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An Investigative Examination of Subscription Models in The Service Industry

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Abstract

Subscription-based business models have gained significant traction in the service industry, offering companies a novel approach to customer engagement and revenue generation. This study presents an in-depth investigation into the dynamics and implications of subscription models within the service sector. The study delves into the evolution of subscription models, their operational characteristics, and their impact on both businesses and consumers. The research employs a multi-faceted methodology, combining comprehensive literature review, case studies, and data analysis. By examining a variety of service sectors, including streaming media, fitness, software-as-a-service (SaaS), and food delivery, this paper offers a nuanced understanding of how subscription models have reshaped traditional business strategies and consumer behavior. Key findings revolve around the benefits of subscription-based services, including predictable revenue streams, enhanced customer loyalty, and personalized experiences. However, the study also uncovers challenges such as customer churn, pricing strategy complexity, and the need for ongoing innovation. Moreover, this research investigates the broader economic and market implications of subscription models, including their potential to disrupt traditional industries and the associated regulatory and competitive challenges. The paper also discusses the implications of subscription models on sustainability and ethical considerations in the service industry. The results of this investigation shed light on the future of subscription models in the service industry and offer valuable insights for businesses seeking to adapt and thrive in an increasingly subscription-driven economy. By examining the successes and pitfalls of various subscription-based services, this research paper contributes to a more comprehensive understanding of the intricacies of this evolving business paradigm and its implications for both companies and consumers.

Keywords

Subscription Models, Service Industry, software service, business model.