

CHAPTER I

INTRODUCTION

1. 1. Research Background

In today's world, technology has advanced rapidly and significantly reshaped how people live and work. Digital transformation has become one of the most influential changes in modern life, affecting nearly every sector (Vial, 2019). Digital tools are no longer limited to corporate use they are now embedded in daily routines. People rely on these technologies to communicate, find information, make decisions, and manage everyday tasks (Nguyen-Thi-Huong et al., 2023). This transformation goes beyond adopting new devices; it reflects a deeper shift in how individuals and institutions behave and interact with technology (OECD, 2019) . The combination of mobile internet, cloud computing, big data, and artificial intelligence has created intelligent systems that can quickly respond to human needs (Otter et al., 2020) Moreover, the COVID-19 pandemic has further accelerated this trend, pushing more people into remote work, online learning, and digital lifestyles, increasing the demand for technologies that offer speed, personalization, and ease of use (Nguyen-Thi-Huong et al., 2023; OECD, 2019). A key element of this shift is the progress made in artificial intelligence (AI), which has developed from simple rule-based automation to dynamic, learning-based systems that can analyse language, detect patterns, and generate meaningful insights without direct human programming (Bukhari & Abbas, 2023) . AI applications are now widespread in

areas such as predictive analytics in finance and diagnostic tools in healthcare, showing their cross-industry impact (Springer, 2023) .

One of the most prominent examples of this technology is ChatGPT, developed by the San Francisco-based AI research lab OpenAI. Since its public launch in November 2022, ChatGPT has gained global attention for its ability to produce human-like responses, solve complex queries, assist with writing and programming, and even complete creative tasks such as poetry or business plan generation (Dwivedi et al., 2023; OpenAI, 2023). ChatGPT is built on the Generative Pre-trained Transformer (GPT) architecture, which enables it to generate context-aware, coherent, and relevant responses across various domains (OpenAI, 2023). As noted by (Dempere et al., 2023), this deep learning model allows ChatGPT to adapt to user input and sustain longer, more natural conversations. It represents a significant leap in user interaction, providing a more engaging and efficient communication experience compared to older systems (Dwivedi et al., 2023).

ChatGPT

Daily Visits, Desktop & Mobile Web, Worldwide

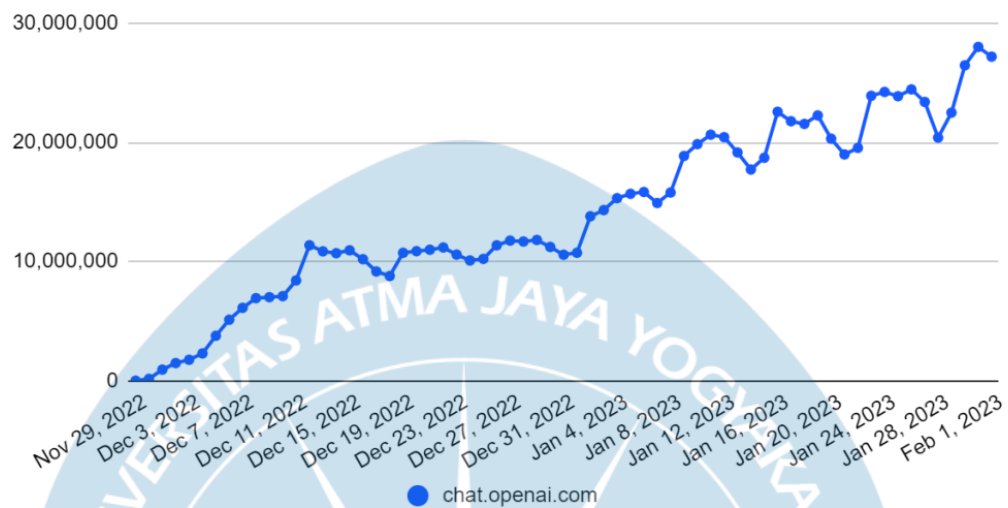


figure 1. 2 Improvements for ChatGPT users all around the world

Source: (Wisernotify, 2025)

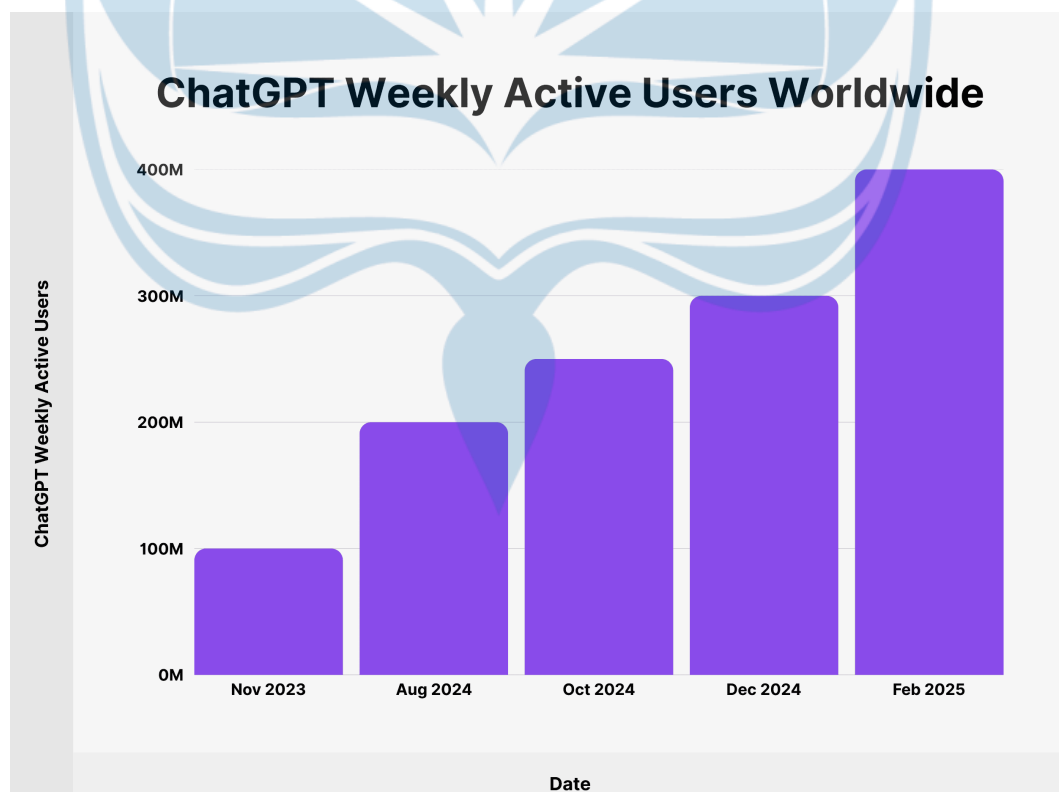


figure 1. 1 ChatGPT latest data of user usage

Source: (Backlinko Team, 2025)

The success of ChatGPT can be attributed to several factors, including its intuitive interface, accessibility across devices, and its ability to serve both casual users and professionals. From students seeking help with assignments to entrepreneurs looking for business insights, ChatGPT has established itself as a versatile and dependable digital assistant. The scale of its adoption has been unprecedented: within five days of launch, the platform gained over one million users, and by early 2023, it had amassed more than 400 million weekly active users, with over 1 billion messages processed per day. This meteoric rise in usage highlights not only the public fascination with conversational AI but also a growing shift in how people expect to interact with information.

As the number of users increased, OpenAI introduced new product versions and monetization strategies to strengthen its offerings and maintain long-term sustainability. In February 2023, the company launched ChatGPT Plus, a premium subscription plan priced at 20 US dollars per month. This plan included faster response times, access during peak usage, and early access to features such as GPT-4 (OpenAI, 2023). These additions targeted professionals and heavy users who depended on ChatGPT for writing, coding, creative work, and research. By offering enhanced services, OpenAI was able to support revenue growth without limiting basic access. Later, in 2024, OpenAI launched ChatGPT Premium, a multimodal version of the platform that incorporated voice interaction and image processing. Users could now speak to the model or upload images for interpretation, which created a much more dynamic and intuitive experience (Dwivedi et al., 2023). This version transformed ChatGPT from a simple text-based chatbot into a more human-

like tool with the ability to handle multiple input types, expanding its usefulness in education, business, healthcare, and beyond.

By the end of 2024, ChatGPT Plus had gained more than 10 million paying subscribers around the world and generated approximately 2.7 billion US dollars in revenue. This success positioned OpenAI as a major player in the consumer artificial intelligence market (Business of Apps, 2025). The shift from offering a free product to developing a paid version represents a major turning point in digital business models, particularly for companies that specialize in artificial intelligence. It also raises important behavioural and psychological questions about user motivation. Specifically, why would users pay for a service that they can use without charge? What pushes them to upgrade? These questions are not only relevant for business development but also for understanding how people perceive value, convenience, and technological advancement (O. and K. H. Tyrväinen, 2024) For developers and marketers alike, knowing the answers to these questions can lead to more effective pricing models, communication strategies, and customer experiences.

These concerns are especially relevant to the freemium business model, which is commonly used by technology companies. In this model, the basic version of a service is free, while premium features require payment. Although the freemium model helps attract large numbers of users, only a small percentage of them usually choose to subscribe to the paid version (O. and K. H. Tyrväinen, 2024) In the case of ChatGPT, understanding why users convert from free to premium is essential for maintaining growth. One key factor is perceived interactivity. This

refers to the belief that the system responds promptly, interprets inputs accurately, and engages in meaningful dialogue. Users who feel that the chatbot listens to and understands them are more likely to form a deeper emotional connection with it (Otter et al., 2020). Another important concept is platform stickiness, which refers to how easily a service becomes part of the user's routine. If a tool like ChatGPT is used every day for tasks such as writing emails, drafting reports, or planning study schedules, users may begin to see the premium version as a necessary tool worth paying for (Kim & Son, 2009). These behavioural responses show that emotional attachment and habit play a powerful role in shaping user decisions.

Technology readiness is another major influence in the adoption of premium artificial intelligence tools. According to the Technology Readiness Index, people who are highly innovative and optimistic about technology are more likely to adopt and pay for new systems (Parasuraman & Colby, 2015). These individuals enjoy trying new digital solutions and believe that technology improves their quality of life. On the other hand, users who experience discomfort or who feel uncertain about artificial intelligence may be reluctant to upgrade, even if the benefits are clear (H.-W. Kim et al., 2007). Technology readiness is not just a fixed personality trait. It can be developed through positive user experiences, exposure to helpful tools, and supportive communities. Therefore, developers should consider how onboarding programs and user education can help people build confidence in the system. This includes providing clear guidance, addressing common concerns, and designing interfaces that feel approachable and trustworthy.

The most fundamental factor influencing paid adoption, however, is trust. When users turn to ChatGPT for sensitive tasks such as academic writing, health advice, legal questions, or business strategy, they need to trust that the platform will provide accurate and ethical responses (Yang, 2022) . Trust includes beliefs about security, privacy, transparency, and fairness. If users believe the platform is secure and that their data will not be misused, they are more likely to subscribe. Trust also leads to higher levels of loyalty. Satisfied users who believe in the integrity of the system are more likely to continue using the platform and to recommend it to others (Gefen et al., 2003) . For artificial intelligence companies, building trust is just as important as building technical features. Without it, even the most advanced product may struggle to grow.

In the context of Indonesia, these ideas are highly relevant. The country has over 175 million internet users and one of the largest populations of young, digitally engaged people in the world (The Bali Media, 2025) Indonesians are already familiar with subscription-based services such as Netflix, Spotify, and mobile applications. This means they are well positioned to use premium artificial intelligence tools. Since many Indonesians use digital tools for learning, business, and communication, understanding what makes them adopt premium services can provide insights into how global platforms can successfully localize their offerings in emerging markets.

The Research Gap of this study is although many previous studies have discussed the use of ChatGPT, user motivation, and factors such as interactivity, stickiness, word of mouth, and technology readiness in the context of e-commerce

or other digital platforms, no study has specifically examined how the combination of ChatGPT affordances and Technology Readiness components shapes the subscription intention of users who initially enjoy free services. Previous approaches have mostly highlighted loyalty, continuance intention, or the use of ChatGPT in academic settings, rather than the decision to switch from the free version to the paid version. In addition, there has been no research focusing on the Indonesian context, especially Millennials and Gen Z, who have a digital culture, technology consumption patterns, and AI adoption behaviours that differ from other countries. The lack of empirical evidence on what factors actually drive local users to pay for premium features highlights the need for this research to fill the gap in understanding freemium-based AI consumer behaviour.

This study aims to explore how ChatGPT affordances, technology readiness, and trust influence the intention of Indonesian users to subscribe to ChatGPT Plus. The results of this research are expected to contribute both to academic understanding and practical applications. Academically, the study will deepen knowledge about user behaviour in artificial intelligence contexts. Practically, it will help developers, marketers, and policy makers create more inclusive and effective artificial intelligence platforms that respond to the needs of diverse populations.

1. 2. Research Questions

The growth of artificial intelligence has significantly influenced how people study, work, and interact, with ChatGPT emerging as one of the most widely used tools. Although the free version is highly popular, the introduction of premium

features raises the issue of why users would choose to pay for added access. Elements such as interactivity, habitual use of the platform, word of mouth, and users' level of technology readiness are thought to play a role in this decision. In addition, trust is considered an important factor in turning purchase intentions. With this context, the study formulates research questions to explore how these aspects affect Indonesian users' willingness to subscribe to ChatGPT Premium.

1. ChatGPT affordances' interactivity influences online purchase intentions?
2. ChatGPT affordances' stickiness influences online purchase intentions?
3. ChatGPT affordances' word of mouth influences online purchase intentions?
4. Technology readiness's innovativeness of ChatGPTt influences online purchase intentions?
5. Technology readiness's discomfort of ChatGPT influences online purchase intentions?
6. Technology readiness's optimism of ChatGPT influences online purchase intentions?
7. Technology readiness's insecurity of ChatGPT influences online purchase intentions?
8. Trust of ChatGPT influences online purchase intentions?

1. 3. Research Objectives

1. To analyse how platform interactivity functions as a key affordance influencing users' intentions to make purchases on ChatGPT.

2. To analyze the effect of platform engagement and stickiness on shaping online purchase behavior on ChatGPT.
3. To analyze the role of user generated word of mouth in encouraging purchase intentions on the ChatGPT platform.
4. To analyze how user innovativeness, as part of technology readiness, affects their intention to purchase via ChatGPT.
5. To analyze the extent to which technological discomfort impacts users' willingness to engage in transactions through ChatGPT.
6. To analyze how technological optimism contributes to increased purchase intention among ChatGPT users.
7. To analyze how feelings of insecurity toward technology influence purchase intentions on the ChatGPT website.
8. To analyze how trust toward technology contributes to intention purchasing on the ChatGPT website.

1. 4. Research Benefits

This research aims to provide benefits for the readers which divided into 2 categories, namely academic and practical benefits.

1) Academic Applications

This study will contribute to the academic discourse on how ChatGPT affordances, Technology Readiness and trust influence consumer behaviour in AI powered conversational platforms like ChatGPT. The examination of consumer willingness of online purchase intention towards ChatGPT using the Technology readiness and ChatGPT affordance variables.

2) Practical Applications

This research is expected to offer valuable insights for OpenAI by highlighting how key factors such as interactivity, trust, and flow experiences impact user behaviour, particularly in relation to subscription intentions and user retention. These findings can help optimize ChatGPT's design and functionality, enhancing user satisfaction, encouraging continued engagement, and fostering loyalty, especially Millennials and Generation Z, who are pivotal in driving growth in the AI driven digital landscape.

1. 5. Research Systematics

The research systematics in this study aims to facilitate researchers and readers in understanding and providing an overview of the contents of this study. The writing systematics consists of 5 chapters consisting of:

1. Chapter I: Introduction

The first chapter contains an overview of the problems that will be discussed by the author which include the background, research question, research objectives, research benefits and systematics of research writing.

2. Chapter II: Literature Review

Chapter two contains the theories used as reference materials for researchers in writing variables in this study in the form of theoretical foundations, previous research, hypothesis development, and research models.

3. **Chapter III: Research Methodology**

Chapter three contains research methods used by researchers, research objects, research subjects, research places, population, samples, sample collection techniques, data collection methods, operational definitions, data measurement, and data analysis methods.

4. **Chapter IV: Data Analysis & Discussion**

Chapter five contains the stages in analysing the data obtained from the questionnaire. This chapter contains the characteristics of respondents in the study and explains the analysis of the data processed, namely the results of descriptive statistics, data analysis and discussion of the variables studied.

5. **Chapter V: Conclusion**

Chapter five contains a discussion of the conclusions obtained from the discussion and data analysis of chapter IV, managerial implications, limitation, and suggestions for further research.