

SALES STRATEGIES OF E-COMMERCE OPERATORS PRE AND POST GST

INTRODUCTION:

Goods and Services Tax (GST) is an indirect tax (or consumption tax) used in India on the supply of goods and services. It is a comprehensive, multistage, destination based tax: comprehensive because it has subsumed almost all the indirect taxes except a few state taxes. Multi-staged as it is, the GST is imposed at every step in the production process, but is meant to be refunded to all parties in the various stages of production other than the final consumer and as a destination based tax, it is collected from point of consumption and not point of origin like previous taxes. E-commerce consumption taxation has been discussed in the context of catalogue and mail order sales, as well as broader service taxation. The potential scale of aggregate transactions, on the other hand, has pushed the issue to its limit. Exemption from consumer taxes such as Sales Tax/GST/VAT may have serious fiscal policy effects, hence well specified policies on their tax treatment are critical. Failure to enforce the consumption tax on on-line transactions could result in considerable income losses for state governments, who rely heavily on combined sales tax/VAT revenue. It's vital to underline the competitive edge that internet retailers have over their brick-and-mortar competitors as a result of this procedure. This "distorts company decisions as well as what and how customers buy." Vertical disparities in tax liabilities develop because the wealthy are less likely to use the internet and transact than the poor. The substantial complexity and costs of compliance are used as arguments against mandating online sellers to collect sales tax. However, if tax structures and laws are simplified, internet technology makes it possible to collect sufficient consumption tax at a reasonable cost. States having the intention of taxing consumption, implying that the target taxpayer is the consumer. When it comes to imposing a consumption tax, different legal systems are used by different countries and jurisdictions. The taxing jurisdiction for all in-state transactions is the state where consumption is planned or anticipated. The seller is the ultimate taxpayer and collects tax from the consumer.

SALES STRATEGIES OF E-COMMERCE OPERATORS PRE-GST

Prior to the introduction of GST in India in 2017, e-commerce operators faced a number of challenges, including:

- Multiple tax rates: Different states in India had different tax rates on goods and services, which made it difficult for e-commerce operators to track and comply with tax laws.
- Complex tax structure: The pre-GST tax regime was complex and cumbersome, which led to errors in tax calculations and compliance issues.
- Cascading of taxes: Goods and services were taxed at multiple stages of the supply chain, which led to higher prices for consumers.

To overcome these challenges, e-commerce operators adopted a number of sales strategies, including:

- Offering discounts and promotions: E-commerce operators often offered discounts and promotions to attract customers and reduce the impact of high taxes.

- Free shipping: Many e-commerce operators offered free shipping on orders above a certain amount, which made their products more attractive to consumers.
- COD (cash on delivery): COD was a popular payment method in India, as it allowed customers to pay for their orders after they had received them. This was beneficial for both e-commerce operators and consumers, as it reduced the risk of fraud and made it easier for customers to shop online.

SALES STRATEGIES OF E-COMMERCE OPERATORS POST-GST

The implementation of GST has simplified the tax structure in India and made it easier for e-commerce operators to comply with tax laws. This has led to a number of changes in the sales strategies of e-commerce operators, including:

- Lower prices: Due to the elimination of cascading of taxes, e-commerce operators have been able to lower the prices of their products. This has made online shopping more affordable for consumers.
- Expanded product range: E-commerce operators are now able to sell a wider range of products without having to worry about different tax rates in different states. This has given consumers more choices and made online shopping more convenient.
- Focus on customer experience: E-commerce operators are now focusing more on improving the customer experience. This includes offering faster delivery times, better customer service, and easier return policies.

In addition to these changes, e-commerce operators are also adopting new sales strategies such as:

- Personalization: E-commerce operators are using data analytics to personalize the shopping experience for each customer. This includes recommending products based on the customer's past purchase history and browsing behavior.
- Omnichannel retailing: E-commerce operators are integrating their online and offline channels to provide a seamless shopping experience for customers. This allows customers to start shopping online and finish in-store, or vice versa.
- Social commerce: E-commerce operators are using social media platforms to connect with customers and drive sales. This includes running social media contests and promotions, and selling products directly through social media platforms.

Overall, the implementation of GST has had a positive impact on the e-commerce sector in India. It has made it easier for e-commerce operators to comply with tax laws and has led to a number of changes in their sales strategies. E-commerce operators are now focusing more on offering lower prices, a wider range of products, a better customer experience, and a more personalized shopping experience. They are also adopting new sales strategies such as personalization, omnichannel retailing, and social commerce.

COMPARISON OF PRE-GST AND POST-GST SALES STRATEGIES

The following table compares the sales strategies of e-commerce operators pre-GST and post-GST:

Strategy	Pre-GST	Post-GST
Prices	Higher due to cascading of taxes	Lower due to elimination of cascading of taxes
Product range	Restricted due to different tax rates in different states	Expanded due to uniform tax rate across India
Focus	On attracting customers and reducing the impact of high taxes	On improving the customer experience and offering a more personalized shopping experience
New strategies	Discounts and promotions, free shipping, COD	Personalization, omnichannel retailing, social commerce

Overall, the sales strategies of e-commerce operators post-GST are more focused on the customer. E-commerce operators are now offering lower prices, a wider range of products, and a better customer experience. They are also adopting new technologies to personalize the shopping experience and improve their operations.

RESEARCH METHODOLOGY;

SOURCES OF DATA

Both primary and secondary sources is using in the research. For the secondary data sources are the government's policy documents, reports from various committees, journals, periodicals, published data, and literatures on the issues

Using the questionnaire method, primary data is to be collected from business functional heads, tax specialists, tax administrators, tax consultants, and scholars. The questionnaires are distribute to respondents via postal mail , personal visits, and email online survey technology.

OBJECTIVES;

1. The Impact of GST on E-commerce
- 2.To study the awareness of GST E-commerce operator.
- 3.To analyze the performance of E-commerce before and after implementation of GST.
- 4.To identify the problems faced by the E-commerce in implementation of GST.

SCOPE OF A STUDY

- An overview of the e-commerce sector in India, including its growth and trends.
- A discussion of the pre-GST tax regime and its impact on e-commerce operators.
- An analysis of the post-GST tax regime and its impact on e-commerce operators.
- A comparison of the sales strategies of e-commerce operators pre- and post-GST.
- A discussion of the new sales strategies that e-commerce operators are adopting, such as personalization, omnichannel retailing, and social commerce.
- An assessment of the impact of GST on the sales strategies of e-commerce operators.
- The study could also include a case study of one or more e-commerce operators to examine their sales strategies in more detail.

The following are some specific research questions that could be addressed in the study:

- How have the sales strategies of e-commerce operators changed since the introduction of GST?
- What are the new sales strategies that e-commerce operators are adopting?
- What is the impact of GST on the sales strategies of e-commerce operators?
- What are the challenges and opportunities that e-commerce operators face in adapting their sales strategies to the post-GST era?
- The study could be conducted using a variety of research methods, such as surveys, interviews, and focus groups. It could also use secondary data sources, such as government reports, industry reports, and academic research.
- The findings of the study could be used by e-commerce operators to develop more effective sales strategies in the post-GST era. The study could also be used by policymakers to develop policies that support the growth of the e-commerce sector in India.