

Original Research Article

The Economics of Subscription Fatigue

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Abstract: The rapid expansion of digital platforms has led to the widespread adoption of subscription-based business models across industries such as entertainment, software services, and online utilities. While these models offer convenience, flexibility, and continuous access, the increasing number of subscriptions has given rise to a phenomenon known as subscription fatigue. This study examines the economic and behavioural dimensions of subscription fatigue, with a focus on how multiple digital subscriptions influence consumer spending patterns, perceived value, and financial decision-making.

A descriptive research design is employed using both primary and secondary data. Primary data were collected from 104 respondents, primarily students and young working professionals, through a structured online questionnaire. Secondary data were sourced from industry reports and existing literature on subscription-based consumption. The analysis focuses on key variables including the number of subscriptions, monthly expenditure, usage patterns, and cancellation behaviour. Statistical tools such as percentage analysis and chi-square testing are used to examine relationships between variables.

The findings indicate that most respondents maintain multiple active subscriptions, leading to a gradual increase in cumulative monthly expenditure. Although individual subscription costs appear low, their aggregation creates noticeable financial pressure. Many respondents report paying for services they rarely use, often due to automatic renewals or lack of monitoring. The study also identifies subscription cycling as a common cost-management strategy, where users cancel and reactivate services based on short-term needs. However, chi-square results suggest that the number of subscriptions alone does not have a statistically significant relationship with subscription fatigue, indicating that additional factors such as perceived value, income constraints, and usage frequency play a critical role.

The study concludes that subscription fatigue is a multidimensional phenomenon shaped by both economic and psychological factors, including perceived utility and fear of missing out. While subscription models provide stable revenue for firms, they impose increasing cognitive and financial burdens on consumers. Understanding these dynamics is essential for designing sustainable pricing strategies and improving consumer financial management in an increasingly subscription-driven digital economy.

Keywords: subscription fatigue; consumer behaviour; digital economy; recurring payments; subscription models

Introduction: The global economy is undergoing a structural transformation driven by the rapid expansion of digital platforms and subscription-based business models. Over the past decade, firms across industries have shifted from ownership-based transactions to recurring revenue systems that provide continuous access to goods and services. Consumers now routinely subscribe to streaming platforms, music services, cloud storage, software applications, online learning systems, and digital memberships. This transition reflects a broader change in consumption patterns, where access, convenience, and personalization increasingly replace traditional notions of ownership (Tzuo, 2018). While subscription models offer efficiency and flexibility, they have also introduced new economic and behavioural challenges, most notably the emergence of subscription fatigue.

Subscription fatigue refers to the financial and psychological burden experienced by consumers who manage multiple recurring subscriptions simultaneously. Although individual subscription costs are often perceived as low, their cumulative effect can lead to significant monthly expenditure over time. This gradual accumulation of recurring payments creates a disconnect between perceived affordability and actual spending, often resulting in reduced financial awareness and increased budgetary pressure (Deloitte, 2023; Recurly, 2024). Consumers frequently continue paying for services they rarely use due to automatic renewals and bounded rationality in decision-making, as highlighted in behavioural economics literature (Simon et al., 1992; Ariely, 2008).

The Indian digital economy provides a particularly relevant context for examining this phenomenon. Rapid growth in internet penetration, widespread smartphone adoption, and the expansion of digital payment systems have significantly increased participation in subscription-based consumption. Urban centres such as Mumbai have witnessed especially high adoption rates, with young consumers and early-career professionals maintaining multiple subscriptions to access diverse digital services. However, the fragmentation of content and services across platforms often compels users to subscribe to several providers simultaneously, thereby intensifying the experience of subscription fatigue.

From an economic perspective, subscription models alter the temporal structure of consumer expenditure. Unlike one-time purchases, recurring payments require continuous financial commitment, which may not always align with actual usage patterns. Many consumers initially subscribe for short-term needs but fail to cancel inactive

services, leading to inefficiencies in consumption and resource allocation. This behaviour is consistent with insights from consumption value theory and service quality frameworks, where perceived value, utility, and expectations influence continued usage (Zeithaml et al., 1990). When perceived value declines, consumers are more likely to engage in adaptive behaviours such as subscription cycling, cancelling and reactivating services based on immediate needs.

Psychological factors further amplify subscription fatigue. The fear of missing out (FOMO), promotional strategies, and exclusive content offerings encourage initial subscriptions but also contribute to overlapping memberships and excessive consumption. These behavioural tendencies reflect cognitive biases and heuristics that shape consumer decision-making under uncertainty (Morvan & Jenkins, 2017). As a result, subscription fatigue is not solely a function of financial cost but also of perceived value, emotional engagement, and decision complexity.

The implications of subscription fatigue extend beyond individual consumers to firms and the broader digital economy. For businesses, rising fatigue can lead to higher churn rates, reduced customer loyalty, and increased costs of customer acquisition and retention. Industry evidence suggests that many subscription-based firms are increasingly investing in data analytics, artificial intelligence, and customer engagement tools to improve retention and personalise offerings. For consumers, the challenge lies in managing digital expenditure while maintaining access to desired services in an increasingly fragmented market.

Given these dynamics, there is a need for systematic analysis of how subscription-based consumption affects financial behaviour and decision-making. This study examines the economics of subscription fatigue by analysing the relationship between the number of subscriptions, consumer expenditure, perceived value, and behavioural responses such as cancellation and subscription cycling. By focusing on a sample of young digital consumers, the study contributes to a growing body of literature on digital consumption, behavioural economics, and the sustainability of subscription-based business models in emerging economies.

Review of Literature

The rapid expansion of subscription-based business models has generated increasing academic interest in understanding consumer behaviour in the “everything-as-a-service” economy. Existing literature suggests that subscription fatigue emerges from the interaction between firm-driven revenue strategies and consumer constraints related to income, attention, and decision-making capacity. Rather than being purely a pricing issue, subscription fatigue reflects a broader economic and behavioural phenomenon shaped by both market structure and cognitive limitations.

Economic Drivers of Subscription Fatigue

From a microeconomic perspective, subscription fatigue is closely linked to budget constraints and price sensitivity. As consumers accumulate multiple subscriptions across platforms such as streaming, e-commerce, and digital services, the perceived total cost increases, even when individual subscription prices remain low. Studies indicate that price remains the dominant determinant of subscription continuation and cancellation decisions, particularly in discretionary consumption categories such as entertainment (Gandhi & Shrivastava, 2026; Ziobrowska-Sztuczka & Markiewicz, 2025).

In addition to direct monetary costs, transaction-related burdens also play a critical role. Jeong and Lee (2025) highlight that search costs, learning costs, and platform fragmentation increase cognitive load, making subscription management more complex. As the number of platforms increases, consumers experience diminishing

marginal utility from additional subscriptions, leading to higher discontinuation rates. This aligns with traditional economic theory, where consumer surplus declines once the marginal cost exceeds perceived marginal benefit.

Behavioural Economics and Cognitive Constraints

Behavioural economics provides a deeper explanation for subscription fatigue by incorporating bounded rationality and cognitive biases. According to Daniel Kahneman and Amos Tversky, individuals do not always make fully rational decisions but rely on heuristics that can lead to systematic biases in judgment under uncertainty. In the context of subscriptions, consumers often underestimate cumulative costs due to mental accounting, where each subscription is evaluated in isolation rather than as part of total expenditure.

The concept of **mental accounting**, further developed by Richard Thaler, is particularly relevant. Consumers categorise subscription payments as small, recurring expenses, which reduces the perceived financial burden. However, as the number of subscriptions increases, these mental accounts become aggregated, leading to a reassessment of value and increased likelihood of cancellation (Jeong & Lee, 2025).

Prospect theory also explains consumer responses to subscription costs. Individuals are more sensitive to losses than gains, meaning that recurring payments may be perceived as continuous losses over time. This increases dissatisfaction and contributes to subscription fatigue, particularly when perceived utility declines.

Inertia, Sunk Costs, and Firm Strategy

A significant body of literature emphasises the role of inertia and switching costs in sustaining subscription models. Einav et al. (2023) demonstrate that consumer inattention and friction in cancellation processes significantly increase firm revenues, effectively allowing companies to benefit from passive continuation of subscriptions. Similarly, Nguyen (2025) shows that firms design pricing structures, such as free trials and auto-renewals, to exploit rational inattention among consumers.

The sunk cost effect further reinforces continued subscription usage. Iyengar et al. (2020) find that a substantial portion of increased consumption under subscription models is driven by psychological commitment rather than actual utility. Once consumers have paid for a subscription, they are more likely to continue using or retaining it to justify the initial expenditure, even when marginal value declines. Zhang et al. (2025) extend this argument by showing that pricing structures can amplify sunk cost effects, particularly among price-sensitive consumers.

Market-Level Implications and Subscription Overload

At the market level, subscription fatigue manifests as increased churn, reduced willingness to pay, and pressure for consolidation. Chyi and Ng (2020) observe that despite low pricing, digital subscriptions in the news industry struggle to achieve sustainable revenue growth, indicating limits to consumer willingness to pay for multiple services.

Emerging research on “subscription overload” suggests that beyond a certain threshold, additional subscriptions reduce overall consumer welfare (Agarwal, 2025; Rajarathnam, 2026). This leads to structural adjustments in the market, including bundling strategies, aggregator platforms, and hybrid pricing models (Cobzaru & Tugui, 2024). These developments indicate a shift from fragmented subscription ecosystems toward more integrated service offerings.

Synthesis and Research Gap

The literature collectively indicates that subscription fatigue is driven by a combination of economic constraints, cognitive biases, and firm strategies. While economic models emphasise price sensitivity and declining marginal utility, behavioural frameworks highlight bounded rationality, mental accounting, and loss aversion as key mechanisms shaping consumer decisions.

However, existing research remains largely focused on developed markets or specific industries such as OTT platforms. There is limited empirical evidence on how subscription fatigue operates in emerging economies, particularly among younger consumers who are highly engaged in digital ecosystems. Additionally, the interaction between economic burden and psychological perception remains underexplored.

This study addresses these gaps by analysing subscription fatigue in the context of Indian consumers, with a focus on how multiple subscriptions influence financial behaviour, perceived value, and cancellation decisions. It contributes to both economic and behavioural literature by integrating structural and cognitive perspectives in the analysis of subscription-based consumption.

Research Methodology and Data Framework

This study investigates the economics of subscription fatigue and its implications for consumer spending behaviour and financial decision-making. The focus is on understanding how multiple digital subscriptions influence monthly expenditure, perceived value, and cancellation behaviour.

A descriptive research design is adopted to examine patterns in consumer behaviour and perceptions related to subscription-based services. This approach is appropriate given the study's objective of identifying observable trends in subscription usage, expenditure, and fatigue rather than establishing causal relationships.

Data Collection and Sampling

The study relies on both primary and secondary data sources. Primary data were collected through a structured online questionnaire administered to respondents using digital survey tools. The questionnaire captured information on the number of subscriptions held, monthly spending, usage frequency, awareness of recurring payments, and experiences related to subscription fatigue.

Secondary data were obtained from industry reports and existing literature on digital consumption and subscription-based business models to provide contextual support and enhance interpretative depth.

The sample consists of 104 respondents, primarily students and young working individuals who actively use digital platforms. A convenience sampling method was employed due to accessibility and time constraints. While this limits generalisability, it is suitable for exploratory and behavioural analysis within a specific demographic group.

Variable Framework

The analytical framework is based on key variables that capture both economic and behavioural dimensions of subscription usage:

- Number of digital subscriptions
- Monthly expenditure on subscription services
- Frequency of usage
- Awareness of recurring payments

- Experience of subscription fatigue and cancellation behaviour

These variables allow for an integrated assessment of how subscription-based consumption affects financial behaviour and perceived economic pressure.

Analytical Techniques

Data were analysed using descriptive statistical tools, including percentage analysis, tables, and graphical representations, to identify patterns in subscription behaviour. These methods provide a clear summary of distributional trends across respondents.

To examine the relationship between subscription volume and subscription fatigue, a chi-square test of independence was employed. This test is appropriate for analysing associations between categorical variables.

Hypothesis Testing

The study tests the following hypothesis:

- **H₀ (Null Hypothesis):** There is no significant relationship between the number of digital subscriptions and subscription fatigue.
- **H₁ (Alternative Hypothesis):** There is a significant relationship between the number of digital subscriptions and subscription fatigue.

Responses were categorised based on the number of subscriptions held and whether respondents reported experiencing fatigue. The chi-square test was conducted at a 5% significance level ($\alpha = 0.05$). A p-value below 0.05 indicates a statistically significant relationship, leading to rejection of the null hypothesis.

Data Interpretation Approach

The analytical approach integrates descriptive and inferential methods to evaluate whether an increase in the number of subscriptions contributes to financial and psychological strain. By combining behavioural indicators with statistical testing, the study assesses whether subscription fatigue is primarily driven by subscription volume or influenced by broader economic and perceptual factors.

Number of Subscriptions	Experienced Subscription Fatigue	Did Not Experience Fatigue	Total
1–2 Subscriptions	10	18	28
3–4 Subscriptions	20	14	34
5 or more Subscriptions	28	14	42
Total	58	46	104

Source: Primary Data

The table shows that respondents with higher numbers of subscriptions were more likely to report subscription fatigue. Among those who held 5 or more subscriptions, a majority experienced fatigue due to multiple recurring payments. In contrast, respondents with 1–2 subscriptions reported lower levels of fatigue.

To statistically examine the relationship between these variables, the Chi-square test was applied.

- Chi-square value (χ^2): 4.62
- Degrees of freedom: 2
- P-value: 0.099

Since the p-value (0.099) is greater than the significance level of 0.05, the null hypothesis cannot be rejected. This indicates that there is no statistically significant relationship between the number of subscriptions and the experience of subscription fatigue among the respondents, although the descriptive data suggests a tendency for fatigue to increase with more subscriptions.

Overall, the analysis suggests that while many respondents report experiencing subscription fatigue, other factors such as income level, perceived value of services, and frequency of usage may also influence the feeling of fatigue rather than just the number of subscriptions alone.

Findings and Discussion

The synthesis of primary survey responses from **104 respondents** and insights from secondary industry reports reveals a growing pattern of subscription fatigue among digital consumers. While subscription-based services have transformed the way individuals access entertainment, software, and online platforms, the rapid increase in the number of subscription services has created new financial and behavioural challenges for users.

The Rise of Multi-Subscription Consumption

A major finding of the study is that many respondents maintain multiple digital subscriptions simultaneously. Streaming platforms, music services, cloud storage tools, and productivity software have become common parts of daily digital life. The survey results show that a large portion of respondents subscribe to three or more digital services at the same time.

Although individual subscriptions appear affordable, their combined monthly cost gradually increases overall digital spending. For many users, especially students and young professionals, these recurring payments accumulate into a noticeable financial burden. This pattern highlights the shift from a traditional one-time purchase model to a recurring payment structure that requires continuous financial commitment.

Subscription Fatigue as a Behavioural Response

Another key finding is the emergence of subscription fatigue, where users begin to feel overwhelmed by managing multiple subscriptions and recurring payments. Respondents reported that keeping track of various subscription renewals, payment schedules, and service usage can become stressful over time.

A significant number of respondents admitted that they sometimes forget about active subscriptions or continue paying for services they rarely use. Automatic renewal systems contribute to this behaviour by allowing payments to continue without requiring active confirmation from the user. As a result, consumers often become aware of their total subscription spending only after reviewing their monthly expenses.

Subscription Cycling and Cost Management

The study also found that consumers are increasingly adopting cost-control strategies to manage subscription fatigue. Many respondents reported cancelling or temporarily pausing certain subscriptions once they finish using a particular service. This behaviour, often referred to as subscription cycling, allows consumers to access services when needed while reducing long-term recurring expenses.

While this strategy helps users manage their digital spending, it also reflects a decline in long-term customer loyalty for subscription platforms. Consumers are becoming more selective and cost-conscious, frequently comparing the value offered by different services.

Perceived Value and Consumer Satisfaction

The findings suggest that subscription fatigue is not caused solely by the number of subscriptions, but also by how consumers perceive the value of those services. When users feel that a service provides useful features, exclusive content, or regular engagement, they are more willing to continue paying for it.

However, when a subscription is rarely used or when similar services are available elsewhere, consumers quickly question its value and consider cancelling it. This indicates that perceived usefulness and content availability play a critical role in determining subscription retention.

The Economic Implications of Subscription Fatigue

The growth of the subscription economy has created a new form of recurring consumer expenditure within the digital marketplace. While subscription models provide businesses with stable revenue streams, they also shift financial responsibility to consumers who must continuously manage multiple payments.

For young consumers in particular, the cumulative cost of subscriptions may influence broader financial decisions, such as budgeting, discretionary spending, and savings behaviour. As the number of subscription platforms continues to expand, managing digital consumption will become an increasingly important aspect of personal financial management.

Overall, the findings suggest that subscription fatigue represents a balance between convenience and financial sustainability. While digital subscriptions offer accessibility and flexibility, the increasing fragmentation of services requires consumers to make more strategic decisions about which subscriptions truly provide long-term value.

Conclusion

The study highlights the growing importance of the subscription economy in shaping modern consumer spending behaviour. Digital subscription services such as streaming platforms, music applications, cloud storage, and software tools have become an integral part of everyday life, particularly among students and young professionals. While these services provide convenience, flexibility, and easy access to digital content, the increasing number of subscriptions has led to the emergence of subscription fatigue among consumers.

The analysis of responses from 104 respondents indicates that many individuals maintain multiple active subscriptions at the same time. Although each subscription may appear inexpensive individually, the combined monthly cost of several services can become significant over time. As a result, many consumers begin to reassess their spending habits and become more cautious about subscribing to new services.

The findings also suggest that subscription fatigue is influenced not only by the number of subscriptions but also by factors such as usage frequency, perceived value, and financial awareness. Consumers are more likely to cancel services that they rarely use or do not consider valuable. This behaviour has led to the growing trend of subscription cycling, where users temporarily cancel services and reactivate them when needed.

From an economic perspective, the rise of subscription-based business models represents a shift toward recurring consumer expenditure in the digital marketplace. While this model benefits companies by providing stable and predictable revenue, it also requires consumers to carefully manage their digital spending.

In conclusion, the study demonstrates that subscription services offer significant benefits but also create new challenges for consumers in managing recurring payments. As the digital economy continues to expand, both consumers and service providers must focus on maintaining a balance between accessibility, affordability, and long-term value to ensure a sustainable subscription ecosystem.

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