

**FROM FREE TO FEE: UNDERSTANDING THE DRIVERS
BEHIND CHATGPT PREMIUM SUBSCRIPTION
INTENTIONS**

THESIS

Presented as Partial Fulfilment of Requirements for the Degree of Sarjana
Manajemen (S1) in International Business Management Program Faculty of
Business and Economics Universitas Atma Jaya Yogyakarta



Arranged by:

Arkana Reuben Darmawan

211226327

**INTERNATIONAL BUSINESS MANAGEMENT PROGRAM
FACULTY OF BUSINESS AND ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA
2025**

APPROVAL PAGE

**From Free to Fee: Understanding the Drivers Behind ChatGPT Premium
Subscription Intentions**



Arranged by:

Arkana Reuben Darmawan

211226327

Has been thoroughly assessed and approved by:

Undergraduate Thesis Supervisor

Elisabet Dita Septiari, SE.,M.Sc., Ph.D.

Yogyakarta, 1 November 2025

LETTER OF STATEMENT

THESIS

**FROM FREE TO FEE: UNDERSTANDING THE DRIVERS BEHIND CHATGPT
PREMIUM SUBSCRIPTION INTENTIONS**

Has been arranged and cohesively written by:

Arkana Reuben Darmawan

Student ID: 211226327

Has been defended in front of examiners on 12th December 2025 and accepted as fulfilment
of requirements of the Degree of Sarjana Manajemen (S1) in International Business
Management Program Faculty of Business and Economics Universitas Atma Jaya Yogyakarta

Composite of examination committee

Head of Examiner,



Elisabet Dita Septiari, S.E., M.Sc., Ph.D.

Member of Examiner,



**Vonezyo Yupanzara Dharomesz,
S.E., M.B.A.**



Nadia Nila Sari, SE., MBA

Yogyakarta, December 2025

Dean of Faculty of Business and Economics

Universitas Atma Jaya Yogyakarta



**FAKULTAS BISNIS
DAN EKONOMIKA
UNIVERSITAS ATMA JAYA YOGYAKARTA**

Wenefrida Mahestu Noviandra Krisjanti, SE., M.Sc., Ph.D.

AUTHENTICITY ACKNOWLEDGEMENT

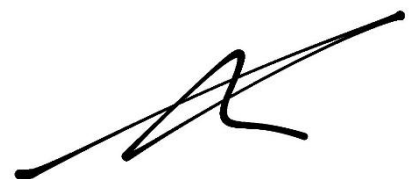
I, Arkana Reuben Darmawan, hereby declare that I have compiled and completed the thesis with the title:

FROM FREE TO FEE: UNDERSTANDING THE DRIVERS BEHIND CHATGPT PREMIUM SUBSCRIPTION INTENTIONS

As a result of this, I declare that this thesis is entirely my own original work and does not contain the work of others, except for certain parts that require citations following the proper guidelines for scientific paper. All sources needed for this specific thesis are listed in the thesis bibliography.

Yogyakarta, 1st of November 2025

Author,

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line and a small loop.

Arkana Reuben Darmawan

PREFACE

All praise and gratitude to the Almighty God, for His endless grace, guidance, and blessings that have strengthened the author throughout the entire process of completing this research. With deep appreciation, this undergraduate thesis is submitted as one of the requirements to obtain a bachelor's degree in the International Business Management Program at Universitas Atma Jaya Yogyakarta, entitled:

FROM FREE TO FEE: UNDERSTANDING THE MOTIVATION BEHIND CHATGPT SUBSCRIPTION INTENTION

The process of completing this thesis has been both a challenging and transformative journey. Throughout its development, the author has received invaluable support, encouragement, and guidance from many individuals and parties. Without their presence and contributions, this work would not have been possible. Therefore, with the utmost respect and heartfelt gratitude, the author wishes to express appreciation to:

First and foremost, Almighty God, for His unfailing love, wisdom, and strength that guided and sustained the author through every obstacle and moment of doubt during this research journey.

The author's beloved family My Father Indra Darmawan, Mother Ellen Mourenthea Claussen, and little sister Alendra Rachel Darmawan for their endless love, patience, prayers, and constant encouragement. Their unwavering belief in the author's abilities has been the greatest motivation to persevere and achieve this milestone.

All friends from the International Business Management Program (IBMP), for their support, shared experiences, and camaraderie throughout the years of study and during the completion of this thesis.

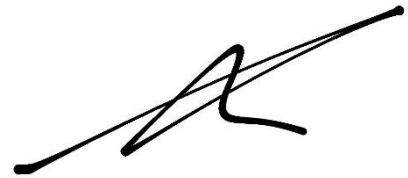
The author's dearest friends from Pesta Selalu and Hora Hore, for bringing joy, laughter, and encouragement that lightened the burdens of this academic journey.

And finally, cherished friends from Senior High School, especially Mbul and Musa, whose friendship, understanding, and continuous support have remained a source of comfort and strength even beyond the classroom.

To everyone who has played a part, directly or indirectly, in the completion of this thesis, the author extends sincere gratitude and appreciation. May God bless you all abundantly.

Yogyakarta, 1st of November 2025

Author,

A handwritten signature in black ink, consisting of a series of fluid, connected strokes that form a stylized representation of the author's name.

Arkana Reuben Darmawan

TABLE OF CONTENT

APPROVAL PAGE	ii
LETTER OF STATEMENT	iii
AUTHENTICITY ACKNOWLEDGEMENT	iv
PREFACE	v
TABLE OF CONTENT	vii
LIST OF TABLES	xi
LIST OF FIGURES	xii
CHAPTER I INTRODUCTION.....	1
1. 1. Research Background.....	1
1. 2. Research Questions	8
1. 3. Research Objectives	9
1. 4. Research Benefits.....	10
1. 5. Research Systematics	11
CHAPTER II LITERATURE REVIEW	13
2. 1. Artificial Intelligence (AI)	13
2. 2. Gen Z and Millennials.....	14
2. 3. Independent.....	15
2. 3. 1. ChatGPT Affodances	15
2. 3. 2. Interactivity	16
2. 3. 3. Stickiness	17
2. 3. 4. Word of Mouth (WOM).....	18
2. 3. 5. Technology Readiness (TR).....	19
2. 3. 6. Innovativeness.....	20
2. 3. 7. Discomfort	21
2. 3. 8. Optimism.....	22
2. 3. 9. Insecurity.....	23
2. 3. 10. Trust	24
2. 4. Dependent Variable	24

2. 4. 1. Online Purchase Intention	24
2. 5. Previous Research	26
2. 6. Hypothesis Development	33
2. 6. 1. Interactivity and Online Purchase Intention.....	33
2. 6. 2. Stickiness and Online Purchase Intention	34
2. 6. 3. Word of Mouth (WOM) and Online Purchase Intention	35
2. 6. 4. Innovativeness and Online Purchase Intention	36
2. 6. 5. Discomfort and Online Purchase Intention	37
2. 6. 6. Optimism and Online Purchase Intention	38
2. 6. 7. Insecurity and Online Purchase Intention	39
2. 6. 8. Trust and Online Purchase Intention.....	40
2. 7. Theoretical Framework	41
CHAPTER III RESEARCH METHODOLOGY	42
3. 1. Type of Research.....	42
3. 2. Object, Subject, and Location of Research	42
3. 3. Population and Sample.....	43
3. 4. Sampling Method	43
3. 5. Data Collection Method	45
3. 6. Operational Definition	45
3. 7. Face Validity.....	50
3. 8. Data Measurement Method	51
3. 9. Data Analysis Method	52
3. 9. 1. Descriptive Statistics	52
3. 9. 2. Measurement Model (Outer Model)	53
3. 9. 3. Structural Model (Inner Model)	54
3. 9. 4. Hypothesis Testing.....	55
3. 9. 5. Analytical Tool.....	56
CHAPTER IV DATA ANALYSIS AND DISCUSSION	57
4. 1. Data Collection Procedure	57
4. 2. Pilot Test.....	58
4. 2. 1. Convergent Validity Output.....	58

4. 2. 2. Discriminant Validity Output.....	61
4. 2. 3. Construct Reliability and Validity Output	62
4. 3. Profile of Respondents	63
4. 3. 1. Filter Questions Output.....	64
4. 3. 2. Respondent Characteristics Output	67
4. 4. Data Analysis	69
4. 4. 1. Descriptive Statistics Analysis.....	71
4. 4. 2. Partial Least Square – Structural Equation Model Analysis.....	89
4. 4. 3. Measurement Model Analysis (Outer Model)	91
4. 4. 4. Structural Model Analysis (Inner Model).....	97
4. 4. 5. Hypothesis Testing.....	101
4. 5. Discussion	105
4. 5. 1. The Effect of Interactivity on Online Purchase Intention toward ChatGPT.....	105
4. 5. 2. The Effect of Stickiness on Online Purchase Intention toward ChatGPT.....	106
4. 5. 3. The Effect of Word of Mouth on Online Purchase Intention toward ChatGPT.....	106
4. 5. 4. The Effect of Innovativeness on Online Purchase Intention toward ChatGPT.....	107
4. 5. 5. The Effect of Discomfort on Online Purchase Intention toward ChatGPT.....	107
4. 5. 6. The Effect of Optimism on Online Purchase Intention toward ChatGPT.....	108
4. 5. 7. The Effect of Insecurity on Online Purchase Intention toward ChatGPT.....	108
4. 5. 8. The Effect of Trust on Online Purchase Intention toward ChatGPT	109
CHAPTER V CONCLUSION	110
5. 1. Conclusion	110
5. 2. Managerial Implications.....	120
5. 3. Limitations	127

5. 4. Suggestions for Future Research.....	133
BIBLIOGRAPHY	139
APPENDIX.....	148
Appendix 1. Google Form Questionnaire	148
Appendix 2. Respondents Answers.....	154
Appendix 3. SmartPLS 4 Data Output.....	160
Appendix 4. Main Journal Reference	164
Appendix 5. Turnitin.....	178

LIST OF TABLES

Table 2. 1 Previous Research	26
Table 3. 1 Operational Definition & Measurement Items.....	46
Table 3. 2 Changed in Research Items (Translated).....	51
Table 4. 1 Convergent Validity Pilot Testing N = 30	59
Table 4. 2 Discriminant Validity Pilot Testing	61
Table 4. 3 Validity & Reliability Pilot Testing	63
Table 4. 4 Filter Question Output.....	66
Table 4. 5 Respondent Characteristics Output	68
Table 4. 6 Interactivity Descriptive Statistics Output Online Purchase Intention (OPI).....	73
Table 4. 7 Stickiness Descriptive Statistics Output Online Purchase Intention (OPI).....	75
Table 4. 8 WOM Descriptive Statistics Output Online Purchase Intention (OPI).....	76
Table 4. 9 Innovativeness Descriptive Statistics Output Online Purchase Intention (OPI).....	78
Table 4. 10 Discomfort Descriptive Statistics Output Online Purchase Intention (OPI).....	80
Table 4. 11 Optimism Descriptive Statistics Output Online Purchase Intention (OPI).....	82
Table 4. 12 Insecurity Descriptive Statistics Output Online Purchase Intention (OPI).....	84
Table 4. 13 Trust Descriptive Statistics Output Online Purchase Intention (OPI).....	86
Table 4. 14 Online Purchase Intention Descriptive Statistics Output Online Purchase Intention (OPI).....	88
Table 4. 15 Outer Loading Output	93
Table 4. 16 Fornell-Lacker Discriminant Validity.....	95
Table 4. 17 Convergent Validity & Reliability Output.....	96
Table 4. 18 R-Square Output	98
Table 4. 19 F-Square Output.....	99

Table 4. 20 Q-Square Output.....	101
Table 4. 21 Bootstrapping Output for ChatGPT	103

LIST OF FIGURES

figure 1. 2 ChatGPT latest data of user usage.....	3
figure 1. 1Improvements for ChatGPT users all around the world.....	3
figure 2. 1 Theoretical Framework.....	41
Figure 4. 1 PLS Structural Equation Modelling	90
Figure 4. 2 Bootstrapping Output for ChatGPT.....	102

FROM FREE TO FEE: UNDERSTANDING THE DRIVERS BEHIND CHATGPT PREMIUM SUBSCRIPTION INTENTIONS

Arranged by:

Arkana Reuben Darmawan

211226327

Thesis Supervisor:

Elisabet Dita Septiari, S.E., M.Sc., Ph.D.

International Business Management Program, Faculty of Business and
Economics, Universitas Atma Jaya Yogyakarta, Jalan Babarsari 43-44,
Yogyakarta

ABSTRACT

Artificial intelligence (AI) has rapidly changed how people use digital platforms, with ChatGPT becoming one of the most popular tools worldwide. While its free version attracted massive users, the launch of paid features created new questions about why individuals are willing to subscribe. This study explores the role of interactivity, platform stickiness, word of mouth (WOM), and technology readiness covering innovativeness, optimism, discomfort, and insecurity in shaping Indonesian users' intention to pay for ChatGPT Premium. It also examines how trust affects the link between purchase intention.

Using a quantitative approach with purposive sampling of Millennial and Gen Z users, data were analyzed through Partial Least Squares-Structural Equation Modeling (PLS-SEM). The results indicate that interactivity, stickiness, WOM, innovativeness, and optimism encourage subscription intentions, while discomfort and insecurity reduce them. With trust strengthening this relationship. The findings contribute to understanding consumer behavior in AI platforms while offering practical insights for developers and marketers.

Keywords: *ChatGPT, Premium Subscription, Online Purchase Intention, Technology Readiness, Trust, Interactivity, Millennials, Generation Z*