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Perceived Impact of GST Reforms on Consumer Welfare and Business Operations: A Primary Data Study in India

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ABSTRACT

The research paper focus on how ordinary consumers and small businessmen in India have fared with the reform process of GST in nearly nine years since GST was introduced in 2017. The majority of literature available on GST depends on government revenue or industrial surveys, which largely reflect the views of large firms. This is a gap in understanding how GST actually feels to the people who deal with it every day like shoppers and small traders. To address this gap, primary data was collected from 200 respondents (100 consumers and 100 business owners) using a structured questionnaire.

It can be seen that there is a clear difference between both groups. The average score for GST among consumers is positive and is equal to 3.47 out of 5 because of the increase in visibility of tax costs in the billing invoice. Business owners are far more divided (composite mean score 3.10): they strongly feel that GST improved their record-keeping, but strongly disagree that it simplified their taxes. Across both groups, 83% of respondents want GST procedures to be simplified further. However, even though GST has succeeded in making taxations more transparent, it has not succeeded in making the process simple, especially for small companies, and has given practical suggestions based on data to policy-makers...

Keywords: GST, Goods and Services Tax, Consumer Welfare, Business Operations, MSME, Tax Compliance, India, Primary Data, Perception Study..

INTRODUCTION:

1.1 Background of the Study

The GST was introduced in India on 1 July, 2017. It is one of the biggest changes to India's tax system. Before the introduction of GST, the system of indirect taxation in India had several layers including VAT, central excise duty, service tax, octroi and entry tax, each of which had different systems of operation. This diversity results in what economists call tax cascading, whereby the tax is imposed on a tax that is part of the cost of a commodity, resulting in higher costs and thus misguiding the business decisions with regard to procurement and storage. It also meant that a good manufactured in one state and sold in another could be taxed several times before reaching the final consumer, working against the idea of India as a single unified market.

GST was designed to resolve these structural problems by combining a large number of central and state indirect taxes into a single, destination-based, multi-stage tax built around input tax credit at every stage of the value chain. The goals of the GST project were, for example, the abolition of the cascade effect of taxation, harmonization of tax rates between states, expansion of the tax base, improvement of compliance via digitization, and development of the concept of a single country with a single tax system.

1.2 Statement of the Problem

Nearly nine years after its rollout, GST has evolved considerably from the system introduced in 2017. Return filing has been simplified, e-invoicing has been extended progressively to smaller businesses and tools such as invoice matching and automated risk-scoring have tightened the audit trail on transactions. Industry sentiment tracked through Deloitte's annual GST surveys illustrates this trajectory clearly: the share of business leaders expressing a positive view of the tax rose from 59% in the survey's fifth year in 2022 to 85 percent by its eighth year in 2025. However, the positive effect seen in aggregate and sectorial terms is not reflective of the reform's impact in practice, which would be how consumers perceive whether the GST has increased the visibility of prices, or how small traders cope with the costs of complying with monthly reporting which big companies can better spread out.

This gap between macro-level indicators, such as revenue collection, GDP contribution and industry-wide compliance ratios and the lived, subjective experience of ordinary consumers and small business owners is the central problem this study addresses. Most existing research, draws on secondary data or large corporate surveys; comparatively little work asks consumers and small business owners directly and side by side, how they experience GST.

1.3 Scope of the Research Paper

This research paper analyzes the impacts of changes in GST laws on the well-being of consumers and the performance of businesses through the use of primary data gathered from a survey involving 200 people, which included 100 consumers and 100 businessmen. By capturing perceptions rather than relying solely on administrative statistics, the study surfaces dimensions of the GST experience, such as transparency, satisfaction and compliance burden, that are not always visible in revenue or macroeconomic data. Its scope is deliberately descriptive rather than causal: the aim is to document and compare how these two stakeholder groups currently perceive GST, not to statistically prove why they feel the way they do. The findings are intended to complement the existing macro-level literature and to offer a ground-level view of where GST reform has succeeded in the eyes of its end users and where friction still remains.

LITERATURE REVIEW

The present research paper reviews the relevant literature on VAT and GST style consumption tax reforms in light of the following three dimensions: (i) theories and cross-country experiences, (ii) implementation and consequences in the Indian context (concentrating on businesses), and (iii) international comparisons. Each of these dimensions will be explored one after another; subsequently, there will be a summary along with an explanation of the specific gap that this study intends to fill.

2.1 Theoretical Foundations of VAT and GST

The conceptual foundation of GST is based on the broader literature on Value Added Tax (VAT). Ebrill et al. (2001), in their International Monetary Fund study, argue that a unified, credit-based consumption tax reduces the cascading effect of taxes and improves transparency and efficiency compared with traditional indirect tax systems. However, they emphasize that these benefits depend on a simple tax structure with fewer exemptions and limited tax rates.

Keen (2013) examined VAT systems across several countries and found that tax revenue is influenced more by the design of the tax system than by tax rates alone. He identified two main sources of revenue loss: the policy gap, arising from multiple tax rates and exemptions, and the compliance gap, resulting from weak enforcement. His findings indicate that the policy gap is often the larger challenge. This is particularly relevant to India's GST, suggesting that simplifying tax rates and reducing exemptions may be more effective than increasing enforcement alone. The findings of the present study also support this view, as respondents identified tax complexity as a greater concern than tax administration.

2.2 GST Implementation and Progress in India

Rao (2019) offers one of the more comprehensive assessments of GST's rollout in India, examining its revenue productivity, administrative and compliance costs and the institutional innovation represented by the GST Council itself. The author describes the Council, which is an institutional setup where the central government and the state governments collectively make decisions regarding the GST, as an important experiment in inter-government cooperation in tax policies. At the same time, Rao's analysis finds that cascading has not been fully eliminated, since several products remain outside GST's scope or face differentiated multi-rate treatment and identifies this as an unfinished part of the reform agenda.

2.3 GST's Impact on Business Operations and MSMEs

MSMEs occupy a unique position in the GST literature because they are highly affected by compliance requirements while having limited resources to manage them. Beemabai et al. (2019) found that although GST improved tax transparency, many small businesses experienced higher compliance costs and difficulties in adapting to mandatory digital filing. Subsequent studies have also highlighted challenges related to technology adoption and cash-flow constraints among smaller businesses.

Industry surveys present a different perspective. Deloitte India's GST@5 survey (2022) reported that nearly 90% of senior executives believed GST had improved the ease of doing business, with automation and e-invoicing identified as major benefits. However, issues such as input tax credit matching, tax disputes, and the lack of a GST Appellate Tribunal remained concerns. The later GST@8 survey (2025) showed satisfaction increasing from 59% in 2022 to 85% in 2025. These findings suggest that larger firms have benefited more from GST reforms than MSMEs, which often face greater challenges in adapting to digital compliance.

Shacheendran (2024) explains this gap by identifying a shortage of skilled people and inadequate IT infrastructure as the key medium for difficulties to GST compliance. These issues shed light on why organizations are aware of improvements made in terms of record keeping due to computerization, but still remain unsatisfied regarding the ease of filing GST, is a trend also seen in the results of the current research.

2.4 GST Compliance and Digital Tax Administration

Purohit (2010) found that GST's online filing system reduced manual work and improved transparency, but procedural complexity remained a challenge, particularly for small taxpayers without professional accounting support. Similarly, the Central Board of Indirect Taxes and Customs reported significant progress in digital GST administration through the expansion of e-invoicing and the use of analytics-based tools to improve tax compliance.

Recent perception-based studies further support these findings. Dey et al. (2020) found that although consumer awareness of GST was high, understanding of its impact differed across occupations and locations. Ramkumar et al. (2023), using structural equation modelling, showed that perceived fairness of the tax system had a stronger influence on taxpayer attitudes than technical tax knowledge. Building on this literature, the present study uses primary survey data from 200 respondents to compare the perceptions of consumers and business owners within a single research framework.

2.5 International and Comparative Perspective

Placing India's experience in a comparative frame, the OECD (2022) Consumption Tax Trends report provides cross-country data on VAT/GST design and performance, where the average standard VAT rate stood at 19.2 percent in 2022 and VAT continued to be the single largest source of consumption tax revenue among member economies. The report emphasises that well-designed VAT/GST systems, particularly those that simplify compliance procedures and adopt digital reporting, tend to improve both administrative efficiency and taxpayer satisfaction, while poorly designed systems dilute these gains through exemptions and rate complexity.

2. 6 Research Gap

Although the above-cited materials provide an insight into how GST influences government income and tax collection, they fail to reflect on the day-to-day experiences of small business people and consumers who are obliged to pay GST.

Firstly, most previous studies have relied on secondary data and government records. Except for a few studies that collected primary data through surveys (such as Deloitte's CXO surveys, Dey et al., 2020, and Ramkumar et al., 2023), the majority of research has used government revenue data, economic indicators, and GST policy documents.

Secondly, most of the previous studies emphasises on only one stakeholder. In past research there is an analysis either the firm or consumer, usually but not both together.

Thirdly, the existing researches have not kept pace with changes in GST. Since 2017, GST has been revised and improved through several policy changes. However, many studies focus on its initial implementation period, which may not represent the current GST framework and the present experiences of small business owners and consumers.

This study addresses these three gaps: it relies exclusively on primary data gathered from consumers and business owners.

CONCEPTUAL FRAMEWORK AND RESEARCH METHODOLOGY

3.1 Conceptual Framework

Reform of GST is examined via breaking down the analysis into four parts. They include transparency of taxation, digitization of GST returns and e-invoicing, compliance procedures, and the system of GST rate setting. The first three variables are considered independent ones, or "causes." Such approach corresponds to the one taken by Keen (2013), who believes that the efficiency of taxation comes from its design and enforcement. These four causes are expected to affect two dependent variables which are Perceived consumer welfare and Perceived business Operations efficiency.

A moderating factor i.e. digital compliance capacity is added on the business side. This reflects a finding that repeats across Beemabai et.al (2019) and Deloitte India (2022, 2025): the same digital rules affect small businesses differently from large, well-resourced firms.

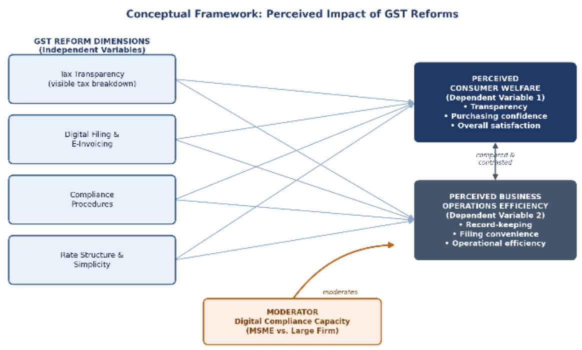

Figure 1: Conceptual Framework of the Study

3.2 Research Objectives

1. To examine impact of GST on perceived consumer welfare.

2. To analyse impact of GST on perceived business operations efficiency.

3.3 Research Questions

1. How do consumers perceive the impact of GST on their welfare?

2. How do business owners perceive the impact of GST on their business operations?

3. What are the major benefits and challenges experienced by consumers and businesses after the implementation of GST?

3.4 Research Hypotheses

H_{01}: GST has no impact on perceived consumer welfare.

H_{11}: GST has a positive impact on perceived consumer welfare.

H_{02}: GST has no impact on perceived business operations efficiency.

H_{12}: GST has a positive impact on perceived business operations efficiency.

3.5 Research Design

A quantitative descriptive research design was employed in this study and data is collected through a cross-sectional survey to assess stakeholders' views on GST reforms in India. The study also focused on a comparative perspective by analysing responses from two stakeholder groups whose interactions with GST differ substantially.

3.6 Population and Sampling

The target population consists of consumers, retail shop owners, small business owners and traders. The study uses Convenience sampling. A total of 400 questionnaires were administered online through Google Forms, and the survey link was circulated via WhatsApp, LinkedIn, email, and other social networking platforms. Following multiple follow-up reminders, 212 responses were received. After screening the responses for completeness, consistency, and eligibility, 160 valid online responses were retained for analysis.

In addition, 47 printed questionnaires were collected through offline surveys conducted across various locations in the Delhi-NCR region, including South Campus (University of Delhi), Mayur Vihar (Delhi), Noida, Gurugram and Ghaziabad. After reviewing the completed questionnaires for accuracy and completeness, 40 valid responses were selected using random sampling for inclusion in the final dataset.

Consequently, the final sample comprised 200 valid responses, including 160 online responses and 40 offline responses, which were used for the subsequent statistical analysis.

3.7 Data Collection Instrument

The instrument contained two sections.

Section A- Demographic information: gender, age bracket, occupation and GST registration status.

Section B- It includes 10 statements about GST using five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree)

Q1-Q5 were answered by the full sample (N = 200); Q6-Q10 were answered by the business-owner sub-sample (n = 100). Respondents were also asked two closed-ended questions on the single most-valued benefit and the single biggest challenge of GST and one Yes/No/Not Sure question on whether they would recommend further procedural simplification.

DATA ANALYSIS AND INTERPRETATION

Data analysis was carried out in three stages. The first stage describes the respondents' demographic profile, the second evaluates different dimensions of consumer welfare, and the third assesses factors associated with business operations. After all these analyses, the hypothesis testing is done using one sample t-test.

This paper presents the survey findings in the order in which they were collected: respondent demographics, followed by the consumer welfare items, the business operations items, a comparative summary of the two and finally the open benefit/challenge questions. All means and standard deviations reported in this, are calculated directly from the frequency counts shown in each table.

4.1 Demographic Profile of Respondents

Table 1: Demographic Profile of Respondents (N = 200)

Variable	Category	Frequency (f)	Percentage (%)
Gender	Male	130	65.0%
	Female	70	35.0%
Age	Below 25 years	30	15.0%
	25-35 years	85	42.5%
	36-45 years	55	27.5%
	Above 45 years	30	15.0%
Occupation	Salaried Employee	100	50.0%
	Business Owner / Self-employed	100	50.0%
GST Registration*	Registered	92	46.0%
	Not Registered	108	54.0%

**GST registration status is most directly applicable to the business-owner sub-sample; the questionnaire documentation does not specify whether consumer respondents answered this item as personal registration or household/side-business registration.*

The study includes 65% male. Among all respondents, 42.5% belonged to the 25-35 years age group, which should be kept in mind when generalising the findings. There is equal split in the occupation between salaried and business owners. The research highlighted that more than 50% of the respondents are registered in the GST.

4.2 Analysis of Consumer Welfare Perceptions (N = 200)

Table 2: Frequency, Mean and Standard Deviation for Perceived Consumer Welfare

No.	Statement	SD	D	N	A	SA	Mean	SD_γ	Interpretation
1	GST has made taxation more transparent.	10	15	20	80	75	3.98	1.11	Agree
2	GST has simplified the tax system.	35	45	50	50	20	2.88	1.25	Neutral
3	GST has improved purchasing confidence.	12	28	40	85	35	3.52	1.11	Agree
4	I understand GST charges shown on bills.	15	30	35	90	30	3.45	1.14	Agree
5	Overall, I am satisfied with the GST system.	14	22	44	88	32	3.51	1.10	Agree

SD_γ = standard deviation of item responses. SD -Strongly Disagree, D- Disagree, N- Neutral, A-Agree, SA- Strongly Agree.

Interpretation bands: 1.00-1.80 Strongly Disagree · 1.81-2.60 Disagree · 2.61-3.40 Neutral · 3.41-4.20 Agree · 4.21-5.00 Strongly Agree.

Key Insight: The highest mean score 3.98 belongs to Tax Transparency which means consumers recognise the benefit of visible tax breakdowns on invoices. Tax Simplification scores which is 2.88 shows neutral behaviour of consumers. But high standard deviation of tax simplification indicates higher disagreement among respondents suggesting that multiple tax slabs and complex bill layouts continue to limit the perception of a truly "simple" tax structure even where transparency has clearly improved.

4.3 Analysis of Business Operations Perceptions (n = 100)

Table 3: Frequency, Mean and Standard Deviation Business Operations Items

No.	Statement	SD	D	N	A	SA	Mean	SD_γ	Interpretation
6	GST has simplified business taxation.	30	32	18	15	5	2.33	1.19	Disagree
7	GST has improved business record keeping.	2	5	8	40	45	4.21	0.93	Strongly Agree
8	Online GST filing is convenient.	18	24	28	22	8	2.78	1.20	Neutral
9	GST has improved business efficiency.	10	15	25	38	12	3.27	1.16	Neutral
10	GST has positively affected overall operations.	15	22	30	25	8	2.89	1.17	Neutral

Key Insight: As mean score for record keeping is 4.21 suggesting strong belief of Business owners in the ease of record keeping. The mean score of the GST simplification is 2.33 that shows disagreement of business owners. For the remaining three items the perception of business owners are neutral.

4.4 Comparative Summary: Consumer Welfare vs. Business Operations

Table 4: Composite Score Comparison

Dimension	Items	Composite Mean	Interpretation
Consumer Welfare (N = 200)	1-5	3.47	Agree
Business Operations (N = 100)	6-10	3.10	Neutral

Composite mean = simple average of the five item means within each dimension.

The comparison clearly shows the main finding of this study. On average, consumers have a positive opinion of GST (Mean = 3.47), while business owners have a neutral overall view (Mean = 3.10). However, this neutral score does not mean that business owners have weak or indifferent opinions. As shown in Table 3, they strongly agree with some aspects of GST, such as improved record-keeping, but strongly disagree with others, such as GST making the tax system simpler. Therefore, the average score hides the fact that business owners have mixed experiences, with both clear benefits and significant challenges under the GST system.

4.5 Perceived Benefits and Challenges (N = 200)

Table 5: Ranking of Primary Benefits and Core Challenges

Metric	Category / Option	Frequency (f)	Percentage (%)	Rank
Most Valued Benefit	Transparency	88	44%	1
	Digital Filing Integration	46	23%	2
	Better Supply Chain Management	34	17%	3
	Easy Tax Payment / No Benefit	32	16%	4
Biggest Challenge	Frequent Legislative Changes	74	37%	1
	High Compliance Costs (CA fees, software)	58	29%	2
	Complicated Rules & Technical Jargon	44	22%	3
	Online Portal Glitches / No Challenge	24	12%	4

The findings show that transparency is the most valued benefit of GST, with 88 respondents (44%) identifying it as the greatest advantage and digital filing integration (46 respondents, 23%) which highlights the positive impact of digital tax compliance. On the other hand, the most significant challenge is frequent legislative changes which is reported by 74 respondents (37%), indicating that continuous amendments make compliance difficult. High compliance costs such as expenses on Chartered Accountants and accounting software were the second major challenge which are identified by 58 respondents (29%). These results suggest that while GST has improved transparency and digitalization, regulatory instability and compliance costs remain key concerns for businesses.

4.6 Hypothesis Testing

The hypotheses were tested at the item level using a one-sample t-test against the scale midpoint (test value = 3.00), using the mean, standard deviation and sample size reported for each item in Tables 2 and 3. This item-level approach substitutes for a single test of the composite score, because the survey did not record a composite scale value for each respondent. Results are summarised in Table 6.

Table 6: One-Sample t-test Results Against the Neutral Midpoint (Test Value = 3.00)

No.	Item	Mean	t (df)	p-value	Result
Q1	Tax transparency	3.98	12.49 (199)	<.001	Significant
Q2	Tax simplification (consumer)	2.88	−1.36 (199)	.176	Not significant
Q3	Purchasing confidence	3.52	6.63 (199)	<.001	Significant
Q4	Understand GST charges	3.45	5.58 (199)	<.001	Significant
Q5	Overall satisfaction (consumer)	3.51	6.56 (199)	<.001	Significant
Q6	Simplified business taxation	2.33	−5.63 (99)	<.001	Significant
Q7	Improved record keeping	4.21	13.01 (99)	<.001	Significant
Q8	Filing convenience	2.78	−1.83 (99)	.070	Not significant
Q9	Business efficiency	3.27	2.33 (99)	<.022	Significant
Q10	Overall business operations	2.89	−0.94 (99)	.349	Not significant

p-values are two-tailed; a result is treated as statistically significant at p < .05. Consumer items (Q1-Q5): df = 199. Business items (Q6-Q10): df = 99.

The p-value of different aspects of Perceived consumer welfare is < 0.001 which shows positive and significant impact of GST on perceived consumer welfare. Therefore, the null hypothesis is rejected. It is concluded that consumers found transparency, purchasing confidence, bill comprehension etc. because of GST reforms.

The p-value of different aspects (Q6, Q7& Q9) of Perceived business operations efficiency is less than 0.05 which indicate significant impact at 95% significant level. Therefore, we are bound to reject null hypothesis. Thus, we can conclude GST has a significant positive perceived impact on some aspects of business operations (record-keeping, efficiency) and a significant negative impact on others (tax simplification), while filing convenience and overall operational impact remain statistically indistinguishable from no effect.

4.7 Reliability and Validity of the Measurement Scales

To evaluate the psychometric soundness of the survey instrument, the measurement scale was assessed for both content validity and internal consistency reliability.

4.7.1 Content and Face Validity

Content validity concerns whether the ten Likert-scale items adequately represent the underlying theoretical constructs. For this study, content validity rests on the systematic derivation of the questionnaire items from the peer-reviewed literature and conceptual framework set out in Section 3.1:

- **Tax Transparency and Simplicity (Q1-Q2, Q6):** Grounded in the value-added tax frameworks of Ebrill et al. (2001) and Keen (2013).
- **Compliance Burden and Digital Filing (Q7-Q8):** Grounded in empirical MSME studies by Beemabai et al. (2019), Purohit (2010), and Shacheendran (2024).
- **Customer Confidence and Operational Efficiency (Q3-Q5, Q9-Q10):** Derived from perception studies by Dey et al. (2020) and Ramkumar et al. (2023).

Because each item was structured to align with established dimensions rather than generated ad hoc, the instrument demonstrates strong face and content validity.

4.7.2 Internal Consistency Reliability

Internal consistency reliability was evaluated using Cronbach's alpha **(α)**, which measures the degree of inter-item correlation within a scale. According to standard benchmarks (George & Mallery, 2003; Nunnally & Bernstein, 1994), an alpha value of $\alpha \geq 0.70$ indicates acceptable reliability, while $\alpha \geq 0.80$ indicates high reliability.

Table 7 presents the calculated reliability coefficients for the two sub-scales and the overall combined scale.

Table 7: Reliability Statistics (Cronbach's Alpha) for the Measurement Scales

Construct	**Items Included**	**No. of Items**	**Cronbach's Alpha (α)**	Reliability Status
Consumer Welfare	Q1-Q5	5	0.835	Highly Reliable
Business Operations	Q6-Q10	5	0.758	Acceptable
Overall Scale (business sub-sample, n = 100)	Q1-Q10	10	0.842	Highly Reliable

4.7.3 Interpretation of Findings:

1. **Consumer Welfare Scale (Q1-Q5):** Cronbach's $\alpha = 0.835$, which suggests that the internal consistency of the index is high, and it measures the concept of consumer well-being accurately.

2. **Business Operations Scale (Q6-Q10):** Cronbach's $\alpha = 0.758$, which is greater than the standard cutoff score of 0.70, suggesting adequate reliability of the index among business participants (n = 100).

3. **Overall Combined Scale (Q1-Q10):** Cronbach's $\alpha = 0.842$ across all ten items for the business sub-sample, representing strong overall instrument reliability.

Together, these findings confirm that the questionnaire is a reliable and valid measurement tool for evaluating stakeholder perceptions of GST reforms in India.

DISCUSSION

The findings from consumers are consistent with the literature reviewed Ebrill et al. (2001) suggested that a unified GST system improves tax transparency, which is supported by this study, where transparency received the highest mean score (M = 3.98) and was identified as the main benefit by 44% of respondents. However, consumers gave a lower rating to tax simplification (M = 2.88), supporting Keen's (2013) view that multiple tax rates and exemptions make GST appear more complex despite improvements in tax administration.

The findings from business owners are also consistent with previous studies by Beemabai et al. (2019) and Deloitte India (2022, 2025). While large firms have reported increasing satisfaction with GST, MSMEs and self-employed respondents in this study expressed mixed opinions. They strongly agreed that GST has improved record-keeping (M = 4.21) but disagreed that it has simplified taxation (M = 2.33). This suggests that although digital compliance has improved business records, GST procedures continue to be challenging for small businesses.

Comparison between the two groups reveals that the success of GST in the country as a whole is not entirely reflected in the stories of the consumers and the small business owners. Though reports issued by the government confirm the success of GST in terms of collection of GST revenue and digitization of the system (CBIC, 2023), a large number of people still find GST complicated. The fact that 83% of respondents recommended further simplification highlights the continued need for policy reforms to make GST easier to understand and comply with, particularly for MSMEs.

5.1 Policy Implications

Based on Keen's (2013) policy-gap framework, the findings suggest that future GST reforms should focus on simplifying tax rates and compliance procedures rather than expanding digitalisation. Measures such as reducing the number of tax slabs, simplifying GST return forms, and making input tax credit rules easier to understand could improve the overall GST experience. While respondents viewed digitalisation positively, particularly for improving record-keeping (M = 4.21), they expressed lower satisfaction with online filing convenience (M = 2.78). This indicates that digital systems alone are not sufficient. Consistent with the OECD (2022), the findings suggest that digital technology improves taxpayer satisfaction only when it is supported by simple and user-friendly compliance procedures.

6: Conclusion, Limitations and Recommendations

6.1 Summary of Key Findings

1. Consumers perceive a net positive impact of GST on their welfare (composite M = 3.47), driven primarily by improved tax transparency (M = 3.98).

2. Business owners hold a more divided, near-neutral view overall (composite M = 3.10): strongly positive on record-keeping (M = 4.21), strongly negative on tax

simplification (M = 2.33) and neutral on filing convenience and operational efficiency.

3. Transparency is the most valued benefit across the full sample (44%); frequent legislative changes are the most cited challenge (37%).

4. An overwhelming 83% of respondents want further procedural simplification of GST, regardless of whether they are consumers or business owners.

6.2 Conclusion

The study examines how GST reforms are perceived by consumers and business owners using primary survey data, addressing a gap in a literature that has relied heavily on secondary, macro-level and single-stakeholder evidence. It is clear from the results that one of the main goals of GST has been achieved successfully, which is transparency, whereas another goal, i.e., simplicity, still requires some improvement, especially by small-scale businessmen who have to put it into practice. The item-level hypothesis tests (Section 4.6) support H_{11} (a significant positive perceived impact on consumer welfare) and offer a more qualified, mixed confirmation of H_{12} (perceived impact on business operations): significantly positive for record-keeping and efficiency, significantly negative for tax simplification and not significantly different from neutral for filing convenience and overall operations.

6.3 Recommendations

Rationalise GST rates: Reducing the number of GST tax slabs can improve tax simplification, which received the lowest ratings from both business owners (M = 2.33) and consumers (M = 2.88).

Strengthen MSME compliance support: Providing simplified return formats, affordable accounting software, and dedicated help desks for MSMEs can reduce compliance complexity while maintaining the benefits of digital record-keeping.

Ensure greater policy stability: Since frequent changes in GST rules were identified as the most common challenge (37%), introducing more stable and predictable tax regulations can improve compliance and reduce confusion.

Continue GST simplification reforms: As **83% of respondents** expressed the need for further simplification, policymakers should prioritise reforms that make GST procedures easier to understand and comply with for both consumers and businesses.

6.4 Limitations of the Study

The use of convenience sampling may restrict the extent to which the findings can be generalised to the broader population of Indian consumers and MSMEs.

The offline data were collected from Delhi-NCR and nearby areas. Therefore, the findings may not fully represent the perceptions of consumers and business owners across other regions of India.

The study is based on self-reported responses collected at a single point in time, the findings may be affected by response bias and do not capture changes in perceptions over time.

6.5 Scope for Future Research

Potential directions for future research related to this work include: (i) adopting random or stratified sampling in specific geographic regions to improve generalisability; (ii) using inferential statistics to test the hypotheses that have been put forward here; (iii) continuing to track the same panel of respondents to see if their views change as the reforms in GST rates get enacted; and (iv) additionally stratifying the sample of MSMEs by sector and firm size, since the aggregate measures of operations provided in this study may mask meaningful differences between retailers and manufacturers, for instance..

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