


EFFECTIVENESS OF PUBLICITY CAMPAIGN ON VALUE ADDED TAX: EVIDENCE FROM A METROPOLITAN CITY

R. Sthanumoorthy
Assistant Professor
Indian Institute of Management Kozhikode,
Kozhikode – 673 570
(email: moorthy@iimk.ac.in)

One major administrative requirement of value added tax (VAT) introduction is the conduct of a publicity campaign aimed at educating the stakeholders about VAT. In India, prior to the introduction of state-level VAT in April 2005, the Government of India (GoI) has launched a publicity campaign in order to appraise and educate the traders and general public on the implications of VAT. The objectives of this paper are two fold: (i) to evaluate the reach and effectiveness of the GoI's VAT publicity campaign; and (ii) to understand the perceptions stakeholders had about VAT at the time of its introduction in India. A metropolitan city namely Chennai has taken as a representative case to analyze these objectives. A primary survey was conducted in the city during March-April 2005 to elicit the views of the traders and general public on the GoI's publicity campaign and VAT. The study reveals that the reach of the GoI's VAT publicity campaign was indeed poor. The stakeholder had negative perceptions about the impact of VAT on the cost of production, prices and traders. The basic level of understanding about VAT among the stakeholders was quite unsatisfactory. The findings of this study might be useful to device a more effective publicity strategy at the time of the proposed introduction of nation-wide GST in from April 2010.

 For further details, contact - Publications & Research Dissemination Office, IIMKozhikode,
IIMK Campus PO – 673 570, Kozhikode, Kerala, India. Phone: (91) 0495 2809126
Email: prd@iimk.ac.in.
