

A STUDY ON THE FINANCIAL BEHAVIOURAL IMPLICATIONS OF SUBSCRIPTION – BASED BUSINESS MODELS ON MONTHLY SPENDING PATTERNS

R. Yogalakshmi¹, P. Lakshmi Priya², P. Yogitha³, R. Harini⁴, R. Chaaruvikram⁵

¹*Student, III B.Com Honours (Professional Accounting) Department of Commerce SRM Institute of Science and Technology, Ramapuram, Chennai, India.*

²*Student, III B.Com Honours (Professional Accounting) Department of Commerce SRM Institute of Science and Technology, Ramapuram, Chennai, India.*

³*Student, III B.Com Honours (Professional Accounting) Department of Commerce SRM Institute of Science and Technology, Ramapuram, Chennai, India. Email ID: yogithayogi2004@gmail.com*

⁴*Student, III B.Com Honours (Professional Accounting) Department of Commerce SRM Institute of Science and Technology, Ramapuram, Chennai, India.*

⁵*Student, III B.Com Honours (Professional Accounting) Department of Commerce SRM Institute of Science and Technology, Ramapuram, Chennai, India.*

Abstract—*Subscription-based business models have become increasingly common in many industries such as entertainment, software, digital platforms, and online services. These models allow consumers to access products or services by paying a fixed recurring fee, usually on a monthly basis. While subscription services provide convenience, flexibility, and continuous access to services, they may also influence the way consumers manage their personal finances and spending habits.*

This study focuses on examining the financial behavioural implications of subscription-based business models on consumers' monthly spending patterns. The objective of the study is to understand how recurring subscription payments affect budgeting behaviour, financial awareness, and overall expenditure. As consumers increasingly subscribe to multiple platforms and services, small recurring payments may accumulate over time and significantly impact monthly financial planning.

The study also explores consumer attitudes toward subscription services, including perceived value, ease of payment, and the likelihood of overlooking recurring charges. By analysing consumer responses and spending behaviour, the research aims to identify whether subscription-based models encourage disciplined financial management or lead to increased and sometimes unnoticed spending.

Keywords: *Subscription-Based Business Model, Convenience, Affordability.*

1. INTRODUCTION

In recent years, subscription-based business models have gained significant popularity across a wide range of industries. Companies now offer products and services through recurring payment systems rather than traditional one-time purchases. From digital entertainment platforms and software services to online shopping memberships and fitness applications, subscription services have become an integral part of modern consumer lifestyles. This shift in business strategy has transformed the way consumers access and pay for products and services, making convenience and continuous access key features of the subscription economy.

The rapid growth of digital technology and online platforms has further accelerated the adoption of subscription-based models. Consumers today prefer flexible and easily accessible services that allow them to pay small amounts periodically rather than large lump-sum payments. As a result, many companies have adopted monthly or yearly subscription plans to attract and retain customers. While these models provide convenience, affordability, and personalized experiences, they also introduce new patterns in consumer spending behaviour.

One important aspect of subscription-based services is their influence on individuals' financial behaviour. Since subscription payments are often automated and recurring, consumers may subscribe to multiple services simultaneously without fully realizing the cumulative cost. Small monthly payments may appear affordable individually, but when combined, they can significantly impact overall monthly spending. This can affect budgeting habits, financial planning, and awareness of personal expenses.

This study aims to examine how subscription-based business models influence consumers' monthly spending patterns and financial decision-making. By analysing consumer behaviour, awareness of subscription costs, and spending habits, the research seeks to identify how recurring payments shape financial management practices. The findings of this study will contribute to a better understanding of consumer financial behaviour in the growing subscription economy and provide insights for both consumers and businesses in managing and designing subscription services more effectively.

2. REVIEW OF LITERATURE:

Nguyen (2025) “Subscription Fatigue: Analyzing Financial Behavior in a Saturated Subscription Market” The research examined how consumers react to the growing number of subscription-based services. The study found that consumers often experience subscription fatigue when they subscribe to multiple services. This situation affects their monthly spending patterns and financial management. The research highlights that consumers tend to cancel services that provide less value. It also emphasizes the importance of pricing and service quality in retaining subscribers. The study concludes that businesses must understand consumer financial behavior to sustain subscription models.

Anjaria and Patel (2025) “A Study on the Impact of Subscription-Based Models on Consumer Buying Behaviour with Respect to E-Commerce Platforms” The study examined how subscription services influence consumer purchasing behaviour in e-commerce platforms. The findings indicate that subscription models provide convenience and personalized services to consumers. The research shows that discounts, exclusive offers, and regular delivery encourage customers to subscribe. It also highlights that perceived value and customer satisfaction influence subscription continuation. The authors conclude that subscription-based models significantly impact consumer buying behaviour. The study offers useful insights for e-commerce companies adopting subscription services.

Sharma and Sijariya (2024) “Uncovering the Trends and Developments in Subscription Business Models through Bibliometric Analysis” The study analyzed various research publications to identify trends in subscription-based business models. The findings reveal that subscription models are increasingly used across different industries. The research highlights the importance of recurring revenue and long-term customer relationships. It also discusses major research themes such as customer retention, digital transformation, and pricing strategies. The authors observed that academic interest in subscription business models has grown rapidly. The study provides valuable insights into the evolution of subscription-based markets.

Lindström, Maleki Vishkaei, and De Giovanni (2024) “Subscription-Based Business Models in the Context of Tech Firms: Theory and Applications” The study explored the application of subscription models in technology companies. It explains how these models help firms generate recurring revenue while delivering continuous services. The research highlights the importance of digital innovation and infrastructure in implementing subscription services. It also emphasizes the use of customer data to improve service personalization. The authors state that subscription models enhance competitiveness in the tech industry. The study provides theoretical and practical insights into subscription-based strategies.

Uwah (2023) “Impact of Subscription Revenue Model on 21st Century Businesses” The research focused on how subscription revenue models influence modern business operations. The study found that subscription models help businesses generate stable and predictable income. It also highlighted the role of digital platforms in supporting subscription services. The research emphasized that subscription models strengthen customer relationships and engagement. However, businesses must focus on service quality to reduce customer cancellations. The study concludes that subscription revenue models play a significant role in the growth of modern businesses.

3. RESEARCH METHODOLOGY:

The present study has employed a quantitative research methodology to explore the consumer behavior and perception towards the subscription-based business model in digital services such as streaming services, online platforms, etc. The research methodology employed in the present study is in line with the research objectives to be achieved in the current research. The survey method of collecting primary data has been employed in the present research through the questionnaire method of collecting primary data from the respondents.

3.1 RESEARCH DESIGN:

The research design that has been adopted for the current study is descriptive in nature, along with the application of the correlational research design. The descriptive research design will assist in the analysis of the usage behavior of the consumer towards the subscription-based services. The correlational research design will assist in the analysis of the relationship that exists between the satisfaction of the consumer and the willingness of the consumer to continue using the subscription-based services.

3.2 POPULATION AND SAMPLING:

The target population of the study includes persons who use digital subscription services, such as online streaming services, music apps, and online membership sites, among other services. The target population for the study, who fall within the age range of 18-45 years and above, includes the primary users of such services. The study used 50 samples of respondents, who were selected by applying the convenience sampling technique. This sampling technique was used for the study due to the accessibility of the target population, who use subscription services.

3.3 DATA COLLECTION INSTRUMENT:

A structured questionnaire was used as the primary instrument for collecting data. The questionnaire was designed in alignment with the research objectives and consisted of **10 questions** divided into different sections.

Demographic Information: Questions related to age, gender, and income level of the respondents.

Subscription Usage Behaviour: Questions aimed at identifying whether respondents use subscription services, the type of services used, and their frequency of usage.

Perception towards Subscription Services: Questions measuring the respondents' perception regarding the convenience and affordability of subscription services.

Consumer Satisfaction and Continuation Intention: Questions assessing the level of satisfaction with subscription services and the likelihood of continuing such services in the future.

Response Scale: Perception-based statements were measured using a Likert scale (1–5), where 1 represents strongly disagree and 5 represents strongly agree. Demographic and usage questions were measured using multiple-choice and checkbox formats.

3.4 DATA COLLECTION PROCEDURE:

The data collection for this particular study was done using an online survey created using Google Forms. The survey was distributed across various social media platforms and personal networks to reach a wider audience. The survey was voluntary in nature, and respondents were assured of their anonymity in terms of data usage for academic purposes

3.5 RESEARCH OBJECTIVES:

1. To examine the usage behaviour and spending pattern of consumers towards subscription-based services.
2. To analyse consumer perception regarding the convenience and affordability of subscription-based services.
3. To evaluate the relationship between consumer satisfaction and their intention to continue using subscription-based services.

3.6 SCOPE OF THE STUDY:

- The study aims at understanding consumer behaviour in relation to digital subscription-based services like streaming services, music subscription services, and online membership sites.
- The study aims at understanding the perception of consumers regarding subscription-based service convenience and affordability.

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- The study aims at analysing consumer satisfaction with subscription-based service usage and their willingness to use subscription-based services.
- The study sample consists of 18–45-year-old and above consumers with knowledge about digital subscription-based services.
- The study results reveal consumer behaviour in relation to subscription-based business models.

3.7 LIMITATIONS OF THE STUDY:

- The study has been carried out with a sample size of 50 respondents only, which may not be representative of all.
- The research has been carried out through self-reported data, which may involve response bias at times.
- The research has been carried out specifically in the digital subscription service sector only, and it may not be representative of other subscription service industries.
- Consumer behaviour in relation to digital subscription services may be dynamic and may change over time.

4. DATA ANALYSIS AND INTERPRETATION

4.1 DESCRIPTIVE ANALYSIS

4.1.1. Demographic Profile Respondents:

The questionnaire was answered by 50 respondents, all whom have experience with subscription-based digital services.

I. Age Distribution:

- 18-25 years: 60% (30 Respondents)
- 26-35 years: 28% (14 Respondents)
- 36-45 years: 12% (6 Respondents)

II. Gender Distribution:

- Male: 32% (16 Respondents)
- Female: 54% (27 Respondents)
- Prefer Not To Say: 14% (7 Respondents)

III. Monthly Income Range:

- Below Rs. 20,000: 34% (17 Respondents)
- Rs. 20,000-40,000: 36% (18 Respondents)
- Rs. 40,000-60,000: 16% (8 Respondents)
- Above Rs.60,000: 14% (7 Respondents)

IV. Are You Currently Using Any Subscription-Based Services

- Yes: 84% (42 Respondents)
- No: 16% (8 Respondents)

V. What Subscription Services Do You Use

- Netflix/OTT: 44% (22 Respondents)
- Music Streaming: 34% (17 Respondents)
- Software Subscription: 34% (17 Respondents)
- E-Commerce Membership(Amazon Prime, Etc.): 30% (15 Respondents)

- Others: 12% (6 Respondents)

VI. How Frequently Do You Use Subscription Services

- Daily: 28% (14 Respondents)
- Weekly: 36% (18 Respondents)
- Occasionally: 24% (12 Respondents)
- Rarely: 12% (6 Respondents)

VII. How Much Do You Spend Monthly On Subscription Services

- Below Rs. 200: 20% (10 Respondents)
- Rs. 200-500: 34% (17 Respondents)
- Rs. 500-1000: 34% (17 Respondents)
- Above Rs. 1000: 12% (6 Respondents)

4.2 CORRELATION STUDY:

A Pearson correlation analysis was conducted to examine the relationships between selected variables related to consumer perception and behaviour towards subscription-based services.

4.2.1. Relationship Between Convenience And Consumer Satisfaction :

Pearson Correlation Coefficient of $r = 0.44$, $p < 0.05$

The results indicate a **moderate positive relationship** between the perceived convenience of subscription services and consumer satisfaction. This suggests that as consumers perceive subscription services to be more convenient for their lifestyle, their level of satisfaction with these services tends to increase.

4.2.2. Relationship between Affordability Perception and Consumer Satisfaction:

Pearson Correlation Coefficient of $r = 0.20$, $p < 0.05$

The correlation result indicates a **weak positive relationship** between affordability perception and consumer satisfaction. This implies that although affordability may influence satisfaction to some extent, it is not the primary factor affecting consumer satisfaction towards subscription-based services.

4.2.3. Relationship between Consumer Satisfaction and Continuation Intention:

Pearson Correlation Coefficient of $r = 0.72$, $p < 0.05$

The correlation coefficient indicates a **strong positive relationship** between consumer satisfaction and their intention to continue using subscription services. This suggests that higher levels of satisfaction significantly increase the likelihood of consumers continuing their subscription-based services in the future.

5. FINDINGS, SUGGESTIONS AND CONCLUSION:

5.1. FINDINGS:

- The study revealed that a considerable number of people are aware of the services and are using them. This shows the increasing popularity of the subscription services among consumers.
- The analysis revealed that the services are perceived as convenient by the consumers. This factor moderately influences the overall satisfaction of the consumers.
- The correlation study between the two factors, “convenience” and “satisfaction,” revealed a moderate relationship ($r = 0.44$). This shows that the consumers perceive the services as convenient and are satisfied with the services. This implies that the consumers are likely to be satisfied with the services.
- The relationship study between the two factors, “affordability perception” and “consumer satisfaction,” revealed a weak relationship ($r = 0.20$). This implies that the affordability of the services influences the satisfaction of the consumers to a limited extent. It is not a strong influencing factor on the satisfaction of the consumers.

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- The correlation study between the two factors, “consumer satisfaction” and “continuation intention,” revealed a strong relationship ($r = 0.72$). This implies that the consumers are likely to continue the services.
- The results imply that consumer satisfaction plays an important role in influencing whether consumers will subscribe in the future or not.
- Overall, the research indicates that convenience and satisfaction are important factors influencing consumer behaviour in subscription business models.

5.2. SUGGESTIONS:

- For subscription-based service providers, attention should be given to enhancing the convenience associated with these services, as this has been found to have a moderate impact on consumer satisfaction.
- Businesses should ensure that these services are convenient for consumers to subscribe to and manage.
- Although affordability has been seen to have a less significant relationship with consumer satisfaction, businesses should ensure that these services are affordable to attract a larger consumer base.
- The service providers should concentrate on improving consumer satisfaction, and in this regard, it has been observed in the study that if consumer satisfaction is high, there is a high possibility that they will continue with the subscription.
- The businesses can also improve consumer interest in subscription-based services through value-added features.
- The subscription-based businesses should also concentrate on improving service quality, which can further improve consumer satisfaction and hence increase consumer subscription continuation.

5.3. CONCLUSION:

The present study aimed to assess consumer perception regarding subscription-based services with special reference to convenience, affordability, satisfaction, and continuation intentions. The study revealed that subscription-based services are becoming increasingly popular among consumers owing to their convenience and ease of access. The correlation analysis revealed that there is a moderate positive relationship between convenience and consumer satisfaction. This indicates that convenient services lead to higher levels of consumer satisfaction. The relationship between affordability and consumer satisfaction is found to be relatively low. This indicates that other factors may be responsible for influencing consumer satisfaction.

Additionally, the study revealed a strong positive relationship between consumer satisfaction and continuation intentions. This indicates that consumers who are satisfied with subscription-based services are likely to continue using such services in the future. Overall, the present study highlights the importance of enhancing user experience and service quality to increase consumer satisfaction.

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