



Effectiveness of Subscription Model in Modern Marketing

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Abstract – In today’s highly competitive and technologically advanced marketplace, businesses continuously seek innovative and sustainable marketing strategies to attract, engage, and retain consumers. One such approach that has gained significant traction in recent years is the subscription-based model. Originally associated with traditional industries such as publishing and entertainment, this model has expanded across various sectors, including software-as-a-service (SaaS), e-commerce, and digital media. The subscription economy has reshaped consumer purchasing behavior, providing companies with a stable revenue stream while offering customers convenience, personalization, and continuous access to services. However, despite its widespread adoption, questions remain regarding the model’s overall effectiveness in fostering customer satisfaction, brand perception, and long-term loyalty. This study aimed to explore the impact of the subscription model on consumer experiences, focusing on key factors that influence customer satisfaction and retention. Additionally, it examined the challenges businesses face in establishing and managing subscription services, particularly in balancing consumer expectations with sustainable business practices. A primary research question guiding this study was whether consumers perceived recurring payments as a beneficial feature or a financial burden and how this perception influenced their decision to subscribe and remain loyal to a brand. A descriptive research design was employed to analyse consumer attitudes toward subscription services. To gather primary data, an online survey was conducted using Google Forms, targeting a sample of 100 respondents, primarily aged 22-25 years. The selected participants were actively subscribed to popular digital services such as Netflix, Spotify, Amazon Prime, and YouTube Premium, allowing for an in-depth examination of real consumer experiences. The study sought to identify patterns in subscription behaviour, key drivers of retention, and areas of dissatisfaction. The findings revealed that perceived value played a critical role in determining subscription retention. Consumers cited financial considerations, convenience, and personalized content as primary motivators for maintaining their subscriptions. Many respondents valued the ability to access a wide range of services at a predictable cost, highlighting the importance of affordability and perceived cost-benefit balance. Personalized experiences, such as curated recommendations and exclusive content, further contributed to consumer satisfaction and engagement. However, despite these advantages, several concerns emerged. Many participants expressed worries about wasteful spending, particularly when they felt they were not fully utilizing the service. Additionally, complicated subscription terms and cancellation processes were significant pain points. Respondents reported frustration with unclear pricing structures, auto-renewal policies, and difficult cancellation procedures, which negatively impacted their brand perception and trust. Based on these insights, the study concluded that value delivery, transparency, and customer empowerment are essential for businesses aiming to sustain successful subscription models. Companies must prioritize clear communication regarding pricing, offer flexible plans that accommodate varying consumer needs, and simplify cancellation procedures to foster trust and loyalty. Providing a seamless, customer-centric experience is crucial in ensuring that subscribers perceive ongoing value in their memberships. Furthermore, the study recommended future research on regional preferences and the psychological effects of recurring payments, as consumer attitudes toward subscriptions may vary based on cultural, economic, and behavioural factors. Understanding these nuances can help businesses refine their strategies and improve customer satisfaction in diverse markets. Overall, this research contributes valuable insights into the evolving landscape of subscription-based marketing and provides actionable recommendations for businesses seeking to optimize their subscription models for long-term success.

Keywords – Subscription, Modern Marketing

I. INTRODUCTION

In the evolving landscape of modern marketing, businesses continuously seek innovative strategies to attract, engage, and retain customers. Among these strategies, the subscription-based model has emerged as a pivotal approach, reshaping the way companies deliver value and foster long-term customer loyalty. This model, once primarily associated with traditional industries such as publishing and entertainment, has now extended its reach across a wide range of sectors, including software-as-a-service (SaaS), e-commerce, health and wellness, and even food delivery services. The fundamental premise of the subscription model lies in its ability to provide consumers with ongoing access to products and services in exchange for recurring payments, creating a win-win situation for both businesses and customers.

The increasing adoption of subscription-based marketing is largely driven by its ability to generate sustained revenue streams, enhance customer retention, and cultivate brand loyalty. Unlike traditional one-time sales models, subscriptions allow businesses to predict their revenue with greater accuracy, offering financial stability and enabling long-term strategic planning. Moreover, this model encourages deeper customer engagement, as businesses must consistently deliver value to retain their subscribers. Consumers, in turn, benefit from convenience, personalization, and continuous service without the hassle of repeated transactions. This symbiotic relationship underscores the transformative impact of the subscription model in modern marketing.

The rise of digital technologies has further propelled the effectiveness of the subscription model. Advancements in



data analytics, artificial intelligence, and automated marketing platforms have empowered businesses to gain deeper insights into consumer preferences, enabling them to offer personalized experiences. Companies can now leverage predictive analytics to anticipate customer needs, optimize pricing strategies, and tailor their offerings accordingly. For instance, streaming platforms such as Netflix and Spotify utilize sophisticated recommendation algorithms to enhance user engagement and satisfaction. Similarly, SaaS providers like Adobe and Microsoft offer tiered subscription plans that cater to diverse customer segments, ensuring that users receive the level of service that best suits their needs.

Despite its numerous advantages, the success of the subscription model is contingent upon several critical factors. One of the most significant challenges businesses face is managing customer acquisition costs. Since subscription models often require upfront investments in marketing and customer onboarding, companies must ensure that the lifetime value (LTV) of a subscriber outweighs the cost of acquiring them (CAC). Failure to achieve a sustainable balance between CAC and LTV can render the model financially unviable.

Churn management is another crucial aspect of subscription-based businesses. Customer churn, or the rate at which subscribers cancel their subscriptions, directly impacts revenue and profitability. High churn rates indicate dissatisfaction or lack of perceived value, signaling a need for businesses to refine their offerings, improve customer support, or introduce loyalty incentives. Companies that effectively address churn through proactive engagement strategies, such as personalized communication, exclusive content, or flexible pricing, are more likely to sustain long-term subscriber relationships.

Furthermore, the subscription model necessitates the continuous delivery of value. Unlike traditional sales, where the transaction is completed upon purchase, subscription businesses must consistently provide compelling reasons for customers to remain subscribed. This requires ongoing product innovation, regular content updates, superior customer service, and a seamless user experience. Brands that fail to evolve risk losing subscribers to competitors who offer more value-driven alternatives.

To assess the effectiveness of the subscription model as a marketing strategy, this paper conducts a comprehensive analysis of industry case studies, consumer behavior trends, and marketing strategies. The central question guiding this research is: How effective is the subscription model as a marketing strategy in the modern business landscape? Through an exploration of successful subscription-based companies and their approaches to customer engagement, retention, and revenue optimization, this study aims to provide actionable insights for

businesses looking to implement or refine their subscription strategies.

Additionally, this paper highlights the challenges faced by companies adopting this model and offers recommendations to optimize its implementation. Key considerations include designing flexible subscription plans, leveraging behavioral analytics for targeted marketing, implementing retention-focused strategies, and ensuring a seamless omnichannel customer experience. The findings of this research contribute to a deeper understanding of how businesses can navigate the complexities of the subscription economy while maximizing customer satisfaction and financial sustainability.

In a rapidly evolving digital marketplace, the subscription model represents a paradigm shift in how businesses interact with consumers. By prioritizing long-term relationships over one-time transactions, this model aligns with modern consumer preferences for convenience, personalization, and continuous value. As the subscription economy continues to grow, businesses that successfully adapt to its demands stand to gain a competitive edge in their respective industries.

By investigating the dynamics of the subscription model, this paper aims to provide both academics and industry practitioners with valuable perspectives on leveraging this strategy for sustainable business growth. In doing so, it seeks to contribute to the broader discourse on the future of marketing, customer engagement, and revenue generation in the 21st century.

As businesses continue to shift toward customer-centric marketing models, understanding the dynamics of the subscription economy becomes crucial. Companies that master this approach can cultivate long-term customer relationships, drive brand loyalty, and secure sustained revenue growth. However, success in this domain requires a deep understanding of consumer expectations, seamless digital integration, and the ability to adapt to evolving market trends. By investigating these aspects, this paper contributes to a broader discourse on the role of subscriptions in modern marketing, providing valuable insights for both academics and practitioners. In conclusion, the subscription model represents a transformative force in contemporary marketing, redefining how businesses interact with consumers. While it offers significant advantages in terms of revenue predictability, customer retention, and personalized engagement, it also presents challenges that require strategic navigation. As technology continues to evolve and consumer preferences shift, businesses must continuously innovate and refine their subscription strategies to maintain relevance in an increasingly competitive marketplace. By delving into the nuances of subscription-based marketing, this research aims to provide actionable insights that can help businesses



leverage this model for sustainable growth and customer satisfaction in the 21st century.

II. REVIEW OF LITERATURE

Christian Kowalkowski (2024) found that the article explores the growing importance of subscription offers in Business-to-Business (B2B) markets. While widely adopted in Business-to-Consumer (B2C) industries, B2B companies face unique challenges in implementing such models. The study identifies key characteristics of B2B subscription offers, classifies them into four categories, and provides insights into leveraging these models for growth. The authors emphasize the importance of digitalization, customer success, and business model innovation for successful subscription strategies. Using interviews with industry executives, the research highlights the organizational and operational transformations required for subscription success. Fatmasari (2024) The document explores the dynamics of customer participation in subscription business models and their implications for sustainable marketing strategies. It highlights the importance of customer engagement, preference changes, response to promotions, and satisfaction in driving retention and loyalty. Ethical considerations, such as transparency and fairness, are emphasized to maintain trust and social responsibility. Using case analyses from industries like media, retail, technology, and services, the study provides actionable insights for companies to adapt and optimize their marketing strategies effectively. Määttänen (2015) The study examines consumer engagement with subscription-based music streaming services and the factors influencing their value to users. It focuses on the Finnish music market, where subscription services face adoption challenges despite the rapid growth of streaming platforms. Key findings highlight the importance of features like extensive music catalogs and ad-free listening in driving consumer interest. The study also emphasizes the role of digital marketing strategies, including word-of-mouth communication and social media presence, to enhance engagement. Insights are linked to the "Musiikin puolesta" campaign, which promotes licensed music consumption. Weiss (2024) The thesis explores the impact of customer preferences on the development of a subscription management portal and subscription models in the motor and generator industry, emphasizing their role in digital transformation. It identifies features and benefits that make these solutions appealing to both B2B and B2C partners. The research combines literature review and qualitative interviews to uncover key findings, including operational efficiencies, cost savings, and enhanced customer relationships. Despite resistance to change in some regions, the study provides actionable recommendations for integrating digital solutions to improve market competitiveness and sustainability. It also highlights the importance of customization and the potential for global scalability. Irina Gladilina G. D. (2022) The paper explores the development of subscription services in e-commerce,

focusing on how these services influence consumer behavior. It identifies consumer motives, barriers, and demographic factors affecting the adoption of subscription models, specifically multiservice subscriptions. The study involved an online survey of 202 participants in

Moscow to analyze relationships between consumer characteristics (e.g., gender and income) and subscription behaviors. It also examined consumer motivations such as convenience, monetary savings, and product variety, along with barriers like mandatory choices, low-quality goods, and high costs. The findings aim to assist e-commerce stakeholders in improving marketing strategies and customer retention. Kortal (2022) The paper applies Prospect Theory to explore consumer adoption of branded subscription services, particularly in the fashion industry. It highlights the barriers and drivers influencing adoption intentions for services like subscription-based clothing rentals, where consumers do not own the products. The study involved an experimental survey of 524 participants and found that while cost savings are the primary driver for adoption, risks related to product condition and liability are significant barriers. Additional product information can mitigate some perceived risks but does not directly influence purchase intentions. Kalin (2019) The paper investigates consumer behavior in subscription services, focusing on motivational factors driving meal delivery subscriptions in Russia. By integrating the Theory of Planned Behavior (TPB) and the Unified Theory of Acceptance and Use of Technology (UTAUT), the study identifies the psychological and technological factors influencing subscription intentions. Key motivators include convenience, personalization, and community, while barriers such as perceived cost and usability challenges hinder adoption. Empirical data is analyzed using correlation and regression methods to provide actionable insights for marketers and service providers. Gladun, Subscription Business Model in Mobile Software Industry. Case: Company X (2018) The paper by Dmitrii Gladun explores the subscription business model within the mobile software industry, focusing on the case of a private company referred to as "Company X." It investigates consumer motives behind downloading and paying for subscription-based mobile applications. The study employs a mixed-methods approach, combining qualitative interviews with Company X's managers and quantitative surveys involving 204 respondents. It examines various marketing strategies, app monetization models, and user behaviors. Key insights are drawn to offer recommendations for improving subscription models in mobile software. Batan (2024) The paper, Exploring Consumer Buying Patterns in Subscription-Based Services: An Analytical Study, examines the factors influencing consumer behavior in subscription-based models across various industries such as entertainment, software, health, and beauty. It emphasizes the importance of understanding consumer motivations, pricing strategies, service quality, and engagement tactics for attracting and retaining subscribers. The study employs both qualitative



and quantitative methodologies to analyze data and provides actionable insights for improving subscription models. Bucharest (2021) The Strategica 2021 Proceedings present a collection of studies addressing the dynamic challenges and trends in business and economics in the context of the COVID-19 pandemic. The document spans multidisciplinary topics such as management, finance, marketing, sustainability, and digital transformation. The central theme emphasizes adapting strategies, fostering resilience, and leveraging digitalization to overcome disruptions and shape the future of industries. The pandemic accelerated digital transformation and reshaped working habits, consumption trends, and economic policies. Agile and proactive strategies were necessary for organizations to achieve sustainable competitive advantages. Simbarashe Pasirayi (2021) The paper explores the impact of subscription-based direct-to-consumer (SBDTC) channels on firm value, focusing on the pay-TV industry. It finds that while these channels offer opportunities for recurring revenue, they can reduce firm value due to increased channel conflict, cannibalization, and operational complexities. However, firms with strong channel power, high-quality offerings, and exclusive content can mitigate these negative effects. The study uses an event-study methodology, analyzing stock price reactions to 71 announcements of SBDTC channels. Results show an average 0.89% decrease in firm value, with variations based on firm and strategy-specific factors. The findings emphasize strategic planning in launching SBDTC channels to avoid undermining firm performance.

Emilia (2015) The paper investigates the factors influencing consumer engagement with subscription-based music streaming services, focusing on Finland, where the adoption of paid models lags behind free ad-supported services. The study, conducted for the "Musiikin puolesta" (For Music) campaign, explores how digital marketing can encourage consumers to transition to paid subscriptions. Using surveys targeting Finnish music consumers aged 16–54, the research identifies broad music catalogs, unlimited access, and an ad-free experience as key value drivers. Social media and word-of-mouth marketing emerge as critical tools for promoting subscription-based services. Despite challenges, such as 68% of internet users not adopting paid models, the findings provide actionable insights for future marketing strategies aimed at increasing user engagement with licensed music platforms. Seliverstova (2024) This thesis investigates the factors influencing consumer behavior in subscribing to meal delivery services in Russia. It integrates the Theory of Planned Behavior (TPB) and the Unified Theory of Acceptance and Use of Technology (UTAUT) to develop a unique research model. The study uses correlation and regression analyses to identify key motivators, including performance expectancy, social influence, and price value, as well as barriers like effort expectancy and perceived behavioral control. The findings provide insights into customer preferences, offering practical recommendations

for businesses to refine their subscription models and marketing strategies. The research combines TPB and UTAUT frameworks, adding new dimensions such as personalization and community, to create a robust model tailored to the subscription economy. (Budvytis, 2024) This master's thesis explores customer preferences to enhance subscription management portals and models in the motor and generator industry, which has lagged in adopting digital service models. By integrating qualitative research, literature reviews, and interviews with industry partners, the study identifies key features and benefits of subscription systems for both B2B and B2C markets. It emphasizes the importance of customization, operational efficiency, and sustainability as critical factors driving the adoption of subscription models. The thesis offers actionable recommendations for vendors to develop appealing digital solutions that strengthen market competitiveness. B2B customers value tools for remote management and efficiency, while B2C users prioritize user experience and convenience. Subscription models reduce physical product dependencies, decreasing CO2 emissions and operational costs. Makokha (2023) The research examines the viability of a subscription-based revenue model for The Standard Group in Kenya, focusing on sustaining quality journalism amid declining advertising revenues and changing digital consumption patterns. Utilizing a mixed-methods approach, it evaluates factors driving adoption, the model's impact on audience engagement, challenges during the transition, and strategies for success. Findings highlight the need for premium content, pricing innovation, and tailored approaches to local contexts. The study provides recommendations to enhance revenue diversification, user experience, and long-term sustainability, offering insights for similar media organizations globally.

Blankenship (2024) The study explores consumer engagement in subscription-based music streaming services within Finland, focusing on values influencing user preferences. Using quantitative research, it surveyed Finnish consumers aged 16-54 to identify what drives them to pay for music streaming. Results highlighted broad music catalogs and unlimited usage as key valued features. While ad-supported models are popular, subscription services lag in adoption. The "Musiikin puolesta" campaign aims to enhance awareness and adoption of licensed streaming. Integration of word-of-mouth strategies and digital marketing were recommended to boost engagement and support musicians within this growing but underutilized segment of the music industry. Analyse consumer values driving engagement with subscription-based music streaming services in Finland. Kandziora (2021) This study explores content valuation strategies for digital subscription platforms like Netflix and Amazon Prime, which rely on diverse revenue streams, including subscriptions, advertising, and cross-sales. The paper presents a conceptual ROI framework to assess how individual content pieces contribute to revenue generation through customer acquisition, retention, and engagement.



It highlights challenges like platform heterogeneity, content type variation, and direct versus indirect value contributions. By integrating performance indicators and analyzing content and platform-specific contingencies, the framework aims to guide DSPs in optimizing content portfolios, enhancing customer experience, and maximizing profitability. Hasini Dilani Ranasinghe (2024) This research paper explores consumer buying patterns in subscription-based services. It investigates key factors influencing consumer decisions, such as pricing structures, service quality, engagement strategies, and psychological influences. The study utilizes both qualitative and quantitative data analysis to identify patterns and underlying motivations. The findings provide valuable insights for service providers on enhancing customer acquisition and retention, including optimizing pricing strategies, maintaining high service quality, engaging customers effectively, and addressing psychological factors like trust and FOMO.

George (2024) This research paper examines the psychological and societal costs of subscription service overload. While subscriptions offer convenience and personalization, their rapid growth leads to consumer burnout, anxiety, and financial strain. Businesses often prioritize profit maximization through deceptive design, making cancellation difficult and exploiting consumer psychology with FOMO tactics. This creates a sense of inadequacy and fuels compulsive consumption. Excessive digital content consumption also contributes to social isolation and mental health issues. The paper argues for a shift towards ethical business practices that prioritize consumer welfare, transparency, and easy cancellation options. Salsabila Sephia Kusuma (2022) This research paper examines the psychological and societal costs of subscription overload. While subscriptions offer convenience and personalization, their rapid growth leads to consumer burnout, anxiety, and financial strain. Businesses often prioritize profit maximization through deceptive design, making cancellation difficult and exploiting consumer psychology with FOMO tactics. This creates a sense of inadequacy and fuels compulsive consumption. Excessive digital content consumption also contributes to social isolation and mental health issues. The paper argues for a shift towards ethical business practices that prioritize consumer welfare, transparency, and easy cancellation options. Tatyana Shtal (2024) The research paper investigates trends in the development of digital subscription services. The authors analyze examples of digital subscription companies and identify key factors affecting their success. They then use autoregressive models to forecast the number of subscribers for Netflix and Amazon Prime, considering the impact of COVID-19. The study concludes that moving average autoregression is the most effective model for forecasting subscriber numbers. Nazhira Nindya Padma Hanuun (2024) The dynamics of customer participation in subscription business models is a major focus for companies that want to understand consumer behavior and increase customer

retention. Case analysis of subscription business models can provide deep insight into how customers interact with the products or services they subscribe to. By understanding this interaction, companies can identify underlying customer behavior patterns, preferences and needs. Olimjonovich (2024) This research paper explores the rise of the subscription economy and its impact on businesses and consumers. It examines the key drivers behind this growth, including changing consumer preferences, advancements in technology, and the shift towards recurring revenue streams. The paper discusses the benefits and challenges of subscription-based models for both businesses and consumers, as well as their implications for market competition, customer relationships, and innovation. It concludes by offering strategies for businesses to thrive in the subscription economy, emphasizing customer-centricity, scalability, customer engagement, continuous improvement, and embracing innovation. Alexandros Deligiannis (2020) This paper proposes a new method to estimate the probability of a customer Berhenti Langganan (stopping subscription) in subscription commerce business. This method is designed for repeat customers who buy products regularly. The goal is to identify customers at risk of churn and allow marketers to take appropriate action to retain them. Shkiria (2015) This research examines the potential of the subscription business model in the Finnish market for eco, organic, and animal-friendly products. It analyzes the advantages and disadvantages of this model and explores its application to a specific case company. By conducting a customer survey and utilizing the Business Model Canvas and Value Proposition Canvas, the research aims to identify the optimal value proposition for a subscription service in this domain, considering customer preferences and market trends. The findings can be used to guide companies in developing successful subscription services for eco-conscious products in the Finnish market. Yoo-Jin Kim (2020) The study investigates the factors affecting purchase motivations and continuous use intention of online subscription services. Social, convenient, hedonic, economic, and innovative motives were identified as factors affecting purchase decisions. Hedonic motives were found to have the greatest impact on purchase intention, while social and innovative motives were found to be risk factors. The findings suggest that companies should focus on providing enjoyable experiences to increase customer satisfaction and loyalty. Afrina Yasmin (2015) The research paper "Effectiveness of Digital Marketing in the Challenging Age: An Empirical Study" examines the effects of digital marketing on firm sales and compares it to traditional marketing. It finds that digital marketing has a positive effect on sales and that social media marketing is one of the most important digital marketing channels. Engla Raafi (2020) The research explores the "Foodritious" start-up, designed to address gaps in healthy dietary programs through a subscription-based model. The study identifies key customer pain points, such as poor service responsiveness and lack of trust in dietary recipes. Foodritious incorporates loyalty-



driven features like nutritionist chat services, progress tracking, and a supportive community. Using iterative development and market analysis tools like Google Trends, the start-up aims to enhance user experience while addressing customer needs effectively. With a focus on trust-building, quality assurance, and tailored subscription packages, Foodritious positions itself as a sustainable solution for promoting healthier eating habits in a competitive market. Zhiyong Li (2024) The study examines the optimal revenue models for monopolistic social networking platforms, comparing ad-sponsored (AM), subscription-based (SM), and hybrid (HM) strategies. Findings reveal that AM is always outperformed by HM, which leverages both user payments and advertising revenues. SM becomes optimal when the premium service's quality significantly exceeds the basic services. In the "easy-to-use" premium case, HM gains preference as misfit costs rise, while in the "hard-to-use" case, SM may dominate for high misfit costs. The study highlights the dynamic nature of revenue model decisions, influenced by service quality ratios, user preferences, and network effects.

Irina Gladilina G. D. (2023) The research investigates consumer behavior toward subscription services, focusing on motives, barriers, and the impact of demographic factors. Based on a survey of 202 Moscow residents, findings reveal that ease of use, price-quality ratio, and monetary savings are primary drivers for subscribing. Women and higher-income groups are more likely to use multiservice subscriptions. Key barriers include mandatory product bundles and low product/service quality. The study emphasizes the growing potential of subscription-based e-commerce, highlighting the need for improved consumer awareness and customization to enhance adoption. Insights contribute to optimizing marketing strategies and advancing subscription service models in e-commerce. Jorna Leenheer (2003) The research paper examines the impact of loyalty programs on customer behavior using market-wide panel data from the Dutch supermarket sector. It highlights the complex relationship between loyalty program membership and purchasing behavior, emphasizing the need to account for endogeneity. The study finds that loyalty programs generally enhance share-of-wallet, though not all programs are effective. Programs that prioritize saving features over immediate discounts yield better results. The authors also stress the importance of careful program design and management to ensure profitability and address consumer privacy concerns. Deshpande (2023) The article by Mahesh Deshpande discusses strategies for effectively managing subscription programs in a rapidly evolving subscription economy. It emphasizes the importance of understanding the subscription lifecycle, utilizing essential metrics, and applying Agile frameworks to enhance operational efficiency and customer satisfaction. Leadership strategies are highlighted as crucial for fostering innovation and cross-functional collaboration. The paper outlines key metrics for measuring success and

provides a roadmap for scaling subscription initiatives, ultimately aiming to drive sustainable growth and long-term customer relationships in subscription-based businesses.

Research Gap

- This is growing field very less people are covering this model.
- Impact of personalisation, Pricing Strategies and regional or cultural factor Subscription model remain unexplored

Research Objective

- To analyse the effect of subscription model on brand perception and customer satisfaction.
- To investigate the challenges and limitations faced by business when implementing subscription model.
- To investigate the role of customer feedback in improving the subscription model.

III. RESEARCH METHODOLOGY

With an emphasis on how it affects customer satisfaction, brand perception, and overall consumer engagement, this study attempts to evaluate the efficacy of the subscription model in contemporary marketing. A well-organised research methodology that included a suitable research design, data collection method, sampling technique, and data analysis process was created in order to accomplish these goals.

Research Design

The research design used in this study is descriptive, which is ideal for learning customer attitudes, experiences, and subscription service-related behaviours. With descriptive research, current conditions can be thoroughly examined without changing any variables. This method works well for examining the patterns, trends, and viewpoints of customers who actively use subscription-based services in industries like e-commerce, digital media, and entertainment. The researcher was able to extract valuable insights from the data gathered because the design allowed for a methodical investigation of a number of factors, such as perceived value, pricing concerns, and loyalty.

Data Collection

A Google Forms-created online survey questionnaire was used to gather data. This approach was selected due to its affordability, ease of use, and capacity to reach a large number of participants. Additionally, it guaranteed speedy data collection while letting respondents respond whenever it was most convenient for them. Likert scale items and closed-ended questions were included in the survey to gauge respondents' strong opinions on various facets of subscription services. Subscription preferences, cost considerations, satisfaction levels, and the perceived influence of subscription models on spending patterns were among the subjects discussed.



Sample Size

100 respondents in all took part in the study. Convenience sampling was used to choose the sample, with an emphasis on people who currently use subscription services such as Netflix, Amazon Prime, Spotify, YouTube Premium, and others. Students and working professionals between the ages of 22 and 25 made up the majority of the sample, which included a diverse demographic. When examining contemporary subscription-based marketing tactics, this age group is extremely relevant because it makes up a significant portion of digital consumers.

Type of Data

Only primary data, which was collected directly from the respondents, was applied in the research. The research gathered primary information of customer attitudes, preferences, and behaviors towards subscription services by utilizing primary data. This approach minimized reliance on external interpretations while providing original insights specific to the objectives of the study. The self-reported data facilitated easier examination of real experiences and emotions associated with various subscription platforms.

IV. RESULT & DISCUSSION

This research aims to analyse how the subscription model impacts brand perception and customer satisfaction, identifying whether customers find value in recurring payments. It also investigates the challenges businesses face in implementing subscription models, such as pricing concerns and customer retention issues. Additionally, the study explores the role of customer feedback in refining subscription offerings to enhance user satisfaction. To assess the effectiveness of the subscription model, key metrics like perceived value, pricing justification, and loyalty are examined. Various data visualization tools, including pie charts, bar graphs, and trend analysis, help interpret customer opinions, business challenges, and areas for improvement in subscription services.

Age Distribution of Respondents in Subscription Model: The bar chart illustrates the age distribution of 100 respondents, with the majority falling between 22 to 25 years old, particularly 24 years (21%) and 25 years (20%). This indicates that the study primarily represents young adults, who are key consumers of subscription-based services. Understanding this demographic will help analyze how age influences brand perception, satisfaction, and challenges in the subscription model.

Occupation Distribution of Respondents in Subscription Model: The pie chart shows that the majority of respondents (66%) are students, followed by working professionals (26%) and business owners (8%). This indicates that subscription services are primarily used by students, who may have different affordability concerns and brand perceptions compared to working professionals.

The study will analyze how occupation influences subscription adoption, satisfaction, and perceived value.

Table No: 4.1 Subscription Service Preferences Among Users

Service	Percentage
Netflix	45%
Amazon Prime	17%
Youtube	18%
Spotify	12%
Hr related App	-
Meta AI	-
Jio	-
Photo editing App	-

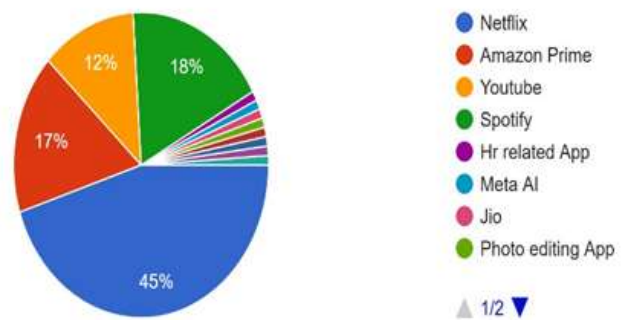


Figure 1 Subscription Service Preferences Among Users

Preferred Subscription Services Among Respondents: The pie chart reveals that Netflix (45%) is the most popular subscription service, followed by Spotify (18%), Amazon Prime (17%), and YouTube (12%). Other services like HR-related apps, Meta AI, Jio, and photo editing apps have minimal usage. This indicates that entertainment and music streaming dominate subscription preferences among respondents. The study will explore how service type affects customer satisfaction and brand loyalty in the subscription model.

Impact of Perceived Value on Subscription Loyalty: The pie chart shows that 38% strongly agree and 47% agree that perceived value is crucial in maintaining their loyalty to a subscription service, while only a small percentage remain neutral (9%) or disagree (6%). This highlights that the majority of users base their subscription retention on the value they receive. The study will analyze how businesses can enhance perceived value to improve customer satisfaction and long-term retention.

Table No: 4.2 Majority Weigh Financial Commitment Before Subscribing to Services

Response Option	Percentage (%)
Strongly Agree	27%
Agree	48%
Neutral	14%
Disagree	11%
Strongly Disagree	0%

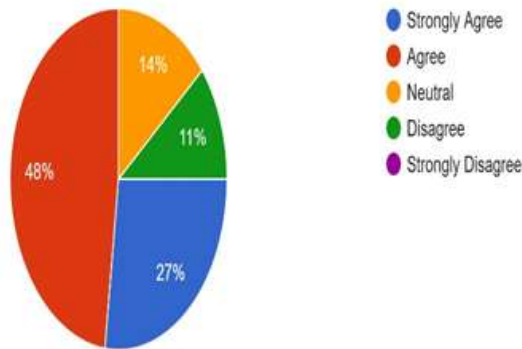


Figure 2 Majority Weigh Financial Commitment Before Subscribing to Services

Financial Consideration Before Subscription Commitment: The pie chart reveals that 48% agree and 27% strongly agree that they consider long-term financial commitments before subscribing, while 14% remain neutral and a smaller 11% disagree. This indicates that most users are financially cautious before committing to recurring payments. The study will explore how pricing strategies and flexible plans influence customer decisions and subscription adoption.

<u>Table No: 4.3 Subscription services reducing freedom to choose alternatives</u>	
Response	Percentage
Strongly disagree	29%
Disagree	32%
Neutral	17%
Agree	13%
Strongly agree	9%

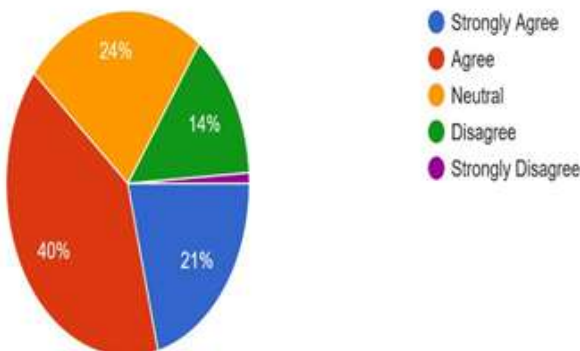


Figure 3 Subscription services reducing freedom to choose alternatives

Perceived Lock-In Effect of Subscription Services: The pie chart shows that 40% agree and 21% strongly agree that subscription services make them feel locked into a brand, limiting their ability to explore alternatives, while 24% remain neutral and 14% disagree. This suggests that a significant portion of users feel restricted by subscriptions, which may impact their satisfaction and willingness to continue. The study will analyze how businesses can

improve flexibility and reduce the perceived lock-in effect to enhance customer experience.

Decision-Making Challenges in Subscription Service Selection: The pie chart indicates that 39% agree and 20% strongly agree that the increasing number of subscription services makes it harder to choose, while 26% disagree, 10% strongly disagree, and 5% remain neutral. This suggests that while many users feel overwhelmed by choices, a significant portion does not perceive this as an issue. The study will explore how businesses can differentiate their subscription models to simplify decision-making and improve customer acquisition.

<u>Table No: 4.4 Brands use subscription models to take advantage of customer loyalty</u>	
Response	Percentage
Strongly disagree	29%
Disagree	32%
Neutral	17%
Agree	13%
Strongly agree	9%

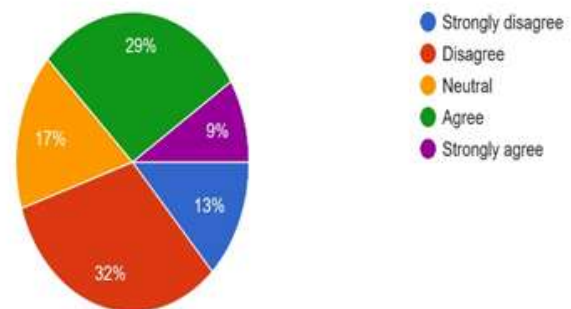


Figure 4 Brands use subscription models to take advantage of customer loyalty

Perceived Exploitation of Customer Loyalty in Subscription Models: The pie chart shows that 32% disagree and 13% strongly disagree with the statement that brands take advantage of customer loyalty, while 29% agree, 9% strongly agree, and 17% remain neutral. This indicates a divided perception, with a significant portion believing that subscription models reward loyalty, while others feel exploited. The study aims to assess how brands can enhance trust and value perception in subscription models.

<u>Table No: 4.5 Demographic factors significantly impact choice of subscription service</u>	
Response	Percentage
Strongly Agree	22%
Agree	37%
Strongly disagree	26%
Disagree	9%
Neutral	-

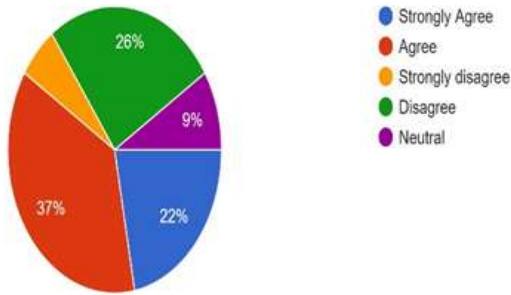


Figure 5 Demographic factors significantly impact choice of subscription service

Demographics as a Key Factor in Subscription Choices: The chart shows that 37% agree and 22% strongly agree that demographic factors such as age, income, and location significantly influence their choice of subscription services. Meanwhile, 26% disagree, 9% strongly disagree, and 6% remain neutral, indicating a split in perception. This study aims to explore how demographic factors shape consumer subscription preferences.

Table No: 4.6 AI-driven recommendations improve my subscription experience

Response	Percentage
Strongly disagree	37%
Disagree	22%
Neutral	15%
Agree	19%
Strongly agree	7%

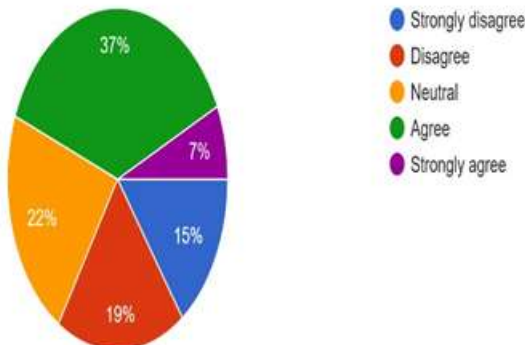


Figure 6 AI-driven recommendations improve my subscription experience

The Impact of AI-Driven Recommendations on Subscription: The chart indicates that 37% agree AI-driven recommendations enhance their subscription experience, while 7% strongly agree. However, 19% disagree, 15% strongly disagree, and 22% remain neutral, reflecting a mix of opinions. This study aims to assess how AI personalization influences user satisfaction with subscription services.

Subscription Models Drive Unnecessary Spending Over Savings: The chart shows that 43% agree and 28% strongly agree that subscription models lead to unnecessary spending, while 9% disagree and 3% strongly disagree. Meanwhile, 17% remain neutral, indicating

mixed perceptions. This study aims to evaluate the financial impact of subscription-based services on consumer spending behavior.

Table No: 4.7 Pricing of most subscription services is justified by the value they provide

Response	Percentage
Strongly disagree	31%
Disagree	28%
Neutral	15%
Agree	22%
Strongly agree	-

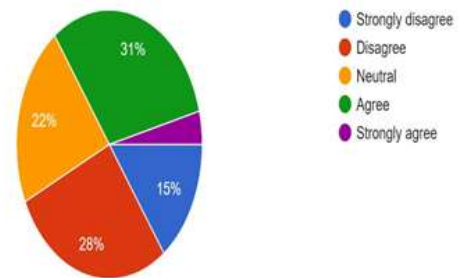


Figure 7 Pricing of most subscription services is justified by the value they provide

Mixed Opinions on Whether Subscription Pricing Reflects True Value: The chart indicates that 31% agree that subscription pricing is justified, while 28% disagree and 15% strongly disagree. 22% remain neutral, reflecting uncertainty, and only 4% strongly agree. This study aims to assess consumer perceptions of whether subscription services offer fair value for their cost.

Table No: 4.8 Continuation of subscription if companies provided more engaging content or additional benefits

Response	Percentage
Strongly Agree	45%
Agree	17%
Neutral	6%
Disagree	17%
Strongly Disagree	15%

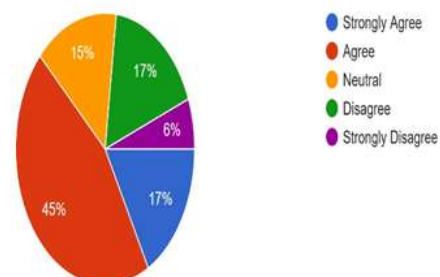


Figure 8 Continuation of subscription if companies provided more engaging content or additional benefits



Content and Benefits Influence Subscription Retention: The chart shows that 45% agree and 17% strongly agree that engaging content or additional benefits would encourage them to continue their subscriptions. 15% remain neutral, while 17% disagree and 6% strongly disagree. This study explores how enhanced offerings impact customer retention in subscription services.

Transparency in Pricing and Cancellation Policies Builds Trust: The chart reveals that 34% agree and 10% strongly agree that clear pricing and cancellation policies increase trust in subscription-based businesses. However, 27% disagree, 24% remain neutral, and 5% strongly disagree. This study examines how transparency affects consumer confidence in subscription services.

Subscription-Based Bands Perceived as More Modern and Innovative: The chart shows that 41% agree and 13% strongly agree that bands offering subscriptions appear modern and innovative, while 24% are neutral, 14% disagree, and 8% strongly disagree. This study aims to explore how subscription models influence the perception of a band's innovation and relevance.

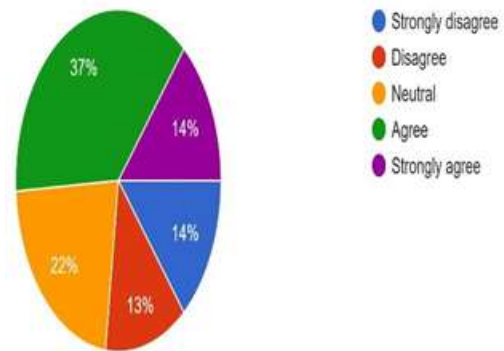


Figure 10 Subscription services make my shopping experience more convenient

Convenience Factor: Do Subscription Services Enhance Shopping Ease: The chart shows that 37% agree and 14% strongly agree that subscription services make shopping more convenient, while 22% remain neutral. Meanwhile, 13% disagree and 14% strongly disagree, indicating a split perception. This study aims to explore how subscriptions influence consumer shopping convenience.

Trust Issues: The chart shows that 43% of respondents agree and 13% strongly agree that difficult subscription cancellations reduce trust in brands. Meanwhile, 17% remain neutral, while 14% disagree and 13% strongly disagree, reflecting mixed opinions. This study will explore the impact of cancellation policies on customer trust and retention. Understanding whether complex processes drive customers away or influence brand perception is crucial for businesses. By analyzing consumer responses, the research will highlight the significance of transparent and customer-friendly cancellation policies. The findings may help subscription-based companies improve retention strategies and build stronger relationships with their customers.

Table No: 4.9 Subscription services provide better value for money than one-time purchases

Response	Percentage
Strongly disagree	37%
Disagree	21%
Neutral	12%
Agree	18%
Strongly agree	12%

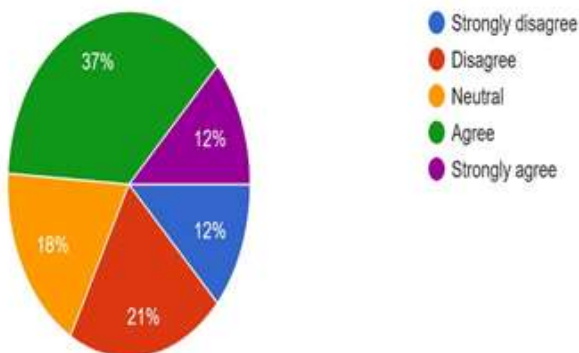


Figure 9 Subscription services provide better value for money than one-time purchases

Table No: 4.11 Subscription for unique service

Response	Percentage
Strongly Agree	19%
Agree	21%
Neutral	9%
Disagree	47%
Strongly Disagree	-

Table No: 4.10 Subscription services make my shopping experience more convenient

Response	Percentage
Strongly disagree	13%
Disagree	22%
Neutral	14%
Agree	37%
Strongly agree	14%

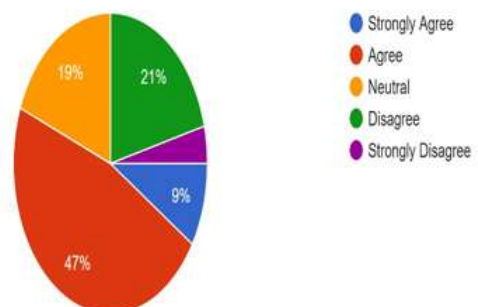


Figure 11 Subscription for unique service



The chart reveals that 47% of consumers agree and 9% strongly agree that they subscribe only if a service is unique, while 19% remain neutral. In contrast, 21% disagree and 4% strongly disagree, suggesting a preference for one-time payments over subscriptions. This analysis will examine how the uniqueness of a service influences consumer subscription decisions. Understanding whether exclusivity justifies recurring payments can help businesses refine their pricing models. By exploring consumer attitudes, this study aims to provide insights into optimizing subscription strategies, ensuring that businesses attract and retain customers through distinct offerings that justify ongoing financial commitments.

Simplicity Wins: Consumers Avoid Complex Subscription Models: The chart indicates that 40% agree and 13% strongly agree that a complex subscription model discourages engagement, even if the product is good. Meanwhile, 18% remain neutral, while 21% disagree and 8% strongly disagree, showing some openness to complexity. This analysis will explore how subscription complexity impacts consumer willingness to engage.

V. CONCLUSION

The subscription model has become a powerful strategy in modern marketing, transforming how businesses engage with customers and generate revenue. This study examines not only the challenges businesses face in implementing subscription-based services but also how these models influence customer satisfaction, brand perception, and loyalty. While subscriptions offer significant benefits such as stable revenue streams, enhanced customer retention, and ongoing engagement, they also present challenges like customer attrition, pricing concerns, and perceived value issues.

One of the key findings of this study is the crucial role that perceived value plays in maintaining customer loyalty. Most respondents indicated that they continue subscribing to services that consistently provide good value. This highlights the importance of businesses delivering meaningful benefits that meet customer expectations. If a subscription service fails to offer continuous value, customers are more likely to discontinue their subscriptions, leading to increased churn rates. Therefore, businesses must focus on enhancing value through premium content, exclusive benefits, or improved service quality to maintain long-term customer relationships.

The financial aspect of subscriptions also plays a major role in consumer decisions. Many users are wary of recurring payments and prefer flexible, transparent pricing structures. When customers perceive subscription costs as excessive or unnecessary, they are less likely to remain loyal or recommend such services. Hidden fees, price increases without clear justification, and rigid payment structures contribute to dissatisfaction and mistrust. This underscores the need for companies to offer adaptable

pricing options, such as tiered plans, pay-as-you-go models, or customizable packages, to cater to different customer preferences and financial capabilities.

Beyond financial considerations, the psychological impact of subscription models is another critical factor. Many respondents expressed feeling "locked-in" by subscriptions, which discouraged them from exploring alternative options and sometimes led to dissatisfaction. The sense of being trapped in a recurring payment cycle can create frustration, especially if customers find it difficult to justify the ongoing costs. Moreover, a significant portion of respondents reported difficulties in canceling subscriptions, which negatively affected their trust in brands. Complex or misleading cancellation processes create frustration and may drive customers away permanently.

To address these concerns, businesses should prioritize customer empowerment by offering flexible subscription terms, clear policies, and straightforward cancellation procedures. Providing easy opt-out options and transparent billing details not only builds trust but also differentiates brands in a highly competitive market. Customers appreciate companies that respect their autonomy and make it easy to manage their subscriptions according to their needs.

Demographic factors also influence subscription behavior. The study found that the majority of subscription service users are young adults, particularly those aged 22 to 25, who are either students or early-career professionals. Their preferences emphasize the need for convenience, affordability, and adaptability in subscription services. Companies targeting this demographic should focus on cost-effective plans, student discounts, and flexible options that cater to their dynamic lifestyles.

The type of service offered also impacts customer satisfaction and perceived value. Entertainment services, such as Netflix and Spotify, were among the most popular subscriptions, highlighting the strong appeal of on-demand content. Music, streaming, and e-commerce subscriptions were generally well-received, but customers were more likely to continue their subscriptions when they perceived a unique value that was not easily available elsewhere. This suggests that businesses must focus on differentiation—offering exclusive content, superior customer experiences, or additional perks to justify subscription costs.

Technology plays a significant role in shaping subscription experiences. AI-driven recommendations and personalization are increasingly used to enhance customer engagement. While some respondents appreciated personalized content suggestions, others found them intrusive or redundant. This indicates that businesses must strike a balance between customization and user control. Instead of overwhelming customers with excessive



recommendations, companies should allow users to fine-tune their preferences, ensuring that personalization enhances rather than detracts from their experience.

Another major insight from the study is that subscription complexity discourages engagement. Many users prefer simple and transparent subscription models, avoiding services with overly complicated terms, hidden fees, or unclear benefits. Customers are more likely to subscribe when they fully understand what they are paying for and when the service offers a unique and compelling value proposition.

In conclusion, the subscription model can be an incredibly effective marketing strategy when businesses prioritize value, convenience, transparency, and customer trust. To maximize success, companies must design subscription services that offer genuine benefits, flexible pricing, and easy management options. By addressing concerns related to pricing, cancellation processes, and perceived value, businesses can improve customer retention and brand loyalty. As consumer expectations continue to evolve, companies must adapt by offering innovative, customer-friendly subscription models that align with their audience's needs and preferences. The future of subscription-based services depends on building trust, providing continuous value, and maintaining strong relationships with customers through clear, fair, and user-centric policies.

Suggestion: In the subscription economy, companies that can effectively control pricing, provide reliable value, and streamline the user experience have a higher chance of success. Companies must prioritize innovation, customer-centric strategies, and ethical approaches in order to maintain and expand their subscriber base as the market becomes more and more crowded with subscription options.

Scope of Study: This study identifies areas for further research, including regional preferences and the long-term psychological effects of recurring payment models, and provides useful insights into streamlining subscription strategies.

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