

Acknowledgements

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I confirm to the University of West London that this dissertation submitted is indeed my own work and I've complied with all the regulations on plagiarism as given by the university and my supervisor.

This dissertation project consists of 14,776 words.

Abstract

This study focuses on the motivations driving consumers towards subscription-based products and services, drawing from a sample of 50 participants, predominantly from Cyprus. The research began with a thorough review of existing literature on consumer behaviours and motivations, specifically targeting their decision-making processes in the context of subscription services. Parallel to this, the study also engaged with the expansive literature on digital marketing strategies, aiming to discern effective methods for promoting subscription models. By adopting a thematic analysis approach, the investigation identified a range of factors that influence consumer decisions within subscription-based enterprises. These findings, deeply informed by both consumer behavioural patterns and the nuances of digital marketing strategies, culminated in a series of actionable recommendations. These insights are crafted to guide businesses in developing and refining their marketing strategies, ensuring higher consumer engagement and retention for subscription-centric products and services.

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Chapter 1. Introduction

Background and Rationale

We live in an era where digital technology has become deeply integrated into our daily lives. It's estimated that 90.97% of the world's population owns a smart or feature phone (Turner, 2023). This number is at a staggering 7.33 billion people worldwide! According to the United Nations (2023) among other credible sources; at the start of 2023 65.7% of the world population - a total of 5.30 billion people - are using the internet, doing a variety of activities online. These can be for example, talking with friends and family but it goes beyond that, into having the ability of buying close to anything online, since most of social media is being utilised and marketed as a shopping platform as well. These statistics go to show the incredible influence that digital technology, especially smartphones and the internet, have on our daily lives and activities. It's not just about communication; it's about commerce, education, entertainment; really the possibilities could be endless.

It's only logical to surmise that corporations would want to seize the opportunity that is presented by this massive audience, adapting their business strategies to cater to all their consumers based on their behaviours. A rising trend supported by Newman's 2018 study on media and technology is the paradigm shift in business models from advertising towards subscription-based models. This change is not limited to the media industry; companies from various sectors—ranging from entertainment and food delivery to retail and emergent A.I. technology services—are increasingly incorporating subscription-based or pay-to-use features as a core component of their revenue strategy. All these services are providing value to the consumers that use them and also create a constant and recurring source of a revenue stream for the businesses.

The subscription model business is a major win for the companies that use it successfully. It is also convenient for the customers, which is the main reason for its success. It's the ease of access, the personalised options and the receiving of something

new regularly which excites and draws the consumers into the service. People can be often attracted to the simplicity of setting up and the access to valuable services or the instant and automatic deliveries. A great example is the massive increase in the use of streaming platforms like Netflix as well as the widespread popularity of meal kit deliveries which are now starting to offer subscription based benefits. It is not by chance that they have succeeded but because they continue to offer personalised experiences for their customers and a great deal of options, which can be accessed right at the fingertips of billions of phone users. The Covid-19 pandemic also has served as a catalyst for the surge, with a study reporting that 75% of respondents increased their usage of platforms like Netflix and Spotify during and after the lockdown period (Sophia and Anilkumar, 2023).

However, while there is an apparent upward trend for using subscription-based services, more research into the specific reasons why a person chooses to subscribe, or stay subscribed as well as the reasons for unsubscribing needs to be done so that any companies using the subscription-based model can further better their services as well as their marketing attempts. This need for further research is vividly underscored by the experience of a company I worked with in Cyprus, which faced the stark reality of garnering no return on investment following the launch of a new subscription product. Despite extensive marketing efforts, the initiative yielded no positive outcomes, marking a failed launch and showing the lack of understanding by many other companies of consumer actions and essential marketing knowledge; a failure that was also a catalyst in writing this research paper. There are usually various and distinct factors that can affect the actions by the consumers, all of which will be analysed in detail in the Findings and Analysis Chapter. Factors such as the perceived value of the service as well as its quality, the ease of access to the service and the consumers' personal preferences; all of which play significant roles in signing up and keeping a service.

To ensure that subscription models are truly catering to the target audiences and are indeed delivering an impeccable customer experience, identifying the key elements that appeal to the subscribers is what is important here. This imperative stems from a need to

fine-tune subscription offerings so that they align perfectly with consumer needs and wants. The goal is not merely a product-market fit, but a continuous adaptation to meet evolving consumer expectations. In doing so, the objective is to align the service and what it offers to not just meet but go beyond consumer expectations, to invoke a sense of value that is unparalleled. Achieving this requires more than just providing a service; it necessitates the creation of a holistic customer experience that transforms every interaction into a memorable one. This isn't just about the transactional interactions, which are often limited to sign-ups and cancellations; it's about a personalised, tailored, and enriched customer journey that is characterised by value at every stage, from onboarding - to service delivery, and even post-cancellation insights.

Optimising the customer journey is not an option for companies that want to succeed, but a necessity; an aim to stay competitive in the market today. If a company fails to do so, their ability to stand out is hampered, and they become less compelling than their competitors, not chosen by consumers (Lemon and Verhoef, 2016). Hence, good companies must ensure that from the moment a prospective subscriber encounters their services - up to the point of subscription and beyond, their experience is seamless as well as engaging and rewarding to an excellent degree. To elaborate on this point, companies have to invest in customer experience research, user interface design, and intuitive service mapping. Focusing on creating an effortless customer journey is a critical differentiator, and will be the deciding factor between one-time subscriptions or no subscriptions and long-term loyalty. This notion of optimised customer journeys is particularly significant for younger demographic cohorts such as millennials and Gen Z, who not only appreciate seamlessness but expect it. Consequently, optimising the customer journey becomes a crucial undertaking for companies if they want to captivate and retain this large and increasingly affluent consumer group.

Introduction to Research Focus

The primary aim of this study is to inform businesses and marketers on how they can create effective marketing strategies for their subscription-based services. To achieve this, the study will look into the consumer decision-making processes as they relate to subscription-based services, focusing on the factors that motivate consumers to choose these services over one-time purchases. The research journey begins with several hypotheses; these serving as the foundation upon which the research questions are built. These questions ultimately define the broader objectives that the research aims to accomplish.

Hypotheses

To offer a focused lens through which the research will be conducted, the study puts forth the following hypotheses:

Hypothesis 1: Consumers are more likely to subscribe to a product when they perceive it to offer greater convenience and time savings compared to one-time purchases.

Hypothesis 2: A strong brand image and effective marketing communication can significantly influence consumers' decisions to opt for subscription-based products.

Hypothesis 3: Demographic factors, such as age, income, and gender, play a crucial role in shaping consumers' preferences and decisions related to subscription services.

Hypothesis 4: Pricing strategies, including discounts and promotional offers, that influence consumers' perceived value and willingness to subscribe.

Hypothesis 5: Subscription-based products with a unique value proposition are more likely to attract and retain customers than those with similar offerings available in the market.

Hypothesis 6: A high level of customer satisfaction and perceived value can improve customer retention and reduce churn in subscription-based businesses.

From Hypotheses to Questions

Guided by these hypotheses, the study aims to answer the following research questions:

- What are the key factors that motivate consumers to subscribe to products and services?
- How do the perceived value and convenience influence consumer decision-making for consumers considering subscription services?
- How do demographic factors, such as age, gender, and income, influence consumer choices within the subscription model?
- What role does branding and marketing communication play in creating incentives for consumers to opt for subscription services?
- How do pricing strategies and promotional offers impact the attractiveness of subscription-based products to potential customers?
- What are the most effective ways to communicate the unique value proposition of a subscription-based product to potential subscribers?
- How can insights from consumer behaviour be used to improve customer acquisition and retention strategies for subscription-based businesses?

Research Objectives

Emerging from these research questions, the primary objectives of this research are:

1. To explore the factors that motivate consumers to choose subscription-based services.
2. To investigate the role of perceived value and convenience in decision-making processes.
3. To assess the impact of demographic variables on consumer choices within the subscription model.

4. To evaluate the effectiveness of branding and marketing strategies in attracting consumers.
5. To propose actionable recommendations based on consumer behaviour insights that can optimise marketing and customer retention strategies.
6. To develop actionable recommendations for optimising subscription-based marketing strategies and product offerings based on the findings of this research.

Theoretical Framework and Methodology

In order to extensively investigate the multiple aspects that steer consumer choices in subscription-based services, this research strategically builds upon a full-bodied theoretical framework; a framework that is grounded in seminal and contemporary academic works that focus on consumer behaviour, digital marketing, and the growing field of the subscription economy. By reviewing established theories, the research aspires to create a multidisciplinary lens through which the variances and similarities in subscription behaviours can be better understood. This theoretical framework enables the study to take a better look into the intrinsic and extrinsic motivators that continue to influence consumer decisions today, ranging from perceived value to the psychological effects of convenience and scarcity and which will have an immediate impact in the understanding of the findings.

The research methodology employed in this study is qualitative in nature, specifically chosen for its capacity to illuminate the complex, often subtle factors that inform consumer decisions in subscription-based services. A comprehensive survey instrument serves as the primary tool for data collection, meticulously designed to yield in-depth insights into various aspects of consumer behaviour. The survey encompasses a diverse pool of respondents from a broad spectrum of social and economic backgrounds. Although the majority of participants are located in Cyprus, the dissertation's design allows for the findings to have broader applicability. By employing a qualitative approach, this research is positioned to capture rich, textured data, filling a gap that often exists when only quantitative metrics are

considered. This methodology facilitates a detailed analysis of a range of factors influencing subscription choices whether they be emotional, rational, or circumstantial.

While the study doesn't encapsulate the entire global digital population which is estimated at 5.30 billion internet users, it is designed to offer a significant and actionable snapshot of the subscription market in Cyprus - a market that serves as an interesting community for subscription-based business models. As such, the research aims to offer both breadth and depth, providing generalizable insights that could be applicable to wider markets. The ultimate ambition of this investigation is to first identify the initial elements that attract consumers to subscription services, whether they are influenced by effective branding, marketing communications, or promotional pricing strategies; and second, to understand the long-term factors that either contribute to sustained consumer engagement or lead to subscription abandonments. By uncovering these insights, the research aspires to furnish actionable recommendations that could significantly inform the development and optimization of subscription-based marketing strategies and product offerings.

Significance of the Study

This research addresses a critical gap in the literature concerning digital marketing for subscription-based business models. It is especially relevant given the shifts in consumer behaviour and market dynamics prompted by the Covid-19 pandemic. The study goes beyond purely academic interests by providing actionable insights that are valuable for business strategy. It offers a contemporary perspective and practical solutions for marketing professionals, strategists, and entrepreneurs focused on customer acquisition and retention in a subscription-based economy. Furthermore, the research enriches the broader discourse on consumer psychology and behaviour, shedding light on how demographic and socio-economic factors influence consumer choices. Overall, the research holds relevance for both academia and industry in an increasingly competitive and saturated subscription market.

Study's Limitations

The geographical focus of this study is confined primarily to Cyprus, a factor that may delimit the generalizability of the findings. While Cyprus offers a compelling context for examining subscription-based business models, it must be acknowledged that the cultural, economic, and social intricacies inherent to this region might not translate to all other markets. Additionally, because the research is undertaking a qualitative methodology this might prove there is a lack in the statistical accuracy to describe the significance of certain variables. This limitation is particularly noteworthy when considering the impact of pricing strategies or promotional offers - areas where quantitative data could furnish a more definitive understanding. Furthermore, the study aims to explore a wide array of factors influencing consumer choices within the subscription model; however, it is not exhaustive. Constraints related to time, resources and access to a diverse respondent pool shape the scale and depth of the research, thereby leaving some variables potentially underexplored. Another potential limitation to the study respondents being untruthful.

Structure of the Dissertation

The dissertation is organised into five main chapters. Chapter 1: Introduction sets the stage, presenting the research background, objectives, and hypotheses. Chapter 2: Literature Review divides its focus between consumer behaviour motivations and marketing strategies, also pointing towards future research directions. Chapter 3: Methodology details the research approach, data collection, and analysis methods. Chapter 4 offers the study's findings and a comprehensive analysis, leading to a discussion of the implications. The final Chapter 5 concludes the study, summarising discoveries and providing recommendations. The dissertation is completed with references and appendices.

Chapter 2. Literature Review

Part 1. Consumer Behaviour and Motivation

1.1 Consumer Behaviour Theories

Consumer Behaviour Theory has evolved since the early 20th century to explain the factors influencing individuals' purchasing decisions. Initially, Classical Conditioning by Ivan Pavlov (1927) explained how repeated exposure to stimuli conditions individuals' responses. Following this, Behaviourism, led by John B. Watson and B.F. Skinner (Watson, 1913; Skinner, 1953), proposed that external stimuli response understanding is key to predicting consumer choices. Freud (1920) inspired the early explorations of unconscious desires and conflicts which drive consumer behaviours. Academia in Psychology then took a shift towards cognitive theories - the internal mental processes that drive human behaviour in the 1950s. The cognitive revolution, which emphasised the role of information processing, perception, and decision-making in consumer behaviour, had a significant impact on our understanding of how consumers make purchasing decisions (Simon, 1955; Newell and Simon, 1972; Schneider and Shiffrin, 1977).

1.2 Psychological Foundations of Consumer Behaviour

The psychological foundations of consumer behaviour are critical for effective marketing in subscription-based businesses. Perception and information processing are fundamental cognitive processes that will influence how consumers interpret sensory information which is steering the purchasing decisions (Schneider and Shiffrin, 1977; Peck and Childers, 2008; Schiffman et al., 2010; Randhir et al., 2016; Kim et al., 2021). Purchasing decisions are also influenced by motivation, as seen in Maslow's (1943) hierarchy of needs (starting from basic physiological needs to self-actualisation), while emotional appeals - crafting marketing communications that resonate with consumers'

emotions - can significantly boost the positive attitudes towards the service (Bagozzi, Gopinath, and Nyer, 1999). Learning theories like classical and operant conditioning explain that past experiences can shape future behaviour (Skinner, 1953; Tulving and Donaldson, 1972); and this due to the interactions with the service over time, happens in subscription service and will shape the consumer's perception, loyalty and attitudes towards the business. Consumer attitudes and decision-making processes are influenced by psychological biases, such as those described in the Theory of Reasoned Action (Ajzen and Fishbein, 1980), the Heuristic-Systematic Model (Chaiken, 1980), and Tversky and Kahneman's work (1974) on cognitive biases - Availability Heuristic, Anchoring Bias, Confirmation Bias and Loss Aversion.

1.3 Social Economics of Consumer Behaviour

In Social Economics, scholars have explored the relationship between societal influences and individual economic choices, relevant to understanding consumer behaviour in subscription-based markets. Becker and Murphy (2003) explained the role of social leaders in shaping consumer preferences, a standard for designing widely appealing subscription-based products. Benhabib et al., (2010) further explored how advertising and social norms shape consumer preferences, proposing that businesses use advertising to steer consumer desires in their direction. Social Economics and Behavioural Economics emphasise the significance of social influence, seen through electronic word-of-mouth and reviews, in affecting economic decisions (Hussain et al., 2018).

1.4 Online Consumer Behaviour

Purchase intent and consumer trust in online shopping behaviour is shaped by factors like website quality, ease of use, and usefulness perceived (Scheinbaum, 2012). The appeal is enhanced by convenience, diverse product range, and effortless price comparison across platforms (Ottman et al., 2006; Vianello, 2010; Liu et al., 2013). However, information abundance can lead to overload and choice paralysis (Vinerean, 2013). Online reviews and

ratings are critical in decision-making, with consumers relying heavily on peer feedback (Haugtvedt et al., 2005; Smith et al., 2005; Lee and Young, 2009; Cheng and Zhou, 2010; Kumar, 2021). Digital marketing strategies including online advertising, social media, and email marketing, play a significant role in influencing online consumer behaviour (Reimers et al., 2016; Ivaturi and Chalam, 2017; Sundaram et al., 2020; Forghani, 2022). The recent studies show that personalization and targeted marketing have been key in enhancing online engagement and conversions, especially in subscription-based services where convenience and perceived value are central for consumer adoption and retention (Janzer, 2020; Kovač, 2022; Nieuwenhuizen, 2023). Privacy and data security concerns are also important factors, with a growing consumer awareness and caution around data privacy. (Udo, 2001; Gurung and Raja, 2016).

1.5 Consumer Emotions and Behavioural Models

Studies from Pham et al. (2001) and Zeelenberg and Pieters (2004) showed emotions affect decision-making and future behaviour through regret avoidance. The S-O-R model (Mehrabian and Russell, 1974) suggested external stimuli influence consumer's internal state, affecting purchasing behaviour. In digital platforms, emotional states, triggered by digital stimuli, effectively impact engagement and buying decisions (Luo et al., 2012). This emphasises the importance of studying consumer emotions in online settings and knowing how to appropriately market a product or a service. It's essential to understand the interplay between emotions and behavioural models in order to create effective marketing strategies in both traditional and digital markets (Soscia, 2013).

1.6 Consumer Behaviour in Virtual Environments

Consumer behaviour in virtual environments is shaped by various factors as the interactivity in these environments allows for an enriched engagement with products, enabling well-informed decisions (Jiang et al., 2010). Technologies like Virtual Reality (VR) and Augmented Reality (AR) that can enhance sensory experiences, are further impacting

the perception of product value (Grewal et al., 2020). The immersive nature can evoke strong emotional responses, influencing purchase intentions (Mishra et al., 2021; Lee et al., 2021; Azmi et al., 2022; Sung et al., 2022; Huang et al., 2023; Hsu et al., 2024). Virtual platforms also foster unique social interactions, affecting trust and purchase decisions (Huang and Benyoucef, 2013). Furthermore, these environments facilitate consumer learning, potentially modifying consumer behaviour over time (Manthiou et al., 2017).

1.7 Consumer Motivation for Subscription Services

Wang et al. (2005) highlights that convenience and added-value is what significantly drives consumers towards subscription services. The surge in digital platform-based subscription services, especially post the COVID-19 pandemic, has diversified consumer motivations even further, with Kim and Kim (2020) identifying social, convenient, hedonic, economic, and innovative motives. Specifically, the hedonic motive, which signifies the pleasure derived from services, is shown as a dominant factor influencing purchase intentions. Similarly, in the space of fashion retailing, Bhatt et al. (2021) showed personalization, adventure, and self-gratification as prominent motivators for consumers signing up for subscription services. Examining the Korean market, Chung (2020) found that practical and hedonic motivation factors alongside consumer innovativeness significantly impact attitudes and intentions towards subscription-based online services, aligning with Ramkumar and Woo's (2018) findings that utilitarian and hedonic motivations mediate the attitude towards fashion and beauty Subscription-Based Online Services (SOS). Through these studies, a blend of utilitarian and hedonic motivations intertwined with personalization and innovation emerge as central to understanding consumer engagement with subscription services, illuminating pathways for marketers to enhance value propositions and foster sustained subscriber engagement.

1.8 Psychological Factors driving Subscription Choices

Several psychological factors of influencing subscription choices are identified from literature and discussed below. These factors are a theoretical basis which can help better understand consumer behaviour specifically in subscription-based markets. The psychological factors are:

- **Perceived Control:** Roy and Ortiz (2023) focused on the model of perceived control, explaining how a loss in perceived control can impact the intent to subscribe. Their work presented a detailed understanding of consumer behaviour, and demonstrated that the loss of control can trigger a higher subscription intent for monthly options as opposed to yearly ones because of a human mechanism of risk aversion. This assumes that perceived control can have a significant impact on consumers' risk assessment and decision-making processes, in subscription settings.
- **Self-Concept Structure:** Savary and Dhar (2020) in their research of how self-concept structure influences subscription choices, explain that discontinuation of a subscription is perceived by consumers as a threat to self-concept stability, that can be seen by the self as a change in identity. Basically, individuals that have a low self-concept clarity, are motivated to maintain a stable self-concept, and are more likely to keep unused subscriptions. This finding shows the profound influence of identity and self-concept on subscription retention behaviours.
- **Choice Overload:** Longo and Baiyere (2021) examined the impact of choice overload on the user experience of subscription-based streaming services. Their findings revealed a significant positive correlation between maximisation tendencies, post-choice regret, and user dissatisfaction. This supports the opinion that an abundance of choices in subscription platforms can overwhelm users, and hence lead them into choice paralysis, regret, and dissatisfaction. These are critical considerations for enhancing user experience and retention in subscription-based services.

- **Latent Lifestyle:** Kim and Rasouli (2022) explored the latent lifestyle concept and its impact on willingness to adopt Mobility-as-a-Service (MaaS). Their findings reveal that psychographic lifestyles significantly influence subscription decisions, with positive attitudes towards multimodal travel increasing the propensity to adopt MaaS. This highlights the importance of considering lifestyle factors when designing subscription offerings.
- **Collective Psychological Ownership:** Szamatowicz and Paundra (2019) investigated how collective psychological ownership moderates preferences for car subscription services. They found that individuals with high collective psychological ownership prefer subscription cars with self-driving capability and are more concerned about the absence of advanced safety systems. This underscores the crucial role of psychological ownership in shaping preferences and highlights the need for subscription services to consider psychological dispositions when designing their offerings.
- **Attachment Theory:** In the following study, Kerschbaumer et al. (2023) applied attachment theory to explain consumer adoption of subscription-based online services. They have shown how secure personal and consumer attachment shapes attitudes towards adoption, both generally and on a brand level. Primarily, they identified brand satisfaction as a key driver of brand attachment, reinforcing the importance of building strong relationships to promote favourable attitudes towards subscription adoption.

1.9 Motivations to Buy Online Content

The motivations to buy online content are complex and multifaceted, but several recurring themes emerge from the literature. Expected benefits, social motivations, convenience, and the evolving role of technology all play a significant role in influencing consumer behaviour in this domain. Lopes and Galletta (2006) emphasised the importance of "expected benefits" as a primary driver of willingness to pay, even when the content is

intrinsically motivated, such as entertainment or education. This suggests that consumers weigh the intangible rewards of the content against its cost. Ganley (2011) takes a different perspective, focusing on social motivations. That study argued that intrinsic factors related to social benefits, such as belonging to a community or connecting with others who share one's interests, can significantly influence a user's willingness to pay for online content. Keaveney and Parthasarathy (2001) introduced attitudinal and demographic factors that contribute to customer "churn," or the tendency of subscribers to cancel their subscriptions. Their research suggests that behaviour, attitude, and demographic factors like income and education can be used to distinguish between long-term subscribers and those likely to switch services. Wang et al. (2005) and Loan and Long (2017) affirm the role of perceived convenience and value as central elements influencing consumers' decisions to pay for content. These studies highlight that beyond the content itself, elements like ease of use and perceived utility are also important. Finally, Liu and Toubia (2018) discuss how semantic search query analysis can be used to gain insights into consumer preferences and develop more targeted marketing strategies. This suggests that understanding consumer search behaviour can further refine the understanding of their motivations to buy online content. Overall, the literature on the motivations to buy online content suggests that a complex interplay of factors influences consumer behaviour.

Part 2. Marketing Strategies

2.1 Traditional Marketing Strategies

Traditional marketing strategies have been the cornerstone for businesses for a long time, and their application within the domain of subscription-based models is a subject of extensive exploration in present literature. Janzer (2020) explains how the subscription model can potentially complement and enhance existing business models. The author presents the idea that subscriptions can augment demand for standard offerings and secure customer loyalty, linking these outcomes to classic marketing principles surrounding

customer relationship management. Suryakala (2019) conducted an in-depth study on digital transformation, particularly focusing on the shift of traditional product-based companies towards a service-oriented business model. They also found that the integration of product-service packages, when offered as subscriptions, not only ensures a steady flow of revenue but also strengthens the bond and relationship with customers. From industry examples, Sophia and Anilkumar (2023) highlighted that the strategies employed by giants like Netflix and Spotify, displayed how these entities adeptly integrated and adapted traditional promotional techniques and thrived in the digital age. This aligns with Lindström et al. (2023) discourse, which touches, specifically on market segmentation within tech firms that have adopted subscription models and the continued relevance of classical strategies.

2.8 Digital Marketing Strategies

2.8.1 Search Engine Optimisation

Piñeiro-Otero and Martínez-Rolán (2016) explain the basics and actions of digital marketing, particularly the role of SEO and Search Engine Marketing (SEM) in improving a website's visibility in Search Engine Results Pages (SERPs). Salo (2020) conducted a case study to understand how SEO can facilitate new customer acquisition, particularly in e-commerce. Salo's findings underscore the need for customer-centric SEO tactics as a differentiation tool. Similarly, Odden (2012) expands on this by stressing the importance of understanding customer segments and behaviours to effectively integrate SEO with content marketing. This customer-centric approach resonates with the ideas proposed by Papagiannis (2020) and Enge (2012), both of whom argue that SEO is not merely about rankings but should permeate the entire marketing process. Amerland (2013) contrasts old and new SEO techniques, asserting that businesses now need to focus on delivering good quality content and an excellent online visitor experience for effective SEO.

2.8.2 PPC and Subscription-Based Services

The PPC (Pay-Per-Click) marketing landscape is a complex but essential element for subscription-based services. Arnold (2014) explicitly focuses on the financial aspects of PPC campaigns, notably the Return on Investment (ROI). According to Arnold, understanding the intricacies of ROI is crucial for long-term business success. The author states that a positive ROI is a yardstick for campaign efficacy, as it provides a quantifiable measure of profitability against each dollar spent on advertising. Arnold's emphasis on ROI adds a dimension of financial accountability to PPC strategies, echoing the importance of numbers in a game where even fractions of a dollar can make a difference. His study also characterises PPC as an auction-based system, wherein advertisers bid to place their ads at opportune moments, thereby enhancing the chances of customer acquisition. Fleischner (2010), on the other hand, delves into a two-stage consumer-level model for PPC, focusing on Google Adwords. The study stands out for its robust methodological framework, using behavioural primitives that align with utility maximisation. This allows the model to capture consumer heterogeneity, thereby providing nuanced insights into how specific ad properties impact performance. For instance, Fleischner's model can assess how the design and composition attributes of an ad can affect click-through rates and conversions. The study goes a step further by introducing a contextual targeting scheme based on the estimated correlation between price and position sensitivity. This scheme proposes offering coupons to consumers depending on the position in which the paid search ad was displayed, an innovative method to increase revenues without affecting costs.

2.8.3 Social Media Marketing in Subscription-Based Services

Social media marketing also has its merits, as emphasised by Piñeiro-Otero and Martínez-Rolán (2016). They discuss the importance of planning and leveraging tools for maximising communication through social platforms. Määttänen (2015), focusing on music streaming services, found that consumer opinions significantly value broad music catalogues and unlimited usage, and word-of-mouth communication was the most crucial aspect to

focus on. This highlights the power of social media as a medium for disseminating consumer reviews and fostering community.

2.8.4 Content Marketing and Subscription-Based Services

Lastly, content marketing plays a pivotal role. Patrutiu-Baltes (2016) argues that inbound marketing is the most important digital marketing strategy for maintaining a close relationship with prospects or customers. This strategy often incorporates high-quality content marketing as a core component. Li (2022), however, brings in a different perspective by exploring the SaaS context. The study sheds light on how the type and frequency of marketing touchpoints and free-trial usage influence consumers' subscription decisions.

2.9 Pricing Strategies in Subscription Models

2.9.1 Freemium Model

The Freemium model is a dual pricing strategy where basic services or features are provided for free, and advanced or additional features come at a cost. Cai and Spulber (2023) address the "opportunity cost of time", proposing that the time users invest in the free version can influence them to purchase the premium subscription. Lee et al. (2013) in their study into user engagement within freemium products, proved this when they discovered that regular users of the free tier showed a higher inclination to upgrade to the paid version; a decision heavily influenced by the perceived value of the service. Moreover, Lee et al. (2013) showed that non-paying users played a role in brand awareness and growth since they often promote the product. Sanitra and Jiang (2019) highlighted that there needs to be a delicate balance between the free and the premium features which provide value, to support the long-term sustainability of the Freemium model. Yan and Wakefield (2018) explored the freemium model within cloud services and found that users usually transitioned to the paid tier due to increased storage needs, advanced security features, and better customer support. Restrictions in the free tier draw users towards the paid versions, again

highlighting the significance of perceived value in the upgrade decision (Yan and Wakefield, 2018).

2.9.2 Tiered Pricing

Tiered pricing divides offerings into distinct levels, each with specific features and price points, catering to diverse customer needs. Hahn (2005) investigated its impact on library collection decisions, emphasising its adaptability across industries. Krämer and Kalka (2017) discussed its relevance amidst digital disruptions, suggesting a need for its evolution in the digital age.

2.9.3 Dynamic Pricing in Subscription Markets

Dynamic pricing allows for the price of services or products to be adjusted in real-time based on current market demand, consumer behaviour, or other influencing factors. Penmetsa et al. (2015) delved into this pricing strategy and expressed the importance of temporal pricing adjustments as a strategy to capture market share and ensure consistent revenue streams, especially when launching new services within subscription markets.

2.9.4 Pricing Ancillary Service Subscriptions

Ancillary services refer to supplementary services or add-ons that enhance the primary service offering. Wang et al. (2019) discuss the pricing of these supplemental services within subscription models. While the core service might have its fixed price, ancillary services can be monetized separately, allowing businesses to generate additional revenue and offering customers tailored experiences.

2.10 Customer Acquisition and Retention Strategies

Acquiring and retaining customers is necessary for successful subscription-based business models. Ben Rhouma and Zaccour (2018) found that while businesses heavily leverage CRM systems and incentives for acquisition, their efforts in retention often fall short, leading to suboptimal profitability. Elaborating on strategies to enhance retention, Kübler, Seifert, and

Kandziora (2021) identified that a comprehensive content portfolio can serve as a significant differentiator, directly impacting subscriber numbers and satisfaction. Furthermore, Macias (2019) postulated that companies that focus on personalised service delivery and lucid communication of their values experience enhanced customer loyalty, reducing churn rates. Loyalty programs, particularly those with tiered reward systems, have been shown by studies like Magatef's and Tomalieh's (2015) and Lewis' (2004) to substantially boost customer longevity in subscription models.

2.11 Branding Strategies

Branding strategies play an essential role in shaping the marketing landscape for subscription-based services. Rooney (1995) highlights the foundational importance of selecting an impactful brand name, setting the tone for consumer engagement and aligning with the company's core objectives. Keller (1999) discusses the utility of brand hierarchies and portfolios, which enable firms to manage multiple service tiers or categories effectively. Simmons (2007) emphasises the critical role of the internet, particularly "i-Branding," in modern brand management, an aspect especially relevant for digital-first subscription services. Dubbelink et al. (2021) extend the discourse to social media's role as a branding tool, particularly during unprecedented times, thus affecting customer retention positively. Yu Xie and Boggs (2006) explore the antecedents influencing the choice between corporate and product branding, a consideration vital for subscription-based businesses with diverse offerings. Martin et al. (2005) accentuate the importance of marketing communication in transferring brand meaning to new extensions of the service, thereby influencing customer retention. Finally, Doyle (2001) advocates for value-based branding strategies that not only enhance consumer engagement but also contribute to long-term financial sustainability. These scholarly contributions collectively provide a comprehensive overview of branding as a multifaceted strategic tool for subscription-based services, offering invaluable insights that align well with the objectives of this research.

2.12 Personalized Marketing and Customer Segmentation

In the modern subscription-based business landscape, the role of data analytics in tailoring marketing strategies to specific customer segments cannot be understated. The utilisation of data analytics facilitates an in-depth understanding of customer behaviour, thereby enabling more targeted and personalised product offerings. Jiang and Tuzhilin (2008) emphasise the importance of optimal customer segmentation through a direct grouping-based approach as opposed to traditional statistics-based methods. By framing customer segmentation as a combinatorial optimization problem, their research outlines a more effective way of grouping customers to enhance personalization solutions.

Chandra et al. (2022) provide a comprehensive review of the field of personalised marketing, suggesting that a focus on new-age technologies like artificial intelligence and big data can significantly enrich personalised customer experiences. Their work elucidates the fragmented nature of the literature in this field and highlights the need for an integrative approach. On a similar note, Jeong et al. (2024) in their study concerning pet-related curation subscription box services identify three distinct customer segments based on their preferences for price, product, and personalization. Their findings underline the critical need for businesses to align their subscription model offerings with consumer needs and preferences, thereby making a case for the efficacy of data analytics in achieving this alignment.

Weinstein (2013) provides a strategic guide to market segmentation and outlines the various criteria and methods that businesses can employ to segment their customer base effectively. The work suggests that successful segmentation involves careful planning and research, and emphasises the application of a multi-faceted approach involving geographics, firmographics, and other behavioural variables. Further, Vinson et al. (1977) discuss the role of personal values in consumer behaviour, indicating that these values often serve as the foundational elements that shape an individual's attitudes towards products and services.

This suggests that an understanding of consumer values can serve as an additional layer of data that can be harnessed to tailor marketing strategies more effectively.

Chapter 3. Methodology

Introduction

The purpose of this research is to explore the factors and incentives that drive consumers to enter into paid subscription-based products and service agreements. Considering the rise of the subscription economy and seeing this business model prevail and also it being adopted by many new or old businesses across various sectors, we need to understand the dynamics of consumer choice which guides marketers and companies into making the right decisions in building their product and marketing strategies. This research seeks to address several key objectives: to understand what motivates the consumers in choosing subscription services, to explore the role of the perceived value by the consumers and the convenience in decision-making, to assess the impact that demographic factors have on subscription preferences, to investigate the significance that branding and marketing has in attracting consumers, and to identify how consumer behaviour insights can help in optimising business's marketing and retention strategies. The Methodology chapter outlines the methodological groundworks which govern the research design, and offers a comprehensive view of the epistemological stance, research methods, data collection and analysis techniques employed. By delineating the methodology, this chapter aims to ensure the soundness of the research process and its subsequent findings.

Research Philosophy

Interpretivism

The predominant epistemological stance of this research aligns with an interpretivist framework. This choice is dictated by the research objectives, which aim to explore complex socio-psychological phenomena such as consumer motivations, perceived value, and the influence of demographic variables on choices surrounding subscription-based services. Given the inherently qualitative nature of the research survey inquiries, interpretivism is well-suited for this study. Accordingly, this study will leverage in-depth interviews and focus groups to capture the subjective viewpoints of consumers. By doing so, the interpretivist approach enables the study to appreciate the complicated details of consumer behaviour, which in turn enriches our understanding of the factors influencing subscription choices. Previous academic literature will be used to support the interpretations of the research findings, enhancing the credibility and applicability of the results.

Positivism

While interpretivism serves as the primary philosophy guiding this research, elements of positivism are also incorporated to bring a balanced epistemological stance. Positivism, which emphasises the identification of objective truths by empirical observation and statistical analysis, offers the methodological thoroughness that is often needed with quantitative research. This philosophy can be valuable when examining certain variables in the study, such as the impact of pricing strategies and promotional offers, which can be quantitatively assessed. However, a purely positivist approach would risk ignoring the subjective factors like emotional engagement and cultural influences that are central to consumer choices in subscription models. For example, positivism could quantify consumer preferences for different subscription durations, but it may not sufficiently clarify the subjective motivations behind these choices.

Integrative Approach

Given that the research questions span both objective and subjective realms, we want to provide a holistic methodological foundation by taking an integrative approach and employing both interpretivism and positivism. This hybrid approach allows the study to capture both the “what” and the “why” behind consumer behaviours, thereby allowing for comprehensive insights that will be valuable for digital marketing professionals or for subscription-based businesses. The choice of a blended research philosophy isn't groundless but is placed to help meet the research objectives, and answer the research questions through the correct analysis of the type of data being collected. This approach fortifies this study's capacity to bring forth actionable insights into the intricate landscape of consumer behaviour in subscription-based services.

Approach to Theory Development

Inductive Approach as the Foundation

Consistent with the interpretivist epistemological stance, this research mainly adopts an inductive approach for theory development. Inductive reasoning is particularly fitting for this exploratory study in the pursuit to developing updated understandings of consumer behaviour in the context of subscription-based businesses.

The choice for an inductive approach is justified for several reasons:

1. **Open-Ended Exploration:** The inductive method allows for an expansive examination of qualitative data. This flexibility is pivotal for uncovering emerging themes and patterns, especially when probing complex issues such as consumer motivations, perceived value, and demographic influences.
2. **Adaptability:** The inherent flexibility in the inductive approach enables the research to adapt in real-time to the data being collected. This is crucial when dealing with

intricate and dynamic social phenomena, as it facilitates a shift or fine-tuning of the research focus based on early findings.

3. **Contextual Relevance:** Inductive reasoning emphasises the importance of context, which dovetails with the interpretivist philosophy steering this research. By rooting theories in the unique circumstances and insights revealed through the study, the research stands to provide a more detailed understanding of consumer decisions in subscription-based services.

Elements of Deductive Reasoning

While the research leans heavily on inductive reasoning, it is worth noting that aspects of deductive logic will also be integrated as the study unfolds. For instance, preliminary themes and patterns may be cross-referenced with existing theories or models to ascertain congruency or identify divergences. This blended methodology gives the study a balanced and rigorous framework, opening avenues for both novel insights and theoretical confirmation.

Reaffirming Research Objectives

By adopting an inductive approach, fortified with elements of deductive reasoning, this research reaffirms its aim to unravel the complex landscape of consumer behaviour. This approach not only provides depth and flexibility but also ensures that the findings can deliver actionable insights to fortify and fine-tune marketing strategies in the burgeoning field of subscription-based businesses.

Research Design

a) Methodological Choice:

Given the research objectives and questions, the study is primarily qualitative in nature. This methodological choice is aligned with the interpretivist research philosophy that

underpins the dissertation, as well as with the inductive approach to theory development. Qualitative research methods are particularly well-suited for exploring complex social phenomena, such as consumer motivations and preferences for subscription-based services, which require nuanced interpretation and analysis.

Justification for Qualitative Approach:

Depth of Insight: Qualitative methods allow for a deep, contextualised understanding of consumer behaviour, going beyond mere numbers to uncover the 'why' and 'how' behind consumers' choices.

1. **Complexity and Subjectivity:** This research involves multifaceted and often subjective variables, such as perceived value and demographic influences. Qualitative research is particularly adept at capturing these nuances, which would be difficult to quantify effectively.
2. **Exploratory Nature:** Given the nascent stage of academic literature on consumer behaviours in the subscription economy, an exploratory qualitative approach provides the flexibility to investigate uncharted territories and discover emergent themes.
3. **Consumer Narratives:** Qualitative methods such as interviews and focus groups facilitate direct communication with consumers, providing a more complete and empathic understanding of their preferences and motivations.

Complementary Quantitative Elements:

While the primary focus is qualitative, the research design does not rule out the incorporation of some quantitative elements. These may be useful for gathering basic demographic data or evaluating the generalizability of qualitative findings. The use of quantitative methods could be in the form of short surveys or structured questionnaires, dovetailing with the qualitative data to present a more holistic picture.

A Mixed-Methods Consideration:

Although the study leans predominantly toward qualitative research, the inclusion of limited quantitative data can be considered a form of a mixed-methods approach. This

allows for both depth and breadth in the data, enabling the researcher to triangulate findings and improve the robustness of the research conclusions.

By opting for a primarily qualitative methodology with complementary quantitative elements, this research aims to provide a comprehensive and nuanced understanding of consumer behaviour in the context of subscription-based services. This methodological choice is designed to capture the rich tapestry of consumer motivations and preferences, thereby offering actionable insights to optimise marketing strategies in this field.

b) Nature of the Research Project:

Exploratory Aspect:

The primary nature of this research project is exploratory. Given that the academic literature on consumer behaviour in subscription-based services is not extensively developed, the aim is to contribute new knowledge to this evolving field. The research focuses on various dimensions such as consumer motivations, perceived value, and demographic influences, among other variables that have not been fully explored in the existing literature.

Justification for the Exploratory Nature:

1. **Gap in Literature:** One of the significant motivations for adopting an exploratory approach is the identified gap in existing research concerning consumer behaviour in subscription-based businesses.
2. **Flexible Approach:** The exploratory nature allows for the incorporation of emergent themes and variables, which is essential given the complex and evolving nature of consumer preferences in the subscription economy.
3. **Foundational Research:** As this research aims to provide preliminary findings that can serve as a foundation for future research, the exploratory approach is well-suited to achieve this objective.

Descriptive Aspect:

Although the research is primarily exploratory, it also possesses a descriptive component. Once preliminary findings are obtained, the study will aim to provide a full account of consumer motivations, behaviour, and preferences in subscription-based services.

Justification for the Descriptive Nature:

1. **Contextual Understanding:** Descriptive research will help in providing an exhaustive context to the consumer motivations and choices, thereby enriching the quality of findings.
2. **Data Richness:** The use of qualitative methods like interviews and focus groups in a descriptive framework will allow the collection of rich, narrative data that can give texture to the exploratory findings.
3. **Targeted Strategies:** A descriptive approach will aid marketers and businesses by offering specific insights into consumer behaviour that can be directly implemented in marketing strategies.

By combining an exploratory approach with descriptive elements, this research aims to both uncover new insights and offer detailed explanations of consumer behaviour. This dual focus ensures that the study is not only generating new theoretical frameworks but is also providing tangible, actionable insights that can be employed by businesses and marketers in the realm of subscription-based services.

c) Choice of Time Horizon:

Cross-Sectional Approach:

The research will adopt a cross-sectional time horizon for several reasons. This approach involves collecting data at a single point in time to answer the research questions.

Justification for the Cross-Sectional Approach:

1. **Resource Constraints:** Given that this is an MSc dissertation project, time and resources are limited, making a longitudinal study impractical.

2. **Immediate Insights:** Subscription-based businesses are rapidly evolving, and a cross-sectional study will provide immediate insights that can quickly be utilised by marketers and strategists.
3. **Feasibility:** Collecting data at one point in time will be more manageable, especially considering the qualitative methods like interviews and focus groups, which require significant coordination and time investment.
4. **Research Objectives:** The primary goal of this research is exploratory and descriptive, aiming to understand the intricacies of consumer behaviour in subscription-based services. These objectives can be adequately met with a cross-sectional study.
5. **Benchmark for Future Studies:** Although longitudinal data could provide valuable insights into how consumer motivations and preferences evolve over time, a cross-sectional approach serves as an initial benchmark that future longitudinal studies can build upon.

Potential Limitations:

1. **Lack of Temporal Depth:** One trade-off with using a cross-sectional approach is that it may not capture the dynamics of change over time, something a longitudinal study could offer.
2. **Snapshot Nature:** Cross-sectional data only provides a snapshot, and therefore, may not reflect cyclical or seasonal variations in consumer behaviour.

By opting for a cross-sectional time horizon, this research aims to provide a comprehensive, yet time-efficient, analysis of consumer motivations and preferences in subscription-based services. While it may not capture the evolution of consumer behaviour over time, it will offer an in-depth, immediate understanding, thereby meeting the project's aims and objectives within the given resource constraints.

d) Data collection:

i. Primary and secondary data

In my research, I made use of both primary and secondary data sources to provide a comprehensive understanding of effective marketing strategies for subscription-based businesses. For primary data, I conducted a survey aimed at consumers to gather firsthand insights into their preferences and behaviours regarding subscription-based services. On the other hand, secondary data was acquired from existing literature reviews, articles, and market research reports to serve as a contextual framework for the primary data collected.

ii. Sampling

The population for my study consisted of consumers who have experience - either positive, neutral, or negative - with subscription-based services. I employed a random sampling method to ensure a fair representation of various demographic factors such as age, gender, and income level. This approach enabled me to gather data from a broad spectrum of market segments, thereby enriching the research.

iii. Data collection method employed

To collect primary data, I utilised a self-administered survey via Google Forms. This online method proved to be both cost-effective and efficient, enabling me to gather a large volume of data within a short timeframe.

iv. Describe the collection process

I distributed the survey online through various social media channels and forums that are relevant to the subscription service industry. The first page of the survey contained a consent form to ensure that ethical standards were maintained. The survey remained active for a fixed period, after which I assembled the responses for analysis.

e) Data analysis:

i. Analysis method used

Given the qualitative nature of my study, I employed thematic analysis as the primary method for data evaluation. This approach allowed me to identify common themes or patterns that emerged from the survey responses.

ii. Describe the process of analysis

Upon gathering the data, I initially sorted and coded the responses to identify emergent themes. I made use of qualitative data analysis software such as NVivo to facilitate this process. These themes were then scrutinised to understand their implications for developing effective marketing strategies for subscription-based businesses.

f) Research ethics

Throughout the research process, I remained committed to maintaining a high level of ethical integrity. The study protocol, including the data collection methods and consent forms, was reviewed and approved by the institutional Ethics Committee prior to the start of data collection. Participants were fully informed about the purpose and methodology of the research and were assured anonymity and confidentiality. Informed consent was obtained from each participant before initiating the survey, and they were given the freedom to withdraw at any stage of the research without any repercussions. Data was securely stored and only accessible to the research team, and it will only be used for the purposes of this study.

Establishing quality

Reliability

1. **Pilot Testing:** Prior to the main data collection phase, I consulted extensively with my academic supervisor to test the reliability of the questionnaire. Feedback from this

consultation was instrumental in refining the questions, ensuring they would elicit meaningful and reliable responses.

2. **Consistency Across Surveys:** The survey was the same for all of the participants and the questions never changed after the approval of the ethics committee.
3. **Transparency:** Detailed records of the data collection and analysis processes have been thoroughly maintained to ensure that the study could be replicated by other researchers interested in this subject matter.

Validity

1. **Content Validity:** The questions in the questionnaire were developed based on an extensive literature review and consultation with experts, ensuring that they comprehensively cover the range of topics and concerns relevant to marketing strategies in subscription-based businesses.
2. **Triangulation:** Data was collected primarily through surveys, which were designed to offer a multi-faceted look at consumer behaviour and attitudes towards subscription-based services, thereby enriching the validity of the research findings.
3. **Participant Validation:** A summary of the findings was shared with some of the participants to validate whether the interpretations accurately reflect their experiences and opinions.
4. **Analytical Techniques:** The analytical techniques that are used, include thematic analysis for qualitative data, which enhances the validity of the research.

By adhering to these criteria for methodological rigour, I aimed to enhance the reliability and validity of the study, providing a robust framework for businesses aiming to improve their marketing strategies for subscription-based services.

Conclusion

The methodology section of this dissertation serves as a blueprint for the research, detailing the procedures followed for data collection, analysis, and ensuring reliability and validity. This dissertation strictly adheres to a qualitative research paradigm and employs a questionnaire to gather detailed insights into consumer behaviour. This approach enriches the findings by offering a comprehensive understanding of what motivates consumers to sign up for subscription services, thereby effectively addressing the study's main research questions.

The research focuses on understanding various aspects of consumer behaviour that influence their choice in signing up for subscription-based services. These aspects include perceived value, convenience, the impact of demographic factors, and the role of branding and marketing communications. These elements are crucial not only for academic discourse but also for practical applications in the business world.

By following the methodology that has been approved by the ethics committee, this research attempts to offer valuable insights into the incentives that drive consumer choices in subscription-based businesses. It is through this diligent academic lens that the study seeks to contribute to existing literature in the field of digital marketing and subscription-based business models, while also providing actionable recommendations for industry practitioners.

Through the subsequent chapters, this dissertation will delve into the collected data, examining it carefully to draw meaningful conclusions and implications for both the academic and practical realms in the field of digital marketing for subscription-based services.

Chapter 4. Findings, Analysis and Discussion

In the following section, the study will present, analyse, and discuss the survey results. In the Findings section, the study will outline the data collected, giving an overview of what consumers think about subscription-based services, based on the responses from the

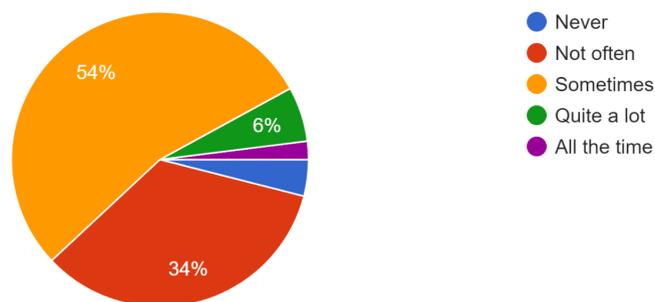
50 participants of the given survey. Next, in the Analysis section the study will explore this data in order to identify any important trends or preferences that could potentially inform the Discussion section. Finally, in the Discussion section, the study will connect the relevant data points which will answer the research questions. This will help understand how businesses can better meet consumer needs and preferences in the subscription-based service market.

Findings

Q1. Frequency of Subscriptions

The survey posed the question, "How often do you sign up for subscription services?" to understand the frequency with which respondents engage with such services. The options provided were "Not Often," "Sometimes," "Quite a Lot," "All the Time," and "Never." Out of 50 respondents, the majority, 27 (54%), indicated that they sign up "Sometimes." This was followed by 17 respondents (34%) who chose "Not Often." The "Quite a Lot" category received 3 responses, making up 6% of the total. Only one respondent (2%) reported signing up "All the Time," and 2 respondents (4%) indicated "Never."

1. How often do you sign up for subscription services?
50 responses

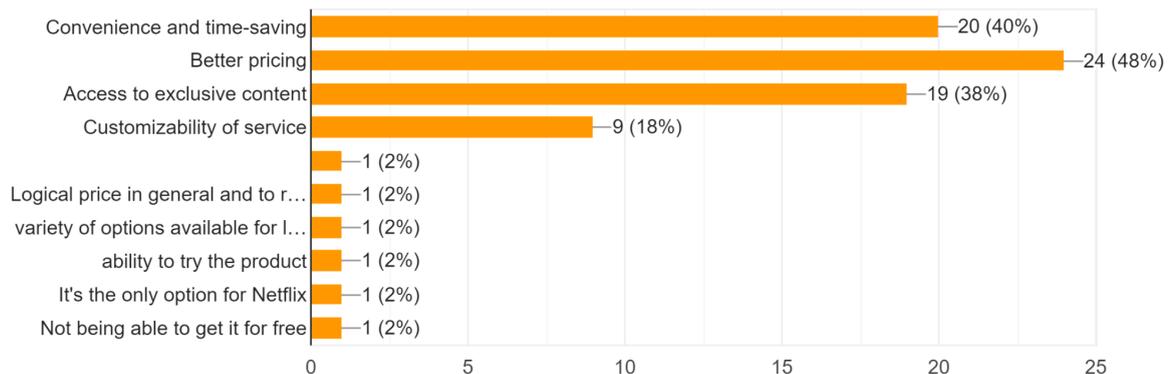


Q2. Market trends and consumer preferences on types of services

In response to the second question, "What kind of subscription services do you usually sign up for?" The data show a diverse range of interests among respondents. The most

model. These unique responses each made up 2% of the total. Overall, it is apparent that most people choose subscription services because they find them more convenient, cost-effective, and they like the exclusive content.

3. What attracts you more towards a subscription service as compared to a one-time purchase?
50 responses



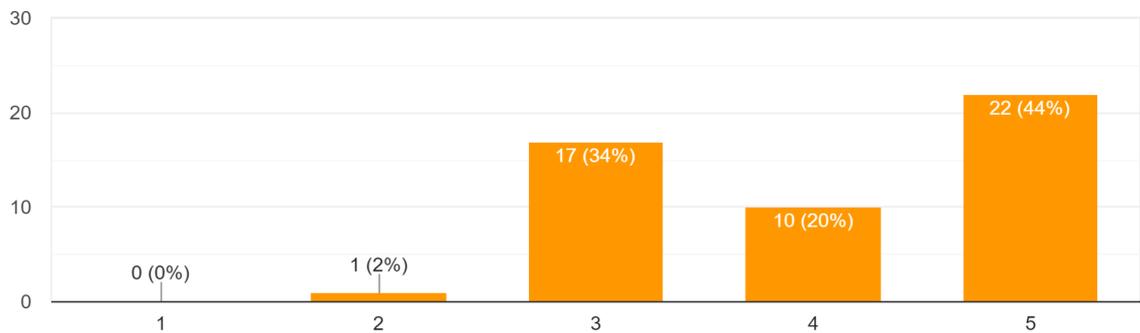
Q4. Factors Influencing Subscription Product/Service Choice

Q4.a. Perceived Value

Here, the significance of Perceived Value in influencing consumers' decisions when choosing a subscription service is measured. On a scale of 1 to 5, where 5 stands for "very important," the majority of respondents, 64%, rated it either as a 4 or 5. Specifically, 22 respondents (44%) considered it "very important," while other 10 respondents (20%) rated it as 4. Furthermore, a substantial 34% of participants gave it a moderate importance rating of 3, indicating that perceived value still has a degree of relevance in their decision-making process. Only a single respondent (2%) provided a low importance rating of 2, and notably, none of the respondents chose the "not important" (1) option.

Perceived value

50 responses

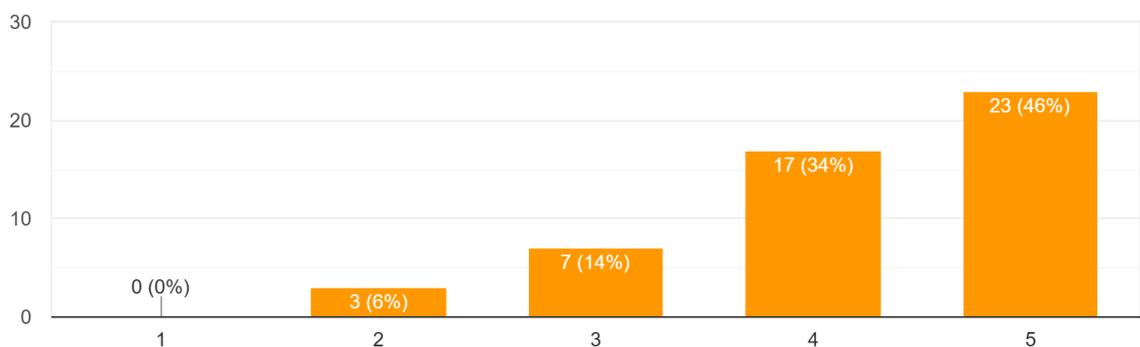


Q4.b. Convenience

On the topic of convenience, a predominant 46% (23 respondents) deemed this factor as "very important," scoring it a 5. Adding to this, another 17 respondents, 34%, rated it as 4, collectively making Convenience a critical factor in influencing decisions for 80% of participants. 7 respondents (14%) provided a moderate rating of 3. Only 3 participants (6%) considered convenience of lower importance, selecting 2, while none selected 1 for "not important."

Convenience

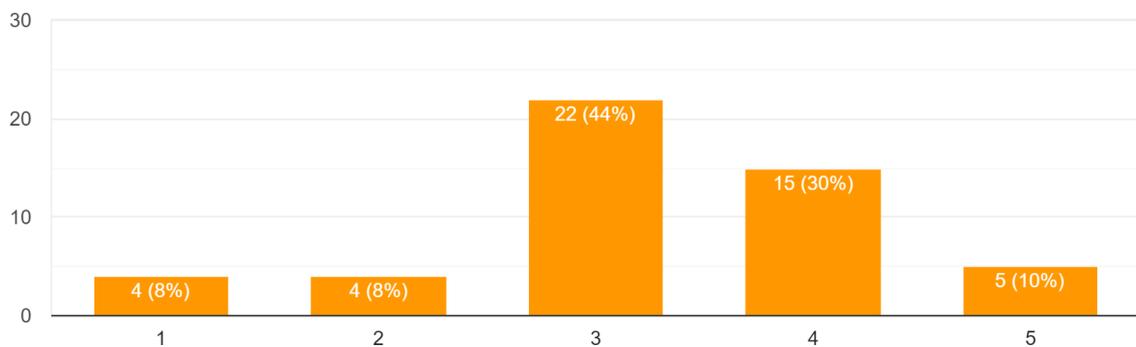
50 responses



Q4.c. Branding and Marketing communication

For branding and marketing communication, responses were comparatively dispersed. A majority of 22 respondents (44%) gave it a neutral importance rating of 3. Fifteen participants (30%) rated it as 4, while 5 respondents (10%) considered it to be "very important" with a rating of 5. The remaining 8 respondents (16%) deemed this factor to have low importance, split evenly between ratings of 1 and 2.

Branding and marketing communication
50 responses

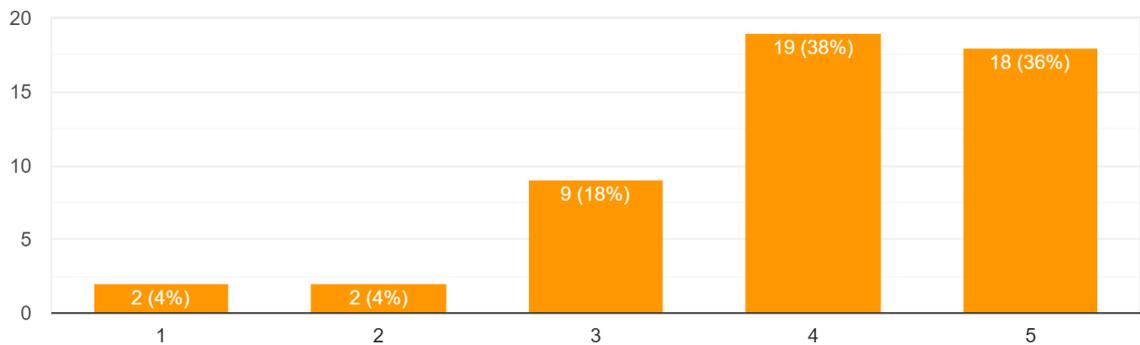


Q4.d. Pricing and Promotional offers

Pricing and promotional offers stood out as significant factors for many. Eighteen respondents (36%) classified it as "very important," and 19 others (38%) rated it as 4. Together, this suggests that 74% of participants view these elements as highly influential in their decisions. Nine respondents (18%) gave it a moderate rating of 3. Only a small fraction, 4 respondents (8%), rated it as either 1 or 2, showing low importance.

Pricing and promotional offers

50 responses

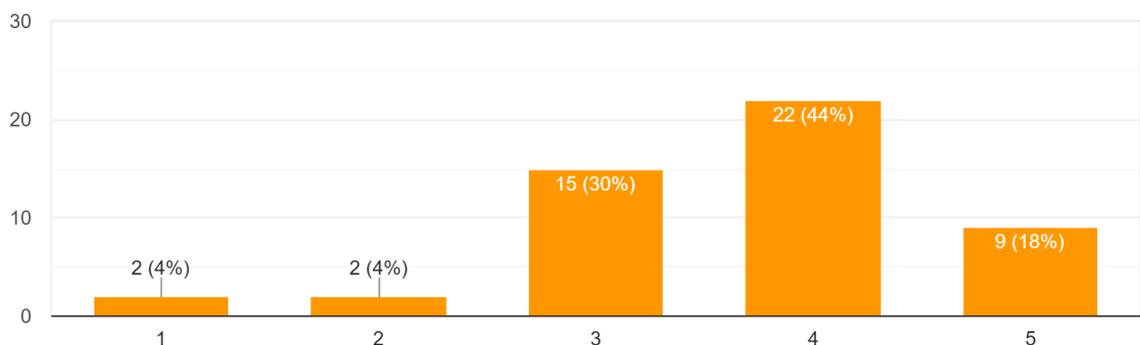


Q4.e. Unique Value Proposition

The unique value proposition also holds substantial weight in subscription choices. Twenty-two respondents (44%) rated it as 4, and 9 respondents (18%) considered it "very important," summing up to 62% who view it as a significant factor. Fifteen respondents (30%) indicated a moderate importance with a rating of 3. Only 4 participants (8%) considered it to have low importance, giving it ratings of 1 or 2.

Unique value proposition of the service

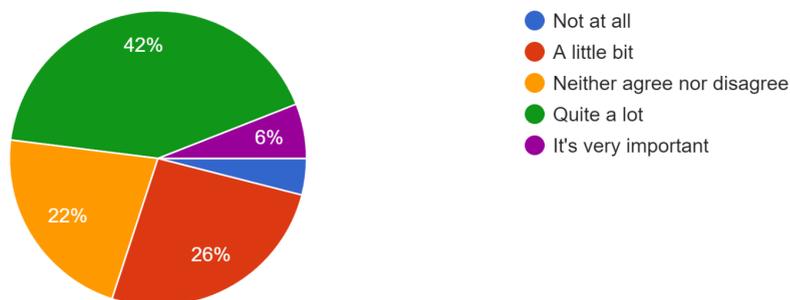
50 responses



Q5. Brand Influence: Trust and brand equity

In response to this survey question, "Does a subscription service being from a well-known brand influence your decision to subscribe?" many of the respondents, 21 (42%), expressed that brand recognition matters "quite a lot" in their decision-making. The data also reveals that for 13 respondents (26%), brand recognition only influences their decision "a little bit." A near equal number, 11 (22%), stated that they "neither agree nor disagree," indicating a neutral stance on the brand recognition influencing their subscribing decisions. Only a small fraction of 3 respondents, (6%), considered brand reputation to be very important, while 2 (4%) said it does not influence their decision at all. Overall, the data suggests that while brand recognition holds a significant role for many consumers, there's also a sizable group for whom it has moderate or no influence in deciding whether to subscribe to a service.

5. Does a subscription service being from a well known brand influence your decision to subscribe?
50 responses

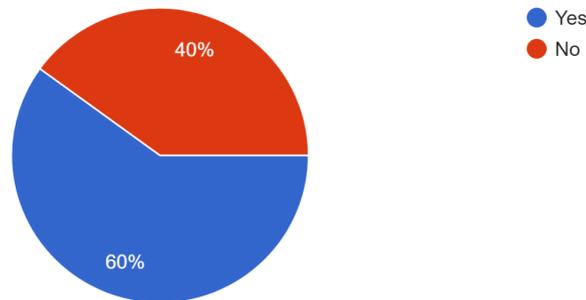


Q6.a. The Influence of Promotional Offers on Subscription Decisions

The findings from question 6 reveal that 60% (30) of respondents have subscribed to a service due to promotional offers or discounts, while 40% (20) have not. This suggests that while pricing incentives are effective for a majority, a substantial segment remains unaffected by such strategies.

6.a. Have you ever subscribed to a service because of a promotional offer or discount?

50 responses



Q6.b. Influencing Factors Due to Promotions

The follow-up to question 6.a. was an open-ended question that asked people who previously answered with “Yes”, to elaborate on what made them subscribe to a service due to a promotional offer or discount. Of the 30 respondents who answered “Yes”, 22 provided detailed explanations which were then categorised into thematic groups. The most prominent of these was Financial Incentives, making up for 41% of the responses (9 counts). Respondents frequently referred to attractive pricing schemes as the decisive factors, including "lower price for the first months," "1st month free," and "Discount on subscribe." Advertisement Presentation followed at 18% (4 counts), emphasising the role of how the offer was visually and textually presented in influencing the decision to subscribe. Comments in this category included "Liked the presentation" and "An attractive presentation of the Ad." Content and Service Quality also at 18% (4 counts) of the responses. The comments such as "Offers exclusive movies and series" and "The lectures that the website offers" suggested that the intrinsic value or characteristics of the service were also compelling factors for subscription. Free Trials accounted for 9% (2 counts) of the responses, showing that risk-free initiation is a possible strategy for customer acquisition. One respondent indicated the importance of social proof and user reviews, saying, "I usually only subscribe to discounted services... I see ads on social media and user's reviews and then decide to try it."

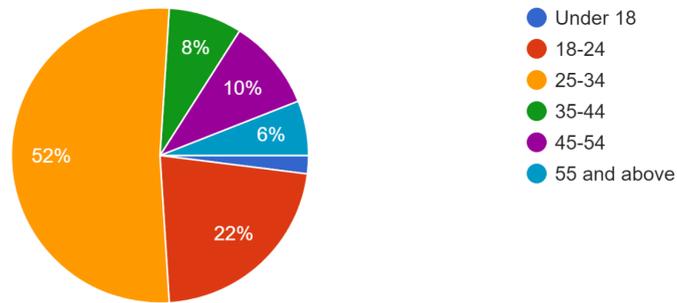
Category	Responses	Count
Financial Incentives	Lower price for the first months, 1st month free, Discount on subscribe, 50% off for A students	9
Content and Service Quality	Offers exclusive movies and series, The lectures that the website offers, Cyta and Netflix	4
Advertisement Presentation	Presentation of the ad, Liked the presentation, An attractive presentation of the Ad	4
Influence of Reviews and Social Media	I usually only subscribe to discounted services, e.g., I see ads on social media and user's reviews	1
Subscription as Part of a Package	Lower price for a mobile monthly plan	1
Value and Professionalism	I got the attraction from the professionalism and the valuable price I got from the promotion	1
Free Trial	Free trial and then stick with it, Free trial	2
Unclear/Non-Specified	If I remember correctly, a discount in something I was about to buy made me subscribe	1

Q7. Age Groups

Question 7 was regarding age groups. The data showed the following distribution among the 50 respondents: 1 individual (2%) was under 18 y.o., 11 individuals (22%) were between 18-24 y.o., 26 individuals (52%) fell within the 25-34 age range, 4 individuals (8%) were between 35-44 y.o., 5 individuals (10%) were within the 45-54 age bracket, and 3 individuals (6%) were 55 and above.

7. How would you define your age group?

50 responses

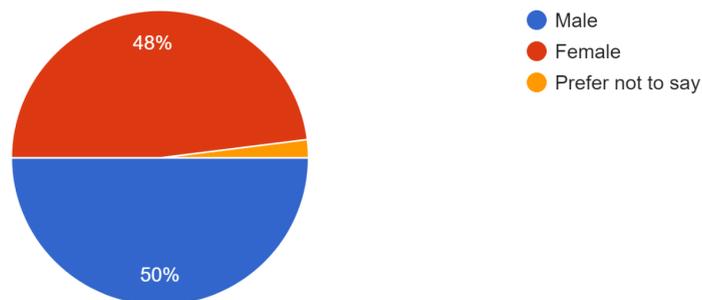


Q8. Gender

The data indicates a fairly even split between male and female participants of the survey. Specifically, 50% of the respondents identified as male, 48% identified as female, and a negligible 2% preferred not to disclose their gender.

8. What is your gender?

50 responses



Q9. Income Level

In the survey, respondents were asked about their approximate yearly income. The responses are distributed as follows:

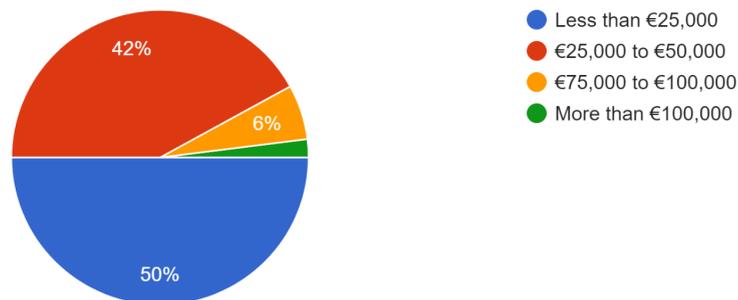
- 25 respondents (50%) reported a less than €25,000 per year income range.

- 21 respondents (42%) reported an income range of €25,000 to €50,000 per year.
- 3 respondents (6%) reported an income range of €75,000 to €100,000 per year.
- 1 respondent (2%) reported an income of more than €100,000 per year.

The majority of the sample (92%) is clustered in the lower to mid-income brackets, while higher income levels are less represented.

9. What is your approximate yearly income?

50 responses



Q10. Satisfactory Experiences in Subscription Services

Question 10 allows for the examination of what contributes to satisfying experiences with subscription services. The survey participants were asked if they could share an experience when they were particularly satisfied with subscription service and what made it good. The findings, put into their respective categories, were as follows:

Convenience and Flexibility

- The ability to easily cancel subscriptions:
 - "I was happy to test out some subscriptions regarding fitness stuff with the ability to cancel those subscriptions free and in time since I found out after using them that I don't need them."
- The flexibility to access services from multiple devices:
 - "I like when I can access the service from different devices if it is digital, or in terms of a gym that would be able to go to different locations."

- "Easy to watch movies at home."
- The freedom to switch or pause subscriptions:
 - "The ability to switch package offerings and to temporarily pause the subscription."

Quality and Range of Content

- Capabilities both online and offline and family sharing options:
 - "Netflix and Spotify. They have good enough content conveniently accessible online and offline and cost is reduced by sharing within the family."
- Quality content:
 - "Envato elements. Amazing content for my work, easy to search and download."
 - "Updated content regularly."

Pricing and Financial Incentives

- Discounts and extra user benefits:
 - "It was a subscription for All Balance, which offered lower price (discount), free additional user for a friend and personalised plans."
 - "I had an offer of 25%."
 - "Discount."
 - "Big discount."
 - "3 months for free."
- Value for money was a recurring theme:
 - "I was satisfied a lot mainly because it was value for money."
 - "Good pricing, great content"

Service Quality and Reliability

- Seamless device connectivity and quick response from services:
 - "Consistent reliable service quality and continued upgrades."
 - "Seamless connection between devices, nice apps."
 - "The notifications that come very fast."

- Fast response from customer service:
 - "Amazon responded very quickly."
 - "Subscription at CYTA (Cyprus Telecommunications Authority) - amazing anytime support made it good."

Customization and Personalization

- Absence of promotional notifications:
 - "I also like my subscription for learning new words through the cards. I like it because they never sent me any promotional notifications."
- Preference for services that offer personalised experiences, exclusive content, and educational value:
 - "Customizability of service."
 - "It gave me more access to the app."
 - "The access to exclusive content that I wanted to follow."
 - "When I get a certificate from online platforms that require yearly subscription (like DataCamp) and I feel that I can apply my knowledge in future jobs."

Mixed or Neutral Experiences

- Some respondents had either not subscribed to any services or did not have notably positive experiences:
 - "I don't remember."
 - "No."
 - "Never been particularly satisfied."
 - "I haven't made a subscription!"

Q11. Unsatisfactory Experiences in Subscription Services

This question serves to investigate the flip side of consumer satisfaction - the aspects that contribute to dissatisfaction in the subscription service experience. Participants were asked to share instances when they were notably dissatisfied with a subscription service and to explain what made the experience unpleasant. The findings are categorised below for clarity:

Unreliable Quality of Service

- Inconsistent service quality became a point of discontent:
 - "Unreliable quality of service."
 - "Sometimes the quality is not good."
 - "Internet and TV provider did not deliver the speed and quality promised and I cancelled."

Mismatch Between Expectation and Reality

- Service didn't meet initial expectations:
 - "Not as good as it was presented."
 - "Was kind of a fraud."
 - "I didn't give me all of the things it promised."

Annoying Features and Inconvenience

- Too many ads, continuous promotional emails, or random notifications:
 - "Spotify ads were way too annoying."
 - "When subscribing I receive emails every day with promotions."
 - "Ads are so annoying."
 - "Random notification."
- Difficulty in unsubscribing or issues related to customer service:
 - "Midjourney because it's hard to unsubscribe."
 - "Netflix's very slow response."
 - "Bad professionalism."

Financial Concerns

- Pricing and financial issues contributed to dissatisfaction:
 - "Lost money."
 - "Cost."
 - "The price."
 - "Increasing costs."
- Lack of transparency in pricing, especially with automatic renewals:

- "When apps charge a yearly subscription after I forgot to cancel it."
- "Automatic renewal without notice."
- "Revolut - I found it annoying that they asked for more and more personal/financial details."

Content-related Issues

- Lack of fresh or varied content:
 - "No updated content."
 - "Not a lot of quantity."
 - "Not offering variety in content or increasing the subscription price."
- Specific issues related to content management caused dissatisfaction:
 - "One time Deezer deleted all of my downloaded music."
 - "Deezer. It once deleted all my downloaded libraries."
 - "Netflix (change regulation got share devices)."

Neutral or No Bad Experiences

- Respondents that stated that they had not had particularly negative experiences with subscription services:
 - "No."
 - "Never."
 - "No such experience."
 - "I didn't have such a negative experience in the past."
 - "I haven't made a subscription!"

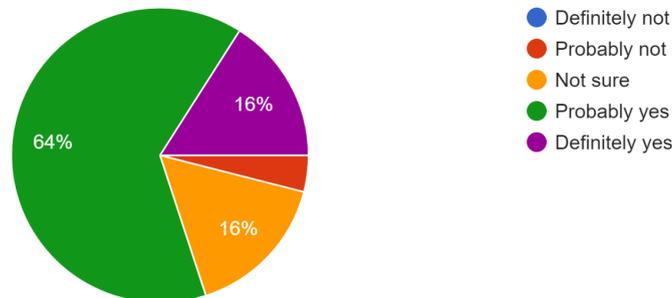
Q12.a. Future Intentions to Use Subscription Services

When asked if they would continue using subscription services in the future, The majority of respondents - 80% responded positively. Out of the 50 respondents, 32 or 64%, said that they would "Probably" continue using subscription services. This was followed by 8 respondents (16%) in both the "Definitely yes" and "Not sure" categories. Lastly, a minority of 2 respondents (4%) suggested they would "Probably not" continue using subscription

services.

12. Would you continue using subscription services in the future?

50 responses



Q12.b. Types of Subscription Services Most Likely to be Considered for Future Use

To the final open-ended question, "If yes, please specify the type of subscription services you are most likely to consider," 15 respondents (30%) indicated a preference for music-related services. Mentioned by 11 respondents (22%) was Movies. Health and fitness services were mentioned by 5 respondents (10%), and educational and productivity tools were noted by approximately 8% of respondents. Food-related subscriptions were chosen by 4 respondents (8%). Other categories like loyalty schemes and essential services comprised the remaining 12% of preferences. Notably, 18 respondents (36%) did not specify any type of service for future consideration, marked as 'N/A'.

Analysis

Introduction

The purpose of this section is to interpret the data collected from the survey, thereby laying the groundwork for a complete understanding of the consumer behaviour in the context of subscription-based services in Cyprus. The findings will be analysed through

thematic analysis and exploring patterns and connections. In the following sections the study will analyse the role of perceived value and convenience in decision-making, the impact of demographic variables, and the effectiveness of branding and marketing strategies.

Brief Recap of the Findings

The survey accumulated responses from 50 individuals, and was specifically built to provide invaluable insights into the consumer landscape which is subscription-based. It was found that the frequency of engagement with subscriptions varies and the majority of respondents take on subscriptions “sometimes”. Regarding the types of services, the survey showed a leaning towards entertainment and well-being; services related to music, movies, and fitness. The inclination towards the subscription model over one-time purchases as proven by the majority of participants is due to better pricing, convenience, and exclusive content. Perceived value and convenience appear as highly significant in assessing what influences subscription choices. The role of branding and promotional offers was also noteworthy but received a more dispersed set of responses. Demographic data indicate a predominance of respondents in the 25-34 age range and a fairly balanced gender distribution. Most participants fall into the lower to mid-income bracket.

Factors Motivating Consumers

A Mixture of Utilitarian and Hedonic Factors

The study's empirical findings align with the theoretical framework presented in the literature review, which has shown that convenience, value, hedonic motives, and personalization are the most important factors that influence consumer choices (Ramkumar and Woo, 2018; Kim and Kim, 2020; Chung, 2020). The survey data identified better pricing (48%) and convenience and time-saving (40%) as the main two factors influencing consumer subscription choices. These factors combine both utilitarian and hedonic motivations, as consumers look for maximum utility for the cost and convenience and time-saving benefits.

Role of Exclusivity and Customization

Access to exclusive content was another prominent factor, noted by 38% of the survey participants. This corresponds with the hedonic motives of “adventure and self-gratification” as outlined by Bhatt et al. (2021). Additionally, customization was cited by 18% of respondents, aligning with Wang et al.'s (2005) notion of added-value driving subscription-based commitments.

Cross-Analysis with Other Influential Factors

Pricing and Promotional Offers

The empirical data substantiated the importance of pricing and promotional offers in subscription choices with an overwhelming 74% of participants indicating that these elements are highly influential. This directly links to the economic motivations, as seen by Kim's and Kim's (2020) categorization of economic motives.

Unique Value Proposition

Unique value proposition was another highly selected subscribing influence, with 62% of participants rating it as a significant factor in their decision-making process. This aligns with Wang's et al., (2005) emphasising the role of added value in influencing consumer choices.

Influence of Promotions

Financial incentives were cited as the most dominant factor that made respondents subscribe to a service because of a promotional offer or discount, comprising 41% of the responses. This complements the economic motive outlined in the literature (Benhabib et al., 2010). Meanwhile, the role of advertisement presentation (18%) and content and service quality (18%) reflect the hedonic and value-based aspects that encourage subscription.

Summary and Implications

The synthesis of the findings with existing literature highlights that both utilitarian and hedonic motives play a central role in driving consumers towards subscription services. Additionally, exclusive content and customizability are increasingly important, signalling a need for businesses to focus on these areas for improving customer acquisition and retention. The data provides valuable insights for optimising marketing strategies for subscription-based businesses, incorporating both economic and emotional appeals that are tailored to consumer preferences and expectations.

These empirical insights, when adopted, can help subscription-based businesses fine-tune their value propositions and marketing strategies, incorporating detailed consumer motivations to create more effective and targeted campaigns.

Perceived Value and Convenience

Perceived Value

According to the survey results, when it comes to subscription-based services the factor of Perceived Value cannot be underestimated. The majority of respondents (64%) rated its significance either as a 4 or a 5 on a scale from 1 to 5. This is endorsed by the academic literature, where, for example, Lee et al. (2013) emphasise the influence of perceived value in a customer's decision to upgrade from a free to a paid subscription. Further parallels can be drawn with the findings of Wang et al. (2005) and Loan and Long (2017), who identify perceived convenience and value as critical elements influencing consumer decisions. This high importance attached to perceived value suggests that subscription-based businesses must ensure their offerings present a strong value proposition. Whether through feature diversification, enhanced user experiences, or better pricing strategies, businesses must leverage this insight to strengthen their customer acquisition and retention strategies.

Convenience

The survey results show that Convenience is a major influencing factor for consumers when selecting a subscription service, with 80% of respondents rating its importance as either a 4 or a 5. The academic literature supports this finding as well. Wang et al. (2005) have earlier stressed the role of convenience and added value in driving consumer decisions for subscription services. Additionally, the post-COVID-19 era has witnessed a surge in the emphasis on convenient solutions, as indicated by Kim and Kim (2020). This data suggests that businesses offering subscription-based services should invest heavily in enhancing the convenience aspect of their offerings, whether it is in the form of user interface design, customer service, or the versatility and adaptability of the service itself.

Comparative Analysis: Perceived Value vs Convenience

The importance of Perceived Value and Convenience are closely contested, though the latter has a slight edge with 80% of respondents rating it as highly important compared to 64% for Perceived Value. However, it is essential to understand that these factors are not mutually exclusive. Literature on online consumer behaviour, such as the work by Reimers et al. (2016) and Forghani (2022), underscores that convenience can be a facet of perceived value. Therefore, in a subscription-based business model, a strategy that amalgamates both these aspects could be the most effective in attracting and retaining customers.

Demographic Variables

Cross-analysis of Age Groups with Subscription Frequency

Data Overview

The age group most represented, 25-34 years old (52%), corresponds with the largest category of subscription frequency, "Sometimes" (54%). The younger age group, 18-24 years old, makes up 22% of respondents, aligning with a similar lower frequency ("Not Often," 34%).

Interpretation

This suggests that age has a correlation with subscription frequency. Younger individuals (18-34) appear more open to subscribing to services, but not aggressively. This finding aligns with literature indicating younger people are generally more receptive to digital and subscription-based offerings.

Cross-analysis of Gender with Types of Services

Data Overview

Both males and females showed a strong inclination towards entertainment-related subscriptions (music and movies). Additionally, the responses indicate that the gender distribution is almost equal in the survey (50% male, 48% female).

Interpretation

The balanced gender distribution and shared preference for entertainment-related subscriptions imply that gender might not be a significant variable when considering the type of subscription services to offer. However, the industry-specific focus could differ between genders, which warrants further research.

Cross-analysis of Income Level with Unique Value Proposition

Data Overview

The majority of respondents (92%) fall within the lower to mid-income brackets. These income levels correspond with a high importance placed on the unique value proposition—62% view it as a significant factor in their subscription choices.

Interpretation

People in the lower to mid-income range may seek higher value in their subscription choices, leading to a strong focus on unique value propositions. Marketers can leverage this insight by highlighting the unique features and cost-effectiveness of their subscription service to attract this demographic.

Cross-analysis of Multiple Demographics with Subscription Preferences

Data Overview

Younger age groups (18-34), who are also the majority in lower to mid-income brackets, are more likely to subscribe "sometimes" and place higher importance on unique value propositions. Entertainment-related subscriptions seem universally popular, irrespective of age or gender.

Interpretation

Combining these cross-analyses suggests that tailored subscription services targeting younger and lower to mid-income demographics could focus on entertainment and unique value propositions as selling points.

Summary

The impact of demographic factors on subscription preferences is multi-faceted. Younger age groups tend to engage more frequently with subscription services, while income levels appear to influence the importance of unique value propositions. Gender, however, does not show a significant impact on the type of subscription services chosen. These insights collectively provide a nuanced understanding that can guide targeted marketing and product optimization strategies in the subscription service industry.

Branding and Marketing Strategies

Introduction

Given the burgeoning popularity of subscription-based business models, understanding the factors that motivate consumer engagement is critical. Among these factors, branding and marketing have emerged as potentially powerful instruments. This section specifically focuses on answering the research question: "How significant is branding and marketing in attracting consumers to subscription services?" The analysis builds upon the survey data from questions [Q4.c.](#), [Q5](#), and [Q6.a.](#) to explore the significance of branding and marketing in consumer decision-making processes.

Consumer Attitudes Toward Branding and Marketing Communication

Question Q4.c. sought to gauge the importance of branding and marketing communication in influencing subscription decisions. A plurality of respondents, 44%, deemed these factors of neutral importance, while 30% rated them as having high importance (score of 4), and 10% considered them very important (score of 5). This indicates a somewhat unsure attitude toward branding and marketing, as a majority did not attribute extremely high importance to these factors.

The Influence of Brand Recognition

Question Q5 delved into the issue of brand recognition and its role in influencing subscription choices. Approximately 42% of respondents indicated that brand recognition matters "quite a lot," whereas 26% stated it influences them "a little bit." Interestingly, 22% held a neutral stance. Thus, while brand recognition holds significant sway over a large proportion of respondents, a non-trivial segment remains indifferent, suggesting that branding strategies could have variable effectiveness.

The Impact of Promotional Offers

According to the responses from question Q6.a., promotional offers appear to be an effective marketing strategy for attracting subscribers, as 60% confirmed subscribing due to such incentives. Nevertheless, the remaining 40% were not swayed by promotions, underlining the nuanced impact of pricing tactics within branding and marketing strategies.

Comparative Insights: Branding vs. Marketing Offers

When cross-referencing the findings from Q4.c. and Q6.a., it becomes evident that promotional offers have a more uniform influence compared to branding and marketing. While 60% were directly influenced by promotional offers to make a subscription, the influence of branding and marketing was less clear-cut, with mixed responses ranging from high to neutral importance.

Synthesis and Interpretation

Branding and marketing appear to be important, yet not decisive factors in the consumer decision-making process for subscription services. The divergence in consumer attitudes suggests that a one-size-fits-all approach in branding and marketing is unlikely to be universally effective. While brand recognition and promotional offers do influence a majority, there remains a significant segment of the consumer base that is either indifferent or motivated by other factors.

Implications for Marketing Strategies

The data suggests that companies should adopt a multi approach, employing both strong branding and tactical promotional offers to attract a broader consumer base. Moreover, given the mixed consumer attitudes toward branding, companies might also benefit from investing in other elements such as perceived value and convenience to augment their branding strategies.

Conclusions

Branding and marketing play a notable yet complex role in influencing consumer subscription choices. While they are critical elements for a substantial segment of consumers, their influence is not universal. Therefore, understanding the nuanced consumer attitudes toward these factors can provide invaluable insights for optimising marketing strategies in subscription-based businesses.

By incorporating these insights into future marketing strategies, businesses won't only enhance their brand value but also improve customer retention.

Satisfaction and Dissatisfaction Experiences

Overview

Understanding the elements that contribute to customer satisfaction and dissatisfaction in subscription-based services is crucial for optimising marketing strategies and improving retention rates. Insights from questions [Q10](#), [Q11](#), [Q12](#), and [Q12.b](#) provide a

comprehensive look at the factors that contribute to consumer satisfaction and dissatisfaction. Additionally, findings from Q9 on income levels and Q6.a. on the impact of promotional offers are integrated to offer a nuanced understanding.

Themes Uncovered

The themes that emerged around satisfaction and dissatisfaction experiences largely focused on five main categories: Convenience and Flexibility, Quality and Range of Content, Pricing and Financial Incentives, Service Quality and Reliability, and Customization and Personalization.

Convenience and Flexibility

Survey respondents valued the ability to easily cancel, pause, or switch subscriptions and appreciated access from multiple devices. As this theme aligns with one of the primary motivations for choosing subscription-based services (convenience), it underlines the importance of flexibility in customer retention strategies.

Quality and Range of Content

Good-quality and diverse content was a significant factor contributing to satisfaction. Given the recurrent mention of content quality, it is advisable for subscription-based services to maintain a focus on offering varied and high-quality content to retain subscribers.

Pricing and Financial Incentives

Financial considerations played a role in both satisfaction and dissatisfaction experiences. Discount offers were commonly cited as a satisfying factor. This corroborates the findings from Q6.a., where 60% of respondents indicated that they have subscribed to a service due to promotional offers. On the flip side, increased costs or a lack of transparency in pricing led to dissatisfaction, indicating a need for clearer communication and pricing strategies.

Service Quality and Reliability

Respondents mentioned that a quick customer service response and seamless device connectivity contribute to satisfaction. Conversely, unreliable service quality was a point of discontent, pointing to the importance of consistency in service delivery.

Customization and Personalization

The absence of annoying promotional notifications and the ability to tailor experiences were highlighted. Personalization can thus be considered as an additional lever for increasing customer satisfaction and, subsequently, retention.

Impact of Income Levels

Interestingly, the majority of the respondents fall under the lower to mid-income brackets. While this data point alone cannot infer a causal relationship, it does add an interesting layer to the analysis. Lower to mid-income individuals may be more motivated by discounts, which aligns with the finding that 60% of respondents have subscribed due to promotional offers (Q6.a.).

Future Intentions

The high percentage (80%) of respondents indicating their willingness to continue using subscription services suggests that despite some dissatisfaction, the overall value proposition of these services remains strong. The future preferences lean heavily towards music and movie services, offering targeted avenues for marketing and customer retention strategies.

Conclusions and Recommendations

Insights into customer satisfaction and dissatisfaction provide an invaluable resource for optimising marketing and customer retention strategies. Key recommendations include:

- Enhance flexibility and convenience features to align with consumer needs.
- Maintain and regularly update a diverse range of high-quality content.
- Offer transparent, value-for-money pricing strategies.
- Invest in reliable and quick customer service.

- Adopt personalization strategies to make the customer feel valued and unique.

Discussion

Introduction to Discussion:

The analysis underscored several pivotal factors driving consumer choice in the realm of subscription services. Central to these were consumer motivations, perceived value, convenience, demographics, and the overarching significance of robust branding and marketing efforts. In an era marked by subscription-based growth, harnessing a deep understanding of these determinants is indispensable for businesses aiming for effective marketing strategies.

Consumer Motivations:

Unearthing consumer motivations is not a mere academic exercise; it's the bedrock of astute marketing. The analysis illuminated that consumers are not just swayed by price points or product novelty. There's a deeper narrative - one of aligning with consumer values, needs, and aspirations. Subscription-based businesses should, thus, position their offerings not just as products or services, but as solutions that dovetail with these motivations.

Perceived Value and Convenience:

To the contemporary consumer, the allure of a subscription doesn't merely boil down to monetary savings. It's the amalgamation of the intangibles - time saved, ease of use, consistent quality, and the sheer predictability of receiving a service or product. For marketers, this means that messaging should pivot around these facets, emphasising the holistic value and convenience a subscription brings to the table.

Demographic Considerations:

Subscription preferences aren't universally homogeneous. An 18-year-old might value the flexibility of a digital service subscription, while a 50-year-old might lean towards consistent product delivery. This demographic divergence calls for a granulated marketing approach, tailored to the unique needs and aspirations of each group.

Branding and Marketing Significance:

In a saturated market, branding isn't just about visibility, but about creating resonance. The findings affirm that consistent, value-aligned branding, coupled with targeted marketing, isn't just an option - it's a mandate for subscriber acquisition and retention.

Optimising Marketing and Retention Strategies:

Past behaviours can be indicative of future actions. By employing a feedback loop system, businesses can constantly refine their strategies based on real-time insights into consumer behaviour. The goal isn't static satisfaction but evolving with the consumer.

Comparative Analysis Insights:

The comparative study underscored the varying efficacies of different subscription models and marketing stratagems. It's not a one-size-fits-all domain. Businesses must be dynamic, understanding where they fit in the broader spectrum and then deploying strategies that align with their unique position.

Digital Marketing Integration:

The digital domain offers a treasure trove of tools for subscription businesses. From targeted ads, programmatic buying, to data analytics - the digital realm is rife with potential. The emphasis, however, should be on integration. It's not about a scattergun approach but a cohesive, integrated strategy that amplifies the subscription proposition.

Recommendations:

To thrive in the subscription space:

1. Prioritise understanding your consumer, delving into their motivations and aligning your offerings accordingly.
2. Emphasise holistic value in all communications.
3. Tailor strategies based on demographic insights.
4. Invest in building a resonant brand.
5. Lean into the digital but do so with cohesion and strategy, not just tactics.
6. Keep the consumer at the heart of all strategies. Evolve with them, for retention is not about capturing interest but sustaining it.

Future research might probe deeper into the interplay of technological advancements in shaping subscription preferences or how socio-cultural shifts influence the subscription economy.

Chapter 5. Conclusion

5.1 Overview

This research set out to understand marketing strategies for subscription-based businesses. In layman's terms, we wanted to know why people opt for subscription services and how businesses can use this knowledge to their advantage.

5.2 Main Takeaways

1. Consumer Motivations: It's not just about the product or its price. Factors like perceived value, the convenience of the service, and the overall experience matter a lot to consumers.
2. Perceived Value & Convenience: People are looking beyond just the price. How the product or service makes their life easier, better, or more interesting is crucial.

3. Demographic Factors: Not everyone wants the same thing. Age, location, and other factors can change what people want from subscriptions.
4. Branding Matters: A strong, consistent brand image is vital. It's about trust. And let's not forget the power of smart digital marketing tactics to pull in and keep subscribers.

5.3 Advice for Businesses

Based on what was found in this study, here's some straightforward advice:

Know Your Audience: Don't try to please everyone. Focus on specific groups and cater to them.

Be Clear on What You Offer: Make sure people know exactly what they're getting, both in terms of the product and the added benefits.

Stay Updated: Keep an ear to the ground. What consumers want can change, so be ready to adapt.

5.4 Study Limitations and Future Research

Like any study, this one isn't perfect:

We focused on a specific area, so we can't say for sure that these findings apply everywhere.

Digital marketing is always changing, so strategies will need to be updated over time.

Future research could look into areas like how AI could personalise subscription marketing or how subscriptions could align with eco-friendly practices.

5.5 Final Thoughts

In simple terms, if businesses want to thrive in the subscription world, they need to understand their customers inside out. This study has highlighted what drives people towards subscription models. For businesses, the challenge is to use these insights to reach more people and keep them coming back. As the digital world keeps changing, the insights

from this research can act as a guide for businesses in the ever-evolving subscription market.

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Appendices

Quick Survey for MSc Digital Marketing Dissertation Project

Please read, then scroll down to the questions (It will take less than 10 minutes for the entire process)

Project Title: How to Create Effective Marketing Strategies for Subscription-Based Businesses

Thank you for your interest in participating in this research. The purpose of this sheet is to provide you with the information you need in order to decide whether to participate in this study. Before you decide to participate, please read the following information carefully. It will give you a brief overview of the research, and explain what participation means for you.

What is this research about?

The research is aimed at identifying and understanding the factors that influence consumer decisions to purchase subscription-based products. The objective is to inform and optimise the development of marketing strategies for businesses in the subscription-based industry.

The research has received formal approval from the University Research Ethics Committee (UREC). If you have any concerns about the conduct of the investigator or any other aspect of this research project, please contact the project's supervisor mr. Dimitris at dimitris.p-lecturer@cim.ac.cy

Who is doing the research?

The principal investigator for this research is Chris, a Master Degree student at the University of West London and CIMA. If you have any further questions about the research or your potential participation, feel free to contact by phone +35725710719 or email 21593073@student.uwl.ac.uk

Who can take part?

Any individual who has experience purchasing subscription-based products, or who is considering purchasing such products, is eligible to participate. Participation will provide valuable insights into how businesses can better meet consumer needs, and improve the overall customer experience.

What do you need to do?

Participation involves completing an online survey. It should take no longer than 5-10 minutes of your time.

What will happen to the information that you give?

Your responses will be recorded and analysed to identify patterns and trends related to consumer behaviour in the subscription-based business sector. The data will be stored for the period that the research will take place and after completion they will be deleted.

Will everything you say be kept confidential?

Your responses will be kept completely confidential. All data will be stored securely and used strictly for the purpose of this research. Information will be kept for a period of 3 months before it is securely destroyed. Individual participants will not be identifiable in any publications resulting from this research.

What if you change your mind about taking part?

Participation in this research is completely voluntary. You have the right to withdraw at any time, without providing a reason and without any disadvantage to you.

We appreciate your consideration in contributing to this research. Your input will provide invaluable insights for this important field of study.

** Indicates required question*

Please answer each question as honestly as possible:

1. 1. How often do you sign up for subscription services? *

Mark only one oval.

- Never
- Not often
- Sometimes
- Quite a lot
- All the time

2. 2. What kind of subscription services do you usually sign up for? (for example: food, music, movies, books, fitness) *

3. 3. What attracts you more towards a subscription service as compared to a one- *
time purchase?

Tick all that apply.

- Convenience and time-saving
- Better pricing
- Access to exclusive content
- Customizability of service
- Other: _____

4. On a scale of 1 (not important) to 5 (very important), how significant are the following factors in influencing your decision to choose a subscription service?

4. **Perceived value** *

Mark only one oval.

1 2 3 4 5

Not Very important

5. **Convenience** *

Mark only one oval.

1 2 3 4 5

Not Very important

6. **Branding and marketing communication** *

Mark only one oval.

1 2 3 4 5

Not Very important

7. **Pricing and promotional offers** *

Mark only one oval.

1 2 3 4 5

Not Very important

8. **Unique value proposition of the service** *

Mark only one oval.

1 2 3 4 5

Not Very important

9. 5. Does a subscription service being from a well known brand influence your decision to subscribe? *

Mark only one oval.

- Not at all
- A little bit
- Neither agree nor disagree
- Quite a lot
- It's very important

10. 6.a. Have you ever subscribed to a service because of a promotional offer or discount? *

Mark only one oval.

- Yes
- No

11. 6.b. If answered yes please elaborate on what made you subscribe (i.e. A description of the promotion, presentation of the ad, and the reason it made you subscribe).

12. 7. How would you define your age group? *

Mark only one oval.

- Under 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55 and above

13. 8. What is your gender? *

Mark only one oval.

- Male
- Female
- Prefer not to say
- Other: _____

14. 9. What is your approximate yearly income? *

Mark only one oval.

- Less than €25,000
- €25,000 to €50,000
- €75,000 to €100,000
- More than €100,000

15. 10. Can you share a time when you were particularly satisfied with subscription service experience? What made it good? *

16. 11. Can you share a time when you were dissatisfied with a subscription service? What made it bad? *

17. 12. Would you continue using subscription services in the future? *

Mark only one oval.

Definitely not

Probably not

Not sure

Probably yes

Definitely yes

18. If yes, please specify the type of subscription services you are most likely to consider.

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