with Internet)	91 (60.66)	91	-	-	3.00	I

Figures in parenthesis shows percentages (Low: 1.00-1.66; Medium: 1.67-2.32 and High: 2.33-3.00)
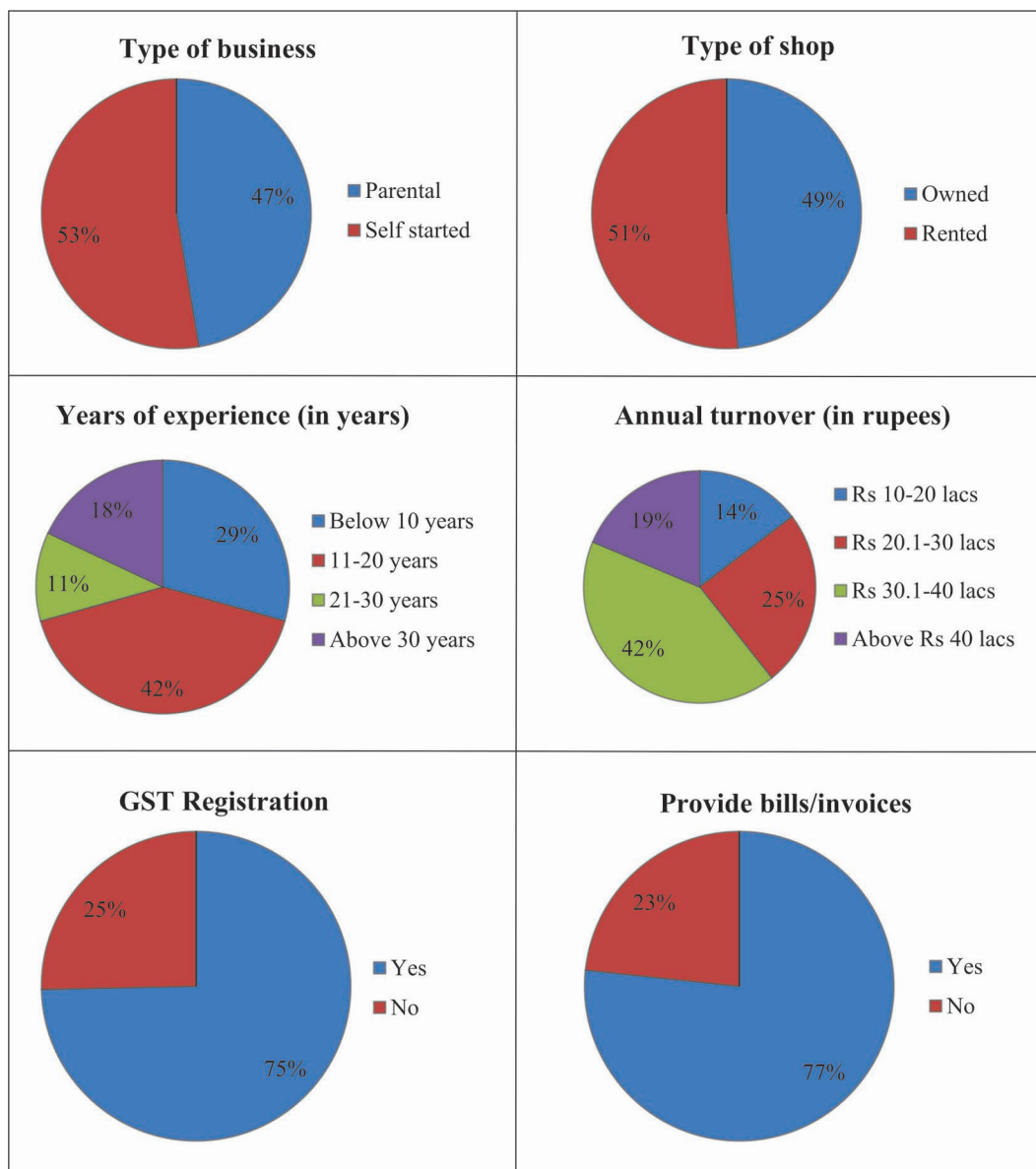
Figure 2: Business profile of shopkeepers

Table 2 reveals regarding the information source used by the respondents for obtaining the information. Regarding utilization of localite sources, it can be observed that the Ist rank was given to friends (with weighted mean score 2.54) which was the major source of obtaining information regarding GST, followed by other shopkeepers (IInd rank with weighted mean score 2.4), spouse (IIIrd rank with weighted mean score 1.5), neighbors (IVth rank with weighted mean score 1.1) and relatives (Vth rank with weighted mean score 1.09). For cosmopolite source, that shopkeeper meetings was given Ist rank which was followed by entrepreneurial workshops (rank IInd) respectively.

Data about information processing pattern in Table 3 reveals that how obtained information is evaluated before it is passed on to other people by the respondents. It is evident from that majority of them discuss it with elders and other shopkeepers (Ist rank with WMS 2.54) followed by self comparing and analyzing GST with previous taxes (IInd rank with WMS 2.43) was also highly practiced. Self assessment about suitability in terms of needs, economic gain and social values, etc. (IIIrd rank with WMS 2.37) while, exchange with other members of family (IVth rank with WMS 2.17) and Vth rank was scored by the respondents who discuss with friends and neighbors and was preferred by least for information processing pattern.

Table 2: Information input pattern of respondents about GST

Sources	Frequency of use			Weighted mean score	Rank
	Always (3)	Sometime (2)	Never (1)		
Localite					
Spouse	15	46	89	1.50	III
Friends	90	51	9	2.54	**I**
Relatives	-	14	136	1.09	V
Neighbors	-	21	129	1.14	IV
Other Shopkeepers	90	33	27	2.42	II
Cosmopolite					
Shopkeepers meetings	11	17	122	1.26	**I**
Entrepreneurial workshops	9	15	126	1.22	II

(Low: 1.00-1.66; Medium: 1.67-2.32 and High: 2.33-3.00)

Table 3: Information processing pattern of respondents about GST (N=150)

Sources	Frequency of use			Weighted mean score	Rank
	Always (3)	Sometime (2)	Never (1)		
Exchange with other members of family	43	90	17	2.17	IV
Discussing with friends and neighbors	3	49	98	1.36	V
Self assessment about suitability in terms of needs, economic gain, social values etc.	67	72	11	2.37	III
Discussing it with elders and other shopkeepers	90	51	9	2.54	I
Self comparing and analyzing GST with previous taxes	79	57	14	2.43	II

(Low: 1.00-1.66; Medium: 1.67-2.32 and High: 2.33-3.00)

Information output pattern show the channels used by respondents to disseminate information regarding GST. Table 4 shows the details that in individual category, other shopkeepers (Ist rank) were the major channel for information dissemination, followed by friends (IInd rank), spouse (IIIrd rank) and neighbors (IVth rank) respectively were utilized source for information dissemination. As far as group sources, meetings were the highest and only source of channel for information dissemination with (Ist rank with WMS 1.80). As regards of mass media sources, Ist rank was attained by newspaper/social media posts (WMS 1.20) were the major source for dissemination of information, which was followed by television (IInd rank with WMS 1.07) and radio (IIIrd rank with WMS 1.00) were the source for dissemination of information by the respondents.

The psychological pattern of the respondents was studied through three parameters viz. change proneness, risk orientation and entrepreneurial motivation of respondents regarding the Goods and Services Tax. It was worthwhile to note that majority of the respondents (45.3%) had high change proneness towards GST followed by medium (37.3%) and low (17.3%) respectively. As far as risk orientation, it has slightly changed results as majority of them (64%) had medium risk orientation followed by high (23.3%) and low (12.6%) respectively. This depicts that they want to change but don't want to take risks in their ventures/businesses. Data regarding entrepreneurial motivation in terms of economic and achievement motivation, in case of economic motivation results reveals that more than half of the respondent (56.6%) has medium economic motivation which, was followed by high (30.6%) and low (13.3%) respectively. In achievement motivation, 64.4 per cent of respondent had medium (64.6%) to low (20.6%) motivation whereas 14.6 per cent of respondents had high achievement motivation. The similar findings had been

Table 4: Information output pattern of respondents about GST

Sources	Frequency of use			Weighted mean score	Rank
	Always (3)	Sometime (2)	Never (1)		
Individual					
Spouse	27	42	81	1.64	III
Friends	31	39	80	1.67	II
Neighbors	21	35	94	1.51	IV
Other shopkeepers	43	79	28	2.10	I
Group					
Meetings	38	44	68	1.80	I
Mass media					
Television	-	11	139	1.07	II
Radio	-	-	150	1.00	III
Newspaper/ social media posts	-	31	119	1.20	I

(Low: 1.00-1.66; Medium: 1.67-2.32 and High: 2.33-3.00)

Table 5: Psychological profile of respondents (N=150)

Variables	Categories	f (%)
Change proneness	Low (7-11)	26(17.33)
	Medium (12-16)	56(37.33)
	High (17-21)	68(45.33)
Risk orientation	Low (7-11)	19(12.66)
	Medium (12-16)	96(64.00)
	High (17-21)	35(23.33)
Entrepreneurial motivation		
Economic motivation	Low (6-13)	20(13.33)
	Medium (14-21)	84(56.66)
	High (22-30)	46(30.66)
Achievement motivation	Low (6-13)	31(20.66)
	Medium (14-21)	97(64.66)
	High (22-30)	22(14.68)

Figures in parenthesis shows percentages

concluded by Roy (2017) that the implementation risks remain due to the complexities of adopting the new system.

CONCLUSION

It provides a detailed insight into the short-term impact of GST implementation in the markets of Hisar with a detailed account of previous tax structure in India and socio-personal status and business profile of respondents. It can be concluded that more than half of the respondents had self started their business with a rented type of shop having 11-20 years of experience with a annual turnover of Rs 30.1-Rs 40 lacs. Furthermore, majority of them was GST registered and do provide GST bills/invoices to their customers and increase in workers hiring capacity was noticed after GST implementation. Majority of the respondents had accessibility to newspapers, televisions and mobile phones to receive and share information regarding GST. Further, they used to obtain information regarding GST from their friends and the shopkeeper meetings held in their area; processing and its evaluation was done by discussing it with elders and other shopkeepers; and dissemination of information was done through the group meetings and newspaper articles/social media posts respectively. Results from the study also concluded that they had high change proneness with medium risk orientation and entrepreneurial motivation.

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