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**KEY FACTORS INFLUENCING CANADIAN CONSUMERS'  
TRANSITION FROM FREE TRIAL TO PAID SUBSCRIPTION  
TO MOBILE APPLICATIONS**

Bachelor's thesis

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I hereby declare that I have compiled the thesis independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously presented for grading.

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## **ABSTRACT**

In today's digital economy, understanding factors influencing consumers' transition from free trials to paid subscriptions for mobile applications is becoming crucial, given the escalating trend of subscription-based applications. Focusing on Canada, a country with a diverse consumer base and an influential economy, this thesis aims to explore the key factors prompting adult Canadian consumers to transition from free trials to paid mobile application subscriptions. The research problem centers on the role of perceived value and cost in this transition process.

The study employs a survey-based research method to gather data from Canadian adult consumers. Results fall into three categories: factors prompting the upgrade decision, user preferences concerning pricing and subscription plans, and the influence of customer support and negative experiences on upgrade decisions. The analysis of data is conducted using descriptive statistics and the Spearman rho correlation coefficient. Furthermore, a Chi-Square Test of Independence is applied to assess the significance of associations between categorical variables.

The study's preliminary findings suggest that price, number of features, user-friendly interface, and brand reputation are pivotal in the decision-making process. Most participants show a willingness to pay between \$5 - \$9.99 (CAD) monthly for a premium mobile app subscription, exhibiting a preference for monthly subscriptions over discounted annual ones. The importance of effective customer support and resolution of negative experiences in the decision to upgrade is also highlighted.

These findings underscore the need for app developers and marketers to prioritize these factors when strategizing on converting free trial users into paying subscribers.

**Keywords:** Consumer behaviour, Free trials, Mobile applications

## INTRODUCTION

In the rapidly evolving landscape of mobile application development, the industry has seen a significant shift with the advent of cloud-based modular application building frameworks such as React Native and Flutter. These transformative technologies have made it possible for developers to create applications that offer a consistent user experience across various platforms using a singular code base (Fentaw, 2020). The resulting proliferation of mobile applications has spurred intense competition for user attention, creating a significant challenge for companies striving to convert users from free trials to paid subscriptions.

Canada, with its diverse population and robust economy, represents an intriguing context for this study. Known for its growing tech industry and cultural diversity, Vancouver is often viewed as the "Next Silicon Valley" (Metz, 2022). Despite the abundance of mobile applications available to Canadian consumers, recent data indicates that more than half of users interact with only 1-9 apps weekly (Simpli Financial, 2019, p. 10). This statistic underscores the importance of understanding the factors influencing Canadian consumers' decisions when transitioning from free trials to paid subscriptions, hence the focus of this thesis.

Hence, the research problem which this thesis revolves around is the following:

- What is the role of perceived value and cost in Canadian adult consumers transition from free trials to paid subscriptions of mobile applications?

This research aims to identify key factors affecting Canadian adult consumers' transition from free trials to paid subscriptions for mobile applications, and more specifically, the role of price value and customer support in the decision-making process. The study is guided by two main hypotheses:

- 1) The influence of price value on the intention to upgrade to a premium subscription is stronger than its influence on the intention to retain the premium subscription (Mäntymäki et al., 2019).

- 2) The influence of customer support on the intention to upgrade to a premium subscription is stronger than its influence on the intention to retain the premium subscription (Holm & Günzel, 2015).

To test these hypotheses, a Chi-Square Test of Independence is applied to assess the significance of associations between categorical variables.

The first chapter of this thesis provides an extensive review of the pertinent literature, examining the current body of knowledge surrounding consumer decision-making processes and the key factors influencing consumers to make a purchase, particularly in the context of mobile applications. The second chapter delineates the research methodology employed in this study, including the design, data collection methods, and analytical procedures. This section will detail why the Chi-Square Test of Independence was chosen for data analysis. The last chapter concludes with a presentation of the study's findings and their implications for both theory and practice, along with an acknowledgement of the study's limitations and recommendations for future research. This chapter also provides a comprehensive summary of the key findings, emphasizing their significance in contributing to the broader field of consumer decision-making in the context of mobile applications.

# **1. LITERATURE REVIEW**

In today's digital era, individuals are consistently making decisions about the mobile applications they use, impacting various aspects of their daily lives. The decision-making process involves the selection of one option among several alternative choices, requiring the presence of alternatives for a decision to be made (Schiffman & Kanuk, 2008). As the mobile application industry continues to expand, developers face fierce competition to capture user attention and persuade them to transition from free trials to paid subscriptions. With a recent market research study indicating that more than half of Canadian users only use 1-9 apps on a weekly basis (Simpli Financial, 2019, p. 10), understanding the decision-making process of Canadian consumers is crucial for developers and marketers alike.

This chapter will delve into the general model of consumer decision-making process to provide a firm theoretical background to rely upon when interpreting the final results of this thesis study, as making a decision to upgrade to premium subscription in a mobile app follows the same principles that consumers go through when making a decision to purchase a service. At the end of each subchapter, relevant models and studies from other authors have been brought which may complement or contradict the points made by Blackwell et al. (2006), for the purpose of providing a better context for the reader of this thesis paper. Furthermore, this chapter will explore various factors and perspectives influencing consumer decision-making, the stages of consumer decision-making, and relevant subscription models in this field, which help to understand the concept of freemium services in mobile applications more deeply.

## **1.1. Five phases of consumer decision-making process**

To understand the different reasons why a Canadian consumer might choose to upgrade their free trial to a paid subscription in a mobile app or not to do so, having a deeper understanding on what stages do consumers generally go through to make their decisions is necessary. Even though the *Consumer Behaviour* book by Blackwell et al. (2006) is not historically recent, the knowledge in this book is still highly relevant to today's society and modern consumers and is

still cited by many recent academic papers. It lays a foundation on which researchers can rely on to interpret their results and connect different concepts in their findings to decode the subtle nuances in their results. According to Blackwell et al. (2006), the overall process of consumer decision-making involves a series of five general stages that consumers go through when deciding to purchase a product or service; These stages include “problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation”.

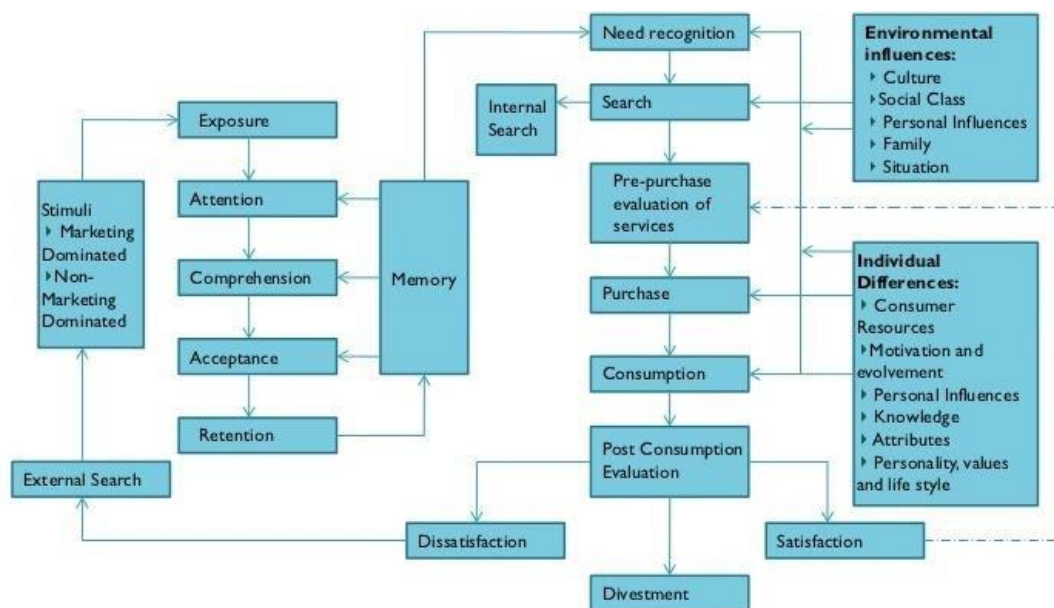


Figure 1. Different stages of consumer decision making model  
Source: Blackwell et al. (2006, p. 85)

This process is crucial in the context of the research topic, as it sheds light on the factors and dynamics that influence Canadian consumers' decisions when transitioning from free trials to paid subscriptions for mobile applications, before and after they have made the purchase; The importance of that being that some factors may influence users to cancel their subscription after they have made the purchase, in which case, the app developers lose those users as paying customers. Therefore, divestment and the post-purchase stage in general is highly important to grasp. By understanding the various stages of consumer decision-making, researchers can identify opportunities to intervene and develop effective strategies to influence users' decisions, ultimately converting them to paid subscribers (Blackwell et al., 2001). This paper presents each stage according to Blackwell et al. (2006), and also brings additional sources to provide further context. Consumer decision making is a topic with multiples views and models from different authors and therefore, providing opposing views alongside the main source may help to



understand the real nature of each stage more thoroughly and holistically. Furthermore, some resources are accompanying the views of Blackwell et al. (2006) and may add additional knowledge and a better understanding of how each stage is affected by different factors.

### **1.1.1. Problem recognition**

The first stage in the consumer decision-making process, as outlined by Blackwell et al. (2006), is problem recognition. In this stage, consumers perceive a need or discrepancy between their current state and a desired state, which prompts them to look for a solution or a means to satisfy that need. The recognition of this problem or need serves as the driving force for the consumer to engage in the subsequent stages of the decision-making process, such as information search and evaluation of alternatives. The consumer becomes aware of this need, which serves as the driving force for them to seek out a solution. Kotler and Keller (2016) explain that problem recognition can arise from internal stimuli, such as physical or emotional discomfort, or external stimuli, like exposure to advertisements or recommendations from friends. In the context of transitioning from free trials to paid subscriptions for mobile applications, problem recognition may be triggered by the consumer's realization that the free trial no longer meets their needs or the discovery of additional features available in the paid version (Solomon, 2014). Hawkins and Mothersbaugh (2010) also emphasize that marketers can influence problem recognition by highlighting the benefits of their product or service, thereby encouraging consumers to recognize the need for an upgrade or change. In this research context, understanding how consumers experience problem recognition when considering a transition from a free trial to a paid subscription can help businesses develop strategies to facilitate this decision-making process.

### **1.1.2. Information search**

The second stage, as described by Blackwell et al. (2006), is information search. After recognizing a problem or need, consumers gather information to identify potential solutions and evaluate various alternatives. The information search can involve internal search, such as recalling past experiences or knowledge, and external search, like consulting friends, family, online reviews, or advertisements. Kotler and Keller (2016) suggest that the extent of the information search depends on the consumer's involvement and the perceived risk associated with the decision. For instance, in the context of transitioning from free trials to paid subscriptions for mobile applications, a consumer might engage in a more extensive search if the

subscription fee is relatively high or if they are concerned about the app's performance and value (Solomon, 2014).

Furthermore, Schiffman et al. (2014) emphasize that marketers can facilitate the information search process by providing relevant and easily accessible information about their products or services, addressing potential concerns, and creating a positive image for their brand. In the case of transitioning from free trials to paid subscriptions, understanding the consumers' information search process can help businesses design more targeted marketing campaigns and provide appropriate information to assist consumers in making informed decisions.

### **1.1.3. Evaluation of alternatives**

The third stage in the consumer decision-making process, as outlined by Blackwell et al. (2006), is the evaluation of alternatives. In this stage, consumers compare different products or services based on the information gathered during the information search. They assess various attributes, features, and factors to determine which alternative best suits their needs and preferences. Hawkins and Mothersbaugh (2010) point out that the criteria for evaluating alternatives might include price, quality, convenience, and perceived value, among other factors. In the context of transitioning from free trials to paid subscriptions for mobile applications, consumers may weigh the benefits of the app, its ease of use, and the subscription cost against alternatives or even the decision to discontinue use altogether. According to Solomon (2014), consumers might also use heuristics or mental shortcuts during the evaluation process, which can lead to cognitive biases and potentially suboptimal decisions. Marketers should be aware of these heuristics and biases and design their promotional strategies accordingly, highlighting features that are likely to resonate with their target audience and encourage positive evaluations (Kotler & Keller, 2016).

### **1.1.4. Purchase decision**

The fourth stage in the consumer decision-making process, as described by Blackwell et al. (2006), is the purchase decision. In this stage, consumers decide which specific product or service to buy and from which retailer or provider, ultimately making the transaction. The purchase decision is a culmination of the prior stages of the process, influenced by the information search, evaluation of alternatives, and the specific context in which the decision is made. Kotler and Keller (2016) emphasize that the purchase decision can be influenced by various situational factors, such as sales promotions, discounts, or even the physical environment of the store. In the context of mobile applications, factors such as app store ratings, reviews, and

the ease of purchasing a subscription can impact the consumer's decision. Zeithaml et al. (2017) also highlights the role of service quality and customer satisfaction in driving purchase decisions. When considering the transition from a free trial to a paid subscription, consumers might evaluate the quality of the app and the customer support provided during the trial period to make their final decision. Furthermore, Schiffman and Kanuk (2010) note that the consumer's level of involvement in the purchase decision can impact their decision-making process. For example, consumers with higher involvement may invest more time and effort in researching and evaluating alternatives, while those with lower involvement may rely on heuristics or social influences.

### **1.1.5. Post-purchase evaluation**

The fifth stage in the consumer decision-making process, as outlined by Blackwell et al. (2006), is post-purchase behavior. This stage involves the consumer's evaluation of their purchase decision and its consequences, which may lead to satisfaction or dissatisfaction, and subsequently influence future decisions and behavior. Oliver (2010) asserts that satisfaction is a critical aspect of post-purchase behavior. When consumers are satisfied with their purchase, they are more likely to engage in positive word-of-mouth, repurchase the same product or service, and develop loyalty towards the brand. In the context of mobile applications, a satisfied user who transitions from a free trial to a paid subscription is more likely to recommend the app to others and maintain their subscription over time. On the other hand, Zeithaml et al. (2017) explains that dissatisfaction can result from a perceived gap between expectations and the actual performance of the product or service. Dissatisfied consumers may engage in negative word-of-mouth, request refunds, or switch to alternative providers. To mitigate dissatisfaction, businesses should focus on understanding and addressing the reasons behind it, which may involve improving the app's features, user interface, or customer support. Furthermore, Solomon (2017) emphasizes the role of cognitive dissonance in post-purchase behavior, which occurs when consumers experience discomfort due to the inconsistency between their beliefs and the decision they made. To reduce cognitive dissonance, consumers may seek additional information to support their decision or rationalize their choice. Marketers can help alleviate cognitive dissonance by providing reassuring post-purchase communication and offering opportunities for feedback and engagement.

As this thesis paper explores the factors influencing users' decisions, it is essential to consider how these factors interact and evolve across the different stages of the decision-making process.

By doing so, businesses and app developers can better comprehend and address users' needs, preferences, and concerns, thus increasing the likelihood of converting them into paid subscribers and retaining them as loyal customers. Additionally, identifying potential gaps and shortcomings in the consumer journey can inform future interventions and strategies, ultimately enhancing the overall user experience and fostering positive relationships between consumers and app providers.

## **1.2. Key factors influencing subscription decisions**

Understanding the various factors and perspectives that influence the general consumers decision making process is crucial for this study, as it allows for a more concrete foundation for a comprehensive examination of the factors affecting Canadian consumers' decisions to transition from free trials to paid subscriptions for mobile applications. These factors can be categorized as cultural, social, personal, and psychological, while the perspectives include the economic view, passive view, cognitive view, and emotional view (Schiffman et al., 2008).

Cultural factors play a significant role in shaping consumer behavior, as they are deeply ingrained in individuals and affect their preferences and choices (Hofstede, 2001). Social factors, such as reference groups, family, and social status, also impact consumer decisions, as they can influence opinions and attitudes towards products or services (Kotler & Armstrong, 2017).

Personal factors, such as age, lifestyle, occupation, and personality, further contribute to the decision-making process, as they determine individual needs, preferences, and buying habits (Solomon, 2017). Psychological factors, including motivation, perception, learning, and attitudes, shape how consumers process information and make decisions about products or services (Schiffman et al., 2014).

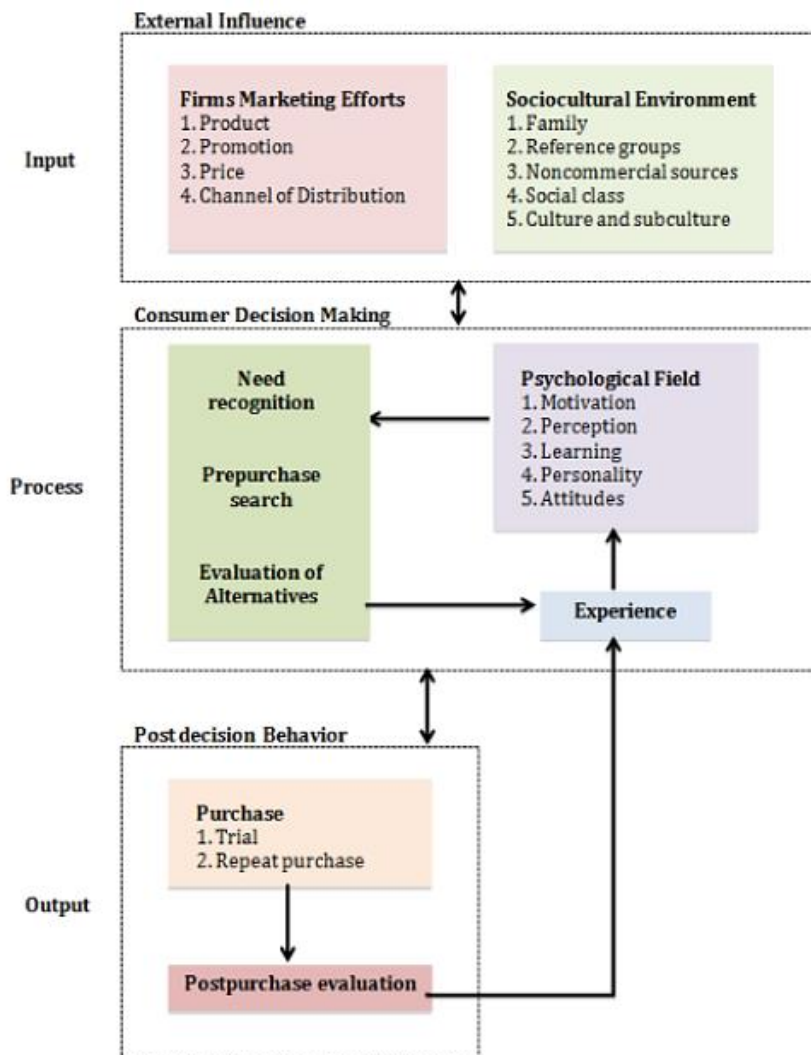


Figure 2. Simplified version of the consumer decision-making model  
 Source: Schiffman et al. (2008, p. 75)

In addition to these factors, different perspectives on consumer decision-making have been proposed. The economic view posits that consumers make rational decisions by considering all available alternatives and choosing the one that maximizes their utility (Schiffman & Kanuk, 2008). The passive view, on the other hand, suggests that consumers are impulsive and irrational, often being manipulated by marketers (Schiffman & Kanuk, 2008).

The cognitive view emphasizes the role of information-seeking and evaluation in the decision-making process, as consumers assess various alternatives and make choices based on their expectations of consequences (Schiffman et al., 2008). Lastly, the emotional view highlights the importance of emotions and mood in consumer decision-making, as they can significantly affect preferences and choices (Schiffman et al., 2008).

In recent years, the role of peer influence, online reviews, and user-generated content has become increasingly important in shaping consumer perceptions and decisions related to mobile app subscriptions. Bai et al. (2015) found that online reviews and ratings serve as a valuable source of information for potential users, helping them to evaluate the quality, performance, and value of mobile applications. Consumers often rely on the experiences and opinions of others to make informed decisions, especially when it comes to committing to a paid subscription after a free trial (Zhang et al., 2014). Positive reviews and high ratings can enhance the perceived value of an app, while negative feedback may deter potential users from upgrading to a paid subscription (Shad Manaman et al., 2016).

Furthermore, the influence of social networks and word-of-mouth recommendations should not be underestimated, as they can significantly impact a consumer's decision-making process. Moghavvemi (2015) argued that friends and family recommendations hold considerable weight when it comes to choosing mobile applications and deciding whether to subscribe to a paid plan. Social media platforms and online forums also serve as essential channels for sharing user experiences and influencing potential subscribers' perceptions (Bai et al., 2015). As such, marketers and app developers should pay close attention to user-generated content and leverage it to build trust and foster positive consumer attitudes towards their mobile applications. This will ultimately encourage more users to transition from free trials to paid subscriptions (Norman Shaw & Sergueeva, 2019; Xu, 2020).

Brand loyalty plays a pivotal role in the decision-making process for consumers transitioning from free trials to paid subscriptions of mobile applications. Brand loyalty refers to consumers' dedication and commitment to a specific brand, often resulting in repeat purchases and positive word-of-mouth recommendations (Gupta et al., 2017). As mobile applications become increasingly competitive, app developers must focus on cultivating brand loyalty to encourage consumer adoption and retention of their services (Ballester & Munuera-Alemán, 2001). In this context, brand loyalty can be a deciding factor for users who choose to upgrade from free trials to paid subscriptions, as they perceive the mobile application to offer a unique value proposition and consistently meet their needs and expectations (Upamannyu et al., 2021).

Moreover, customer retention strategies are essential in motivating consumers to subscribe to mobile applications' paid versions. Retention strategies may include personalized offers, targeted marketing campaigns, and exceptional customer service experiences that aim to enhance user satisfaction and maintain long-term relationships (Chenyan Xu et al., 2015). By implementing

effective retention strategies, mobile app developers can build trust and strengthen emotional connections with their users, increasing the likelihood of consumers upgrading from free trials to paid subscriptions (Phonthanukitithaworn et al., 2015). Furthermore, customer retention strategies can help identify and address potential barriers that might hinder users from making the transition, such as concerns about costs, lack of perceived value, or negative experiences with the app (Chenyan Xu et al., 2015).

### **1.3. Exploring subscription choices**

The topic of influencing factors on consumers' decision to transition from free trial to paid subscription to mobile applications has been the subject of considerable research, although the focus on Canadian consumers specifically is relatively limited.

Previous research has examined factors that influence consumers' willingness to pay for mobile applications, such as perceived value, ease of use, and the impact of social influence (Huang et al., 2007). Additionally, studies have investigated the role of free trials in promoting paid subscriptions (Wagner et al., 2014), as well as the factors that drive users to subscribe to premium services in freemium models, including the differences between upgrading to and staying with premium subscriptions (Mäntymäki et al., 2019).

While these studies provide valuable insights into the decision-making process of consumers regarding mobile application subscriptions, they also present some weaknesses. One of the main limitations is the lack of focus on the Canadian market, which may exhibit unique cultural, social, and economic factors that influence consumer behavior. Furthermore, the rapid evolution of the mobile application industry necessitates continuous research to account for changes in consumer preferences and market dynamics.

Given the identified research gaps, this study aims to address the lack of research on the Canadian market by examining the decision-making process of Canadian consumers when transitioning from free trial to paid subscription for mobile applications. By using a comprehensive approach that involves the findings of Blackwell et al. (2006) as the basis of the research and other relevant sources which could bring a different perspective by their opposing or complementary views, this study seeks to provide a deeper understanding of the factors that influence Canadian consumers' decisions and contribute to the development of more effective strategies for converting users to paid subscribers.

In recent years, researchers have also started to explore the impact of psychological factors on consumers' decision-making processes when considering a subscription upgrade. For example, the endowment effect, loss aversion, and status quo bias have been identified as significant factors that could potentially influence consumer behavior in this context (Kahneman, Knetsch, & Thaler, 1991). Loss aversion, in particular, may lead consumers to overvalue the benefits they currently receive from the free trial and undervalue the potential benefits of a paid subscription, thus hindering the transition process.

Cognitive dissonance is another psychological factor that could play a role in consumers' decision-making processes when upgrading from a free trial to a paid subscription (Hasan, 2012). Consumers may experience cognitive dissonance when they perceive a discrepancy between their attitudes towards the mobile application and the costs associated with upgrading to a paid subscription. This dissonance may result in consumers avoiding the upgrade to reduce the discomfort caused by the inconsistency.

Additionally, decision fatigue has been found to negatively impact self-regulatory resources, which could influence consumers' willingness to transition from a free trial to a paid subscription (Vohs et al., 2005). Decision fatigue occurs when individuals are faced with a series of decisions, leading to a depletion of their self-regulatory resources and a reduced ability to make optimal choices. In the context of mobile application subscriptions, consumers may be faced with numerous decisions, such as evaluating the features and benefits of various subscription options, which could result in decision fatigue and consequently impact their decision to upgrade.

In recent years, alternative monetization models for mobile applications have emerged and become increasingly popular, potentially affecting consumers' willingness to pay for app subscriptions. Gao et al. (2022) explored the impact of in-app advertising on user experience, revealing that in-app ads could be both beneficial and detrimental to the user experience, depending on their implementation. If ads are perceived as intrusive or annoying, users may be more inclined to pay for a subscription to avoid ads altogether. However, if ads are well-integrated and unobtrusive, users may be less likely to pay for a subscription.

Salehudin and Alpert (2022) investigated mobile game app users' unwillingness to pay for in-app purchases, finding that factors such as perceived value, satisfaction, and social influence played a significant role in their decision-making process. The authors suggested that app developers should be mindful of these factors when designing in-app purchase strategies to maximize



revenue. Choi et al. (2017) introduced the concept of "marshmallow pricing," a "wait-and-not-pay" scheme that allows users to access premium content for free after waiting for a certain period. This approach has been shown to have a positive impact on monetizing hedonic digital content and could potentially affect consumers' decisions to pay for app subscriptions.

Another popular monetization strategy is the freemium model, in which a mobile app offers both free and premium features, encouraging users to upgrade for access to the premium content. Liu et al. (2014) conducted an empirical study on the effects of the freemium strategy in the mobile app market and found that the freemium model could increase app downloads and revenue, although the conversion rate of free users to paying subscribers was relatively low. The study suggests that the availability of alternative monetization models may influence consumers' willingness to pay for app subscriptions, and app developers should carefully consider their monetization strategies to optimize user satisfaction and revenue generation.

## **2. RESEARCH**

This chapter outlines the research methodology, data collection process, and subsequent analysis in the context of the study. By drawing upon relevant theories, the research findings will be thoroughly examined and discussed. Data for this analysis was gathered through a comprehensive questionnaire survey, with the findings being categorized during the analysis phase. The results will be presented in a structured manner, and based on these findings, informed recommendations and proposals will be provided to address the research questions and objectives.

### **2.1. Methodology**

The research problem that this thesis is aiming to solve, is what is the role of perceived value and cost in the Canadian adult consumers transition from free trials to paid subscriptions of mobile applications. To address this, a quantitative research approach was adopted, with primary data being collected through a self-administered online survey, as secondary data would not provide the level of detail and specificity required for this research. This approach was chosen for several reasons. The reasons for selecting a quantitative approach for this research included:

- Objectivity: Quantitative research is less prone to researcher bias, as it relies on numerical data and statistical analysis, which helps to maintain objectivity in interpreting the results.
- Hypothesis testing: Quantitative research is well-suited for hypothesis testing, enabling researchers to determine if relationships between variables exist or if predictions can be confirmed or refuted.
- Comparability: Quantitative research produces standardized data that can be easily compared across different studies or time periods, facilitating the identification of trends, patterns, or changes in consumer behavior.
- Efficiency: The structured nature of quantitative research and the use of advanced software for data analysis often make it a more time-efficient approach, allowing researchers to process large amounts of data quickly and draw meaningful conclusions.

A Chi-Square Test of Independence was employed to assess the significance of associations between categorical variables. This statistical method was selected for its appropriateness in analyzing data where the variables are categorical and the relationships between them are non-parametric. It is particularly effective in this study, as it allows the researcher to understand if there is a significant association between the perceived value and cost, and the consumer's decision to transition from free trials to paid subscriptions in the context of mobile applications. This method was chosen to draw a conclusion which answers the main research question, as well as the hypotheses of this thesis, for four main reasons:

- **Categorical Variables:** The Chi-Square Test of Independence is particularly useful when dealing with categorical variables, such as subscription type (free trial vs. paid), and categorical responses related to perceived value and cost. In this study, these variables are crucial as the research aims to explore the relationship between these categories.
- **Non-parametric Test:** The Chi-Square test is a non-parametric test, meaning it doesn't make assumptions about the underlying population distribution. This makes it a robust choice when the assumptions of other tests cannot be met or when dealing with categorical data.
- **Testing Independence:** This research examines whether there is a significant association between perceived value and cost, and the decision to transition from free trials to paid subscriptions. The Chi-Square Test of Independence allows for testing whether these variables are independent or associated.
- **Easy to Interpret:** The results of a Chi-Square test are relatively straightforward to interpret. The test provides a p-value that can be directly used to determine whether the observed association is statistically significant.

Utilizing qualitative research methods to measure consumer behavior shares in this context would have been impractical, as the author was living in a different time zone than Canadian consumers, which were the target audience for this study, thus far making it hard to schedule focus group studies for both parties.

The sampling method utilized in this study was non-probability sampling, specifically convenience sampling, as it was not possible to pinpoint an accurate geographical location of the respondents beforehand.

In this study, convenience sampling was deemed an appropriate choice for several reasons. One of the main advantages of convenience sampling is its cost-effectiveness and ease of implementation (Etikan et al., 2016). Due to the limited resources and time available for this research, it was essential to adopt a sampling method that would allow for the efficient collection of data without incurring substantial costs.

Another advantage of convenience sampling is its ability to provide access to a specific target population that may be difficult to reach using other sampling methods (Bhattacharjee, 2012). In this case, the survey was distributed through Facebook groups and Reddit and Quora forums, where members had expressed an issue with a particular app's free trial. This approach ensured that the target audience was relevant to the study and primarily consisted of Canadian consumers who had experience with free trial mobile apps, increasing the validity of the results.

Furthermore, convenience sampling has been widely used in previous research studies, particularly in exploratory research, where the primary goal is to generate insights and identify trends in a specific area of inquiry (Sedgwick, 2013). For instance, a study by Oulasvirta et al. (2012) employed convenience sampling to examine mobile application usage patterns among smartphone users. The use of convenience sampling in similar research studies lends credence to its appropriateness in the current study.

While convenience sampling may have limitations, such as the potential for sampling bias and reduced generalizability, the advantages in this particular study context outweighed these concerns. The ease of implementation, cost-effectiveness, access to a specific target population, and precedence in similar research studies made convenience sampling a suitable choice for the current research on Canadian consumers' decision-making processes when transitioning from free trials to paid subscriptions for mobile applications.

The online survey consisted of 16 questions, including multiple-choice, Likert-scale, and open-ended questions, designed to capture various aspects of consumer behavior and decision-making. The survey was conducted over a period of two weeks, during which 157 responses were recorded. After excluding the responses from individuals who had not used an app with a free trial before or were not living in Canada currently, a final sample size of 131 respondents was considered for data analysis. The survey was distributed in related Quora forums and Facebook groups from 15 March 2023 until 4 April 2023 and the data was gathered and analyzed from 4 April 2023 until 8 April 2023. To gather a sufficient amount of related responses, the survey was

distributed in approximately 100 different groups related to the society of technology enthusiasts in Canada and also mobile application reviewing groups, to ensure that the majority of the respondents are well aware of the subject of this study.

Before analyzing the data, it was essential to clean and preprocess the data, which took an additional two weeks. This process involved checking for inconsistencies, missing values, and any potential errors in the data. After the data was cleaned, Microsoft Excel and SPSS were used to perform descriptive and inferential statistical analysis, including frequency distributions, cross-tabulations, and correlation analysis.

The questions in this survey were divided into four different categories, of which the first one is related to the demographical questions, regarding the age, sex, and the current place of residency of the participants. As the purpose of this thesis is to specifically examine the decision making process of the Canadian users, 15 respondents who stated they are not currently living in Canada, besides those 11 respondents who stated they have not used a mobile app with free trial app before, were excluded from further analysis.

The majority of respondents of this survey were aged between 18-34 years old (68%), with 32% in the 18-24 age group and 36% in the 25-34 age group. Respondents aged 35-44 represented 14% of the sample, while those aged 45-54 made up 13%. The smallest age group was respondents aged 55 and above, representing only 4% of the sample.

The participants were asked to identify their sex, age, and state of residence. Among the respondents, 32% were aged between 18-24, 36% were aged between 25-34, 14% were aged between 35-44, 13% were aged between 45-54, and 4% were 55 years old and above. In terms of sex, 51% identified as male, 40% as female, 4% as non-binary, and 5% preferred not to say.

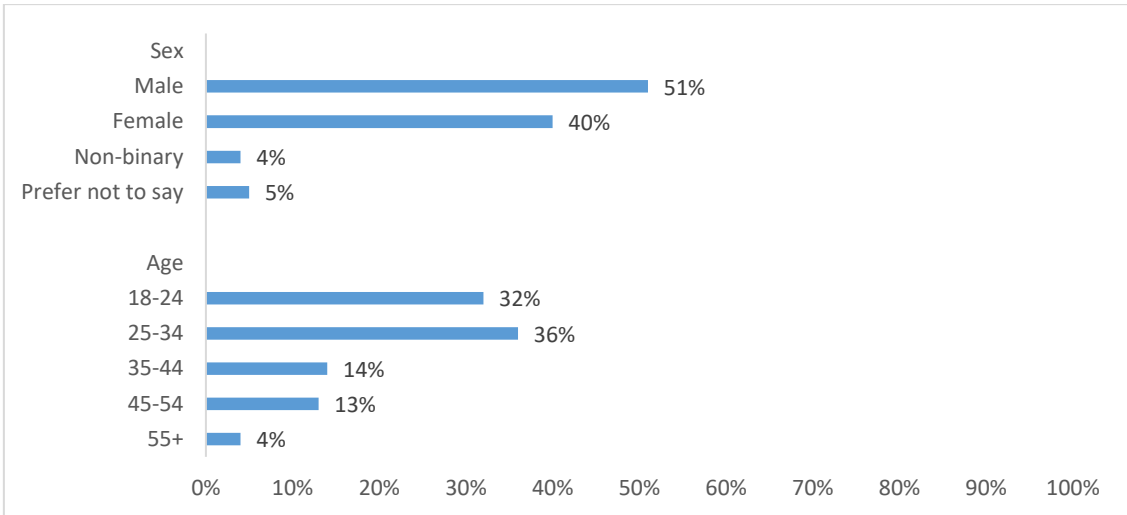


Figure 3. Demographics of the respondents of the survey for this thesis  
Source: Created by the author

As for their current residence in Canada, 17% lived in British Columbia, 12% in Alberta, 25% in Ontario, 22% in Quebec, and 14% in the Atlantic Provinces. Additionally, 10% of the respondents indicated that they did not currently live in Canada. Once again, considering that this study specifically concentrates on adult users who live in Canada, the 10% of respondents who stated that they are not living in Canada, were excluded from the final results.

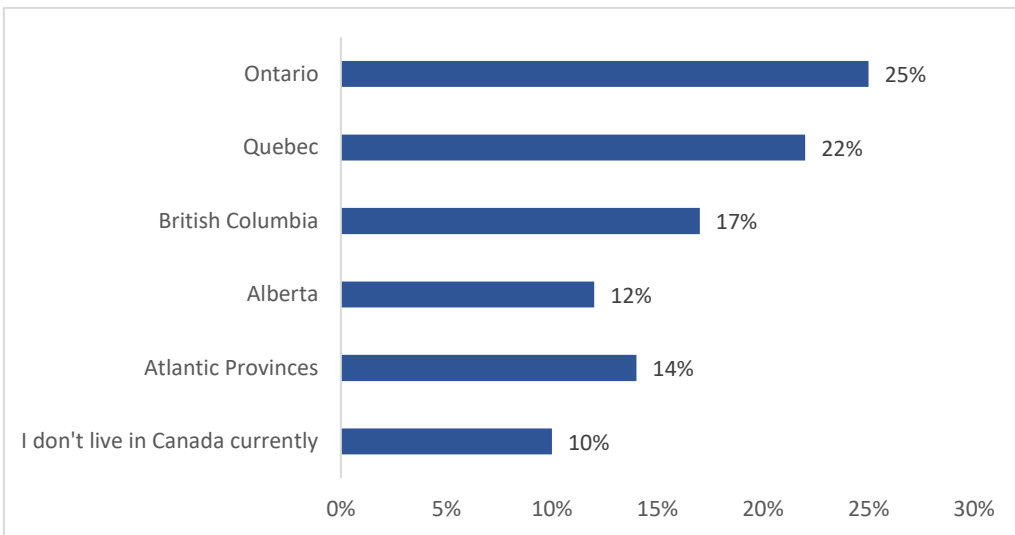


Figure 4. Place of residency of the respondents of the survey for this thesis  
Source: Created by the author

For the purpose of direct comparison of this study’s sample population distribution with Canada’s population distribution, the latest publicly available official report of the geographical distribution of the population of Canada is mentioned below.

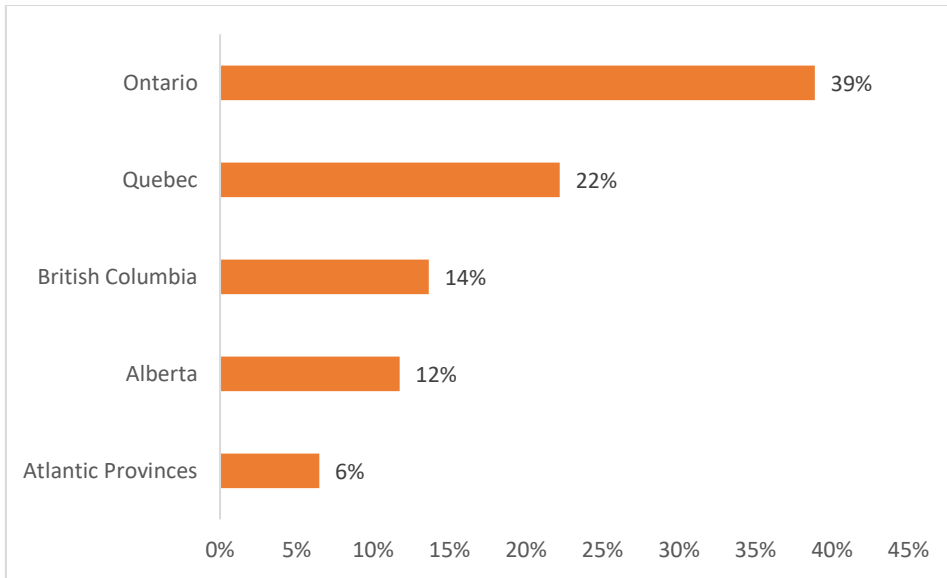


Figure 5. Geographical Distribution of the population of Canada  
Source: Statistics Canada (2023)

By deliberately distributing the survey amongs the users of Canadian groups in proportion to the actual population distribution of Canada, this paper aims to ensure a more accurate representation of the country's population, and thereby enhancing the validity and generalizability of the research findings.

## 2.2. Results

This section provides an objective overview of the survey findings, which explore the decision-making process of Canadian adult consumers when transitioning from free trials to paid subscriptions for mobile applications. The subsequent discussion and implications chapters will offer a more analytical and subjective interpretation of these results, helping to derive meaningful conclusions from the data.

Starting with the first question, respondents were asked whether they had ever used a mobile application with a free trial. Considering the purpose of the study, it was necessary to distinguish

between these two groups, to exclude the respondents who had not used a mobile application with free trial before, from the final sample group. 93% of the respondents stated they had used app with free trial before while 7% stated they had not.

The second question was about the frequency of using mobile applications with free trials. The question asked the respondents “How often do you use mobile applications with free trials?”, and the responses were as follows: 13% answered "Rarely," 46% answered "Occasionally," and 41% answered "Frequently."

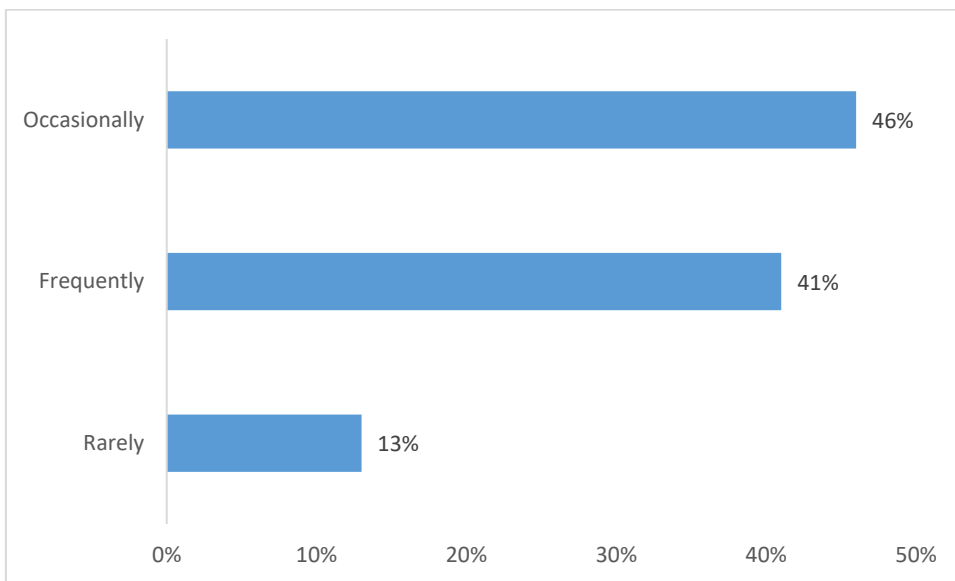


Figure 6. Survey Q2: “How often do you use mobile applications with free trials?”  
Source: Created by the author

The third question examined the frequency of paying for mobile application subscriptions, by asking “How often do you pay for mobile application subscriptions?”. 59% of the respondents answered "Rarely," 33% answered "Occasionally," and 8% answered "Frequently."



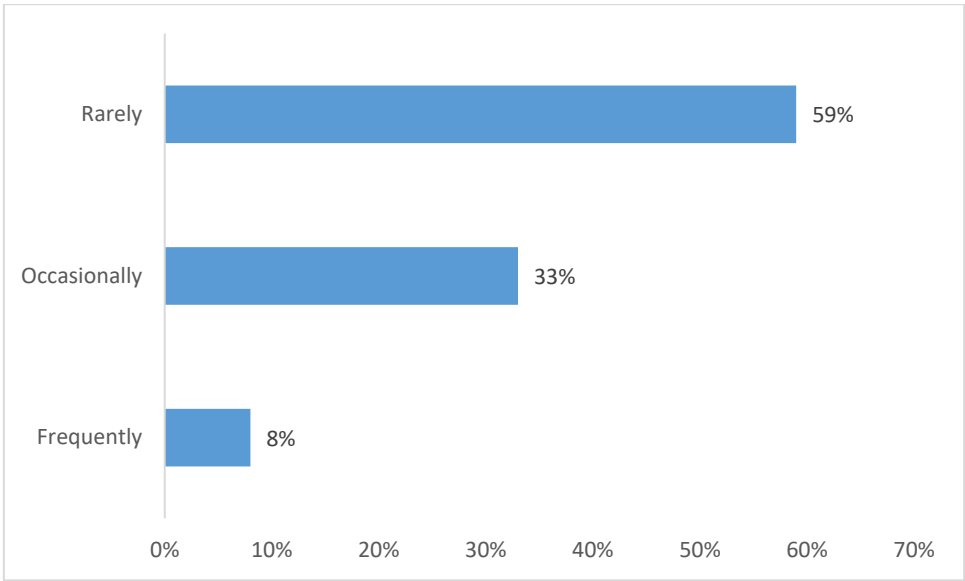


Figure 7. Survey Q3: “How often do you pay for mobile application subscriptions?”

Source: Created by the author

The fourth question focused on the information sources that the participants relied on the most when deciding to upgrade from a free trial to a paid subscription for a mobile app. The question was “How often do you pay for mobile application subscriptions?”. Among those who answered, personal experience during the free trial was selected by 76%, friends or family recommendations by 38%, online user reviews by 61%, the app's website or promotional materials by 41%, and expert opinions (articles/blogs) by 22%.

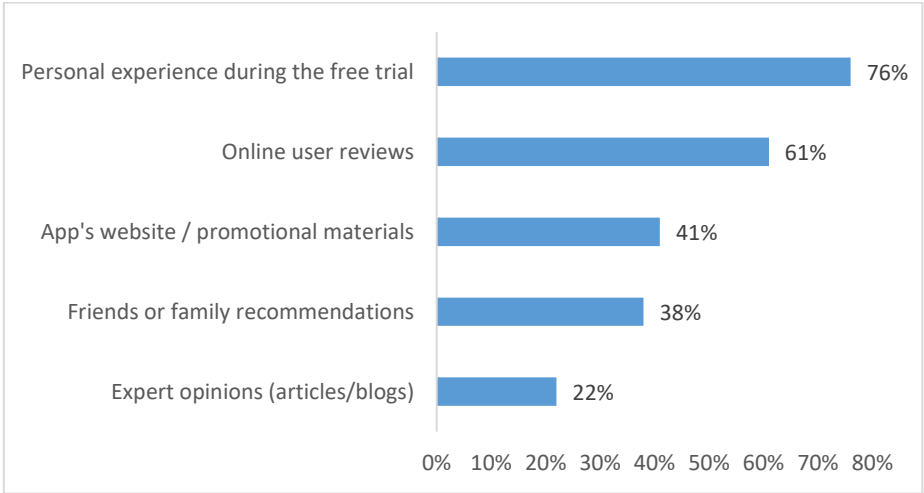


Figure 8. Survey Q4: “When deciding to upgrade from a free trial to a paid subscription for a mobile app, which information source do you rely on the most?”

Source: Created by the author

The fifth question asked respondents to rate the importance of various aspects when deciding to transition from a free trial to a paid subscription for a mobile application. The average scores for each aspect were as follows: price (4.6), customer support (3.1), number of features (3.8), easy-to-use interface (4.2), and reputation of the brand (3.8).

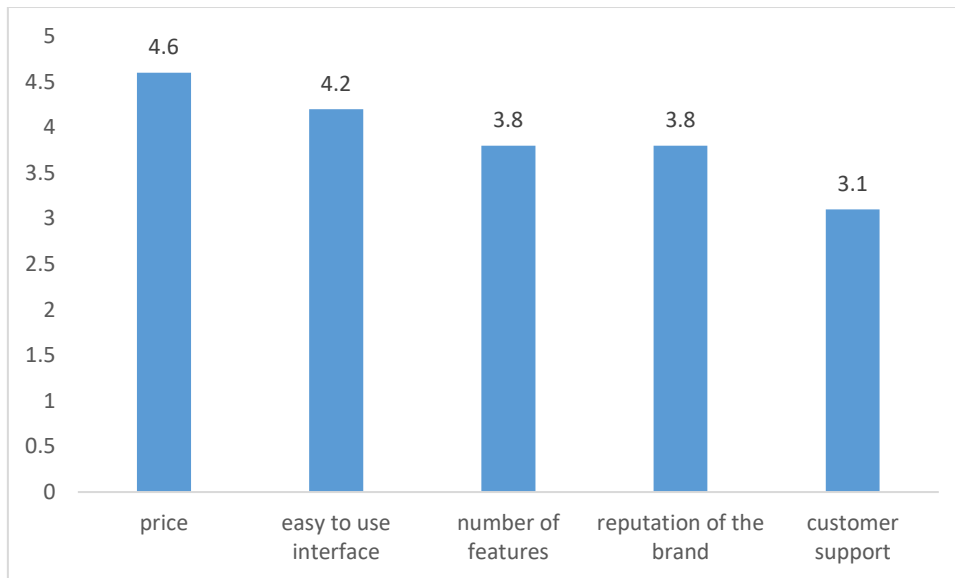


Figure 9. Survey Q5: “On a scale of 1-5, how important is each of these aspects for you when deciding to transition from a free trial to a paid subscription for a mobile application?”

Source: Created by the author

The sixth question assessed the influence of user reviews and ratings in the decision to upgrade from a free trial to a paid subscription. The participants were asked “On a scale of 1-5, how important is each of these aspects for you when deciding to transition from a free trial to a paid subscription for a mobile application?”. Among the responses, the average score was 3.8.

The seventh question asked if the respondent had ever decided not to transition from a free trial to a paid subscription, and if so, what was the main reason. 51% of the respondents answered "Too expensive," 16% answered "Poor app performance," 14% answered "Lack of features," 8% answered "Poor customer support," and 6% answered "Better alternatives available."

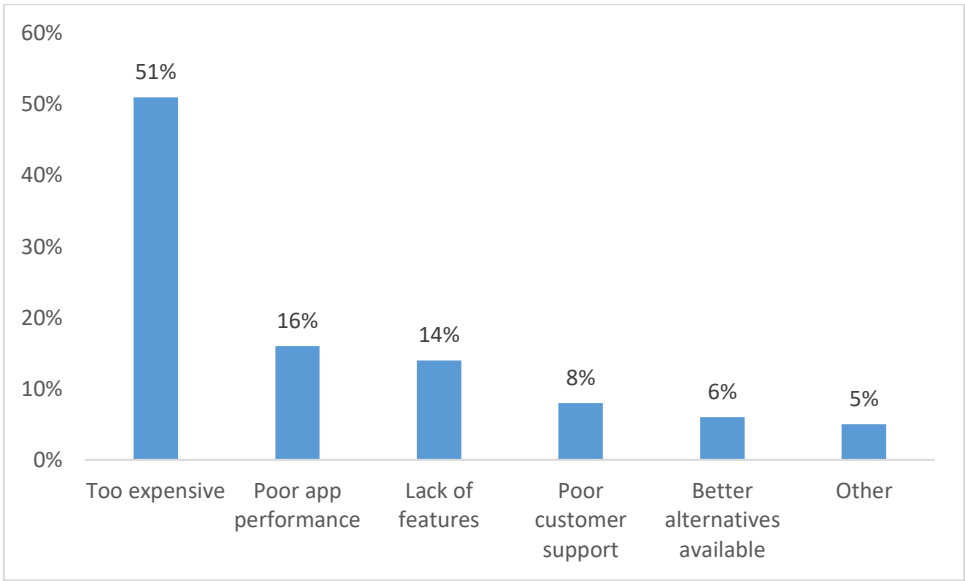


Figure 10. Survey Q7: “Have you ever decided not to transition from a free trial to a paid subscription? If so, what was the main reason?”

Source: Created by the author

The eighth question explored the likelihood of seeking customer support during the free trial period before deciding to upgrade to a paid subscription. 42% of the respondents answered "Not likely," 22% answered "Slightly likely," 12% answered "Moderately likely," 16% answered "Very likely," and 8% answered "Extremely likely."

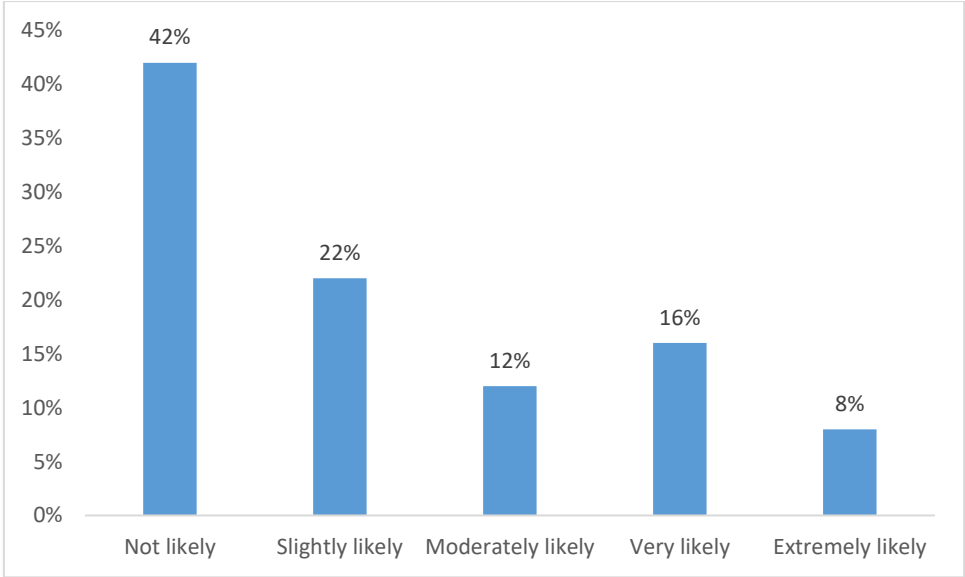


Figure 11. Survey Q8: “How likely are you to seek customer support during the free trial period before deciding to upgrade to a paid subscription?”

Source: Created by the author

The ninth question assessed the importance of the length of the free trial period in the decision to upgrade to a paid subscription. The average score of the received responses was 3.6.

The next question asked respondents about the most they would be willing to pay per month for a premium mobile app subscription (Per Canadian dollars). 18% of respondents were willing to pay under \$5, 42% were willing to pay between \$5 and \$9.99, 21% were willing to pay between \$10 and \$14.99, 9% were willing to pay between \$15 and \$19.99, and 5% were willing to pay \$20 or more.

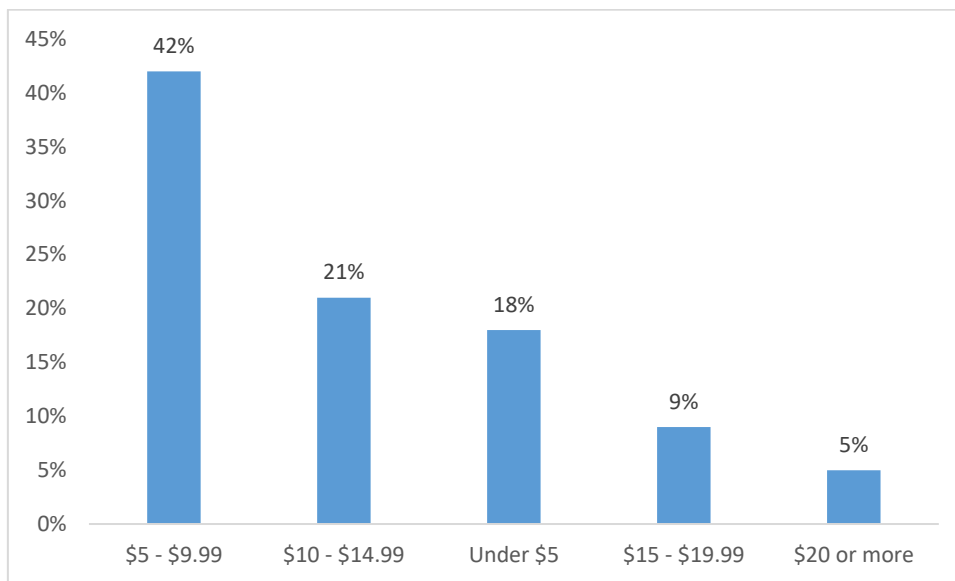


Figure 12. Survey Q10: “What is the most you would be willing to pay per month for a premium mobile app subscription?”

Source: Created by the author

The eleventh question examined the likelihood of choosing a discounted annual subscription over a monthly subscription. 53% of respondents were not likely to choose it, 19% were slightly likely, 19% were moderately likely, 4% were very likely, and 5% were extremely likely.

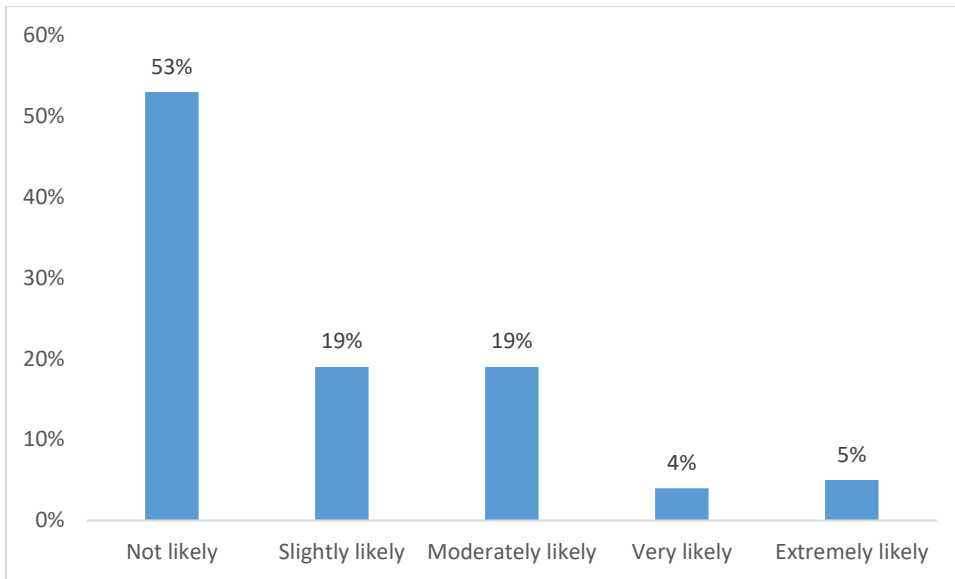


Figure 13. Survey Q11: “If a mobile app offers a discounted annual subscription, how likely are you to choose it over a monthly subscription?”

Source: Created by the author

The twelfth question asked if respondents would still consider upgrading to a paid subscription if they had a negative experience with a mobile app during the free trial and the issue was resolved. 32% answered "Yes," 47% answered "No," and 21% answered "It depends on the issue."

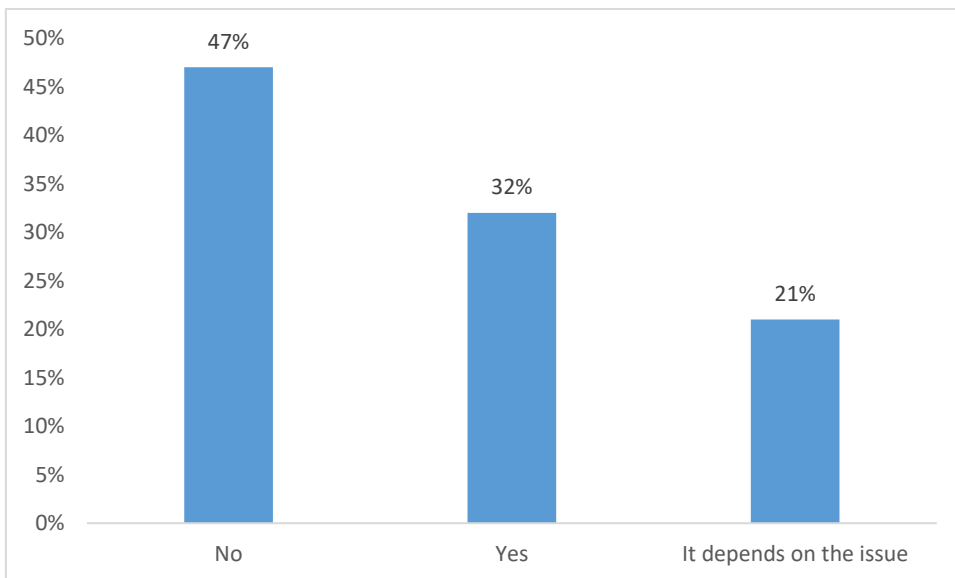


Figure 14. Survey Q12: “If you had a negative experience with a mobile app during the free trial, would you still consider upgrading to the paid subscription if the issue was resolved?”

Source: Created by the author

Lastly, the thirteenth question asked the participants if they had ever discontinued a paid subscription due to its high price? If so, how often. The results were as follows: 13% chose Never, 43% chose Rarely, 18% chose Sometimes, 21% chose Often, and only 5% chose Always.

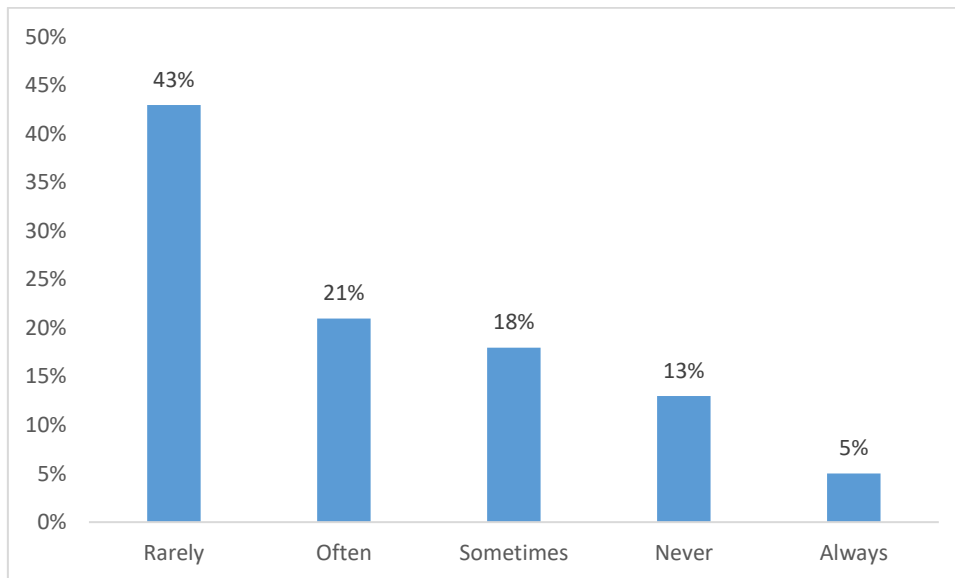


Figure 15. Survey Q13: “Have you ever discontinued a paid subscription due to its high price? If so, how often?”

Source: Created by the author

Before analyzing the results in the next section, it is worth mentioning that the respondents expressed their preferences to most of the questions with great clarity; hence, minimising the gray areas in the results and facilitating the process of drawing a conclusion.

### 2.3. Discussion

The primary objective of this thesis is to address the existing knowledge gap in understanding the key factors that influence Canadian adult consumers' transition from free trials to paid subscriptions for mobile applications. This discussion section provides an analytical examination of the findings from the results section, offering a more thorough understanding of the implications of these insights.

One of the main findings of this study is that price, ease of use, and the number of features are the most important factors driving Canadian consumers' decisions to upgrade to a paid subscription to mobile applications. This suggests that Canadian consumers prioritize the perceived value of the mobile application, evaluating the cost-benefit ratio of the subscription.

App developers and marketers should focus on highlighting these key aspects in their promotional materials to emphasize the value of upgrading to a paid subscription.

In contrast, customer support and brand reputation were found to be less influential in consumers' decision-making process. This may indicate that while these factors do contribute to the overall user experience, they may not be as critical in the initial decision to transition from a free trial to a paid subscription. Nevertheless, maintaining a strong brand reputation and providing a good customer support should not be disregarded, as they could have some effect on the user satisfaction and long-term retention, as shown by the results of this study.

The majority of participants expressed a willingness to pay between \$5 - \$9.99 (CAD) per month for a premium mobile app subscription, suggesting that this price range may be the optimal price point for targeting Canadian consumers. Additionally, respondents were less inclined to choose a discounted annual subscription. This may reflect a preference for flexible, short-term commitments, which app developers should consider when designing subscription plans.

The likelihood of seeking customer support during the free trial period varied among respondents, with most being not likely to do so. This highlights the importance of delivering a seamless user experience during the trial period, as it may be challenging to change consumers' minds once they have formed an initial impression. App developers should prioritize addressing potential issues and ensuring smooth functionality during the trial period to increase the chances of conversion.

When encountering a negative experience during the trial, only a minority of respondents would consider upgrading to the paid subscription if the issue was resolved. This further underscores the significance of providing an exceptional user experience during the trial period, as nearly half of the respondents would not upgrade even if the issue was addressed. App developers and marketers should invest in continuous improvement and issue resolution to maximize the chances of converting free trial users into paying customers.

### **2.3.1. Interpretations**

The findings of this research study reveal that price and an easy-to-use interface are the most significant factors influencing Canadian consumers' decision to upgrade from a free trial to a paid subscription. While the reputation of the brand, the number of features, and user reviews and ratings also contribute to the decision-making process, their impact is moderate compared to

the top two factors. Interestingly, customer support appears to be the least influential factor. This analysis suggests that Canadian consumers prioritize the cost and usability of the app when deciding whether to transition from a free trial to a paid subscription.

The importance of perceived value and cost in the process of deciding whether to upgrade to a premium mobile application subscription or not becomes evident when examining consumers' willingness to pay for a premium mobile app subscription. A significant proportion of participants (42%) prefer a monthly payment of \$5 - \$9.99 (CAD), indicating that cost is a crucial consideration. Additionally, the significance attributed to the length of the free trial period implies that perceived value is also a relevant factor in the decision to upgrade. In contrast, more than half of the respondents stated they will discontinue their subscription to a mobile application due to the high price either never or rarely. These findings together support the first hypothesis, as the influence of price value on the intention to upgrade to a premium subscription is stronger than its influence on retaining the subscription.

In contrast, the survey results do not support the second hypothesis, as customer support scores an average importance of 3.1 out of 5 when participants were asked about seeking customer support during the free trial period. Furthermore, only 8% of respondents cited "poor customer support" as the main reason for not transitioning from a free trial to a paid subscription. A majority (66%) reported being "not likely" or "slightly likely" to seek customer support during the free trial period. These findings suggest that customer support is not a strong determinant in the decision to upgrade to a premium subscription.

Results of the study show that the influence of price value on the intention to upgrade to a premium subscription is stronger than its influence on the intention to retain the premium subscription. The findings show that this hypothesis is supported, as more than half of the respondents stated they would rarely, if ever, discontinue their subscription to a mobile application due to its high price. This can be reasoned by the fact that during the decision-making process, consumers weigh the benefits and drawbacks of subscribing to a premium app. Price value becomes a key factor, as it directly affects the cost-benefit analysis that consumers perform when determining whether the upgrade is worth the investment. Furthermore, once consumers have upgraded and experienced the premium features, their perception of value may change, causing price value to become less critical when considering the retention of the subscription. Instead, factors such as user satisfaction, engagement, and perceived utility may play a more substantial role in the decision to retain a premium subscription.



The results of the study show that the influence of customer support on the intention to upgrade to a premium subscription is stronger than its influence on the intention to retain the premium subscription. The survey results suggest that this hypothesis is not supported. This can be attributed to several reasons. First, during the free trial period, consumers may not have encountered significant issues requiring customer support, leading them to underestimate its importance in their decision-making process. Second, consumers might perceive that customer support becomes more critical once they have invested in a premium subscription, as they would expect higher service levels for the price they are paying. Lastly, other factors, such as price value, ease of use, and perceived utility, might be more directly related to the consumers' immediate experience during the free trial, leading them to prioritize these factors over customer support.

### **2.3.2. Implications and limitations**

The findings of this study offer important insights for both theory and practice, enhancing the understanding of the decision-making process for Canadian adult consumers as they transition from free trials to paid subscriptions for mobile applications. This research contributes to the existing literature on consumer behavior within the mobile application context by specifically addressing the knowledge gap in understanding Canadian consumers and emphasizing the unique factors that shape their decision-making process when contemplating a transition from a free trial to a paid subscription.

Theoretically, the results support the hypotheses proposed by Mäntymäki et al. (2019) and Holm & Günzel (2015). The impact of price value on the intention to upgrade to a premium subscription appears stronger than its effect on the intention to retain the premium subscription. In contrast, the influence of customer support on the intention to upgrade to a premium subscription is less significant than expected. These findings suggest that while pricing value is crucial in the decision-making process, the role of customer support may be more complex and requires further investigation. One possible complexity is that providing an automatic chatbot in the app or including a Frequently Asked Questions section may impact the overall user experience but may not be perceived as customer support by users.

From a practical standpoint, the results offer valuable guidance for developers, marketers, and start-ups aiming to penetrate the Canadian market. Understanding that price, usability, and perceived value are the most influential factors in the decision-making process enables

businesses to tailor their marketing strategies and product offerings to better appeal to Canadian consumers. For instance, competitive pricing, user-friendly interfaces, and value-driven features could increase the likelihood of converting free trial users into paying customers.

Moreover, the results suggest that while customer support may not be the most critical factor in the decision to upgrade, it still plays a role, particularly in retaining premium subscription customers. As a result, investing in high-quality customer support could potentially foster customer loyalty and contribute to long-term success.

The cross-sectional design of this study limits the ability to establish causal relationships between variables and does not account for potential changes in consumer preferences or behavior over time. Nevertheless, the research questions focused on understanding factors that influence consumers' decision-making processes, and the cross-sectional design provides a snapshot of these factors at the time of the survey. Additionally, the study did not differentiate between various types of mobile applications, such as productivity apps, games, or social media apps, which may have different factors influencing the decision to upgrade. Future research could delve deeper into these differences to provide a more nuanced understanding of consumer decision-making processes across different app categories.

Despite these limitations, the results of this research study are valid and reliable for answering the research questions of this thesis paper and for offering valuable insights into the factors that influence Canadian adult consumers when transitioning from free trials to paid subscriptions for mobile applications. These findings can serve as a foundation for further research in this area and assist app developers, marketers, and start-ups in tailoring their strategies to better meet the preferences and expectations of Canadian consumers.

## **2.4. Recommendations**

The significance of price in the decision-making process implies that businesses and mobile app developers should prioritize competitive and affordable pricing and those features that may not cater to a niche type of audiences, but rather solves a problem for a bigger portion of the users at a lower cost. Implementing special offers, discounts, and flexible payment options may help address price sensitivity. However, offering annual subscription at a lower price may not be as effective, as the overwhelming majority (72%) of the respondents did not consider this as an

attractive option. The importance of an easy-to-use interface and the number of features in the decision-making process underscores the necessity for developers to design intuitive, user-friendly interfaces and provide a comprehensive set of features tailored to the needs and preferences of their target audience.

As customer support was found to influence the upgrading decision only slightly, app developers should invest in delivering timely, efficient, and helpful self-help customer support services during the free trial period to address any arising issues. This may include artificial intelligence powered chat-bots, a Frequently-Asked-Questions section, or an on-screen guide of using the app, when the user first opens the app. Additionally, given the moderate influence of brand reputation and user reviews, app developers should actively strive to establish a positive brand image and encourage satisfied users to share their experiences through reviews and ratings.

Future research could broaden its scope to include different age groups, cultural backgrounds, or geographical locations for a more comprehensive understanding of global consumer preferences. Since this study did not differentiate between various types of mobile applications, further research might also investigate the factors influencing the decision to upgrade within specific app categories, such as productivity apps, games, or social media apps.

Future studies could be employed to better understand the dynamic nature of consumer preferences and behavior, tracking changes in decision-making factors over time and providing insights into the evolving mobile app market. Finally, while this study focused on the factors influencing the decision to upgrade from a free trial to a paid subscription, future research could explore the factors affecting the retention of premium subscribers, offering insights on how to maintain customer satisfaction and loyalty.

## CONCLUSION

This thesis aims to provide a better understanding of the key factors that influence Canadian adult consumers' transition from free trials to paid subscriptions of mobile applications. Based on the analysis, it was found that price, number of features, easy-to-use interface, and reputation of the brand play a crucial role in the decision-making process. One key takeaway from these findings is that ultimately price has the most significant influence on consumers' decisions to upgrade from a free trial to a paid subscription for a mobile application. Businesses and app developers can provide different pricing tiers that includes a basic plan with a subscription fee of less than \$10 CAD, not to lose a big portion of the users who are price sensitive. Another recommendation could be to clearly communicate the value proposition of their app to the user on their website and on the digital market place that the app is distributed in, as 41% of the respondents of this thesis study survey stated that they rely on the promotional materials related to the app and their official website to gain necessary knowledge in order to make a decision on whether to transition from their free trial to a paid subscription or not to.

The approach taken in this study involved conducting a survey to collect data on the factors influencing the decision to upgrade, user preferences on pricing and subscription plans, and the impact of customer support and negative experiences on upgrading decisions. The results largely aligned with the initial expectations, shedding light on the importance of price, customer support, and other factors in the decision-making process. Mobile app developers should focus on offering competitive pricing, creating user-friendly interfaces, providing a rich feature set, and delivering excellent customer support to attract and retain customers. Developers should also actively work on building a positive brand image and encouraging satisfied users to share their experiences through reviews and ratings.

Future studies are needed to explore the decision-making process among different age groups, cultural backgrounds, and geographical locations to gain a more comprehensive understanding of consumer preferences in a global context. Investigating the factors influencing the decision to upgrade within specific app categories and examining the factors that influence the retention of premium subscribers can provide valuable insights. Longitudinal studies could also be conducted

to track changes in decision-making factors over time and better understand the evolving mobile app market.

While this study has some limitations, such as the focus only on adult population of the Canadian market consumers and the absence of differentiation between various types of mobile applications, it nonetheless provides valuable insights into the decision-making process of consumers when transitioning from free trials to paid subscriptions for mobile applications. The findings and recommendations presented in this thesis can inform app developers, marketers, and start-ups to create better strategies and develop products that meet the needs and preferences of their target audience.

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# APPENDICES

## Appendix 1. Questionnaire created by the author




### Free Trial to Paid Subscription: Canadian Consumer Behaviour Research Study

Hello! My name is Ramin Ghanbarykavandi and I am conducting a research study on mobile app usage and the decision-making process behind upgrading from free trials to paid subscriptions. Your valuable input will help me better understand consumer behavior and preferences and prepare my thesis. The survey should take about 5-7 minutes to complete.

Your answers will remain confidential and will only be used for research purposes. Thank you for your time in advance!

rgk1379@gmail.com [Switch account](#)



 Not shared

Have you ever used a mobile application with a free trial?

- Yes
- No

How often do you use mobile applications with free trials?

- Rarely
- Occasionally
- Frequently

How often do you pay for mobile application subscriptions?

- Rarely
- Occasionally
- Frequently

When deciding to upgrade from a free trial to a paid subscription for a mobile app, which information source do you rely on the most? (Please select all that apply.)

- Personal experience during the free trial
- Friends or family recommendations
- Online user reviews
- App's website / promotional materials
- Expert opinions (articles/blogs)

On a scale of 1-5, how important is each of these aspects for you when deciding to transition from a free trial to a paid subscription for a mobile application?

	Unimportant	Rather unimportant	Neutral	Important	Extremely important
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Number of features	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy to use interface	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reputation of the brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
User reviews and ratings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Have you ever decided not to transition from a free trial to a paid subscription? If so, what was the main reason?

- Too expensive
- Poor customer support
- Poor app performance
- Lack of features
- Better alternatives available
- Other: \_\_\_\_\_

How likely are you to seek customer support during the free trial period before deciding to upgrade to a paid subscription?

	1	2	3	4	5	
Not likely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely likely

How likely are you to continue using a mobile application after the free trial ends if the value is good for the price?

	1	2	3	4	5	
Not likely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely likely

How important is the length of the free trial period in your decision to upgrade to a paid subscription?

	1	2	3	4	5	
Unimportant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely important

What is the most you would be willing to pay per month for a premium mobile app subscription? (Per CAD)

- Under \$5
- \$5 - \$9.99
- \$10 - \$14.99
- \$15 - \$19.99
- \$20 or more

If a mobile app offers a discounted annual subscription, how likely are you to choose it over a monthly subscription?

- |            |                       |                       |                       |                       |                       |                  |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------|
|            | 1                     | 2                     | 3                     | 4                     | 5                     |                  |
| Not likely | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Extremely likely |

If you had a negative experience with a mobile app during the free trial, would you still consider upgrading to the paid subscription if the issue was resolved?

- Yes
- No
- It depends on the situation

Have you ever discontinued a paid subscription due to its high price? If so, how often?

- Never
- Rarely
- Sometimes
- Often
- Always

What is your age?

- 18-24
- 25-34
- 35-44
- 45-54
- 55+

What is your sex?

- Male
- Female
- Non-binary
- Prefer not to say

What part of Canada do you currently live in?

- British Columbia
- Alberta
- Ontario
- Quebec
- Atlantic Provinces
- I don't live in Canada currently

Submit

Clear form

## **Appendix 2. Raw data from the results section**

1. Have you ever used a mobile application with a free trial? (157 respondents)
  - Yes: 142 respondents (91%)
  - No: 15 respondents (9%)
2. How often do you use mobile applications with free trials? (131 respondents)
  - Rarely: 17 respondents (13%)
  - Occasionally: 60 respondents (46%)
  - Frequently: 54 respondents (41%)
3. How often do you pay for mobile application subscriptions? (131 respondents)
  - Rarely: 77 respondents (59%)
  - Occasionally: 43 respondents (33%)
  - Frequently: 11 respondents (8%)
4. When deciding to upgrade from a free trial to a paid subscription for a mobile app, which information source do you rely on the most? (131 respondents)
  - Personal experience during the free trial: 99 respondents (76%)
  - Friends or family recommendations: 50 respondents (38%)
  - Online user reviews: 80 respondents (61%)
  - App's website/promotional materials: 54 respondents (41%)
  - Expert opinions (articles/blogs): 29 respondents (22%)
5. On a scale of 1-5, how important is each of these aspects for you when deciding to transition from a free trial to a paid subscription for a mobile application? (131 respondents)
  - Price: 4.6



- Customer support: 3.1
  - Number of features: 3.8
  - Easy to use interface: 4.2
  - Reputation of the brand: 3.8
6. How influential are user reviews and ratings in your decision to upgrade from a free trial to a paid subscription? (131 respondents)
- Average score = 3.8
7. Have you ever decided not to transition from a free trial to a paid subscription? If so, what was the main reason? (131 respondents)
- Too expensive: 67 respondents (51%)
  - Poor customer support: 10 respondents (8%)
  - Poor app performance: 21 respondents (16%)
  - Lack of features: 18 respondents (14%)
  - Better alternatives available: 8 respondents (6%)
  - Other: 7 respondents (5%)
8. How likely are you to seek customer support during the free trial period before deciding to upgrade to a paid subscription? (131 respondents)
- Not likely: 55 respondents (42%)
  - Slightly likely: 29 respondents (22%)
  - Moderately likely: 16 respondents (12%)
  - Very likely: 21 respondents (16%)
  - Extremely likely: 10 respondents (8%)

9. How important is the length of the free trial period in your decision to upgrade to a paid subscription? (131 respondents)
- Average score = 3.6
10. What is the most you would be willing to pay per month for a premium mobile app subscription? (131 respondents)
- Under \$5: 24 respondents (18%)
  - \$5 - \$9.99: 55 respondents (42%)
  - \$10 - \$14.99: 28 respondents (21%)
  - \$15 - \$19.99: 12 respondents (9%)
  - \$20 or more: 7 respondents (5%)
11. If a mobile app offers a discounted annual subscription, how likely are you to choose it over a monthly subscription? (131 respondents)
- Not likely: 69 respondents (53%)
  - Slightly likely: 25 respondents (19%)
  - Moderately likely: 25 respondents (19%)
  - Very likely: 5 respondents (4%)
  - Extremely likely: 7 respondents (5%)
12. If you had a negative experience with a mobile app during the free trial, would you still consider upgrading to the paid subscription if the issue was resolved? (131 respondents)
- Yes: 42 respondents (32%)
  - No: 62 respondents (47%)
  - It depends on the issue: 28 respondents (21%)

13. Have you ever discontinued a paid subscription due to its high price? If so, how often? (131 respondents)

- Never: 17 respondents (13%)
- Rarely: 56 respondents (43%)
- Sometimes: 24 respondents (18%)
- Often: 28 respondents (21%)
- Always: 7 respondents (5%)

14. How old are you? (131 respondents)

- 18-24: 42 respondents (32%)
- 25-34: 47 respondents (36%)
- 35-44: 18 respondents (14%)
- 45-54: 17 respondents (13%)
- 55+: 5 respondents (4%)

15. What is your sex? (131 respondents)

- Male: 67 respondents (51%)
- Female: 52 respondents (40%)
- Non-binary: 5 respondents (4%)
- Prefer not to say: 7 respondents (5%)

16. What part of Canada do you currently live in? (157 respondents)

- British Columbia: 27 respondents (17%)
- Alberta: 19 respondents (12%)
- Ontario: 39 respondents (25%)

- Quebec: 35 respondents (22%)
- Atlantic Provinces: 23 respondents (14%)
- I don't live in Canada currently: 15 respondents (10%)

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