



Journal Homepage: - www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

Article DOI: 10.21474/IJAR01/23449
DOI URL: <http://dx.doi.org/10.21474/IJAR01/23449>



RESEARCH ARTICLE

IMPACT OF GST AMONG FMCG PRODUCTS IN SALEM DISTRICT –TAMILNADU

M.Sakthivel¹ and A.T.Jaganathan²

1. Ph.D research Scholar (Full time), Department of Management Studies, K.S.Rangasamy College of Arts and Science (Autonomous), Tiruchengode, Namakkal District, Affiliated to Periyar University, Salem - 636 011, Tamilnadu. India.
2. Research Supervisor, Department of Management Studies, K.S.Rangasamy College of Arts and Science (Autonomous), Tiruchengode, Namakkal District, Affiliated to Periyar University, Salem - 636 011, Tamilnadu. India.

Manuscript Info

Manuscript History

Received: 10 March 2026
Final Accepted: 12 April 2026
Published: May 2026

Key words:-

GST, FMCG Products, Tax, Consumer decision.

Abstract

A major change to India's tax system, the Goods and Services Tax (GST) was implemented to simplify the tax code and do away with cascading levies. This study looks into how the GST has affected fast-moving consumer goods (FMCG) in Tamil Nadu, Salem District. The study focuses on the effects of GST on FMCG product price, sales volume, consumer behavior, and market dynamics in general. The study intends to shed light on the benefits and difficulties associated with the introduction of GST in Salem's FMCG industry using a combination of qualitative and quantitative analyses. The results show a mixed effect, with worries about price volatility and compliance coexisting with improvements in market functioning.

"© 2026 by the Author(s). Published by IJAR under CC BY 4.0. Unrestricted use allowed with credit to the author."

Introduction:-

A major step toward a unified indirect tax system was taken with the implementation of the GST in India on July 1, 2017. The goals of this revolutionary strategy are to improve revenue collection, increase compliance, and remove several levels of taxation. FMCG industries, which are essential to the Indian economy and represents consumer buying patterns, is distinguished by its enormous volume and poor profits. It is essential to comprehend the changes brought about by GST in Salem District, which is renowned for its local brands and agricultural products. In order to shed light on how GST has changed the market environment for both companies and consumers, this study intends to investigate the effects of GST on FMCG products in Salem District.

Objectives:-

1. To analyze the impact of GST on the pricing of FMCG products in Salem District.
2. To evaluate consumer behavior and purchasing patterns concerning GST.
3. To identify the challenges faced by FMCG businesses in compliance with GST regulations.

Corresponding Author:- M.Sakthivel

Address:- Ph.D research Scholar (Full time), Department of Management Studies, K.S.Rangasamy College of Arts and Science (Autonomous), Tiruchengode, Namakkal District, Affiliated to Periyar University, Salem - 636 011, Tamilnadu. India.

Statement of the Problem:-

The way that FMCG products are taxed and traded has changed significantly since the implementation of the GST. Research on the precise impacts of GST in smaller districts like Salem is, nevertheless, scarce. The purpose of this study is to fill in the knowledge gaps on the impact of GST on sales, consumer behavior, and the operational difficulties faced by FMCG companies in this area. The challenge is figuring out how much the GST has actually affected the local FMCG market and whether it has helped or hurt consumer spending and business expansion in Salem District.

Methodology:-

The study employs a mixed-methods approach, utilizing both qualitative and quantitative research methods. A structured questionnaire was distributed among 75 consumers of FMCG retailers in Salem District to gather data on pricing, sales volume, and consumer preferences before and after GST implementation. The collected data were analyzed using statistical techniques like descriptive analysis to identify trends and patterns associated with GST's impact.

Result Analysis:-

The demographic profile analysis was carried out. The results the analyses are given below:

Table 1: Demographic Variables of Fast Moving Consumer Goods Consumers

S.No.	Demographic Variables	Classification Of Variables	No. Of Respondents	Percentage (%)
1	Age	Below 25 Years	18	24
		26-35 Years	20	27
		36-45 Years	25	33
		45-Years & Above	12	16
		TOTAL	75	100
2	Gender	Male	44	59
		Female	31	41
		TOTAL	75	100
3	Marital Status	Married	51	68
		Unmarried	24	32
		TOTAL	75	100
4	Educational Qualification	Illiterate	7	09
		School Level	14	19
		UG level	27	36
		PG level	19	25
		Professionals	8	11
		TOTAL	75	100
5	Occupational Status:	Student	5	7
		Self-employed	16	21
		Professional	13	18
		Housewife	14	19
		Business	10	10
		Government employee	9	13
		Private employee	8	12
		TOTAL	75	100
6	Monthly Income:	Less than Rs.5,000	8	11
		Rs.5,001-10,000	17	23
		Rs.10,001-15,000	22	29
		Rs.15,001-20,000	18	24
		Above Rs.20,000	10	13
		TOTAL	75	100

Table 2: Method of brand awareness and influence of Facial Cream Brands

1) Method of Awareness & Influence	2) No of Consumers	3) % of Respondents
4) Online shopping	5) 24	6) 32
7) Advertisement	8) 21	9) 28
10) Friends	11) 12	12) 16
13) Relatives	14) 18	15) 24
16) TOTAL	17) 75	18) 100

Table 3: Factors influencing purchase of Facial Cream

19) Factors Influence	20) No of Consumers	21) % of Respondents
22) Price	23) 26	24) 35
25) Quality	26) 21	27) 28
28) Package	29) 9	30) 12
31) Purity	32) 13	33) 17
34) Availability	35) 6	36) 8
37) TOTAL	38) 75	39) 100

Inference:-

FMCG Products awareness on brands and were influenced by demographic factors were with majority 36-45 years of age groups consumers, male with majority, married customers, UG level with their education qualification, self-employed consumers, income between Rs. 10,001-15,000 for their family were awareness of facial cream brand was mainly through Advertisement and influenced to purchase a branded facial cream based on price and quality.

Conclusion:-

The FMCG industry in Salem District has seen substantial changes as a result of the GST, with conflicting effects on pricing, sales volume, and customer behavior. Even while there are clear advantages, such as more efficient tax collection and more market openness, problems like customer confusion and compliance continue to exist. To overcome these obstacles, the government and the FMCG sector must work together continuously. Developing successful initiatives to improve the general health of the Salem District market requires an understanding of the regional implications of GST on FMCG products.

References:-

1. Government of India. (2017). Goods and Services Tax Act.
2. Kumar, A., & Rani, S. (2020). Impact of GST on Consumer Behavior in FMCG Sector: A Study in India. *International Journal of Management Studies*, 7(4), 15-25.
3. Raghavan, S., & Natarajan, V. (2019). GST and Its Impact on Pricing of FMCG Products in India. *Journal of Business Management*, 15(2), 78-89.
4. Sharma, R. (2021). Consumer Response to GST in the Indian FMCG Market. *Journal of Consumer Research*, 22(3), 105-117.
5. Tamil Nadu State Government. (2019). State Report on GST Implementation.