Overview of Peloton Marketing Tools

Dedra Carrier

[Institutional Affiliation(s)]

Overview of Peloton Marketing Tools

# Peloton Company

Before getting into a brief discussion about the business model for Peloton, it is important to make an understanding of the Peloton. This is considered to be an indoor bicycle which is used for the exercise. The determination behind introducing this is to provide an option for exercise and to adopt better health habits. Peloton has Wi-Fi and a 22-inch touchscreen tablet for live streaming. This also allows users to demand classes and carry a cardio workout with other users.

## Description

Peloton in New York-based company that provides home-based fitness services with the latest technology of online streaming and progress checker. Over these past few years, this company has shown tremendous development by providing demanding home-based equipment. This company has billions of users and it is a fact that this company has sold more than 400,000 bikes in the market. Whereas this company, in 2018 started to deliver its treadmills in the market. This is contributing to the styles of workout all over America. Equipment by this company has become an obsession and this can be seen on the social media platform including social media that has more than 44,000 followers. The business model is still evolving and developing, at the same time this is also a competitive threat to the other companies and businesses. The upcoming equipment for fitness can be a hit in the market that includes a stationary bike that has a touch screen. This stationary adds $8 billion value to the revenue of the company, and this is a positive aspect of the company.

## Competitive Advantage of Peloton Company

A huge number of the consumers in the market are one of the main advantages for the business and it still has to make connections with different manufacturers, logistics, and suppliers in the market for survival. This company has successfully managed to provide the best home-based services, and this has resulted in higher satisfaction among many people in the United States. The main advantage for the companies is to provide such services that can be afforded, and this will also save consumers input. Whereas, consumers' input is considered in rapports of time and money. There are other competitors in the market including Echelon and Gym-based classes. For this company, one another advantage if the services of online classes by the real instructors

###  Live Programs

Echelon one of the competitor of the Peloton company that are providing fitness services. One of the disadvantages of the company is said to be its old ergonomic setup. Furthermore, this has lesser options for live training sessions. Echelon is providing services at an affordable price as compared to the Peloton (*Echelon*, 2019.). There are likely chances that consumers may demand more live streaming options, therefore considering this demand, Peloton is providing online services including live streaming, classes by the real instructor, and also provide a high range of training flairs to the consumers in the market.

### Gym Based Class

 The Peloton company provides a maximum number of options for its users to avail of online services by using home-based equipment. By using this bike, consumers will be able to use unlimited classes at their home. They will not need to seek any membership to take classes at gyms. Consumers will be also able to use different class types including yoga, Bootcamp and cycling services. To get classes at gyms requires more inputs in terms of both money and time. While Peloton bikes are home-based which do not waste time and money. This is the advantage for the company which takes care of consumers time and values their inputs to avail its services/

## Sustainability of Peloton

Based on past developments, Peloton has tremendously competed in the market and has challenged its other rivalries in the market. During the year of 2019, the subscriptions for the fitness increased to 511,202 which was 245,667 in the past year(*Peloton wannabes abound at CES 2020—The Verge*, 2020). This company has satisfied many consumers in the market however, the advantages of these services can be questioned based on the longer-run. To compete with the other market competitors and segments, the company has to identify its strategies regarding making linkages with other manufacturing firms, and service providers in the market. This company has to take care of market ethical considerations as well because this was sued by music publishers for using their songs in their system without their consent. When it comes to the sustainability of the competitive advantages, it can be said that it depends on the services that this company is providing. These advantages will work for a shirt-run if the systems of technology are not made advanced and user-friendly. The company has to entertain its consumers to make sure that they will be availing of their services in the future too when they are guaranteed with the best services as compared to the other markets.

## Company and performance

This part of the paper will be discussing the weaknesses, opportunities, and threats that are faced by the company.

### Weaknesses

1. The very first weakness of the company is the higher marketing strategy in the market while this marketing strategy depicts the targeted market segments. Whereas, these are the people who can pay for the services. The screen that is being used in the bike only costs $2000, and this means that this requires a huge amount to use the services by the company.
2. Space: To set the equipment this requires more space. As this is home-based equipment, therefore it has to be fixed on a place that has more space. Congested surroundings will not allow the consumer to use the bike properly.
3. Technical issues: Technical issues are overly critical and if any part of the equipment stops working, then the rest of the body parts dysfunction. This technical problem may include the mismanagement of the pedal.

### Opportunities and Threats

To any business company, there are opportunities as well as threats. For this company of Peloton, the main opportunity is that it has many consumers while at the same time, financial issues do exist (*Peloton Review*, 2020.). Another opportunity for the company is that it can use its consumers upon the introduction of new equipment. Meanwhile, the same service providers in the competitive business market are also considered to be a major threat that includes SoulCycle. Another threat is the pricing strategies, which have to be changed from higher to lower ranges.

# Growth Strategies by Peloton Company

## Penetration

For business companies it becomes an obligatory part to sell the company products, this sales work helps the companies to introduce their product in the market. The market penetration adopted by the company is that segment which is being able to pay for its higher prices.

## Product Development

Giving final touches to the products is important to improve the quality of the services by the company. The product development for this company includes making changes and modifications in the current products and this also includes making changes in the physical appearance, therefor client gets attracted to avail of these services.

## Market Development

Market development of this company includes those populations who do not have access to such services, and this also includes making changes in the strategies. The company has to target new and emerging market segments and based on new targets, new consumers and segments have to be developed.

## Diversification

Based on the analysis of consumer behavior and their willingness to pay, this can be emphasized that this company has to make changes in the pricing strategies and this company has to also target all populations.

References

*Bike App Experience—Echelon Fit US*. (n.d.). Retrieved January 24, 2020, from https://echelonfit.com/pages/bike-app-experience

*Peloton Review: What to Know Before You Buy: Reviews by Wirecutter*. (n.d.). Retrieved January 24, 2020, from https://thewirecutter.com/reviews/peloton-review-what-to-know-before-you-buy/

*Peloton wannabes abound at CES 2020—The Verge*. (n.d.). Retrieved January 24, 2020, from https://www.theverge.com/2020/1/9/21057242/peloton-bikes-treadmills-equipment-brands-connected-fitness-ces-2020