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A Study On Brand Equity And GST In INDIA

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Abstract: We have been paying various taxes i.e. Direct and Indirect Taxes, which were felt as burden on us and due to taxes the corruption has been increasing. There are the response, imprecise, arguments and opinion among the manufactures, traders and society about the Goods and Services (GST), implemented by Government of India since 1st July, 2017. As the information of passing the bill of Goods and services Tax in the Rajya Sanha, it also brought India at the centre of the global economy. This thesis highlights the background, prospects, challenges, object of the GST and impact of indirect tax system in the current developments in Rajasthan states. The thesis further identifies various advantages and opportunities of GST in Rajasthan goods and Services industry and the thesis will also help to know that, what will be the impact of GST implementation on Employment Generation, GDP, Export, Imports, profit and previous tax structure in state's Goods and Services Industry. Finally the present thesis attracts the attention of the upcoming researchers towards the impact of GST on various Goods & Services in conclusion

Index Terms – GST , Brand, Equity, imports, Exports

INTRODUCTION

1.1 Introduction to the Study of Brand Equity and GST in India In the evolving landscape of Indian economics and market dynamics, the introduction of the Goods and Services Tax (GST) in July 2017 stands as a landmark reform. This unified tax regime, aimed at dismantling the complex multi-layered national tax structure, has had farreaching implications across all sectors of the Indian economy. Among the various facets of the market it affects, brand equity emerges as a critical area of impact. The concept of brand equity, defined as the value and strength of a brand that decides its worth, is integral for businesses striving for sustainability and growth in the competitive Indian market. The relationship between GST implementation and brand equity in India presents a multifaceted domain for exploration. The rationale behind this study stems from the need to understand how the GST, by altering the tax structure and compliance framework, influences consumer perception, pricing strategies, supply chain management, and ultimately, the brand value of products and services across various sectors. Given the heterogeneity of the Indian market and the diverse consumer base, the implications of GST on brand equity could manifest in numerous ways, influencing both quantitative and qualitative aspects of brand management

This study aims to delve into the intricacies of how GST impacts brand equity within the Indian context. It seeks to explore several key areas, including but not limited to, changes in consumer behavior and perceptions post-GST, adjustments in marketing and branding strategies by companies to align with the new tax regime, the impact on brand loyalty and consumer trust, and the overall implications for brand value and

market competition. Additionally, it intends to scrutinize the sector-specific effects of GST on brand equity, acknowledging that the impact may vary significantly across different industries. The significance of this study lies in its potential to provide valuable insights for businesses, marketers, policymakers, and academic scholars. By understanding the nuances of how GST influences brand equity, stakeholders can make informed decisions, devise strategic

approaches to brand management, and navigate the challenges and opportunities presented by the GST framework. Furthermore, this study contributes to the broader discourse on tax reforms and their implications on market structures and consumer relations in emerging economies like India. Through a comprehensive review of literature, empirical analysis, and case studies, this study aims to offer a holistic understanding of the interplay between GST and brand equity in India. It aspires to shed light on the pathways through which tax policies can affect brand strategies and consumer engagement, thereby adding a new dimension to the discourse on economic reforms and market dynamics.

1.2 Objectives of the Study

1. To examine the impact of GST implementation on the brand equity of Indian companies across various sectors.
2. To analyze consumer perceptions and behavior changes post-GST and their influence on brand loyalty and trust.

1.3 Significance of the Study

This research holds critical significance as it explores the transformative effect of a major tax reform on brand dynamics within the Indian marketplace. It offers valuable insights for businesses on navigating brand management challenges in the GST context, aids policymakers in understanding the economic and social implications of tax reforms on consumer markets, and contributes to academic literature by linking tax policies with brand equity considerations.

1.4 Limitations of the Study

1. Geographical Scope: The study may be limited to certain states or regions, not capturing the full diversity of the Indian market.
2. Industry Focus: While aiming to cover various sectors, the depth of analysis in each may be limited.
3. Time Frame: The impact of GST on brand equity may require a longitudinal study to fully understand; this study might be confined to the immediate years following GST implementation.
4. Data Availability: Access to comprehensive, sector-wide data post-GST might be restricted.
5. Subjectivity in Measuring Brand Equity: Brand equity involves qualitative aspects that are inherently subjective and may vary across different consumer segments.

1.5 Source of Data

1. Primary Data: Surveys and interviews with consumers, brand managers, and industry experts.
2. Secondary Data: Financial reports of companies, industry publications, GSTN (Goods and Services Tax Network) reports, and academic journals.

1.6 Literature Review

1. Ahuja, G. (2019) and Chandran, A. & Krishnan, R. (2018) both discuss the impact of GST on consumer goods companies and FMCG sector brand equity, highlighting both challenges and growth opportunities.
2. Dixit, S., & Gautam, V. (2017) focus on GST's implications for brand building strategies, noting shifts in marketing approaches within the FMCG sector.
3. Ghosh, S., & Mishra, P. (2018) explore GST's role in enhancing brand visibility in the retail sector, pointing to changes in consumer engagement tactics.
4. Gupta, R. (2019) examines how GST affects brand perception in the apparel industry, emphasizing the importance of price transparency.
5. Jain, R., & Agarwal, S. (2018) investigate GST's bane and boon aspects on brand management in the automobile industry, with insights into consumer pricing perceptions.
6. Kumar, A., & Bhalla, R. (2017) study the retail industry's brand loyalty post-GST, indicating a significant impact on consumer trust.
7. Mehrotra, S., & Chandra, A. (2018) discuss the electronics industry, focusing on GST's influence on consumer perception and brand visibility.
8. Nair, S., & Menon, A. (2017) delve into the FMCG sector's brand equity challenges and opportunities arising from GST implementation.
9. Pandey, S., & Yadav, M. (2019) and Qureshi, S., & Singh, V. (2018) both highlight strategies for maintaining brand positioning and building in the post-GST era across different sectors.
10. Rajput, A., & Mishra, R. (2017) address the pharmaceutical industry's brand perception challenges under GST, showcasing the complexity of maintaining brand equity in highly regulated markets.

These literature reviews collectively underline the multifaceted impact of GST on brand equity, spanning various industries and encompassing both challenges and opportunities for brand management in India.

1.7 Analysis and interpretation

1.7.1 Demographic Information

Demographic	Percentage	Number of Respondents
Age Group		
Below 18	4%	2
18-24	20%	10
25-34	36%	18
35-44	22%	11
45-54	10%	5
55-64	6%	3
65 and above	2%	1
Gender		
Male	54%	27
Female	44%	22
Prefer not to say	2%	1
Occupation		
Student	18%	9
Employed (Private sector)	40%	20
Employed (Government sector)	10%	5
Self-employed/Entrepreneur	16%	8
Unemployed	6%	3
Retired	4%	2
Homemaker	6%	3
Annual Household Income		
Below ₹2,00,000	8%	4
₹2,00,000 to ₹5,00,000	20%	10
₹5,00,000 to ₹10,00,000	32%	16
₹10,00,000 to ₹20,00,000	24%	12
Above ₹20,00,000	12%	6
Prefer not to say	4%	2

Age Distribution

• The majority of respondents fall within the 25-34 age group (36%), suggesting a youthful demographic with potential long-term consumer behaviors to study. The distribution indicates a lesser focus on the extremes (below 18 and 65 and above)

Gender Representation

• Gender distribution shows a slight male dominance (54%) over females (44%), with a minimal percentage opting not to disclose their gender (2%). This balance provides a relatively equitable gender perspective on the GST's impact.

Occupational Background

• The occupational background of respondents is varied, with the largest segment being employed in the private sector (40%), followed by students (18%) and self-employed or entrepreneurs (16%). This diversity in occupation allows for a broad understanding of GST's impact across different working populations.

Annual Household Income

• The survey indicates a wide range of household incomes among respondents. The majority (32%) have an annual household income between ₹5,00,000 to ₹10,00,000, followed by those earning ₹10,00,000 to ₹20,00,000 (24%). The income distribution suggests that most respondents are from middle to upper-middle economic backgrounds, providing insights into consumer behavior from these income groups.

1.7.2 Survey Questions Analysis

Survey Question	Response	Percentage	Number of Respondents
Noticed price changes since GST?	Yes	76%	38
	No	12%	6
	Not sure	12%	6
Sectors with noticed price changes	FMCG	60%	-
	Electronics	45%	-
	Services	50%	-
	Apparel and Footwear	30%	-
	Other	15%	-
Perception of brand value change post-GST	Improved	14%	7
	Worsened	48%	24
	No change	30%	15
	Not sure	8%	4
Price changes affecting brand loyalty	Yes	64%	32
	No	28%	14
	Not sure	8%	4
Belief in quality change since GST	Improved	10%	5
	Worsened	40%	20
	No change	44%	22
	Not sure	6%	3
Likelihood to switch brands due to GST impact	Very likely	20%	10
	Somewhat likely	36%	18
	Neutral	22%	11
	Somewhat unlikely	12%	6

	Very unlikely	10%	5
Communication effectiveness of companies on GST impact	Very effectively	8%	4
	Somewhat effectively	24%	12
	Not effectively	36%	18
	Not at all	28%	14
	Not sure	4%	2
Change in overall trust in brands since GST rollout	Increased	10%	5
	Decreased	52%	26
	Remained the same	34%	17
	Not sure	4%	2

Awareness and Price Sensitivity

- A significant majority (76%) of respondents noticed price changes since the GST's implementation, indicating high awareness and sensitivity to pricing adjustments across various sectors.

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Perception of Brand Value

- Post-GST, 48% of respondents perceived a worsening in brand value, contrasting with only 14% noting improvement. This indicates that for nearly half of the sample, GST has negatively influenced their perception of brand value.

Brand Loyalty

- The impact of GST on brand loyalty is significant, with 64% of respondents stating that price changes have affected their loyalty to certain brands. This suggests a notable shift in consumer loyalty post-GST.