

Introduction

Peloton has faced significant market challenges, reflected by a staggering \$4.09 billion net loss over 2022 and 2023. This downturn signals an urgent need for a strategic overhaul to rejuvenate the brand and stabilize its market position.

Our Proposed Solution: Our proposed solution is a multi-faceted plan activated by Nike's acquisition of Peloton. The components of this approach include:

- SWOT/PESTLE Analysis:** Detailed assessment to determine Peloton's operational strengths, weaknesses, and to look at the external opportunities, and threats.
- Media Plan:** A dynamic and targeted media plan aimed at reviving Peloton's brand appeal through focusing on their subscription services.

Our strategic vision is centered on expanding Peloton's base of **paid subscribers**, as this is pivotal to the company's path toward sustained profitability through recurring revenue.

Projections:

Our strategic initiatives are projected to:

- Person Icon:** Increase Peloton subscriptions by approximately **53% annually**, growing from 3.07 million to 4.72 million subscribers.
- Dollar Icon:** Generate a **33% increase in subscription revenue**, rising from \$1,349,376,000 to \$1,795,784,712.

SWOT/PESTLE Analysis

Strengths:

Innovative Technology: Peloton offers leading-edge home fitness experiences with advanced tracking and analytics.

Brand Recognition: Peloton is widely known for its top-quality fitness offerings, appealing to a selective customer base.

Loyal Customers: A solid base of 6.7 million users and a high satisfaction rate indicate strong brand loyalty.

Weaknesses:

Financial Losses: The combined net loss of \$4.09 billion in 2022 and 2023 signals internal instability.

Hardware Sales Focus: Reliance on equipment sales could limit growth and reoccurring revenue.

Competitive Market: Peloton operates in a crowded market with many close alternatives.

Opportunities:

The Rise of AI Technology: AI technology could be utilized to streamline operations and targeted marketing efforts.

Remote Work Trend: A shift towards home offices presents an opportunity for subscription growth.

E-Commerce Expansion: Online retail growth opens up new subscriber acquisition channels.

Threats:

Rising Unemployment: Could decrease subscribers due to tighter budgets.

Interest Rate Spikes: Increased borrowing costs may reduce spending on premium subscriptions.

Sustainability Demands: Growing eco-consciousness could challenge Peloton's current product offerings.

Media Plan

Campaigns:

Peloton Pack Campaign: Encourages members to join forces and compete for weekly challenges on the Peloton app.

- Channels:** Social Media Ads, TV, Streaming Outdoor Advertising.

Peloton's Path to Paris: Aimed to inspire customers by sharing stories of Nike athletes preparing for the 2024 Olympics.

- Channels:** Digital Media, Outdoor (High-impact Billboards).

Peloton Theme Week: Adds fun to workouts with daily themes for a week.

- Channels:** Social Media, TV, Streaming, Outdoor (Digital Billboards).

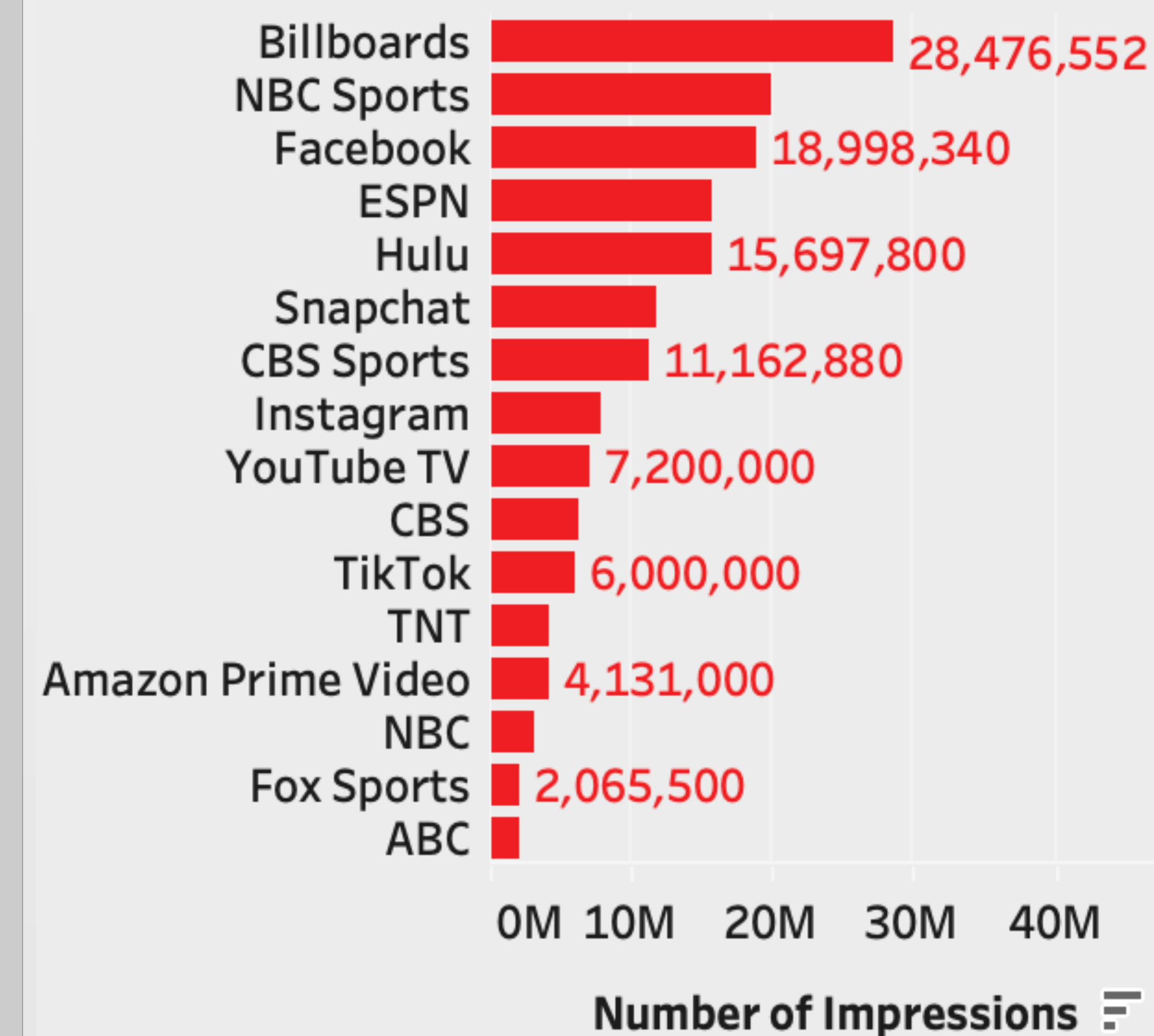
Forecast:

Speaker Icon: Total Projected Impressions: 164.5 million.

Dollar Icon: Projected Ad Expenditure: \$31.28 million.

Person Icon: Estimated Number of New Members: 3.29 million based on a 2% conversion rate.

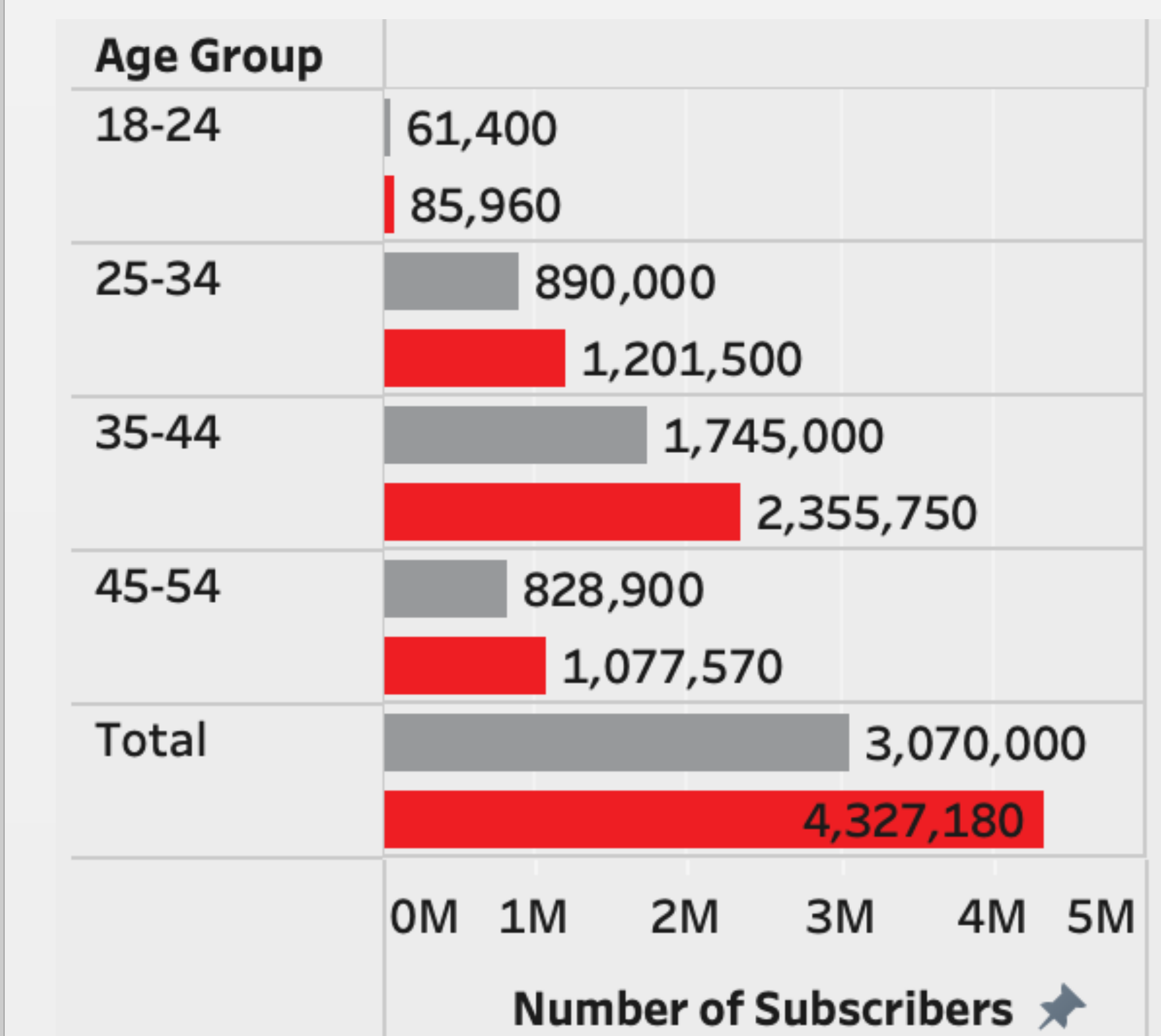
Projected Number of Impressions by Platform:



2023-2024 Subscriber Forecasts

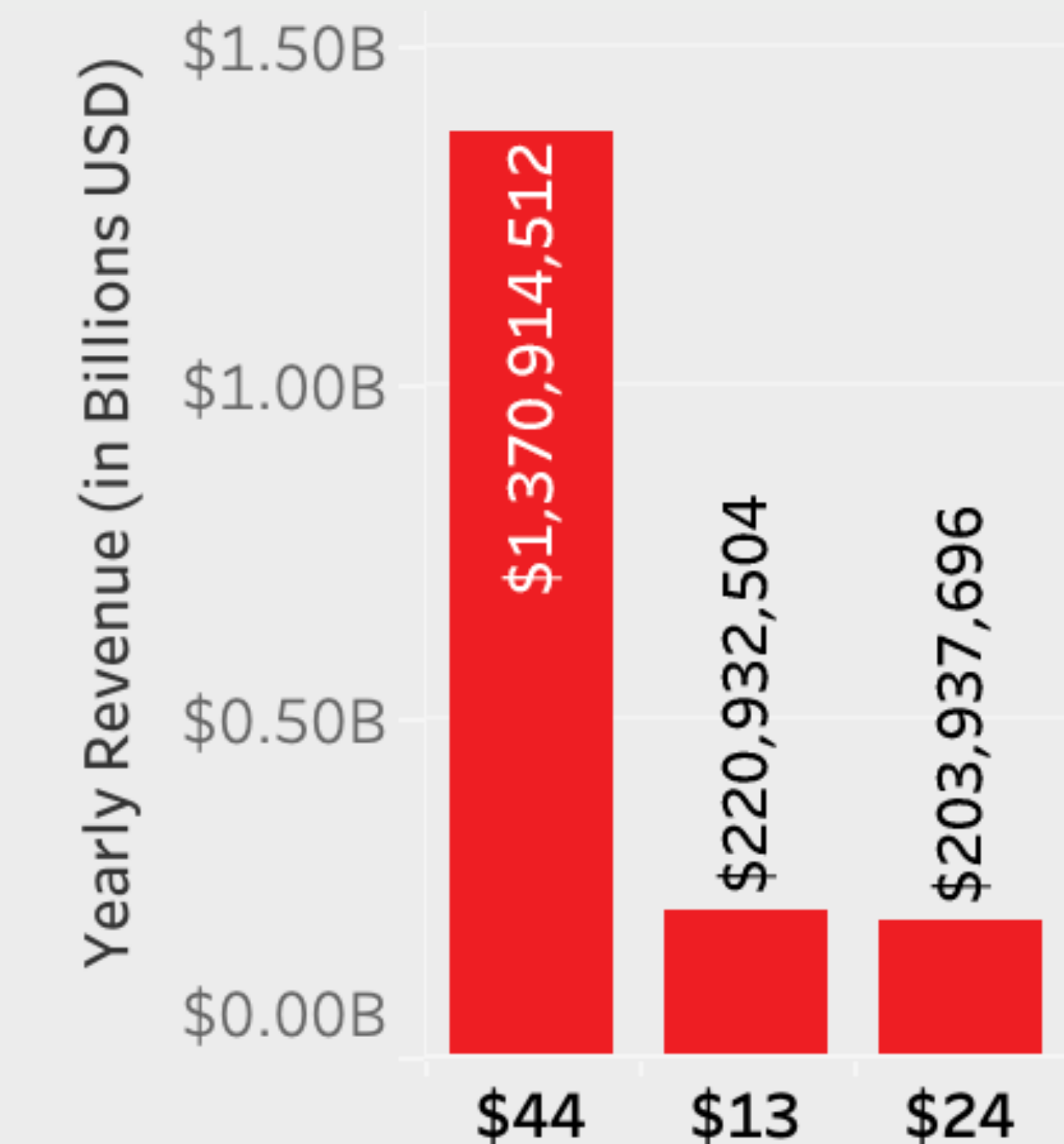
This chart displays the projected increase in subscribers by age group for 2024. It compares the current subscriber numbers from 2023 to the expected numbers for 2024 given our plan.

Projected Growth in Subscribers by Age Group (2024):



With a projected total increase to **4,327,180 subscribers**, our forecasts indicate a substantial growth across all age groups

Projected Revenue Breakdown by Subscription Type (2024):



For 2024, we project subscription revenues to reach **\$1.8 billion**, an increase of **\$446,408,712** from 2023.