Impact of Proposed GST on Electronic Billing: With Special Reference to Small Business Houses

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Abstract: With the proposed introduction to Goods and Services Tax (GST) it is becoming important to know how business people handle it with changing evaluation system of taxes. All the business people seek better system of billing in order to manage things in smoother way. Use of technology is increasing everyday to make business system better. Introduction of electronic billing system with electronic billing machines has helped businesses becoming more productive and efficient. NCR and nearby cities like Ghaziabad, Meerut are not only a potential market for electronic billing systems and the need of electronic billing systems is increasing everyday for better productivity and easy of doing business. This paper focuses on understanding usage of electronic billing systems in these cities on following points.

- **Finding existing users of electronic billing machines in Ghaziabad and Meerut city.**
- **Understanding the companies offering electronic billing solutions.**
- **Understanding the potential of electronic billing machines.**
- **Knowing potential buyers of electronic billing solutions.**
- **Understanding the correlation and significance of different factors on usage of electronic machines, affordability, ease of use, satisfaction level etc.**
- **Understanding feasibility of introduction of electronic billing machines in Meerut city.**

Keywords: Affordability, Ease of business, Electronic billing, Feasibility, GST, Potential markets, Satisfaction level, Small scale business.

I. Introduction

As per Guidelines for Adoption of Electronic Payments and Receipts (2016) digital India program envisages transforming India into digital empowered society and knowledge economy. The Digital India vision provides the intensified impetus for further momentum and progress for e-Governance and would promote inclusive growth that covers electronic services, products, devices, manufacturing and job opportunities. Governance and Services on demand is an important component in Digital India program and includes programs to offer seamlessly integrated, real time online services to citizens with platforms enabled for electronic and cashless financial transactions. Several small businesses have adopted electronic commerce but a significant number have not. Mirchandani and Motwani (2001) identifies a discriminant function that can accurately predict adoption of electronic commerce in small businesses.

Wole Olatokun, Busola Bankole (2011) aimed at finding out the factors that promote and inhibit the adoption of e-business technologies, the kinds of e-business technologies adopted and used and their extent of use. It also identified the challenges faced by SMEs with regard to e-business technologies use. The market survey for understanding the potential for electronic billing system keeping GST implementation in mind and knowing the market share of existing electronic billing machine providers has revealed useful pieces of information. The study has been carried out in Ghaziabad and Meerut city in 12 different areas like with a focus to know the potential for electronic billing machine in different types of markets and to have better understanding of the same. Goods and Services Tax and its awareness among business owners has increased chances of using electronic billing systems and the study has been carried out in the same direction to analyse factors like affordability, preparedness and willingness to adapting to the changes in business environment. This review on GST highlights the challenges over GST claims. It has been observed that to implement GST effectively, both centre and state have to go hand in hand (2016) highlights the potential and challenges in GST implementation for small and medium business houses. Roshidi Ahmad, Hazianti Abdul Halim (2016) results showed that the level of awareness was moderate and the majority of respondents give a high negative perception to the impact of GST. This paper attempts to know GST awareness and its impact on adoption of electronic systems.

II. Research Methodology

This has been an exploratory research in order to know things in best possible details. Exploratory research design selection brought real meaningful information like how annual turnover of business owners affect positively for use and willingness to use electronic billing machines in near future. Primary data has been collected using questionnaire and a total of 919 respondents' data is collected for detailed recording of facts and figures to make it a better study. Meerut and Ghaziabad city have been selected for the purpose of study. Different factors were regressed on annual turnover like billing procedure, satisfaction level, willing to purchase etc. to find out the impact of annual turnover on the same.

III. Findings

The study revealed following facts after regressing Annual turnover on different variables as:

A. Annual Turnover and Billing Procedure

Table I: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	151.774	8	.000
Likelihood Ratio	143.037	8	.000
Linear-by-Linear Association	121.242	1	.000
N of Valid Cases	913		

It is observed that increase in annual turnover lead to increasing number of electronic billers. Paper billing issues lead to selecting electronic billing devices.

B. Annual Turnover and Machine Price

Table II: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.088	9	.827
Likelihood Ratio	5.862	9	.754
Linear-by-Linear Association	.060	1	.807
N of Valid Cases	94		

The study shows that majority of electronic machine users have machines in price range between ₹5000-8000 and even if the annual turnover is high it is not showing increase in higher price machines users.

C. Annual Turnover and Period of Usage

Table III: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.600	9	.055
Likelihood Ratio	17.424	9	.042
Linear-by-Linear Association	7.187	1	.007
N of Valid Cases	96		

The study highlights that there are 76 respondents using electronic machine for almost 5 years whereas very less respondents are using it for more than 5 years. It was found significantly related to annual turnover.

D. Annual Turnover and Purchase Plan

Table IV: Purchasing Intent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Within 6 months	98	10.7	16.4	16.4
	Within 1 year	152	16.5	25.5	41.9
	More than 1 year	341	37.1	57.2	99.2
	Missing	4	.4	.7	99.8
	Invalid	1	.1	.2	100.0
	Total	596	64.9	100.0	
Missing	System	323	35.1		
Total		919	100.0		

Majority of respondents are not in a hurry to purchase electronic billing machine within an year.

E. Annual Turnover and Satisfaction Level

Table V: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.470	9	.015
Likelihood Ratio	23.927	9	.004
Linear-by-Linear Association	11.337	1	.001
N of Valid Cases	96		

It is observed that majority of electronic users seem satisfied from their machines. It reveals that existing machine have been able to cater to their billing needs.

F. Annual Turnover and Expected Features

TABLE VI: CHI-SQUARE TESTS

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	52.671	15	.000
Likelihood Ratio	53.414	15	.000
Linear-by-Linear Association	.005	1	.941
N of Valid Cases	563		

It was observed that 'Cash Drawer', 'LCD Display' and 'Password Security' have been the key requirements in electronic billing machine.

G. Annual Turnover and GST Awareness

TABLE VII: CHI-SQUARE TESTS

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	47.981	4	.000
Likelihood Ratio	49.486	4	.000
Linear-by-Linear Association	46.333	1	.000
N of Valid Cases	840		

Most of the respondents are aware of GST Implementation. It provides an opportunity to get into electronic billing system keeping their interest in purchasing machine within a year.

H. Turnover and Readiness to Pay

TABLE VIII: CHI-SQUARE TESTS

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	47.981	4	.000
Likelihood Ratio	49.486	4	.000
Linear-by-Linear Association	46.333	1	.000
N of Valid Cases	840		

The study reveals a fact that people are ready to pay upto Rs. 5,000 easily if an electronic billing solution is offered.

IV. ANALYSIS OF ASSOCIATION BETWEEN VARIABLES

We conducted a Crosstabs analysis in SPSS for bringing out the relationship between various parameters studied in this research. Tables related to the calculations are given in the Appendix. Following points of association have been found in the study:

- There is a significant association between turnover and billing procedure. Firms with higher turnover are more likely to opt for electronic billing procedure.
- Relationship between turnover of a firm and the price of the electronic billing machine being used is not found to be significant.
- Firms with higher turnover have been using electronic billing machines since a longer period of time. This association is significant at 10% level of significance but not at 5% level.
- Awareness about GST implementation is higher in firms with higher turnover and this relationship is significant at 1% level of significance.
- Firms with higher turnover are more prepared to pay higher price for the electronic billing machine. This association is also significant at 1% level of significance.

V. RECOMMENDATIONS AND SUGGESTIONS

In this study various interesting facts came in picture as part of data collection and analysis about electronic billing machine usage, potential customers / markets and existing billing solutions. Some of the key recommendations of the survey have been as under:

- Anuual turnover was found directly significantly related to Billing procedure, Machine Price (Existing), Usage Period, Willingness and ability to pay.
- Khair Nagar, Central Market, Sharda Road and Lal Kurti are potential markets for electronic billing machine.
- Price has been observed as key factor in purchasing machine. Existing and potential users are using / ready to pay price in range of ₹ 5,000-8,000.
- Existing suppliers are able to keep customers happy with limited features also.
- Awareness of GST implementation amongst respondents is encouraging for new machine introduction.
- The study highly recommends introduction of electronic machine as the market not only has good potential.

VI. CONCLUSION

Every research is complex in its very basic nature and has its limitations. This study is also having certain limitations / boundaries the way it is carried out and understanding the exact nature and requirements of respondents is also difficult. Though proper care has been taken in carrying out this research but still there were certain limitations that were observed as part of this research like area of study was limited to Meerut and Ghaziabad city only. This may not give be able to give broader picture of potential markets of electronic billing machine in wider areas with changing requirements. Though the sample size wasn't small but bigger sample could have explored some more unseen facts and circumstances in order to have better understanding of the potential market. There is always a slight margin of sampling errors like incomplete data from respondents which may affect result marginally and respondents often tend to hide real details which may affect the results to some extent so there is little margin here as well.

The study has been successful in number of aspects as far as understanding the nature of Ghaziabad and Meerut markets are concerned and knowing the potential of electronic billing machine in these cities. It reveals numbers of facts that with changing business requirements business people have started adopting new technology for making their businesses more efficient and productive. It also highlights factors affecting sales of electronic billing machines. The research helps marketers to implement different marketing strategies for electronic billing machine in other cities also. Overall it can be concluded that Meerut emerged as a market for electronic billing systems with huge potential keeping the untapped target markets in mind and it indeed offers opportunity for new entrants.

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