



“A STUDY OF IMPACT OF GOODS AND SERVICE TAX (GST) ON CONSUMER BEHAVIOR WITH SPECIAL RESPONSE TO HINDUSTAN UNILEVER LIMITED (HUL) PRODUCTS IN AMRAVATI DISTRICT”

Dr. Gaurav Suresh Rao Jayde

Shri Shivaji Arts & Commerce College Amravati.

Researcher Scholar ,

Inside Ambagate, Budhawara raod, Amravati.

ABSTRACT :

Price is one of the important factors while putting forward the demand of consumers. This price of the products is affected by various factors such as lack of production, inefficient of raw materials, lack of efficient workers etc. not only these things are liable for affecting the prices of the product but the government policies are also important factor which affects the price. The government of India has effectively implemented Goods and Service Tax (GST) in 1st July 2017. The Indian government imposes GST on various types of products, in various categories. This paper contains and concluded the consumer's response toward the HUL products after implementation of GST on HUL products. These paper not only clear the idea about whether the consumer of Amravati district raise their demand for the products of HUL or they fall it, but it also focus on HUL marketing strategy for GST while deciding the price of the products.

KEYWORDS : Goods and Service Tax (GST), Hindustan Unlived Limited (HUL), consumer behavior, FMCG.

INTRODUCTION:

All of us are consumers. We expend things of day by day use; we additionally devour and purchase these items as per our necessities, inclinations and purchasing power. These can be consumable goods, durable goods, specialty goods or, industrial goods.

What we purchase, how we purchase, where and when we purchase, in how much amount we purchase relies upon our discernment, self idea, social and social foundation and our age and family cycle, our frames of mind, convictions esteems, inspiration, identity, social class and numerous different components that are both inside and outside to us. While purchasing, we additionally think about whether to purchase or not to purchase and, from which source or vender to purchase. In a few social orders there is a ton of fortune and, these social orders can bear to purchase in more noteworthy amounts and at shorter interims. In poor social orders, the purchaser can scarcely meet his barest needs. And the most important factor while buying things is taxes on the goods and services which we going to buy and consume.

Hindustan Unilever Limited (HUL) is India's biggest Fast Moving Consumer Goods Company; its voyage started 75 years back, in 1933, when the organization was first fused. The organization blending the lives of two out of three Indians with more than 20 particular classifications in Home and Personal Care Products and Foods and Beverages and furthermore one of the nation's biggest exporters.



In June 2007, The Company has changed its name from Hindustan Lever Ltd (HLL) to Hindustan Unilever Ltd (HUL). Hindustan Unilever has been consistently recognized within India and globally by eminent organizations and the government for its achievements in various fields. TERI, Far East Economic Review, Asian Wall Street Journal and Business world, has recognized the organization among

others. More recently, Hewitt Associates ranked Hindustan Unilever among the top four companies globally in the list of Global Top Companies for Leaders. The Company was ranked number one in the Asia-Pacific region and in India. During 2008, Unilever announced its collaboration with the Indian Dental Association (IDA) in conjunction with World Dental Federation (FDI) through its Pepsodent, leading oral care brand to help improve the oral health and hygiene standards in India. The Demerger and transfer of certain immovable properties of Hindustan Unilever Limited to Brooke Bond Real Estates Private Limited was an event of the company on April 2008. HUL has more than 670 live patents and 700 million consumers use HUL brands in India as part of their daily lives.

OBJECTIVES OF THE STUDY

The prime object of the study was to study the impact of GST on HUL marketing strategy with special response to Amravati district. In addition to this, the study had following objectives.

1. To study the consumer behavior toward GST.
2. To study the marketing strategy of HUL with special response to GST.

Scope of the study

The scopes of the study around two prime factors, first is to focus consumer behavior and other is to study marketing strategy of HUL.

Hypothesis

H_0 - There is no significant relation between consumer behavior and price of the products of HUL.

H_1 - There is significant relation between consumer behavior and price of the products of HUL.

H_0 - There is no significant relation between marketing strategy of HUL and consumer behavior.

H_1 - There is significant relation between marketing strategy of HUL and consumer behavior.

REVIEW OF LITERATURE

Vasanthagopal (2011) in the article GST in India: A Big Leap in the Indirect Taxation System talked about the effect of GST on different areas of the economy. The article further stated that GST is a big leap and a new impetus to India's economic change.

Empowered Committee of Finance Ministers (2009) introduced their First Discussion Paper on Goods and Services Tax in India which analyzed the structure and loopholes if any in GST.

Kelkar (2009) committee recommended that GST will bring qualitative change in the indirect tax system of the country and the GDP will grow due to reduction of production cost leads to enhance consumption by the consumers.

Ehtisham Ahmed and Satya Poddar (2009) suggest in "Goods and Services Tax reforms and intergovernmental consideration in India" introduction of GST will provide simple and transparent tax system leading to increase in productivity and output of economy but depends on rational design of GST.

Pinki, Supriya Kamma and Richa Verma (2014) in "Goods and Services Tax-Panacea for indirect tax system in India" concluded that the NDA government is positive towards execution of GST will benefit the government and all the stakeholder in long run but importance to be given in IT infrastructure.

Monika Sehrawat and Upasana Dhanda (2015) in "GST in India: A key tax reform" concluded that introduction of GST will undoubtedly boost the Indian economy but focus should be given on rational design of GST model and timely implementation.

Tripathi, (2011) The authors have discussed the concerns faced in India post the implementation of VAT, the learning we could take from it, the effects on the social order in India. All this is discussed in the background of the impending GST in India. The authors have discussed the various issues around VAT, how it impacts the different sections of society. VAT is present in all goods produced and GST would be present in all goods and services produced making it a tax payable by all sections of the society. Thus it is a tax which though good to increase the revenue impacts even the poorer sections of society.

RESEARCH METHODOLOGY

Researcher took area of Amravati district as a research work for present research title. in Amravati district 14 taluka are involved these are Amravati, Batkuli, Nandgaon khandeshwer, Daryapure, Anajangaon, Achalpure, Chandur Bazar, Morshi, Warud, Dharni, Chikhaldara, Chandur (Rly) Tiosa and Dhamangaon out of these 14 taluka 7 taluka are selected on basis of simple random sampling method.

In Amravati city 45 villages are include out of which a researcher chose following villages they are Anjangaon Bari (3816), Kamunja (973), Kund Sarjapur (793), Kapustalani (1031), Sawanga (1369), Wadgaon Jire (436).(figures in bracket shows population) In Achalpur taluka 52 villages are include out of which following villages were choose they are Bordi (1123), Daryabad (1087), Gaulkheda (1993), Kolha (1572), Salepur (1366), Yesurna (2061).

In Chandur bazaar taluka 43 villages are include out of which following villages were choose they are Belmandali (1096), Kharala (2055), Kural (1629),Pimpri (1692), Takarkheda Purna (1588), Thugaon Pimpri (2392), Visroli (3298).

Daryapur taluka consist of 54 villages out of which researcher chose following villages they are Adula Bazar (1421), Khallar (1292), Panora (1289), Sasan (1043), Shirajda (728), Uprai (1372), Warud Bk (2440).

47 villages are include in Dhamangaon ril taluka out of which following villages are selected they are Deogaon (2219), Dighi Mahalle (1244), Jalka Patache (1687), Nimbholi (2351), Peth Raghunathpur (1830), Taroda (647), Wadgaon Rajdi (984), Wirul Ronghe (2166),.

59 villages are include in Dharni taluka out of which following villages are selected they are Bairagad (2599), Chakarda (1705), Dharanmahu (1214), Diya (1188), Hira Bambai (1103), Khaparkheda (1579), Ratnapur (1590)

43 villages are include in Morshi taluka out of which following villages are selected they are Ambada (8136), Chincholi Gawli (1442), Chikhal Sawangi (1490), Khanapur (1923), Lehegaon (1172), Pala (2836), Taroda (1468), Vichori (2115), Vishnora (1559).

Table no.1 Total population selected for research work

Sr. No.	Name of selected taluka	Population
1	Amaravati	8418
2	Achalpur	9202
3	Chandur bazaar	13750
4	Daryapur	9585
5	Dahmangaon	13128
6	Dharni	10978
7	Morshi	22141
	Total population selected	87202

Total population of these 50 villages were 87202 which were divided by 5 which is numbers of members in a family then researcher got 17440.4 which is number of household which were divided 450 which was sample size 38.76 that is 39 is the house number from which data were collected.

Data is also collected from 50 officers of the HUL Company. To know what is the role of marketing strategy of HUL toward GST.

METHOD OF DATA COLLECTION

Combination of Primary and Secondary methods of data collection has been used to arrive on a conclusion.

Secondary data have been collected from the books, journals, magazine and newspapers and with the help of various online journal and web portal to conceptualize and make theoretical concepts for this particular study.

Primary data have been collected with the help of structured and non disguised close ended questionnaire. Initially questionnaire was drafted on the basis of past references used by prominent scholars in that field. The questionnaire has been converted in to Marathi language for the better understanding of the questions by the respondents and proper care has been taken during the translation so the meaning of the questions should remain same, and the same has been tested too.

The researcher has distributed questionnaires in the identified areas of the Amravati district. In each selected village researcher visited personally and taken the response from the respondents. In the second stage incomplete and unanswered Questionnaire have been discarded by the researcher and finally considered 450 respondents as sample size for the purpose of data entry and analysis.

DATA ANALYSIS AND INTERPRETATION

The given analysis and interpretation of the data is based on data collected from the consumers questionnaire from Amravati district

Data is also collected from 50 officers of the HUL Company. To know what is the role of marketing strategy of HUL.

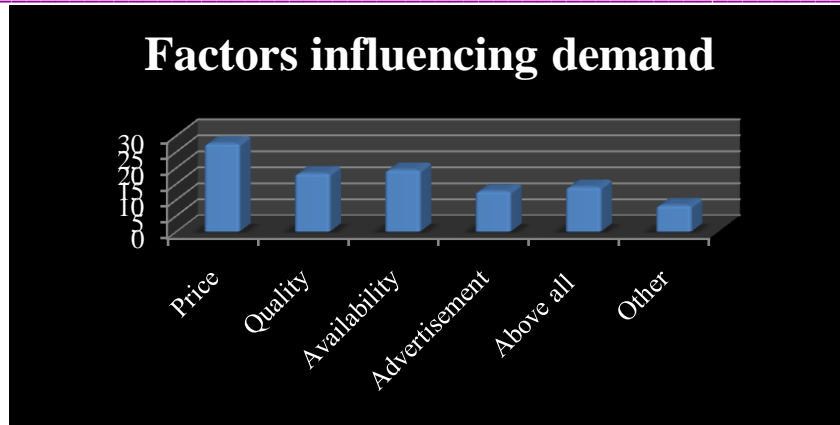
As data show in table no. 2 and graph no. 1, according to 124 consumers respondent price is a factor from which consumers change their purchase decision, other 82 consumers respondent said quality is a factor from which they change their purchase decision, 87 said that availability is a factor from which consumers change their purchase decision. Advertisement is a factor from which consumer change his purchase decision is replays by 57 respondents out of 450, 63 respondents’ replays that all price, quality, availability and advertisement are the factors from which consumers change their purchase decision. And another 37 respondents out of 450 said that there is other reason for changing purchase decision of consumer.

Table no. 2 Factors influencing demand

Factors	Numbers of respondents	Percentage
Price	124	27.56
Quality	82	18.22
Availability	87	19.33
Advertisement	57	12.67
Above all	63	14.00
Other	37	08.22
Total	450	100

Sources primary data

Graph no. 1 Factors influencing demand



Following table no. 3 shows according to all 50 officers respondent price of the product of HUL is affected by goods and service tax policy of the govt.

Table no. 3 Price of the product of HUL is affected by GST policy of the govt.

Response of the respondents	Numbers of respondents	Percentage
Yes	50	100
No	00	00
Total	50	100

Sources primary data

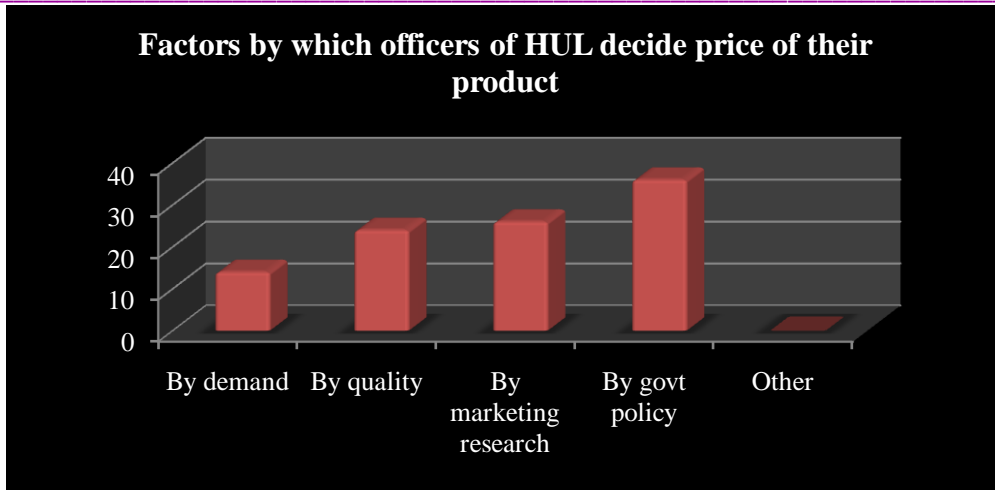
Following figures in table no. 4 indicate how HUL decide price for the product of their company, then 7 respondents out of 50 replays by demand of the consumers, 12 respondents said they decide price of the product by seeing quality of the product, other 13 respondents said, by marketing research they decide price of the product of HUL, and other 18 respondents said by government policy they decide price of the product of HUL. There is no any respondent who said they decide price of the product by other factor.

Table no. 4 factors by which officers of HUL decide price of their product

Deciding price for product	Numbers of respondent	Percentage
By demand	07	14
By quality	12	24
By marketing research	13	26
By Government policy	18	36
Other	00	00
Total	50	100

Sources primary data

Graph no. 3 Factors by which officers of HUL decide price of their product



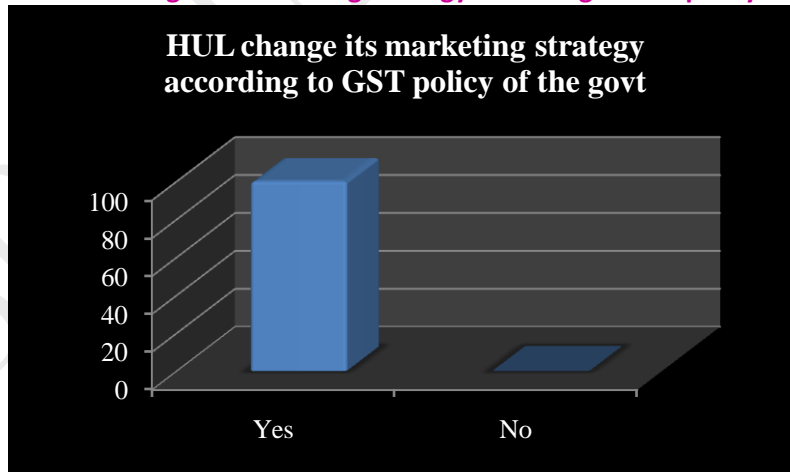
Following table no. 5 shows according to all 50 respondents HUL change its marketing strategy according to GST policy of the govt.

Table no. 5 HUL change its marketing strategy according to GST policy of the government

Response of the respondents	Numbers of respondents	Percentage
Yes	50	100
No	00	00
Total	50	100

Sources primary data

Graph no. 4 HUL change its marketing strategy according to GST policy of the govt.



Following table no. 6 shows according to all 50 respondents the buying behavior of the consumer changes according to marketing strategy of HUL.

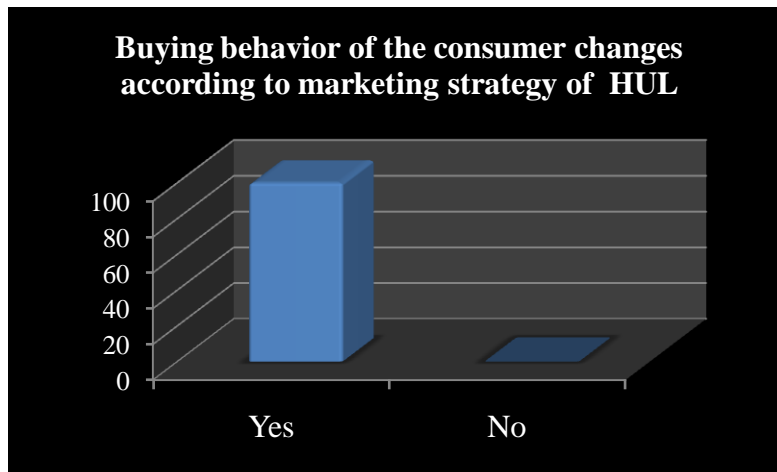
Table no. 6 Buying behavior of the consumer changes according to marketing strategy of Hindustan Unilever Limited HUL

Response of the respondents	Numbers of respondents	Percentage
Yes	50	100

No	00	00
Total	50	100

Sources primary data

Graph no. 5 Buying behavior of the consumer changes according to marketing strategy of Hindustan Unilever Limited HUL



CONCLUSION

Hindustan Unilever limited (HUL) is one of the top leading multinational companies in India. HUL provides numbers of marketing strategies for development and provide help for improving the standard of leaving of consumers. The marketing strategy of HUL is affected by government tax policies (GST) and the buying behavior of the consumers. There is significant relation between consumer behavior and price of the products of HUL. There is significant relation between marketing strategy of HUL and consumer behavior.

SUGGESTION

On the base of above finding and objectives of the study, the researcher has come out with the suggestions which may be useful for the more satisfaction and to increase the numbers of the customers of the HUL.

- It is find by the study that, customer in Amravati district change their purchase decision or behavior according to marketing strategy of HUL, so HUL should provide maximum offers or schemes on their product so the customer will demand more product of the company and it will increase the profit of the company so company can develop. And HUL should also keep control on the prices of the product while imposing taxes of the government.
- For deciding demand for the product customer in Amravati district gives more important to price of the product so company should keep control on the prices of the product while imposing taxes of the government. Over so that customer can demand it in maximum quantity.

REFERENCES

1. A quick guide to India GST rates in Articles from The Economic Times, 2017.
2. Roy R. Hindustan Times, New Delhi, Article on GST Impact on Economy, 2017.
3. Dang Priya Jha, Koshy Abraham. An Empirical View of the Different Types of Consumer Promotions in India, Working Paper no. 2004-03-03, Indian Institute of Management, Ahmadabad, 2004.
4. Jayashree R, Kotnal. GST In India: An enrichment of indirect taxation system, International Journal of applied Research. 2016; 2(4):735-738.
5. Kotler, Phillip. Marketing Management, 11th Edition, New Delhi: Prentice Hall India, 2003.

6. Kumar Nitin. Goods and Services Tax in India: A Way Forward. *Global Journal of Multidisciplinary Studies*, 2014; 3(6):216-225
7. CA Rajkumar&S.Adukia, A Study On Proposed Goods And Services Tax [GST] Framework In India, pp., 1-61, 2009, available at - <http://taxclubindia.com/simple/rajkumar.pdf>.
8. Nishita Gupta, Goods and Services Tax: Its implementation on Indian economy, *CASIRJ* Volume 5 Issue 3 [Year - 2014] ISSN 2319 – 9202, Pg. No.126-133.
9. Monika Sehwat et al "GST IN INDIA: A KEY TAX REFORM" *International Journal of Research – Granthaalayah*, Vol. 3, No. 12(2015): 133-141.
10. ShefaliDani (2016) „A research paper on an impact of goods and service tax (GST) on Indian economy. *Business and economics journal*, vol-7 issue 4
11. Keshap, P. K. (2015). GST–Goods and Services Tax in India. *J Glob Econ*, 3, 159.
12. Ansari, K., & Jain, G. (2017). IMPACT OF GST ON INDIAN STARTUPS. *International Education and Research Journal*, 3(5).