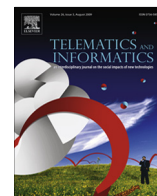




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## Value-based adoption of e-book subscription services: The roles of environmental concerns and reading habits

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### ABSTRACT

With the development of mobile devices and the mobile Internet, publishers in increasing numbers have begun providing e-book subscription services for their readers. Since this trend is relatively recent, few studies have explored the factors influencing users' intention to pay for such services. Past research has indicated that perceived value and positive attitude are the main factors affecting users' payment intention. This study proposes a research model based on perceived value theory and positive attitude, and integrates the factors of environmental concerns and habits, both of which are important issues in related research. Potential customers (university students) are chosen for the sample, and their responses are collected via an online questionnaire. The causal model is validated using partial least squares (PLS) techniques. We find that perceived value influences payment intention for both desktop computer users and tablet computer users. Although environmental concerns do not directly affect users' payment intention, both concerns and habits influence intention indirectly through positive attitude, especially for the tablet computer group. The implications of these findings are discussed. From a practical perspective, the insights provided can help service providers better manage their platforms/applications to encourage reader participation.

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### 1. Introduction

The development of electronic book (e-book) technology has been changing people's reading habits and behavior (Pew Research Center, 2014a). E-book devices (e-readers) such as the Amazon Kindle, Noble Nook, iPad, and tablet PC are replacing traditional printed books (Pew Research Center, 2014b). The official definition of an e-book is a book composed in or converted to a digital format, including text, graphics, video, animation, and/or sound, for display on a computer screen or hand-held device (Merriam-Webster.com, 2014). The likelihood of someone under the age of 30 having read at least one e-book was relatively high in 2013: among readers between the ages of 18 and 29, a total of 47% said they had read at least one e-book, versus 31% in 2012 and just 25% in 2011 (Pew Research Center, 2014b). Readers appear to be supplementing print books with e-books.

Recently, in order to attract more customers and increase revenue, publishing companies have begun to embrace an access-based business model: e-book subscription services. This kind of service offers users unlimited e-book rentals for a monthly subscription fee. Subscription services can be popular because they can reduce the emotional burden of purchasing.

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Oyster and Scribd are two publishing companies that moved into the realm of subscription services in 2013 (Forbes.com, 2013). The monthly subscription fee grants customers access to more than 100,000 copyrighted books via any desktop computer, laptop, tablet, or other mobile device. However, Oyster terminated its service in 2016, and Scribd modified its service offering from unlimited reading access to limited reading access to reduce costs (Albanese and Milliot, 2015). Reasons for Scribd's business model change included the lack of income and the inability to attract enough paying members. Therefore, understanding how to induce more users to pay is an important issue.

Recent studies have explored the motivations behind consumers' willingness to pay for Internet services (Chen, 2012; Lu and Hsiao, 2010; Park and Chen, 2007). According to these studies, the major motivations for paying for digital products or services are user-perceived value and positive attitude (Lu and Hsiao, 2010). Similarly, before making a decision to pay for an e-book subscription, readers consider their past experience and compare what they received with what they paid to the publishers. For this reason, one of our research purposes was to investigate the influence of perceived value and positive attitude on the intention to pay for an e-book subscription. Since most e-book subscription services provide books in English, there has been a dearth of related research on e-book services in other languages. The Chinese e-book market is growing rapidly and the number of Chinese e-book readers continues to increase (Zhu, 2015). For these reasons, this study uses Chinese e-book subscription services as the research object.

Although the proportion of individuals reading e-books is growing, few have completely replaced print books with the electronic versions. The *Pew Research Center's Internet Project (2014a)* indicated that print books remain the foundation of Americans' reading habits. Most people who read e-books also read print books; just 4% of readers identify themselves as "e-book only." Even so, the typical American adult reads only five books a year. Though people in China tend to read more, they still read an average of only eight books a year, according to 2015 statistics (China Daily, 2016). Therefore, given the reading habits of most readers in America and China, e-book subscription services may not be worth the cost. Certain behavioral models in past studies have included habit (i.e., one's usual way of behaving) to explain information technology usage (Kiriakova et al., 2010; Tsani Anafari and Bohlin, 2014; Hsiao et al., 2016). In the context of e-book services, "e-reading habit" is expected to be an influential factor affecting users' intentions to use digital products or services. From the publishers' perspective, how this habit increases readers' intentions to pay for e-book subscription services merits further investigation.

Academics, professionals, and environmentalists alike consider concern for the environment to be a critical issue (Haytko and Matulich, 2008). Such concerns influence both marketing practices and consumer behavior (Kotler, 2011). Readers who are concerned about environmental issues may choose to read e-books and subscribe to e-book services. Past research has also indicated that consumers' views on a company's environmental friendliness influences their purchases of products and services (Wahid et al., 2011). Environmental concerns may also influence consumers' attitudes toward the products and services themselves (Dagher and Itani, 2012). Thus, our second research purpose was to explore the relationships among environmental concerns, habits, attitudes, and the intention to pay for an e-book subscription.

The remainder of this paper is organized as follows: Section 2 presents an overview of the e-book subscription business model and discusses the value of e-book subscription services. Section 3 develops the model, proposes the constructs of interest in the study, and presents the hypotheses. Section 4 describes the research context and method, and Section 5 discusses the results of the model testing using SmartPLS software, and notes the theoretical and practical implications of this study. The study concludes with Section 6, in which potential limitations are identified and suggestions are made regarding opportunities for further research.

## 2. Background

### 2.1. E-book subscription business model

The e-book subscription business model is one in which customers pay for online e-book access. A number of companies, including Amazon.com and Scribd.com, currently apply this business model, offering electronic magazines, news, novels or audio books. Each company provides slightly different subscription services. For example, the Kindle Unlimited subscription service provided by Amazon allows readers to access more than a million e-books for a monthly rental fee of USD 9.99. Users can access this service via a smartphone, tablet, or desktop computer. The Scribd subscription service also provides access to more than a million e-books, including audio books, but its service limits the number of books that can be read each month. The Scribd monthly charge is slightly cheaper at USD 8.99.

In the past, some vendors offered unlimited access subscription services. Although this attracted many heavy readers, the number of paying members was insufficient. Consequently, though the vendors were still responsible for paying royalties to the publishers, they could not generate more revenue. Oyster provides a good example of how this failed to work: opening in 2013, Oyster provided unlimited access to its content for a monthly subscription rate of USD 9.99, only to terminate the service in 2016 because of poor company earnings (Albanese and Milliot, 2015). To avoid this problem, some vendors offer limited-access subscription services. MagV, for example, provides e-book subscription services for novels, magazines, and children's books, but each category is charged separately. The reading method is further divided into desktop and mobile versions to keep readers from simultaneously accessing an excessive number of books. Thus, it is important to determine how to attract more paying readers with desirable content and services while, at the same time, effectively controlling costs.

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