A STUDY ON THE ADOPTION OF SUBSCRIPTION-BASED SERVICES AMONG YOUTH IN COIMBATORE

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Abstract

This study aims to explore and analyze the behavior of youngsters toward subscription-based services, focusing on their preferences, motivations, decision-making processes, and satisfaction levels. Through quantitative methods, the research identifies key factors such as pricing, content quality, peer influence, convenience, and brand loyalty that affect subscription choices. The study also examines how digital literacy, social media exposure, and economic status influence youngsters' engagement with the models. Findings provide valuable insights for companies aiming to attract and retain young subscribers, as well as suggestions for improving service offerings to align with this demographic's expectations. The research concludes with recommendations for businesses and future researchers in understanding the evolving patterns of consumer behavior in the digital subscription economy. The subscription-based model has rapidly emerged as a dominant trend in various industries, including entertainment, education, e-commerce, and software services. This study aims to analyze the behavior of youngsters in Coimbatore towards subscription-based services. With the rising popularity of platforms like Netflix, Amazon Prime, Spotify, and educational portals, understanding the factors that influence subscription decisions among the youth becomes crucial for businesses and marketers. The research focuses on identifying key determinants such as price sensitivity, brand loyalty, perceived value, frequency of use, and peer influence that impact the subscription behavior of individuals aged between 18 to 25 years.

Keywords: Consumer Behaviour,Youngsters,Online Subscriptions, Market Trends

1. Introduction

The subscription-based model has rapidly gained popularity across various industries, from entertainment and education to e-commerce and software services. With the digital economy evolving, youngsters represent a significant segment of consumers who are actively engaging with these models due to their affordability, convenience, and flexibility. This study aims to explore the behavior of young individuals toward subscription-based services, focusing on factors such as preferences, spending habits, decision-making influences, and the perceived value of subscriptions. Understanding this demographic's attitude and usage patterns can provide valuable insights for businesses to tailor their offerings and improve customer retention strategies.

2. Literature Review

1.Kotler & Keller (2020) – Marketing Management

Kotler and Keller highlight how changing consumer preferences have shifted many businesses toward subscription-based models. They argue that recurring revenue models enhance customer loyalty and engagement. The study emphasizes the importance of understanding consumer behavior to ensure sustained subscription renewals

2. McCarthy, J., & Rowley, J. (2019) – Trends in Subscription-Based Consumption

This study explores the rise of subscription services in digital media, particularly among younger demographics. It found that convenience, affordability, and personalized content are major drivers of youth participation. The authors also observe a trend of "subscription fatigue," where too many subscriptions lead to cancellations.

3. Kumar, V. (2018) – Customer Relationship Management in the Subscription Economy

Kumar focuses on the role of CRM tools in maintaining long-term relationships with subscription users. He notes that youth are drawn to brands that offer engaging, consistent, and personalized experiences.

3.Research Objectives

- To analyze the awareness and understanding of subscription-based models among youngsters.
- To identify the factors influencing youngsters' decisions to opt for subscription-based services.
- To study the spending habits of youngsters on various subscription platforms (e.g., OTT, music, e-learning, etc.).
- To assess user preference between pay-per-use and fixed subscription models.

4.Research Methodology

4.1 Research Design

The research design is the basic framework or a plan for a study that guides the collection of data and analysis of data.

4.2 Data Collection Methods

Primary Data; The data are collected directly from the respondents as the information is not already been provided.

Secondary Data: The data are collected from the company records, newspapers, journals, magazines, library, etc.

4.3 Sampling Method

The study used a convenience sampling method, a type of non-probability sampling, to collect data from youngsters aged 18 to 30 in Coimbatore.

5.Survey Results and Analysis- Sample

1. Which type of subscription services do you use most?

- Streaming (Netflix, Spotify, etc.)(30.3%)
- Gaming (PlayStation Plus, Xbox Game Pass, etc.)(20.2%)
- Educational (Coursera, Skillshare, etc.)(40.4%)
- Software (Microsoft Office, Adobe, etc.)(13.8%)
- Other (Specify)(11.9%)

2. I am familiar with subscription-based services.

- Strongly agree(12.8%)
- Agree(21.1%)
- Neutral(23.9%)
- Disagree(10.1%)
- Strongly disagree(32.1%)

3. Which of the following reasons have made you cancel a subscription?

- High cost(32.6%)
- Lack of use(20.9%)
- Poor content/service(23.3%)
- Found a better alternative(22.1%)
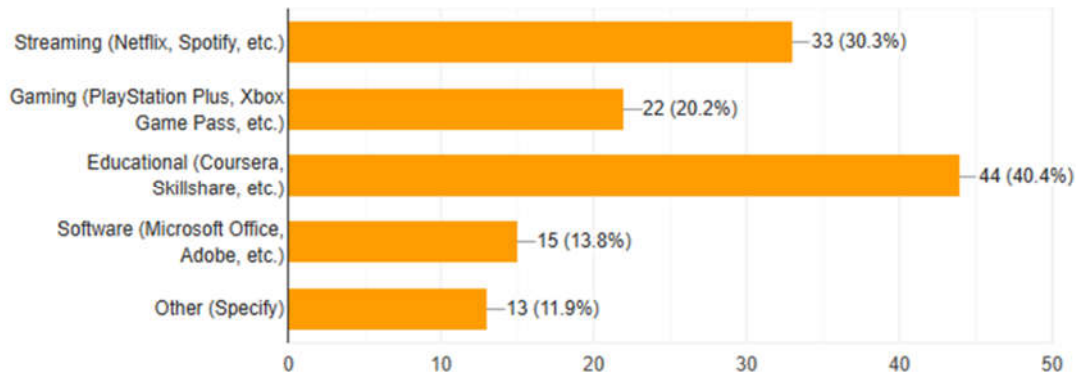- Difficulty in cancelling(15.1%)

4.Would you prefer a pay-per-use model instead of a fixed subscription?

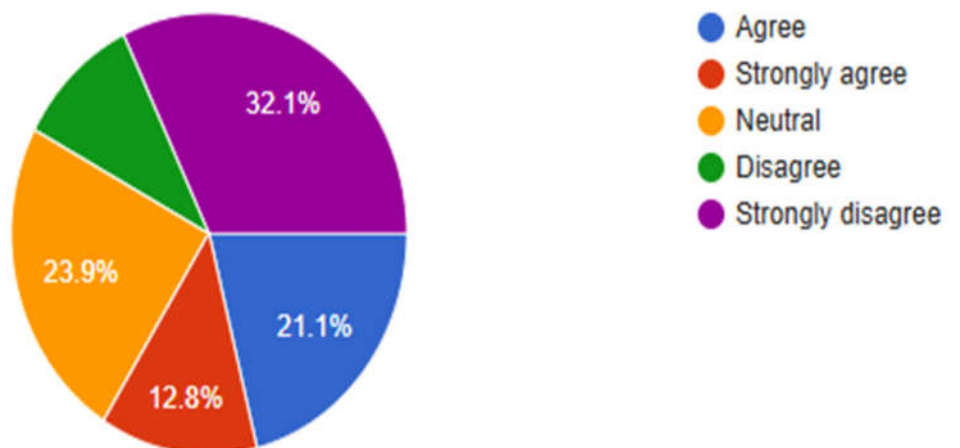- Yes, I will(58.7%)
- No(22.9%)
- Not sure(18.3%)

(Graph representing the above data are included below)

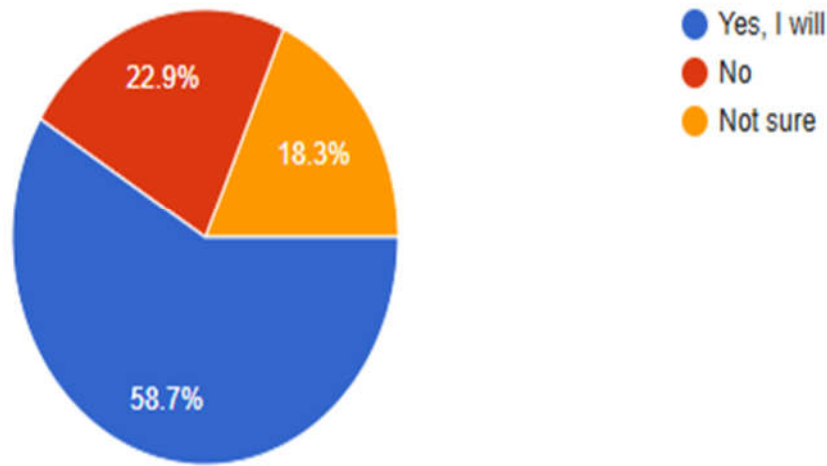## Survey Result based on youngsters behaviour on subscription based model

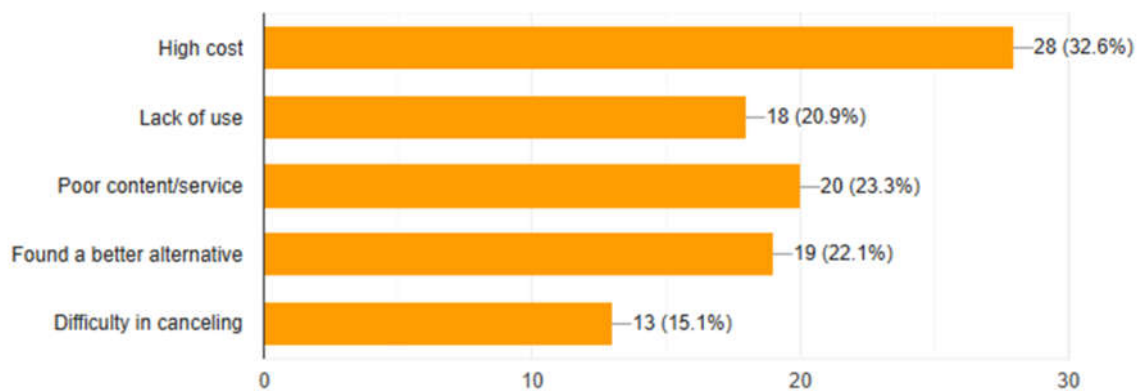Which type of subscription services do you use most?

I am familiar with subscription-based services

- Agree
- Strongly agree
- Neutral
- Disagree
- Strongly disagree

Which of the following reasons have made you cancel a subscription?

Would you prefer a pay-per-use model instead of a fixed subscription?

6.Key Findings

- The majority of respondents (40.4%) primarily use educational subscription services, indicating a strong preference for learning and skill development platforms.

- A significant portion of respondents (32.1%) strongly disagree that they are familiar with subscription-based services, highlighting a notable gap in awareness or understanding among users.

- The most common reason for canceling a subscription **is** high cost (32.6%)**,** indicating that affordability plays a crucial role in users' decisions to retain or discontinue subscription services.
- A majority of respondents (58.7%) prefer a pay-per-use model over a fixed subscription, suggesting a demand for more flexible and cost-effective payment options.

7. Recommendations

- **Enhance Personalization Features**

Subscription services should use data analytics to offer personalized content or product recommendations that cater to the unique preferences of young users, increasing engagement and retention.

- **Offer Flexible Pricing Plans**

Considering the budget constraints of youngsters, companies should introduce tiered or student-friendly pricing models, including free trials or discounted plans to attract and retain this segment.

- **Improve Payment Convenience**

Integrate popular and seamless digital payment options such as UPI, mobile wallets, and EMI options to make the subscription process more accessible and user-friendly for tech-savvy youth.

8. Conclusion

Based on the study of youngsters' behavior towards subscription-based models in Coimbatore, it can be concluded that there is a growing acceptance and preference for such models among the youth due to their affordability, convenience, and access to premium content and services. The findings indicate that factors such as pricing flexibility, ease of cancellation, personalized offerings, and brand value significantly influence their subscription decisions. Moreover, digital literacy and increased smartphone usage have further contributed to the popularity of subscription-based services in sectors like entertainment, education, and e-commerce. Overall, the study highlights a strong potential for businesses to expand and innovate within the subscription

economy, especially by tailoring services to meet the evolving preferences of young consumers in Coimbatore.

9. References

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