



PELOTON[®]

Marketing Analysis

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Marketing Mission

- Peloton's mission statement consist of "Pelton uses technology and design to connect the world through fitness, empowering people to be the best version of themselves anywhere, anytime"
- Equipment can be used at a customer's own ease along with customers connecting through fitness within the live classes
- "Peloton sells happiness" states former CEO John Foley





Marketing Strategy Overview

- In the beginning of Peloton's launch, the company mainly focused on their initial product of the stationary bike. The company wanted their customers to become highly interested in the performance and aesthetically pleasing design of the at home exercise bike. In 2020 and 2019, Peloton's marketing costs were \$477 million and \$324 million. In 2020 they ended up making \$1.5 billion and \$734 million in 2019.
- In 2021, the marketing costs became more productive with the marketing expenses going to 15.1% of total revenue while the prior year was made up by 34%.
- Peloton had controversy revolving around their "Peloton Wife" advertisement that was aired on television which was deemed as sexist and elitist. Since the controversial commercial, Peloton has become widely diverse with various customers using their products. Peloton has also partnered with celebrities by being able to use their music on the streaming service that is offered in the classes' customers take.

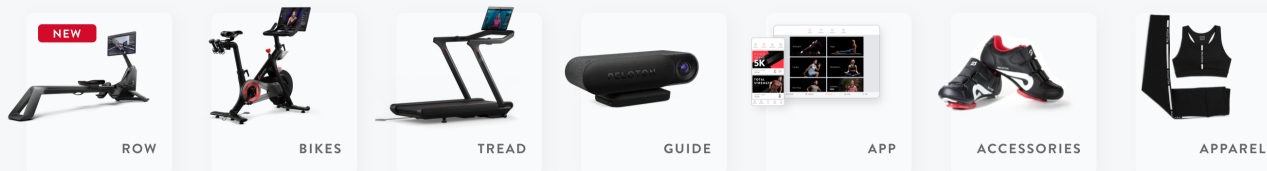


Product Information

- Products consist of a variety of at home workout equipment. There are bikes, treadmills, strength packs that offer a guided strength training program with weights, foam rollers, rower machines, and along with accessories and apparel such as cycling shoes, dumbbells, earbuds, row and bike mats, resistance bands, yoga blocks, and addition accessories.

Prices

- Bikes \$1,145- \$2,875
 - Tread "Treadmills" \$3,495- \$3,820
 - Strength Training Guide \$195- \$695
 - Rower \$3,195- \$3, 570
 - Accessories and Apparel \$50- \$620
 - Subscription Services
 - All-Access Membership \$44 per month
 - App Membership \$12.99 per month
- Customers can rent the bike, purchase, get a refurbished bike or finance it.





Service Information

Customer service is an email or phone call away for any customer concerns, quality issues, delivery questions or customer questions





Market Forecasts

Peloton is planning on building more on its United States factory, the operations should be occurring this year of 2023, which will be creating an international expansion which is only getting started and should grow from there, it is likely to have an increase of sales on the brand due to its expansion.

STRENGTH TRAINING



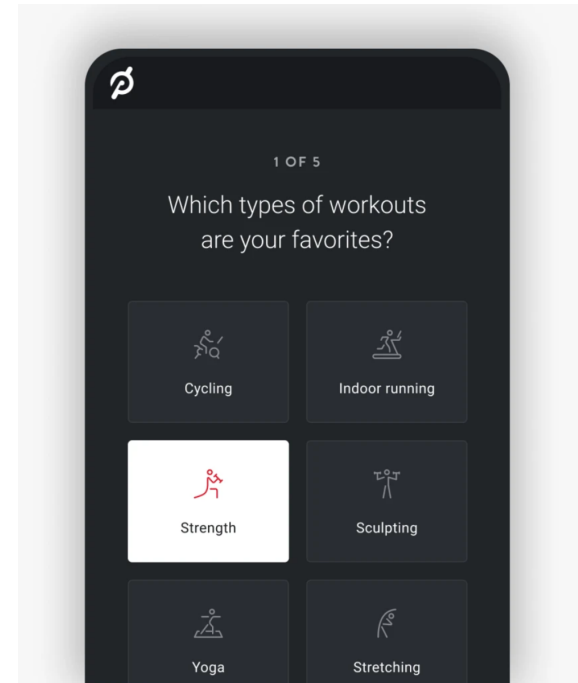
JUST GOT STRONGER

Instagram @onepeloton



Consumer Segments

The target customer for Peloton in the United States are individuals within 35 to 65 years old. Peloton does not release gender statistics but from Facebook insights of consumers that view Peloton's website, 51% are women and 49% are men. The former co-founder and CEO, John Foley states Peloton markets their products for people that do not have time to go to the gym. According to the brand's IPO prospectus the largest growing demographics of consumers incomes are incomes under \$75,000.





Consumer Behavior

Peloton has their target audience advertisements within Facebook, Instagram, TikTok and YouTube promoting the sense of ease of the at home workout equipment. Consumers are enticed by these advertisements



Instagram @onepeloton



Objects and Goals

In 2014 Peloton first released their exercise bike with the access to on-demand classes, then in 2017 Peloton hit a milestone of 100,000 subscribers. During the pandemic in 2019-2020 sales skyrocketed and in 2021 the Peloton Tred was released, then after the rower was released. Gradually throughout the years the additional products had gotten released. Peloton is continuing to expand the company.



Marketing Mix

Product- Strength training, power, and endurance focused on home workout equipment

Prices (depends on the package and what is included)

- Bikes \$1,145- \$2,875
- Tread "Treadmills" \$3,495- \$3,820
- Strength Training Guide \$195- \$695
- Rower \$3,195- \$3, 570
- Accessories and Apparel \$50- \$620

Subscription Services

- All-Access Membership \$44 per month
- App Membership \$12.99 per month



Marketing Mix

Placement- Since content is the entirety of the brand, on the website and meta-description there is no mention of what the equipment is only the service of the brand.

Promotion- At home exercise equipment

Packaging – The item is delivered to the customers home and set up by Peloton specialists.

Process- Customers can purchase the equipment online or in-store

Physical Environment- Peloton's film studio consist of a New York- based studio that has top producers and a state-of-the-art film studio which can broadcast roughly around 950 programs a month to their subscribers.

People- The customers of Peloton are individuals that enjoy exercise, have busy lives and enjoy the ease of having the at home equipment



Value Chain

- During the Pandemic in 2019-2020, there was a high demand of the products since consumers were then working out at home. Due to the high demand and supply issues, they had trouble getting their shipments delivered on time to customers since their manufacture was in Taiwan
- It is now in the works of an Ohio, United States based factory to be the manufacture. Since there are always a supply chain issue that can occur
- Peloton wants their products to be handled in the United States for a more seamless interaction within receiving and manufacturing products for their customers to get them in a timely manner. As mentioned before, Peloton has reliable customer service for their customers within product issues, questions, concerns, delivery etc.
- 1.7 million people pay monthly subscriptions for the at home exercise services. Peloton makes most of its money from the hardware, but the memberships make up 18% of revenue, their annual retention is 92% now.



Advertisements

- The approach towards advertising is more on social media rather than other medias. Peloton posts on Instagram, TikTok, Facebook, Twitter, Pinterest, and has YouTube advertisements. Also send out customer emails with promotions and along with items that may be left in a customer's cart. Peloton uses an upbeat approach to at home exercise within the posts and advertisements.
- Peloton highly believes of word of mouth revolving around purchases of their products, from a survey only 28% of the people that had taken the survey have not heard of Peloton. Peloton has curated a strong community within itself between the users of the workout equipment, between sending merch for a customer's one hundred class and having groups online for likeminded users to communicate through.



onepeloton 

Following ▾

Message



4,946 posts

1.9M followers

58 following

Peloton

Product/service

Rowing, meet Peloton. 🚣‍♀️

like2b.uy/onepeloton



Personal Thoughts

For a customer that thoroughly enjoys workout at home and does not have an already existing gym membership or a gym that offers classes, I do feel that being a Peloton member is worth that opportunity. The initial cost of the equipment is costly but the All-Access Membership fee of \$44 per month does balance out for the classes and services offered compared to a standard gym membership. Their online marketing campaign is good since they are constantly on social media and customers often make TikTok and YouTube videos about Peloton products.

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Thank You

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