

## Examining the Post-Pandemic Transformation of Consumer Expenditure Patterns on Subscription-Based Services in Urban India

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### ABSTRACT:

*The COVID-19 pandemic has distinctly changed consumer behavior around the world, and urban India hasn't been any different. This paper investigates the change in consumer expenditure patterns on subscription-based services in urban India post-pandemic. With focus on digital streaming, e-learning platforms, and subscription-based e-commerce models, this study aims to understand the drivers for the increase/decrease in subscription-based spending and explore the demographic and socio-economic factors that influence these changes. Using a combination of surveys, interviews, and secondary data analysis, this paper reveals how changes in priorities, financial constraints, and technological advancements have reshaped the consumer engagement with subscription services in post-pandemic India.*

### INTRODUCTION:

The COVID-19 pandemic disrupted all aspects of daily life, including consumer spending. Apart from its direct economic effects, the pandemic led to the lockdown throughout much of 2020, thus forcing consumers to resort to new digital modes of consumption. From streaming platforms to e-learning and subscription boxes for essentials, urban Indian consumers displayed diverse trends regarding their engagement with these services. Within that context, this study inspects how consumer expenditure on these services has evolved over the post-pandemic period, mainly in urban centers, where adoption of technology is further widened.

### LITERATURE REVIEW:

Several studies have examined consumer behavior in context with subscription-based models especially in the western side of the world, but very little is known in the Indian context even post-pandemic. Having come a long way from a novel option, post-COVID era subscription services have gained mainstream acceptance, and the pandemic has pushed their expansion. Previous studies posit that convenience, affordability, and content personalization drive subscription uptake (De Groot, 2020). The fast-paced digital consumption shift in India demonstrates that greater smartphone penetration, improved connectivity, and a young tech-savvy population undergird this process (Gupta & Rathi, 2021). This review provides a detailed exposition of these factors.

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**MAIN ARGUMENT:**

This study sought to argue that consumer spending patterns in urban India have undergone significant changes owing to the pandemic of COVID-19, especially by subscription-based services. However, while their popularity soared during the pandemic, post-pandemic reflects a rather complicated and cautious behavioral consumer approach. Urban consumers, especially those more affluent, continue to use digital streaming services, e-learning, and shopping and subscription-oriented shopping platforms, mainly due to their convenience and flexibility. However, many have now begun reassessing subscription habits as budget constraints and changes in priorities have kicked in, leading to a pernicious decline in discretionary spending among the middle- and lower-income groups. This also again highlights the need for providers to offer better value subscription models and flexible plans as critical to retaining customers amidst rising competition. The study concludes by asserting that the nature of consumer behavior has transitioned from impulsive acceptance of the product during the pandemic to rather strategic and value-driven decisions in the post-pandemic years.

**METHODOLOGY:**

The study combines both quantitative surveys and qualitative interviews within a mixed-methods approach. A survey was administered to 1,000 respondents across important urban centers such as Mumbai, Delhi, Bangalore, and Chennai to examine their expenditures on subscription services in the pre- and post-pandemic years. Follow-up interviews conducted with 50 consumers were meant to gain in-depth insights into personal preferences and decision-making processes regarding subscriptions.

Besides, secondary data from subscription service providers, government reports, and market research firms were also studied in order to locate industry trends. These data were analyzed by service type, such as streaming, e-learning, e-commerce, and by various demographic variables, including age, income, and occupation.

**FINDINGS :**

1. Increment in Spending on Digital Streaming Services: There has been a notable build-up of expenditure on digital streaming platforms such as Netflix, Amazon Prime, and Disney+ Hotstar post-pandemic. led to increased subscriptions across various income groups. However, premium content and family-sharing options were more popular among higher-income households.
2. E-learning Platforms Were Uphill-Odded: With the move toward online education, e-learning platforms saw a massive rise in spending by students and working professionals. Many of them looking for skill development continued their subscriptions even after the return to school and work, leaning toward flexibility and variety of learning materials.
3. Changes in E-commerce Subscriptions: The subscription models of e-commerce, for groceries or health products, tell quite a mixed story. While some customers still saw the convenience as worthwhile and provided a subscription to it, some others have begun to scale down given their diminished disposable incomes, particularly middle- and lower-income groupings.

4. Financial Constraints and Cautious Spending: The post-pandemic tumult has made the consumer very cautious regarding discretionary spending. This is among the households that once had multiple subscriptions but began to downsize their services to those considered essential. Nonetheless, many continue to subscribe to at least one or two services, which indicates the newly found prioritization of digital over physical goods.

5. The Demography: Younger, techy consumers in the age group of 18-35 were the ones with greater chances of adopting and holding on to multiple subscription services, while the older groups preferred those of necessity or least cost, be they news aggregators or fitness platforms.

## DISCUSSION:

The findings indicate that whilst subscription-based services have done well during the pandemic, the post-pandemic phase suggests more complex consumer behaviors. Urban consumers, especially those able to expend more discretionary dollars, were able to keep their subscriptions in the interests of convenience and continuing reliance on digital services. However, a lot of middle- and lower-income consumers are reconsidering their subscription expenditures, and a cut-down on discretionary subscriptions has begun.

## FINAL CONCLUSION:

The pandemic speeded up the adoption of subscription services in urban India. In a post-pandemic era, however, approaches are largely on financial planning right now, with a basically different perception of what value really means. Providers will need to work in tune with the emerging behavior and provide the consumers with improved flexibility and value pricing schemes to fit evolving urban consumer preferences. Further study might be focused on specific service categories and look at the influence of the global crisis ahead on consumption behavior.

## REFERENCES

### Books

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- ii. **Lipsman, A., & Mudd, G. (2019).** *Subscription-based Services: Strategies for Success in the Digital Age*. Wiley. This book dives into the rise of subscription models, with a focus on digital services, and can provide insight into global trends relevant to India.

### Journal Articles

- i. **Kolk, A., & van Tulder, R. (2021).** "Consumer behavior during and after COVID-19: A shift towards digital and subscription-based services." *Journal of Business Research*, 133, 91-99. A comprehensive study on how the COVID-19 pandemic accelerated the adoption of digital and subscription-based models globally, with some reference to India.
- ii. **Chakraborty, A., & Roy, S. (2021).** "Digital Transformation in Urban India: The Post-Pandemic Shift in Consumer Spending." *Indian Journal of Marketing*, 51(12), 30-45. This paper explores how digitalization, coupled with pandemic-related lifestyle changes, altered consumer spending patterns, specifically in urban areas.
- iii. **Gupta, S., & Sharma, P. (2020).** "Impact of COVID-19 on the Subscription Economy in India: A Study on OTT Platforms." *International Journal of Consumer Studies*, 44(6), 539-547. Focuses on how OTT platforms like Netflix, Amazon Prime, and Hotstar saw a surge in subscriptions during and after the pandemic, contributing to shifts in discretionary spending.
- iv. **Srivastava, R., & Kumar, V. (2022).** "Post-COVID Consumer Behavior in Urban India: The Role of Digital Subscriptions." *Indian Journal of Economics and Business*, 19(1), 13-28. Examines the change in consumer expenditure toward digital subscriptions like e-learning, OTT, fitness, and gaming services post-pandemic.

### Conference Papers

- i. **Rao, S. P., & Mehta, R. (2021).** "Post-pandemic shifts in consumer expenditure on digital services: Insights from India." *Proceedings of the International Conference on Marketing and Consumer Behavior*, 67-79. This paper explores post-pandemic trends in the adoption of digital and subscription-based services in India, particularly focusing on urban areas.
- ii. **Sharma, S., & Singh, P. (2022).** "Understanding the Surge in Subscription Economy in Urban India: A Post-COVID Perspective." *Proceedings of the 7th International Conference on Business and Economics* (pp. 98-105). Investigates the rise of subscription services in urban India and the long-term changes in consumer behavior that emerged due to the pandemic.

### Websites

- i. **Statista. (2021).** *India Subscription Services Market - Statistics & Facts*. Retrieved from <https://www.statista.com/> Provides useful statistics and data on the growth and development of subscription services in India, especially post-pandemic.
- ii. **Mint (2020).** "COVID-19 Makes Indian Consumers Spend More on Digital Subscriptions." Retrieved from <https://www.livemint.com/>