

From Transactions to Subscriptions: Customer Adoption, Organizational Readiness, and Business Model Innovation in an Emerging-Market Pet Retailer

Rima Rupita^{1*}

¹Master of Business Administration Program, Institut Teknologi Bandung, Indonesia

Email: rima.rupita@sbm-itb.ac.id

Abstract

Subscription-based business models offer retailers an opportunity to replace episodic transactions with more predictable and enduring customer relationships. However, their implementation requires alignment between customer acceptance and organizational readiness. This study examines how a subscription model can be designed and implemented in an Indonesian multi-branch pet retailer operating in an emerging-market context. An interpretivist qualitative case study was conducted using two parallel interview strands involving 21 customers and nine employees across managerial and frontline roles. The interviews were supported by internal business documents, industry reports, a working subscription-platform prototype, and direct observation of competing retailers. The findings show that customer willingness to subscribe is driven by convenience, automated replenishment, personalization, and reduced stock-out risk, but remains conditional on transparent pricing, flexible modification, easy cancellation, and confidence in service delivery. Organizationally, the retailer possesses a viable recurring-demand base, branch infrastructure, service capabilities, and existing digital channels, yet remains only partially ready because of weaknesses in stock coordination, delivery scheduling, and subscription-specific processes. Fulfilment reliability emerged as the central mechanism linking customer adoption with organizational readiness, as the perceived value of a subscription depends on the retailer's ability to deliver recurring promises consistently. The study further identifies bounded flexibility as a key design principle, in which customers retain meaningful control over quantities, schedules, and cancellations within standardized operational limits. Accordingly, the proposed model combines customizable subscription packages, tiered pricing, scheduled delivery, loyalty incentives, and phased digital implementation. This study contributes to subscription business model research by conceptualizing viability as an alignment outcome between customer-side acceptance and organizational execution, rather than as a consequence of adoption intention alone. It also provides context-sensitive insights into subscription-based transformation in emerging-market specialty retail.

Keywords: subscription business model; subscription adoption; organizational readiness; fulfilment reliability; bounded flexibility; emerging markets.

A. INTRODUCTION

Subscription-based business models have attracted growing attention because they enable firms to replace episodic transactions with recurring customer relationships and more predictable revenue streams (Iyengar et al., 2022). In retail settings, their value proposition commonly rests on convenience, automated replenishment, personalization, and reduced purchasing effort. These benefits are particularly relevant for products that are routinely consumed, where customers repeatedly purchase similar items at relatively stable intervals (Oblander & McCarthy, 2023). Pet retail represents a promising but underexplored setting for subscription-based business model innovation. The increasing humanization of pets has changed purchasing behaviour, as pet owners increasingly treat animal nutrition, health, and well-being as regular

* Corresponding author

household priorities (Clemens, 2014; Forbes et al., 2018). Consequently, demand has expanded beyond basic pet food toward higher-quality products, grooming services, supplements, and personalized care (Forbes et al., 2018). Many of these products and services are purchased repeatedly, making the sector potentially suitable for automated replenishment and bundled subscription offerings.

The Indonesian market provides a particularly relevant context. The national pet food market reached approximately USD 237 million in 2023 and recorded substantial growth between 2019 and 2023 (USDA FAS, 2024). This expansion reflects rising demand for commercially prepared pet food and creates favourable conditions for recurring-service innovation. However, pet retailers continue to face intense price competition, limited switching barriers, uncertain customer retention, and difficulties in forecasting demand. Dependence on imported products also increases exposure to supply chain disruptions and exchange rate volatility (USDA FAS, 2024). The focal company in this study is an anonymized multi-branch pet retailer operating in the Greater Jakarta metropolitan area. Although the company has physical stores, digital ordering channels, grooming services, and an established customer base, its business remains predominantly transactional. Customer purchases are irregular, relationships are episodic, and demand is difficult to predict. These conditions create recurring risks of stock-outs, excess inventory, unstable cash flow, and continued reliance on price-based competition. A subscription model may address these issues by converting routine pet-care needs into recurring purchases and longer-term customer relationships.

Previous studies suggest that subscription adoption is influenced by perceived usefulness, convenience, trust, value, and ease of use, while perceived risk, commitment concerns, and cancellation difficulty can inhibit participation (Martinović et al., 2024). Research also shows that personalization, novelty, and flexibility shape customer responses to subscription services (Sung & Chattaraman, 2022). However, customer willingness alone does not ensure successful implementation. Subscription models also require operational readiness, reliable fulfilment, standardized processes, digital capabilities, and mechanisms for managing recurring customer relationships (Lindström et al., 2023). Despite the growing literature, three gaps remain. First, most subscription research has focused on digital services, fashion, beauty, media, and business-to-business contexts, while physical specialty retail has received less attention. Second, pet retail has received limited attention despite its recurring consumption patterns and emotionally involved customer base. Third, prior studies often examine either customer adoption or organizational implementation, rather than integrating both perspectives within a single empirical framework.

This study addresses these gaps by examining how a subscription-based business model can be designed for an Indonesian pet retailer. The Theory of Planned Behavior is used to interpret customer attitudes, subjective norms, perceived behavioural control, and behavioural intentions (Ajzen, 1991). The Technology Acceptance Model complements this perspective by explaining customer evaluations of the usefulness and ease of use of the proposed digital subscription platform (Davis, 1989). Both theories are employed as sensitizing concepts within an interpretivist qualitative design. They are integrated with organizational-readiness analysis to examine not only whether customers are willing to subscribe, but also whether the retailer can sustain the operational promise of the recurring service.

The study addresses three research questions:

RQ1: How do customers perceive the adoption of a subscription model in pet retail?

RQ2: How does the focal retailer prepare its internal capabilities for implementing a subscription-based business model?

RQ3: What marketing strategies can encourage customer adoption of the proposed subscription model?

This study differs from prior subscription research in three ways. First, it examines subscription adoption in physical pet retail, a context characterized by recurring consumption, heterogeneous pet-care needs, and emotionally involved customers. Second, it integrates customer-side adoption with organizational-side readiness within a single qualitative framework. Third, it identifies fulfilment reliability and bounded

flexibility as the mechanisms through which favourable customer perceptions are translated into a viable, recurring service model. By doing so, the study conceptualizes subscription viability as an alignment outcome between customer acceptance and organizational execution, rather than as a function of adoption intention alone.

B. LITERATURE REVIEW

Subscription-Based Business Models

A subscription business model provides customers with continuous access to products or services through recurring payments rather than isolated purchases (Iyengar et al., 2022). For firms, this model can generate more predictable revenue, improve demand visibility, and support longer-term customer relationships. For customers, its principal benefits include convenience, continuity of supply, reduced purchasing effort, and access to personalized offerings. Subscription models vary depending on the value they offer. Replenishment subscriptions automate the recurring delivery of routinely consumed products, while curation-based models provide selected or personalized product assortments. Access-based subscriptions offer privileges or services that remain available for the duration of membership.

Pet retail is particularly well-suited to replenishment models because food, supplements, litter, hygiene products, and grooming services are consumed or required repeatedly. Unlike purely digital subscriptions, however, pet-retail subscriptions depend on the coordinated delivery of physical products, variable consumption rates, and customer-specific pet-care requirements. Their viability, therefore, rests not only on recurring payment but also on the retailer's capacity to maintain product availability, delivery continuity, and service responsiveness. Subscription participation does not result solely from financial incentives. Iyengar et al. (2022) found that subscription programmes increased customer purchasing, but only part of the effect was attributable to direct economic benefits. Habit formation, commitment, and other psychological mechanisms also influenced customer behaviour. Subscription value should therefore be understood as a combination of economic, functional, relational, and experiential benefits.

Research on subscription services consistently identifies convenience, personalization, value, variety, and reduced purchasing effort as important adoption motives. Fashion subscription users, for example, value personalized recommendations, experimentation, surprise, and time savings (Tao & Xu, 2018). Subscription customers also evaluate whether the service provides sufficient flexibility and control. Complicated cancellation procedures, rigid delivery schedules, unsuitable products, and perceived loss of purchasing autonomy may reduce adoption intention or lead to subscription termination (Banerji et al., 2024; Tao & Xu, 2018). Taken together, these studies suggest that subscription value is inherently dual. Customers seek continuity and reduced effort, but they also expect the freedom to modify, pause, or discontinue the service. This tension is particularly important in replenishment settings, where consumption is recurrent but not perfectly uniform. A viable subscription model must therefore balance continuity with customer control rather than maximizing either standardization or personalization in isolation.

Customer Adoption of Subscription Services

Existing subscription adoption research has predominantly used quantitative approaches to identify predictors of customer intention. Perceived value, usefulness, personalization, trust, habit, and ease of use have generally been associated with stronger adoption or continuance intention, whereas perceived risk and commitment concerns tend to discourage participation (Martinović et al., 2024; Müller-Pérez et al., 2025). Discounts and flexibility also influence subscription evaluation, although their importance may vary across demographic and market contexts (Markiewicz & Ziobrowska, 2025). Qualitative studies provide a more contextual account of these processes. (Tao and Xu, 2018) found that customers viewed subscription

services as convenient and personalized, but expressed concerns about the difficulty of cancellation and the loss of conventional shopping experiences. (Banerji et al., 2024) showed that subscription experiences develop through initiation, immersion, and egression stages, during which customers repeatedly reassess utilitarian and hedonic value. These findings indicate that subscription adoption should be understood as an ongoing evaluation rather than a one-time enrolment decision. Customers initially assess the attractiveness of the offer, subsequently evaluate service performance, and may later reconsider continued participation when value, control, or reliability deteriorates. Accordingly, adoption and continuance are shaped by both anticipated benefits and the organization's capacity to deliver those benefits consistently. In pet retail, these evaluations may be particularly complex because purchases are shaped by individual animals' nutritional requirements, preferences, health conditions, and consumption rates. Subscription design must therefore accommodate variation across both customers and pets. This context also increases the importance of fulfilment reliability, because a delayed or unsuitable delivery may directly disrupt routine pet care rather than merely inconvenience the purchaser.

Theory of Planned Behavior

The Theory of Planned Behavior explains behavioural intention in terms of attitude, subjective norms, and perceived behavioural control (Ajzen, 1991). Attitude refers to an individual's favourable or unfavourable evaluation of performing a behaviour. In subscription adoption, customers may form positive attitudes when they expect convenience, cost efficiency, reliable product availability, or better pet-care management. Conversely, concerns about recurring payments, unwanted products, reduced flexibility, or service failures may lead to negative attitudes. Subjective norms represent perceived social pressure from individuals or groups considered important by the decision-maker (Ajzen, 1991). For pet owners, recommendations from family members, friends, veterinarians, employees, and pet-owner communities may influence whether subscription services are regarded as trustworthy or appropriate. Such influences may be especially relevant in contexts where purchasing decisions are shaped by interpersonal recommendations and community-based information.

Perceived behavioural control concerns whether individuals believe they possess the resources and ability required to perform the behaviour (Ajzen, 1991). Subscription participation may depend on financial capacity, confidence in managing recurring payments, digital literacy, delivery accessibility, and the ability to modify service arrangements. Customers may recognize the usefulness of a subscription but remain unwilling to adopt it when they perceive insufficient control over expenditure, product selection, or cancellation. TPB is used in this study as an interpretive framework rather than a hypothesis-testing model. It supports analysis of how customers describe the perceived advantages, social influences, constraints, and control mechanisms associated with subscription participation. In this study, perceived behavioural control is particularly relevant because subscription participation entails ongoing commitment rather than a single purchase. The ability to adjust quantities, delivery schedules, or cancellation decisions, therefore, becomes part of customers' perceived capacity to manage the subscription.

Technology Acceptance Model

The proposed subscription service is digitally mediated, as customers are expected to register, select packages, manage deliveries, and modify subscriptions via an online platform. The Technology Acceptance Model is therefore employed to examine the technological dimension of adoption. TAM proposes that technology acceptance is primarily shaped by perceived usefulness and perceived ease of use (Davis, 1989). Perceived usefulness concerns whether using a system is expected to improve task performance or generate meaningful benefits. In this context, a subscription platform may be useful for simplifying recurring purchases, preventing customers from running out of pet supplies, recording pet profiles, and facilitating

delivery management. Perceived ease of use refers to the degree to which customers believe that using the system will require limited effort (Davis, 1989). A platform with complicated registration, unclear menus, limited payment options, or difficult modification procedures may weaken adoption even when the underlying subscription offer is attractive. Conversely, a simple interface, transparent information, clear subscription status, and accessible pause or cancellation functions may strengthen customers' willingness to participate.

TAM complements TPB by distinguishing customers' evaluations of the digital delivery mechanism from their broader attitudes toward the subscription arrangement. A customer may support recurring delivery but reject the service because the platform appears difficult to use. Conversely, a usable platform cannot compensate for an offering perceived as inflexible or financially unattractive. TPB and TAM, therefore, address different but connected layers of subscription adoption. TPB explains customers' broader willingness to enter and maintain a recurring commitment, whereas TAM explains their acceptance of the digital interface through which that commitment is managed. Neither framework, however, explains whether the organization can deliver the promised recurring value operationally. This limitation creates the conceptual need to integrate customer-side adoption with organizational readiness.

Organizational Readiness for Subscription Implementation

Subscription business models require organizational changes beyond the introduction of recurring payment options. Firms must coordinate inventory, fulfilment, customer data, service recovery, billing, communication, and retention management. Failure in any of these areas may undermine customer trust and accelerate cancellation. Studies of subscription implementation emphasize process standardization, personalization, agile operations, continuous value evaluation, and churn prevention (Lindström et al., 2023; Rodríguez-García et al., 2022). Rodríguez-García et al. (2022) found that replenishment subscription growth depends on combining personalized service with early operational standardization.

Subscription transformation also changes the operating logic of the firm. Under a transactional model, inventory and service activities respond primarily to individual purchase events. Under a subscription model, the organization must anticipate future commitments, reserve capacity, coordinate recurring fulfilment, and maintain value across the customer lifecycle. Recurring revenue is therefore not produced merely by repeated billing; it depends on repeatable operational routines that support continuing service delivery. Subscription transformation can generate internal tensions because existing employees, systems, suppliers, and intermediaries may be structured around transactional sales rather than recurring service relationships (Burger et al., 2023; Nansubuga & Kowalkowski, 2024). These tensions may arise when existing roles are unclear, stock information is fragmented, delivery capacity is shared with other activities, or customer service procedures are designed for isolated transactions rather than for ongoing relationships.

Organizational readiness, therefore, includes not only physical and technological resources but also employee understanding, process ownership, stock visibility, fulfilment reliability, cross-functional coordination, and the capacity to respond to subscription changes. It also involves the ability to convert customer data into forward-demand signals, translate recurring commitments into stock and delivery plans, and recover from service failures before they lead to cancellation. From this perspective, organizational readiness is configurational rather than resource-based. A retailer may possess branches, customer records, staff, and digital channels, but remain unready when these assets are not connected through standardized processes and clear decision rights. Subscription capability emerges when resources, systems, routines, and service promises operate as an integrated recurring-revenue system. This study treats customer adoption and organizational readiness as interdependent. Positive customer intent can yield sustainable, recurring revenue only when the retailer consistently delivers the promised products and services. Likewise, strong operational capabilities are of limited value when the subscription design fails to address customer expectations for convenience, personalization, affordability, and control. The key analytical issue is

therefore not whether customer adoption or organizational readiness is more important, but rather how their alignment determines the viability of the subscription business model.

Research Gap and Analytical Positioning

Existing studies have examined subscription services in fashion, beauty, curated boxes, media, travel, mobility, manufacturing, and business-to-business contexts (Buschow & Wellbrock, 2022; Kowalkowski & Ulaga, 2024; Yang et al., 2025). However, limited attention has been paid to physical pet retail despite the recurring nature of pet-related consumption. Three gaps are particularly relevant. First, research has rarely integrated customer adoption and organizational readiness within the same empirical study. Second, subscription research remains concentrated in developed markets and digital service settings. Third, the combined use of TPB and TAM as qualitative sensitizing concepts remains limited in hybrid physical–digital retail.

These gaps are interconnected. Customer-side theories explain why an individual may regard a subscription as desirable and manageable, but they do not explain whether the retailer can repeatedly fulfil the promised value. Organizational-readiness research explains implementation capability but gives less attention to how customer expectations concerning convenience, control, and digital usability shape the operating model itself. An integrated perspective is therefore required to explain how customer willingness and organizational capability jointly produce—or constrain—subscription viability. This study addresses these gaps through an interpretivist case analysis of an Indonesian multi-branch pet retailer. TPB explains the broader behavioural considerations shaping subscription intention, while TAM captures customer evaluations of the digital platform. Organizational readiness extends these customer-side perspectives by examining whether inventory systems, fulfilment processes, staff roles, digital infrastructure, and service-recovery capabilities can sustain the recurring promise. These theoretical lenses are integrated with inductively derived customer and employee themes to explain how subscription value, perceived control, technological usability, and operational readiness jointly influence the design of a viable pet-retail subscription model.

Drawing on the literature, this study develops an initial theoretical framework that integrates customer adoption and organizational readiness to assess the viability of subscription business models. Figure 1 presents this analytical positioning.

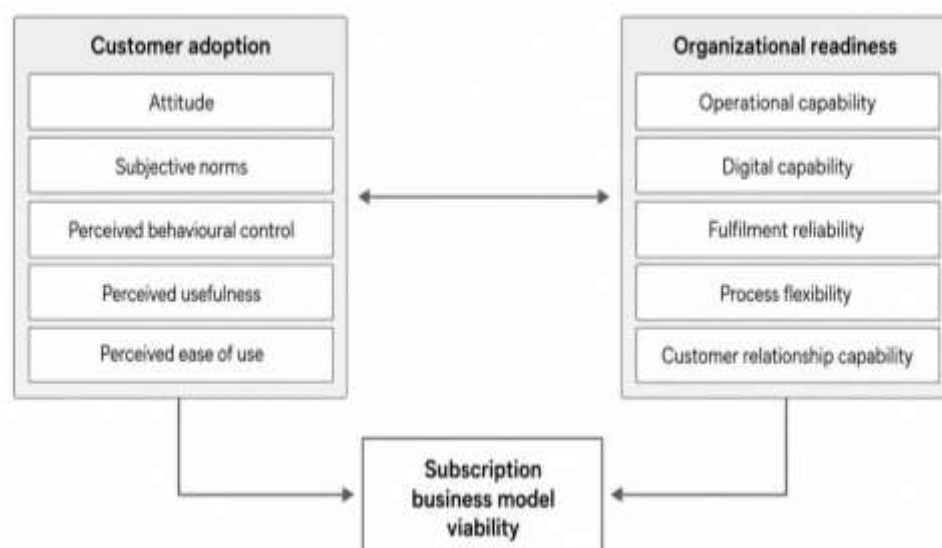


Figure 1. Initial Theoretical Framing of Subscription Model Adoption And Organizational Readiness

Source: Research Data, 2026

Figure 1 functions as a sensitizing analytical structure rather than a causal or hypothesis-testing model. It guided the development of the interview protocol and the initial interpretation of customer- and organization-side evidence, while allowing inductive themes to emerge beyond the constructs depicted in the figure. As shown in Figure 1, the viability of the subscription business model is framed as emerging from the interaction between customer adoption factors and organizational readiness conditions. The framework, therefore, links anticipated customer value with the organizational capability required to deliver it consistently.

C. METHODS

Research Design

This study adopted an interpretivist, multi-method qualitative case study design to examine customer adoption and organizational readiness for a subscription-based business model. A case study strategy was appropriate because subscription implementation constitutes a contemporary business phenomenon embedded within a specific organizational and market context, where the boundaries between the phenomenon and its setting cannot be examined independently (Yin, 2018). The study employed a cross-sectional time horizon and focused on the pre-implementation stage of the proposed subscription model. Rather than evaluating actual post-launch outcomes, the research explored how customers and employees interpreted the proposed model, its digital interface, and the operational requirements associated with recurring service delivery. The analysis, therefore, sought to develop an empirically grounded framework rather than test predetermined causal relationships. The focal organization was anonymized as Company Alpha, an Indonesian multi-branch pet retailer operating in the Greater Jakarta metropolitan area. Branch names, digital addresses, competitor identities, and other commercially identifiable information were removed or generalized throughout the article. The interpretivist approach was selected because the study sought to understand how participants assigned meaning to subscription value, commitment, usability, risk, and operational feasibility rather than to estimate the statistical strength of predetermined relationships.

Participants and Sampling

Participants were selected using purposive sampling based on their knowledge of the company, experience with its products and services, or relevance to subscription adoption (Merriam & Tisdell, 2016). The study comprised two participant strands. The internal strand included employees occupying managerial, supervisory, branch-level, and frontline roles. These participants provided information concerning demand patterns, customer behaviour, inventory management, fulfilment processes, technological capabilities, and organizational readiness. The customer segment comprised loyal or frequent purchasers, including active members, repeat users of grooming or pet accommodation services, and customers who purchased pet supplies at least once a month. These criteria ensured that participants had sufficient experience with recurring pet-care needs and the focal retailer's existing service system. Customer recruitment was not based on a formal statistical segmentation model.

Nevertheless, variation was deliberately sought across four practical characteristics: pet type, number of pets, purchase frequency, and prior use of supplementary services such as grooming or pet accommodation. Spending level was considered indirectly through purchasing patterns and volunteered willingness-to-pay responses, but it was not used as a fixed inclusion criterion. Data collection continued until thematic saturation was achieved, understood as the point at which additional interviews no longer produced substantively new recurring concepts (Guest et al., 2006). The final sample included 30 participants: 21 customers and nine employees.

Table 1. Participant Groups And Analytical Roles

Participant strand	Participants	Selection basis	Primary analytical contribution
Supervisory and operations management	2	Strategic and operational responsibility	Business objectives, platform feasibility, pricing, logistics, and organizational readiness
Branch heads	3	Responsibility for branch-level operations	Inventory, customer patterns, service delivery, and implementation constraints
Frontline employees	4	Direct interaction with customers and services	Customer complaints, purchasing behaviour, operational difficulties, and service expectations
Customers	21	Frequent purchasing or a long-term relationship with the retailer	Adoption motives, perceived value, commitment concerns, platform evaluation, and willingness to subscribe
Total	30		

Source: Research Data, 2026

Data Collection

Data were collected through three complementary sources: semi-structured interviews, documentary evidence, and direct observation. The first phase involved interviews with nine employees. The interview guide explored the company's current business challenges, recurring customer demand, operational readiness, inventory and delivery processes, pricing feasibility, platform requirements, and potential value-added features. The employee interviews were also used to develop a preliminary subscription concept that reflected the organization's available resources and operational constraints. The second phase involved 21 customer interviews. Participants were initially asked about their existing purchasing routines, product replenishment difficulties, retailer-selection criteria, and prior familiarity with subscription services. They were then introduced to a working prototype of the proposed web-based subscription platform.

The prototype was designed as a functional discussion stimulus rather than a fully operational commercial system. Its principal features included customer registration, pet profile entry, package selection, product and service bundling, delivery frequency selection, payment information, reminders, and options to modify, pause, upgrade, downgrade, or cancel a subscription. Participants were shown the main user flow and asked to evaluate the clarity, usefulness, flexibility, and perceived risks associated with each function. During the prototype evaluation, participants were encouraged to think aloud and explain which functions they found useful, intuitive, confusing, or undesirable. Interview questions addressed attitude, subjective norms, perceived behavioural control, perceived usefulness, perceived ease of use, trust, perceived value, commitment concerns, and expected cancellation flexibility. TPB and TAM were used as sensitizing lenses in the interview protocol, but were not used to impose predetermined coding categories.

Customer interviews lasted approximately 30–45 minutes. Interviews were audio-recorded with participant consent and transcribed verbatim. Where quotations were translated into English, the translation retained the intended meaning of the original statement. Internal documentary evidence included transaction records, customer purchase data, inventory and delivery records, operational reports, financial performance summaries, and marketing materials. These documents provided descriptive and historical context for evaluating the company's transaction patterns, branch performance, customer activity, and operational capacity. External documents included market reports, government publications, competitor websites, social media content, and promotional materials. Direct observations were also conducted at competing pet retailers within the focal market. The observations examined product assortments, pricing displays, store atmosphere, service flows, promotional practices, and customer interactions.

Table 2. Data Sources And Analytical Purposes

Data source	Evidence collected	Analytical purpose
Employee interviews	Operational experiences, demand signals, readiness assets, constraints, implementation requirements	Examine organizational readiness
Customer interviews	Purchasing routines, adoption motives, concerns, platform evaluation, service expectations	Examine customer adoption
Subscription prototype	Participant interaction and think-aloud responses	Ground perceptions in a concrete proposed service
Internal documents	Transactions, inventory, delivery, operational, and marketing records	Contextualize interview claims and business conditions
External documents	Industry reports and competitor information	Assess market and competitive conditions
Direct observation	Competitor stores, service systems, pricing, and product presentation	Validate and enrich competitive interpretation

Source: Research Data, 2026

Data Analysis

Interview data were analysed using the Gioia methodology, which provides a systematic movement from informant-centred expressions toward progressively more abstract theoretical categories (Gioia et al., 2013). The analysis proceeded through four stages. First, transcripts were segmented into meaning units and assigned open codes that closely reflected participants' language. This inductive stage generated 369 participant-level coding instances from customers and 111 from employees, producing a total of 480 first-order coding instances. Second, cross-participant consolidation produced 90 recurring first-order concepts: 55 from the customer strand and 35 from the employee strand. These recurring concepts were used to examine the prevalence and saturation of themes. Third, the first-order concepts were grouped into 49 second-order themes, comprising 31 customer themes and 18 employee themes. The themes were expressed in data-grounded language rather than directly labelled using TPB or TAM constructs. Fourth, the second-order themes were distilled into 13 aggregate dimensions: seven customer-facing and six organizational. The customer dimensions covered purchasing behaviour, perceived service benefits and ease, personal and social readiness, adoption concerns, willingness to adopt, subscription design expectations, and marketing and trust expectations. The organizational dimensions covered customer demand signals, operational constraints, readiness assets, the subscription model as a structural remedy, implementation requirements, and marketing insights. To clarify the analytical progression, Table 3 provides an illustrative coding example. The example shows how an informant quotation was first interpreted in participant-centred language and then progressively abstracted into a second-order theme and an aggregate dimension.

Table 3. Illustrative Gioia Coding Progression

Participant quotation	First-order concept	Second-order theme	Aggregate dimension
"My main worry is the delivery not being on time. The logistics must be maintained."	Concern that the scheduled delivery may fail	Fulfilment and product-fit concerns	Adoption concerns
"The sign-up is user-friendly. I am not from the digital generation, but I found it easy."	The platform can be used despite limited digital confidence	Simple and intuitive service use	Perceived service benefits and ease
"Once people subscribe, the schedule becomes regular. You already know who gets a delivery on which date."	Subscription creates visible delivery schedules	Recurring revenue and demand visibility	Subscription model as a structural remedy
"Need pause, skip, or change options."	Customers require reversible subscription control	Flexible modification and cancellation	Subscription design expectations

Source: Research Data, 2026

The coding process followed a hybrid logic. First-order coding remained inductive, while TPB and TAM provided a sensitizing orientation for data collection and subsequent interpretation. Explicit theoretical mapping was undertaken only after the emergent data structure had been established. This sequence reduced the risk of forcing participant statements into predetermined theoretical categories. All coding decisions were documented in structured workbooks. Each entry contained the participant identifier, quotation, first-order code, second-order theme, aggregate dimension, analytical memo, and associated research question. These records formed the audit trail for the analysis.

Strategic and Cross-Source Analysis

Documentary and observational evidence were analysed using PESTLE, Porter's Five Forces, the 7Ps marketing mix, SWOT, and TOWS. These frameworks were not treated as separate theoretical contributions. Instead, they were used as supplementary strategic tools to contextualize the qualitative findings and assess whether the proposed subscription model was compatible with the company's competitive and operational environment. Each framework served a distinct interpretive purpose. PESTLE was used to identify external regulatory, economic, technological, and market conditions. Porter's Five Forces provides an informed framework for interpreting competitive pressure and substitution risk. The 7Ps framework supported comparison of the focal retailer's offer with competing service configurations. SWOT synthesized internal assets and constraints with external opportunities and threats, while TOWS translated that synthesis into implementation options.

The two analytical streams were subsequently integrated. Customer themes were compared with employee accounts, internal records, external documents, and competitor observations. Convergence across sources strengthened the interpretation, while contradictions were retained as analytically meaningful evidence rather than removed as inconsistencies (Patton, 1999). For example, customer expectations concerning delivery flexibility were compared with employee accounts of stock allocation and fulfilment constraints. The strategic tools did not generate the Gioia categories and did not determine the final framework deductively. Instead, they were applied after the thematic structure had been established to assess whether the emergent customer and organizational themes were consistent with the retailer's broader competitive and operational conditions. Their principal contribution was therefore contextual validation and strategic interpretation rather than primary theme generation.

Trustworthiness, Ethical, and Confidentiality Considerations

Trustworthiness was evaluated through credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985; Nowell et al., 2017). Credibility was supported through triangulation across participant strands and data sources, the use of a working prototype during customer interviews, and the inclusion of quotation-level evidence in the findings. Transferability was strengthened through a detailed description of the organizational setting, participant characteristics, and market context. Dependability was supported by the documented coding procedure and the audit trail connecting quotations to concepts, themes, and dimensions. Informant-centred first-order coding, analytical memos, and transparent presentation of the Gioia data structure reinforced confirmability.

Participants were informed of the study's purpose, and interviews were recorded only after consent was obtained. Participant identities were replaced with codes, and commercially sensitive organizational information was anonymized. The company, branches, platform address, and competitors are therefore presented using generalized or pseudonymous descriptions. Where direct quotations were translated, semantic equivalence was prioritized over literal word-for-word translation. Quotations were also screened to remove details that could reveal participant or company identities without changing their substantive meaning.

D. RESULTS AND ANALYSIS

Data Structure and Participant Overview

The analysis drew on two complementary participant strands: 21 customers and nine employees occupying managerial, branch-level, and frontline roles. The customer strand captured purchasing routines, expected subscription benefits, adoption concerns, platform perceptions, and subscription willingness. The employee strand provided evidence on recurring demand, operational constraints, organizational capabilities, fulfilment requirements, and implementation feasibility. The Gioia analysis generated 480 participant-level coding instances, comprising 369 customer-derived and 111 employee-derived codes. Cross-participant consolidation produced 90 recurring first-order concepts, which were subsequently organized into 49 second-order themes and 13 aggregate dimensions. Seven aggregate dimensions represented the customer perspective, while six captured the organizational perspective.

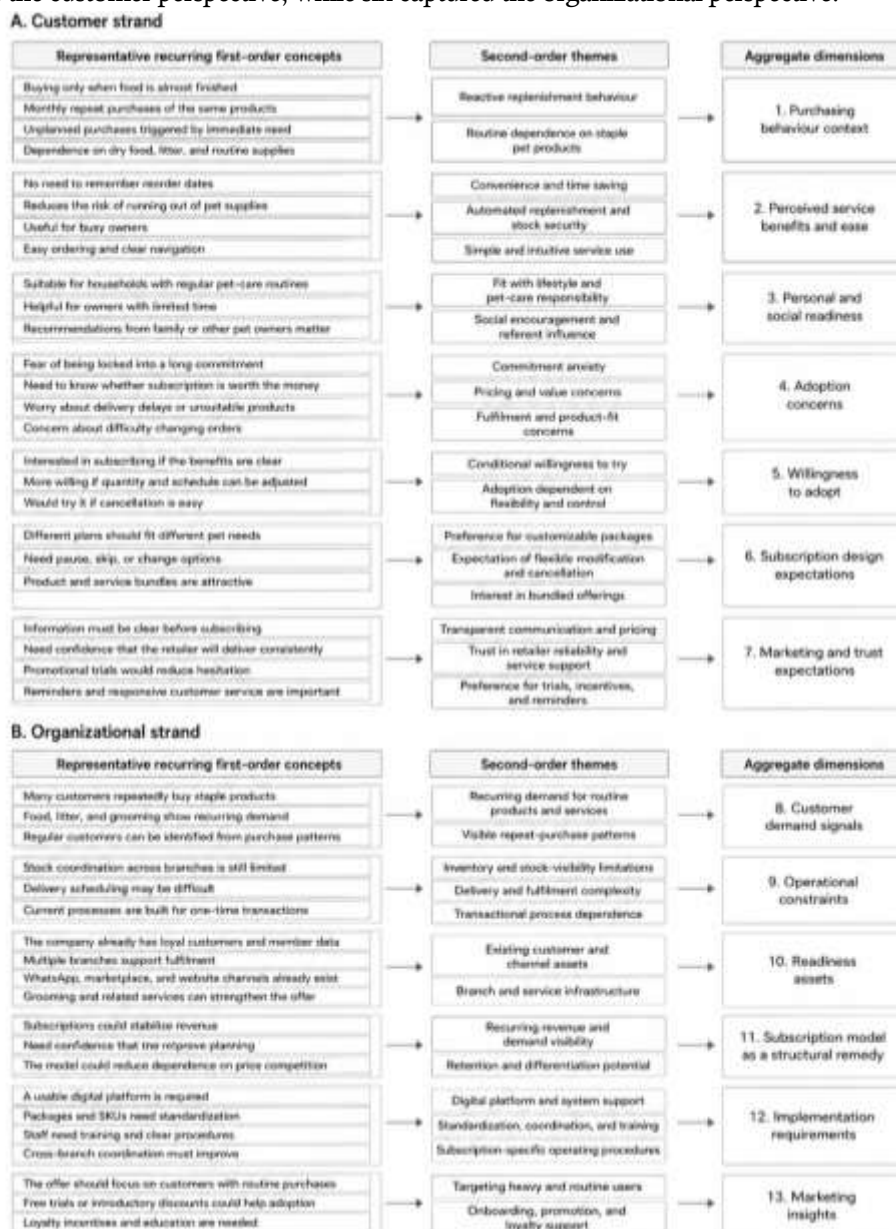


Figure 2. Simplified Gioia Data Structure of Customer Adoption and Organizational Readiness

Source: Research Data, 2026

The customer-side dimensions comprised purchasing behaviour context, perceived service benefits and ease, personal and social readiness, adoption concerns, willingness to adopt, subscription design expectations, and marketing and trust expectations. The organizational dimensions comprised customer demand signals, operational constraints, readiness assets, the subscription model as a structural remedy, implementation requirements, and marketing insights. This two-strand structure enabled the analysis to examine customer acceptance and organizational execution separately before identifying the mechanisms connecting them. The complete coding hierarchy is presented in Figure 2. To improve readability in print, the figure reports representative recurring concepts rather than all 90 first-order concepts; the complete coding structure may be provided as supplementary material.

Customer-Side Findings

Customer accounts revealed seven interconnected dimensions shaping subscription adoption. These dimensions can be synthesized into three broader empirical patterns: the practical value of automated replenishment, conditional willingness based on customer control, and trust in the retailer's capacity to fulfil the recurring promise.

Purchasing Behaviour and Perceived Benefits

Customers commonly described pet-care purchasing as repetitive but reactive. Staple products were purchased monthly or when existing supplies were nearly exhausted, creating occasional stock-out risk and unplanned shopping trips. Busy routines further increased the appeal of scheduled replenishment. As one participant explained: *"My busy routine is exactly what pushes me toward subscribing."* The proposed model was valued primarily for reducing effort, preventing product shortages, and making routine expenditure more orderly. Customers associated automatic delivery with fewer emergency purchases, improved budget visibility, and more efficient pet-care management: *"It is useful. Everything becomes more orderly, less hectic—one handover a month."* The platform prototype was generally perceived as accessible. Even participants with limited digital confidence considered registration and navigation manageable: *"The sign-up is user-friendly. I am not from the digital generation, but I found it easy."* These accounts indicate that customers did not view the subscription primarily as a novel digital service. Its value arose from simplifying an existing replenishment routine and reducing the risk of interruptions in pet-care supplies.

Personal and Social Readiness

Customers responded most positively when the proposed service aligned with their household routines, purchasing frequency, financial capacity, and responsibility for multiple pets. Readiness was particularly evident among time-constrained customers and those buying predictable quantities of staple products. Participants reported few substantial technological barriers, although some preferred staff-assisted registration, confirmations, and reminders rather than completely independent platform use. Social influence also strengthened confidence in the unfamiliar service: *"The community and recommendations strongly influence me. An active community can shift even the choice of store."* Social influence, therefore, operated primarily as a mechanism for credibility validation. Recommendations from other pet owners reduced uncertainty about service performance rather than creating direct pressure to subscribe.

Conditional Willingness, Control, and Subscription Design

Although initial reactions were favourable, willingness to subscribe remained conditional. Customers were concerned about long-term commitment, unsuitable quantities, product accumulation, delivery failure, and difficulty changing or cancelling an order. Monthly arrangements were generally perceived as less risky than annual commitments. Customers were more willing to participate when they retained the

ability to adjust quantities, change delivery dates, downgrade packages, pause participation, or cancel without penalty: *"No worry—it is Netflix-like. I would only worry if it were yearly; monthly is fine."*

The recurring emphasis on flexibility, cancellation, and control is consolidated here rather than repeated across separate subsections. These features formed a single underlying requirement: customers wanted the benefits of continuity without losing autonomy over future purchases. Customers also rejected a uniform package. They expected plans to reflect pet type, number of animals, consumption rate, preferred brands, and service requirements. Frequently requested features included adjustable quantities, variable delivery schedules, reminders, temporary suspension, package changes, and simple cancellation. Participants expressed interest in combining routine delivery with grooming, health records, nutritional consultation, pet-growth monitoring, and other value-added services. Priority delivery was particularly attractive: *"The most attractive feature is delivery priority, so the cats never run out."* Volunteered willingness-to-pay estimates varied substantially according to the number and type of pets. One participant considered IDR 300,000–800,000 per month reasonable for six cats, while another indicated a wider range, as the household also cared for large dogs. These figures represent indicative qualitative responses and should not be interpreted as validated market prices.

Marketing and Trust Expectations

Trust was associated with transparent pricing, recognizable branding, reliable service, accessible staff, and responsive after-sales support. Participants rejected exaggerated or manipulative promotion: *"No gimmicks—the marketing must be honest. Tricky marketing erodes trust."* Customers recommended introductory trials, discounts, redeemable points, referral schemes, and educational content through direct digital channels. Peer referral was regarded as particularly credible because recommendations from existing members were perceived as less commercially biased than seller-generated claims. Customer loyalty was therefore expected to depend on continued value delivery rather than enrolment incentives alone. Promotional benefits could encourage trial, but delayed delivery, unclear pricing, or the absence of meaningful advantages over conventional purchasing could quickly trigger cancellation.

Organizational-Side Findings

The employee strand revealed six organizational *dimensions*. These dimensions collectively showed that the retailer had a viable demand base and several enabling resources, but remained only partially ready because those resources had not yet been integrated into a reliable, recurring-service system.

Customer Demand Signals and Operational Constraints

Employees consistently observed that a substantial share of customer demand was repetitive and potentially predictable. Loyal customers frequently purchased the same staple products in similar quantities and at relatively stable intervals: *"Most of the demand is actually fixed and recurring. They buy the same items over and over, like two kilograms every week."* These patterns suggested that the company already had an identifiable customer base compatible with replenishment subscriptions. Existing transaction records and staff knowledge of customer routines could support initial targeting and package development.

The company also possessed several enabling assets, including loyal customers, purchase records, multiple branches, adequate storage, internal delivery capability, and existing digital channels such as WhatsApp, a marketplace account, and a corporate website. Employees did not regard storage or staffing capacity as the primary obstacle: *Staff and storage space are not the bottleneck. The real constraint is the suppliers."* *"Storage capacity is fine. For subscription volumes, it is more than enough."* These findings indicate partial rather than complete readiness. Relevant assets were already available, but they remained dispersed across processes designed for one-time transactions.

Operational Constraints and Implementation Requirements

The current system did not convert recurring purchase patterns into forward demand visibility. Employees continued to anticipate stock requirements reactively because customer orders were not formally scheduled. Uncertain supplier lead times contributed to both stock-outs and excess inventory. Delivery scheduling was the most prominent operational constraint. Couriers also performed store or grooming duties, and delivery arrangements remained irregular: *"The roles are already split—the store head prepares the goods, and there is a dedicated person who delivers. The constraint is that the delivery schedule is irregular."*

Employees identified three immediate requirements. First, delivery activities required clearer separation from other operational duties, supported by scheduled batch deliveries and route planning. Second, the company needed subscription-specific procedures covering package and SKU standardization, subscriber stock allocation, order changes, and cross-branch coordination. Third, the supporting digital system had to remain simple enough for routine employee use: *"The website admin has to be detailed and check regularly, and coordination between store heads has to be tighter."* Organizational readiness, therefore, depended less on acquiring entirely new infrastructure than on connecting existing assets through standardized processes, explicit responsibilities, accurate information, and repeatable fulfilment routines.

Subscription as a Structural Remedy

Employees viewed the subscription model as a potential response to uncertain demand, unstable recurring revenue, and price-based competition. Scheduled commitments could improve demand forecasting, inventory planning, and delivery scheduling: *"Once people subscribe, the schedule becomes regular. You already know who gets a delivery on which date."* The model was also perceived as a means of strengthening retention and differentiation. However, employees recognized that the subscription would raise, rather than reduce, service obligations. Because customers would pay in advance and expect continuity, fulfilment failures would become more consequential than under conventional transactional retail.

Marketing Insights

Employees recommended targeting customers with visible repeat-purchase patterns, particularly those who purchase staple products in consistent quantities. Price-sensitive customers were expected to respond to discounts and free delivery, while convenience-oriented customers could be approached through the benefits of automatic replenishment and service reliability: *"The promo customers like most is discount plus free shipping. That works better than bundling."* Direct communication was regarded as more effective than broad promotion: *"The most effective channel is WhatsApp broadcast one by one, and offering it directly in the store. Social media is less effective because it is too broad."* These findings indicate that marketing should follow operational capability rather than precede it. The retailer could effectively target promising customers, but promotional claims would remain credible only if backed by consistent delivery and stock availability.

Fulfilment Reliability as a Cross-Cutting Theme

Fulfilment reliability emerged as the central cross-cutting theme connecting the two participant strands. From the customer perspective, reliable fulfilment meant receiving the correct products, in the agreed quantity, at the promised time, with accessible support when problems occurred. From the employee perspective, the same outcome depended on supplier reliability, stock visibility, delivery scheduling, role clarity, and coordination across branches. Customers' dominant concern was not the subscription concept or the digital platform itself, but what would happen after payment: *"My main worry is the delivery not being on time. The logistics must be maintained."* This convergence demonstrates that fulfilment reliability operates simultaneously as an organizational capability and a customer adoption condition. Operationally, it reflects the retailer's capacity to coordinate stock, delivery, and service recovery. Behaviourally, it shapes perceived

usefulness, trust, risk perceptions, and the willingness to continue subscribing. Fulfilment reliability also determines whether the core subscription value proposition can be realized. Automated replenishment is useful only when it prevents customers from running out of essential supplies. If stock or delivery becomes unreliable, the principal advantage of subscription disappears, and the recurring commitment becomes a source of additional risk.

Integrated Findings

Integration of the customer and organizational strands revealed that subscription viability depends on alignment between customer willingness and operational execution. Customers expressed interest in automated replenishment, convenience, flexible package management, and reliable access to routine products. Employees identified recurring purchase patterns and recognized the potential of subscriptions to improve demand visibility, retention, and revenue stability. Three alignment mechanisms emerged. First, customer flexibility requires organizational standardization. Customers can only pause, reschedule, modify, or cancel reliably when the retailer has predefined rules, accurate stock information, and clear processing responsibilities. Second, perceived usefulness depends on fulfilment reliability. The value of automatic replenishment is realized only when products remain available, and deliveries occur as promised. Third, customer trust depends on visible organizational capability, including transparent terms, delivery confirmation, responsive support, and consistent problem resolution.

The retailer possessed important enabling assets, including loyal customers, multiple branches, service capabilities, customer records, storage capacity, and established digital channels. However, these assets did not constitute full organizational readiness because they remained fragmented across transaction-oriented processes. The integrated findings, therefore, suggest a gated alignment mechanism. Recurring customer needs create the initial opportunity. Perceived usefulness, ease of use, value, social reassurance, and flexibility strengthen willingness to subscribe. Organizational assets provide the implementation foundation. However, sustained participation and recurring revenue only become possible when standardized processes, digital coordination, and fulfilment reliability consistently translate the proposed value into actual service performance.

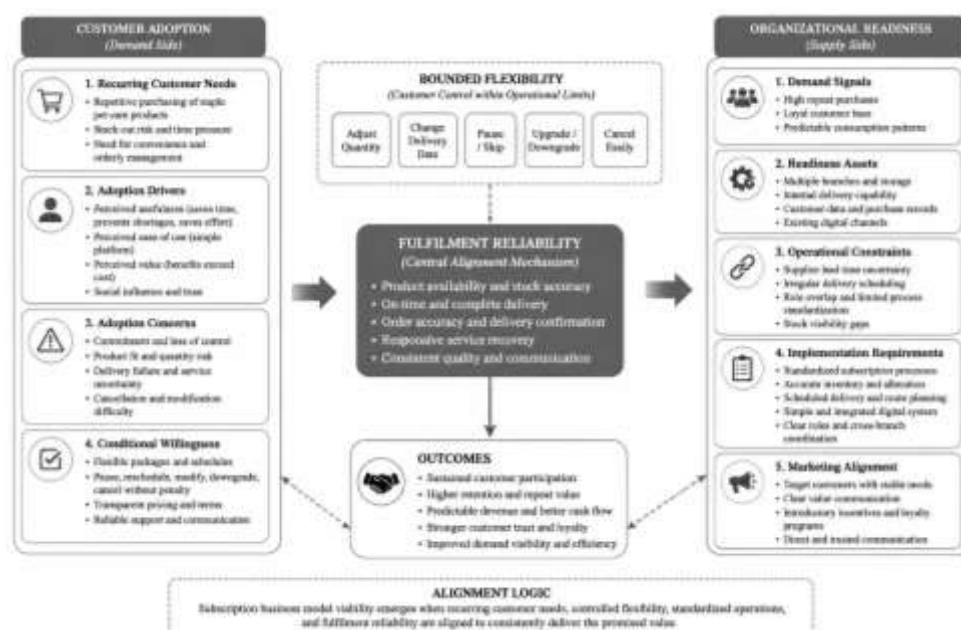


Figure 3. Empirically Derived Alignment Mechanism for Subscription Business Model Viability

Source: Research Data, 2026

Marketing strategy must consequently remain consistent with operational capability. Introductory discounts, free delivery, loyalty rewards, referrals, and direct communication may encourage initial enrolment, but they cannot compensate for unreliable execution. The launch proposition should therefore emphasize realistic service promises, transparent terms, and a phased rollout targeted at customers with stable recurring purchases. Figure 3 summarizes the empirically derived alignment mechanism. It positions fulfilment reliability as the central bridge between customer adoption and organizational readiness, while bounded flexibility connects customer control with operational standardization. Overall, subscription business model viability was not produced by customer acceptance or organizational resources independently. It emerged from the alignment of recurring customer needs, controlled service flexibility, standardized operations, and reliable fulfilment.

Discussion

Customer Adoption, Organizational Readiness, and Fulfilment Reliability

Figure 3 indicates that fulfilment reliability is the primary mechanism connecting customer adoption with organizational readiness. This mechanism should be introduced before discussing TPB and TAM because the findings show that customer acceptance is not formed independently of the retailer's expected execution. Customers evaluated subscription benefits through the practical question of whether essential products would remain available and arrive as promised, while employees assessed the same issue through stock visibility, supplier reliability, delivery scheduling, and process coordination. Fulfilment reliability therefore operates simultaneously as an anticipated customer benefit, an organizational capability, and a condition for sustainable recurring revenue.

This interpretation extends subscription-economy research by showing that the transition from transactions to subscriptions changes the object of customer evaluation. In conventional retail, customers primarily assess an individual product or purchase experience. In subscription exchange, they evaluate the organization's capacity to reproduce value consistently across repeated service cycles. The subscription promise consequently transforms fulfilment from a supporting operational activity into a central component of the value proposition.

Customer Adoption through TPB and TAM

The findings indicate that perceived value, customer control, social reassurance, technological usability, and fulfilment confidence jointly shape subscription adoption. TPB and TAM therefore provide complementary rather than competing explanations of customer willingness. From a TPB perspective, customer attitudes were generally favourable because the proposed subscription reduced purchasing effort, prevented product shortages, and made routine pet-care expenditure more manageable. These outcomes supported positive evaluations of subscribing, consistent with the view that behavioural attitudes are formed through beliefs about expected consequences (Ajzen, 1991).

However, favourable attitudes did not represent unconditional acceptance. Customers evaluated the service as an ongoing commitment involving future payments, deliveries, and product quantities. Their attitudes therefore depended not only on expected convenience but also on whether the recurring arrangement remained reversible, controllable, and operationally credible.

Perceived behavioural control emerged as particularly important. Customers wanted the ability to change quantities, reschedule delivery, pause participation, switch packages, and cancel without penalties. These features reduced the perceived risk of losing control over recurring expenditure and household inventory.

The findings extend TPB by showing that perceived behavioural control in subscription settings has a temporal dimension. Customers are not only concerned about their ability to enrol; they also assess whether

they can manage, revise, or terminate the relationship after enrolment. Modification and cancellation functions therefore constitute behavioural-control mechanisms rather than merely optional service features.

Subjective norms played a secondary but meaningful role. Recommendations from family members, pet-owner communities, and existing subscribers helped reduce uncertainty and strengthen trust. Rather than exerting direct normative pressure, social influence worked as credibility transfer. Positive experiences communicated by trusted others provided informal evidence that the retailer could fulfil its recurring promise.

TAM explains the technological component of adoption. Customers perceived the prototype as useful because it supported automated replenishment, reminders, expenditure planning, and service management. Ease of use was reflected in simple registration, clear navigation, and accessible modification functions. These findings are consistent with Davis's (1989) identification of perceived usefulness and perceived ease of use as central technology-acceptance beliefs.

Nevertheless, a usable platform did not guarantee subscription adoption. Customers could find the interface easy to use while remaining concerned about price, product suitability, delivery reliability, and commitment. The findings therefore position platform acceptance as an enabling condition rather than the final adoption outcome. The digital interface facilitates participation, but the broader service system determines whether customers regard participation as worthwhile and safe.

Perceived risk also emerged strongly, although it is not a core construct in the original TPB or TAM. Customers' concerns centred on delayed delivery, stock unavailability, unwanted accumulation, payment commitment, and difficult cancellation. These concerns support prior findings that perceived risk can weaken subscription adoption even when usefulness and convenience are recognized (Martinović et al., 2024). In this study, however, risk was predominantly fulfilment-related rather than technology-related. Customers were less concerned about operating the platform than about whether the retailer could maintain continuity after payment.

Taken together, the findings suggest a conditional adoption sequence. Customers initially recognize the functional usefulness of automated replenishment. They then assess whether the service fits their routines, financial circumstances, and social expectations. Finally, they evaluate whether they retain adequate control and whether the retailer appears capable of delivering consistently. TPB and TAM explain important elements of this sequence, but fulfilment reliability determines whether favourable behavioural and technological evaluations can be converted into credible subscription willingness.

Organizational Readiness and Subscription Transformation

The organizational findings show that subscription viability depends not only on the existence of recurring customer needs but also on the retailer's ability to redesign transaction-based processes into coordinated recurring-service operations. The company possessed relevant assets, including loyal customers, repeat-purchase records, multiple branches, storage capacity, service capabilities, and existing digital channels. However, these resources remained embedded in a conventional retail model and had not yet been integrated into a subscription-specific operating system.

This distinction is important because subscription models involve both business model innovation and business process innovation. The former changes how value is created and captured through recurring relationships, whereas the latter changes how orders, inventory, payments, deliveries, and communication are managed (OECD, 2018).

The findings add to subscription-economy research by demonstrating that recurring revenue is an operational achievement rather than simply a pricing arrangement. Periodic billing can create contractual recurrence, but sustainable recurring revenue depends on repeatable routines for demand forecasting, stock allocation, delivery execution, service recovery, and relationship management.

In the present case, recurring orders require a shift from customer-initiated purchasing to scheduled fulfilment, from reactive inventory management to forward demand planning, and from transaction-focused communication to continuous relationship management. Organizational readiness is therefore configurational rather than resource-based. Having branches, customer data, storage, and delivery personnel does not itself indicate readiness. These assets must be connected through standardized procedures, clear role allocation, integrated stock visibility, and subscription-specific coordination. This interpretation is consistent with research emphasizing process standardization, service continuity, and cross-functional alignment in subscription implementation (Lindström et al., 2023; Rodríguez-García et al., 2022).

The company's readiness can consequently be described as partial and latent. It possesses assets that could support subscription implementation, but their value remains unrealized until they are combined into a coherent operating configuration. Readiness is produced through coordination among resources, routines, information, and responsibilities rather than through the presence of individual resources alone.

Fulfilment reliability emerged as the most critical readiness condition. Employees identified supplier uncertainty, delivery scheduling, and cross-branch stock coordination as the main operational gaps. Subscription customers do not simply purchase a product; they purchase an expectation of continuity. A delayed or incomplete recurring order therefore represents not only an operational failure but also a violation of the subscription value proposition.

Digital readiness should likewise be understood as socio-technical rather than purely technological. A functional platform is necessary, but implementation may fail when employees perceive the system as burdensome or revert to informal records and messaging. The platform must therefore align front-end customer flexibility with back-end operational discipline. Customer modifications should automatically translate into updated stock requirements, payment status, delivery schedules, and employee responsibilities.

Subscription transformation is thus not achieved by adding recurring payment to an existing retail process. It requires redesigning the operating architecture through which the organization anticipates, coordinates, delivers, and recovers the recurring promise.

Bounded Flexibility as a Subscription Design Principle

The findings refine the role of flexibility in subscription services. Prior studies have associated flexibility with satisfaction and lower commitment anxiety (Banerji et al., 2024; Tao & Xu, 2018). This study develops the more specific concept of bounded flexibility, defined as customer control over subscription quantities, schedules, package changes, pauses, and cancellation within predefined operational parameters.

Bounded flexibility differs from conventional personalization. Personalization primarily concerns adapting an offer to individual preferences, whereas bounded flexibility concerns the rules through which customers can subsequently alter an ongoing recurring arrangement. It also differs from unrestricted customization, which may permit extensive individual variation without regard to operational consequences. Bounded flexibility combines front-end choice with back-end standardization.

Customers required sufficient freedom to manage changing consumption levels, financial conditions, and pet-care needs. However, unlimited variation could increase inventory complexity, delivery uncertainty, administrative burden, and service errors. Conversely, rigid standardization could weaken perceived behavioural control and intensify commitment concerns.

The concept therefore addresses a structural tension within subscription models. Customer value increases when the service adapts to changing circumstances, but organizational reliability may decline when every subscription becomes unique. Bounded flexibility resolves this tension by restricting choice to

operationally manageable options, such as predefined package tiers, permitted delivery windows, modification cut-off dates, standard pause durations, and clear cancellation procedures.

This principle is particularly relevant to pet retail because consumption patterns are recurrent but not uniform. Product use varies according to pet type, number of animals, brand preference, health condition, and household routine. The service must therefore avoid both a completely standardized package that ignores meaningful variation and a fully individualized system that becomes difficult to operate.

Customizable tiers, predefined adjustment options, and scheduled review points provide a practical middle position. Theoretical attention to bounded flexibility also shifts subscription research away from treating flexibility only as a customer preference and toward viewing it as a jointly produced organizational capability.

Integrating Customer Adoption and Organizational Readiness

The central contribution of this study is to show that subscription viability emerges from alignment between customer adoption and organizational readiness. Prior research has often examined these domains separately: customer-oriented studies emphasize usefulness, value, trust, convenience, and flexibility, while implementation-oriented studies focus on process standardization, service delivery, retention, and operational coordination (Martinović et al., 2024; Rodríguez-García et al., 2022).

Figure 3 integrates these streams by positioning fulfilment reliability as the central alignment mechanism and bounded flexibility as the design principle connecting customer control with operational standardization.

Three mechanisms explain this alignment. First, customer flexibility requires organizational standardization. Customers can pause, skip, modify, or cancel reliably only when package structures, modification rules, cut-off times, inventory allocation, and delivery procedures are clearly defined. Flexibility at the customer interface, therefore, depends on discipline in the organizational back end.

Second, perceived usefulness depends on fulfilment reliability. Automated replenishment is useful because it can prevent customers from running out of essential products. If delivery or product availability becomes unreliable, the principal benefit disappears. Fulfilment reliability, therefore, converts perceived usefulness from an anticipated benefit into an experienced one.

Third, customer trust depends on visible organizational capability. Transparent pricing, delivery confirmation, responsive staff, and accessible complaint handling signal whether the retailer can sustain the recurring promise. Trust is therefore grounded not only in communication but also in repeated evidence of coordinated execution.

These mechanisms indicate that customer adoption and organizational readiness are mutually constitutive. Customer expectations shape the operational capabilities the retailer must develop, while organizational capabilities determine whether customer expectations remain credible. The relationship is therefore interactive rather than sequential in a strictly linear sense.

Subscription business model viability emerges through a gated alignment process. Recurring customer needs create the opportunity; usefulness, ease of use, value, social reassurance, and perceived control generate initial willingness; organizational assets provide the implementation foundation; and fulfilment reliability determines whether the offer can generate sustained participation, trust, and recurring revenue. Failure at the fulfilment stage can interrupt the process even when earlier adoption conditions are favourable.

This interpretation advances subscription business model research by shifting attention from adoption intention alone toward the organizational conditions that make adoption credible and sustainable. The transition from transactional retail to subscription exchange is therefore not simply a pricing innovation but

a coordinated redesign of customer relationships, digital systems, operational processes, and service delivery.

Theoretical Implications

This study offers four theoretical implications. First, it conceptualizes subscription business model viability as an alignment outcome between customer adoption and organizational readiness. This moves subscription research beyond customer intention and recurring-payment design by showing that viability depends on the organization's capacity to reproduce the promised value across successive service cycles. Second, the study refines the combined use of TPB and TAM in a qualitative subscription setting. TPB explains how attitudes, social influences, and perceived behavioural control shape willingness to subscribe (Ajzen, 1991), while TAM captures evaluations of the digital platform's usefulness and ease of use (Davis, 1989). The findings show that these frameworks explain initial customer acceptance but require an operational complement to account for whether acceptance can become sustained participation.

Third, the study identifies fulfilment reliability as an original cross-level mechanism. From the organizational perspective, it consists of stock accuracy, delivery coordination, role clarity, and service recovery. From the customer perspective, it shapes perceived usefulness, trust, risk, and continuance. Fulfilment reliability should therefore be theorized as part of subscription value creation rather than treated only as a back-end operational variable. Fourth, the study introduces bounded flexibility as an original subscription-design construct. Bounded flexibility differs from personalization by emphasizing continuing customer control after enrolment and differs from unrestricted customization by locating that control within standardized operational boundaries. It explains how firms can reduce customer commitment anxiety without undermining fulfilment reliability and scalability. The study frames subscription adoption as a socio-technical and organizational process. The transition from transactional retail to subscription exchange requires simultaneous alignment among customer perceptions, digital usability, operational routines, controlled flexibility, and reliable fulfilment.

Managerial Implications

The managerial recommendations can be organized into short-, medium-, and long-term implementation stages. First, Short-Term: Validate Demand and Stabilize Core Operations. The retailer should begin with a controlled pilot involving customers with stable repeat-purchase patterns, predictable product consumption, and prior engagement with the company. The initial offer should focus on a limited range of frequently consumed products and monthly commitments. Before enrolment, management should establish basic stock-allocation rules, delivery schedules, service responsibilities, and procedures for substitutions, delays, and failed deliveries. The digital platform should initially provide only essential functions: customer and pet profiles, package selection, payment confirmation, delivery schedules, reminders, and simple modification or cancellation. Direct communication through WhatsApp and in-store consultation should support customer onboarding.

Second, Medium-Term: Standardize and Integrate. After the pilot demonstrates reliable execution, the retailer should formalize subscription-specific procedures across branches. This includes standardized packages and SKUs, subscriber-priority rules, modification cut-off dates, route planning, stock visibility, complaint handling, and cross-branch coordination. Customer flexibility should be expanded through predefined options rather than unrestricted customization. Marketing should emphasize practical value rather than novelty. Communication should focus on convenience, reduced stock-out risk, transparent pricing, flexible commitment, and dependable service. Introductory trials, free delivery, referral incentives, and loyalty rewards may reduce adoption barriers, but promotional promises must remain consistent with operational capacity.

Third, Long-Term: Scale the Recurring-Service System. Large-scale expansion should occur only after the organization can maintain fulfilment reliability across repeated subscription cycles. At this stage, the company may extend package variety, integrate grooming and consultation services, automate demand forecasting, and develop more advanced customer-lifecycle management. Expansion to additional customer groups or geographic areas should be based on demonstrated operational performance rather than enrolment growth alone. Performance evaluation should extend beyond subscriber numbers. Management should monitor fulfilment accuracy, on-time and complete delivery, stock-outs, modification frequency, cancellations, complaints, renewals, average revenue per subscriber, and inventory efficiency. These indicators should function as scaling gates. The company should expand only when improvements in acquisition are accompanied by stable fulfilment, retention, and unit-level economic performance. This staged approach reduces the risk of promoting a subscription promise faster than the organization can reliably deliver it.

E. CONCLUSION

This study examined how a subscription-based business model could be developed for an anonymized multi-branch pet retailer by integrating customer adoption and organizational readiness. Rather than treating subscription transformation as a recurring-payment innovation alone, the study shows that its viability depends on the alignment of customer expectations, digital usability, operational routines, and service execution. Customers valued convenience, automated replenishment, personalization, and reduced stock-out risk. However, willingness to subscribe remained conditional on transparent pricing, flexible modification, easy cancellation, and reliable fulfilment. From the organizational perspective, the retailer possessed relevant assets, including loyal customers, recurring demand, branch infrastructure, service capabilities, and existing digital channels. Nevertheless, these assets required stronger coordination, standardized procedures, improved stock visibility, and more reliable delivery arrangements before implementation could be scaled.

The broader implication is that the transition from transactional retail to subscription-based exchange requires a redesign of how value is promised and repeatedly delivered. Customer interest creates an initial opportunity, but recurring revenue becomes sustainable only when the organization can convert that interest into consistent service performance. Fulfilment reliability, therefore, functions as the central alignment mechanism connecting organizational capability with customer trust, perceived usefulness, and continued participation. The study also demonstrates that flexibility must be operationally governed. Bounded flexibility allows customers to retain meaningful control over quantities, schedules, package changes, pauses, and cancellations while preserving the standardization required for reliable fulfilment. Subscription viability, therefore, emerges neither from customer acceptance nor organizational resources independently, but from their continuing alignment across successive service cycles.

Limitations and Future Research

Several limitations should be acknowledged. First, the study is based on a single organizational case in the Indonesian pet retail sector, limiting the transferability of its findings to other industries and geographic contexts. Second, the research captures customer perceptions and organizational readiness before full implementation. Actual subscription enrolment, renewal, churn, and financial performance were therefore not observed. Third, willingness-to-pay figures were volunteered during qualitative interviews and should not be interpreted as statistically validated price estimates. Fourth, the cross-sectional design captures perceptions at one point in time and cannot explain how customer attitudes or organizational capabilities

may change after implementation. Finally, TPB and TAM were used as interpretive lenses rather than quantitatively tested models.

Future studies should evaluate the proposed model after implementation using longitudinal designs. Research could examine enrolment, retention, cancellation, service failure, customer lifetime value, and recurring revenue performance over time. Quantitative studies may also test the relationships among perceived usefulness, perceived ease of use, perceived behavioural control, trust, fulfilment, reliability, bounded flexibility, subscription intention, and continuance behaviour. Comparative multi-case studies should examine subscription transformation across different retail sectors, organizational sizes, and emerging-market settings. Such research would help determine whether fulfilment reliability and bounded flexibility remain central alignment mechanisms in sectors with different consumption frequencies, service intensities, and supply-chain structures. Future work should also investigate optimal pricing, package configuration, and churn prevention through experiments or mixed-method designs. Post-implementation research could further examine whether fulfilment reliability mediates the relationship between organizational readiness and continued subscription use, and whether bounded flexibility moderates the effects of commitment concern, perceived risk, and service complexity.

REFERENCES

- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- Banerji, I., Gupta, A., & Ketron, S. (2024). Navigating consumption streams: Toward a utilitarian–hedonic perspective on subscription box customer journeys. *Journal of Consumer Behaviour*, 23, 2660–2675. <https://doi.org/10.1002/cb.2369>
- Burger, M., Krüger, A., Burgmann, N., & Arlinghaus, J. (2023). Offering subscriptions of industrial goods: Uncertain experiment or necessary step? *IEEE Transactions on Engineering Management*. Advance online publication. <https://doi.org/10.1109/TEM.2023.3258860>
- Buschow, C., & Wellbrock, C.-M. (2022). "Spotify for news"? User perception of subscription-based content platforms for news media. *Journalism and Media*, 4(1), 1–15. <https://doi.org/10.3390/journalmedia4010001>
- Clemens, R. (2014). The "humanization" of pet food. *Food Technology*, 68(8), 20.
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–340. <https://doi.org/10.2307/249008>
- Forbes, S. L., Trafford, S., & Surie, M. (2018). Pet humanization: What is it and does it influence purchasing behaviour? *Journal of Dairy & Veterinary Sciences*, 5(2), Article 555659. <https://doi.org/10.19080/JDVS.2018.05.555659>
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16(1), 15–31. <https://doi.org/10.1177/1094428112452151>
- Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? An experiment with data saturation and variability. *Field Methods*, 18(1), 59–82. <https://doi.org/10.1177/1525822X05279903>
- Iyengar, R., Park, Y.-H., & Yu, Q. (2022). The impact of subscription programs on customer purchases. *Journal of Marketing Research*, 59(6), 1101–1119. <https://doi.org/10.1177/00222437221080163>
- Kowalkowski, C., & Ulaga, W. (2024). Subscription offers in business-to-business markets: Conceptualization, taxonomy, and framework for growth. *Industrial Marketing Management*,

- 117, 440–456. <https://doi.org/10.1016/j.indmarman.2024.01.014>
- Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic inquiry*. Sage.
- Lindström, C., Maleki Vishkaei, B., & De Giovanni, P. (2023). Subscription-based business models in the context of tech firms: Theory and applications. *International Journal of Industrial Engineering and Operations Management*, 6. <https://doi.org/10.1108/IJIEOM-06-2023-0054>
- Markiewicz, E., & Ziobrowska, J. (2025). Subscription vacations: The subscription economy in the tourism market—The case study of Poland. *Quaestiones Geographicae*, 44, 57–72. <https://doi.org/10.14746/quageo-2025-0043>
- Martinović, M., Barać, R., & Maljak, H. (2024). Exploring Croatian consumer adoption of subscription-based e-commerce for business innovation. *Administrative Sciences*, 14(7), Article 149. <https://doi.org/10.3390/admsci14070149>
- Merriam, S. B., & Tisdell, E. J. (2016). *Qualitative research: A guide to design and implementation* (4th ed.). Jossey-Bass.
- Müller-Pérez, J., Acevedo-Duque, Á., Alvarez-Becerra, R., & Verges, I. Y. (2025). A SVoD platforms: A comprehensive analysis through technology adoption models. *Revista Venezolana de Gerencia*, 30(109), 335–350. <https://doi.org/10.52080/rvgluz.30.109.22>
- Nansubuga, B., & Kowalkowski, C. (2024). Moving to subscriptions: Service growth through business model innovation in consumer and business markets. *Journal of Service Management*, 35(6), 185–209. <https://doi.org/10.1108/JOSM-10-2023-0438>
- Nowell, L. S., Norris, J. M., White, D. E., & Moules, N. J. (2017). Thematic analysis: Striving to meet the trustworthiness criteria. *International Journal of Qualitative Methods*, 16(1), 1–13. <https://doi.org/10.1177/1609406917733847>
- Oblander, S., & McCarthy, D. M. (2023). Frontiers: Estimating the long-term impact of major events on consumption patterns: Evidence from COVID-19. *Marketing Science*, 42(5), 839–852. <https://doi.org/10.1287/mksc.2023.1443>
- Organization for Economic Co-operation and Development. (2018). *Oslo manual 2018: Guidelines for collecting, reporting and using data on innovation* (4th ed.). OECD Publishing. <https://doi.org/10.1787/9789264304604-en>
- Patton, M. Q. (1999). Enhancing the quality and credibility of qualitative analysis. *Health Services Research*, 34(5, Part 2), 1189–1208.
- Rodríguez García, M., Núñez, A., Romero, I., & Prado, J. C. (2022). Examining the business model of replenishment subscriptions: A longitudinal case study. *Dirección y Organización*, 78, 40–53. <https://doi.org/10.37610/dyo.v0i78.630>
- Sung, J., & Chattaraman, V. (2022). Why are style subscriptions popular with Gen-Y men? An implicit theory perspective. *Journal of Fashion Marketing and Management*, 26(5), 890–904. <https://doi.org/10.1108/JFMM-03-2021-0064>
- Tao, Q., & Xu, Y. (2018). Fashion subscription retailing: An exploratory study of consumer perceptions. *Journal of Fashion Marketing and Management*, 22(4), 494–508. <https://doi.org/10.1108/JFMM-11-2017-0123>
- United States Department of Agriculture Foreign Agricultural Service. (2024). *Indonesia: Pet food market update 2024*. USDA Foreign Agricultural Service.
- Yang, R., Wise, N., Lee, W., & Choi, H. (2025). Exploring customer resistance to travel subscriptions: The case of passive and active innovation resistance. *International Journal of Tourism Research*, 27, Article e70144. <https://doi.org/10.1002/jtr.70144>
- Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). Sage.