Business Process & Data Analysis on Peloton Interactive Inc.

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Table of Contents

PART 1: BUSINESS PROCESS ANALYSIS

Table of Figures

PART 1: BUSINESS PROCESS ANALYSIS

INTRODUCTION

0.1 Background of Peloton

Peloton, an American hardware development company, is a leader in fitness innovation, offering comprehensive, instructor-led workouts at home. Founded in 2012 by CEO John Foley, the company has evolved into a leading fitness brand, offering unlimited live-on-demand sessions. With over 5.9 million subscribers as of June 2021, Peloton stands out from other at-home fitness brands. Investors have invested around $994 million in the company, focusing on product innovation and live training. The company employs over 2,000 people, including the CEO, CFO, and COO, and has a board of advisors, legal operations, commerce, diversity, public policy, and directors. Peloton's global communications staff handle messaging to investors and customer relations stakeholders. The company's success is attributed to its interactive software, powerful instructors, and vibrant community.

0.2 Strategic Goals

The Peloton interactive has as its mission statement, to inspire individuals to be the greatest versions of themselves wherever they are at any time, using technology and design to connect the globe via fitness ("PELOTON 2021 ESG REPORT," 2021), by providing individuals with intense exercise in immersive, easily accessible, reasonably priced, and effective methods. However, in McDon, D., & Nankya, Y. (2021) the following deductions can be made on the strategic plans of Peloton interactive.

I. To consistently add new subscribers.

II. To provide interactive elements that improve ties within the community.

III. To provide the greatest fitness material available.

IV. Creating novel items and modernising existing ones to meet industry requirements.

V. And to increase the company's market share and geographic reach.

0.3 Business Model

Peloton is a fitness brand that caters to celebrities, tech-savvy people, and middle-class to upper-class fitness fanatics. The company provides social features, convenience, improved customer experience, instructor-led exercises, and interactive sessions. Its business model is capture in key segments such as

Value propositions, Channels, Customer segments, Revenue streams, Key activities, Key partners, and cost structure.

Peloton is a fitness brand that offers a sense of belonging, improved customer experience, and more successful workouts. It operates through physical studios, websites, apps, social media, and customer connections. Peloton's revenue streams include sales of technology, clothing, accessories, and fitness equipment, as well as monthly membership plans. Key resources include fitness instructors, personnel, media partnerships, equipment, manufacturing alliances, and infrastructure. The brand's main activities include product development, research and development, manufacturing, delivery, marketing, branding, content production, sales, customer support, fitness courses, celebrity classes, and unique events. Peloton's cost structure includes staff and instructor salaries, administrative expenses, physical infrastructure maintenance, branding, marketing, and shipping.

The manufacturer of fitness subscriptions and high-end exercise announce 500 jobs losses lost as part of its fourth round of layoffs in 2021. The layoffs were a part of a broader reorganisation that also involves outsourcing manufacturing, 50% less member services, and contracting out last-mile deliveries to third parties. In Q3 2021, Peloton's revenue dropped by around 30% while net membership increases were almost non-existent. Figures 1 and 2, respectively, display the cash flow and the income statement (Peloton Interactive, Inc. (PTON)., 2023).

Income statement

All numbers in thousands

Breakdown	TTM	29/06/2023	29/06/2022	29/06/2021	29/06/2020
Total revenue	2,800,300	2,800,300	3,582,200	4,021,900	1,825,900
Cost of revenue	1,876,700	1,876,700	2,883,800	2,569,800	989,100
Gross profit	923,500	923,500	698,400	1,452,000	836,700
⌄ Operating expenses					
Research development	318,400	318,400	359,500	247,800	89,000
Selling general and administrative	1,388,900	1,446,300	1,982,300	1,392,100	828,600
Total operating expenses	1,764,700	1,764,700	2,341,800	1,639,900	917,600
Operating income or loss	-841,200	-841,200	-1,643,400	-187,900	-80,900
Interest expense	97,100	97,100	43,000	14,800	-
Total other income/expenses net	-346,000	-346,000	-1,113,200	-3,400	-3,800
Income before tax	-1,258,000	-1,258,000	-2,797,200	-198,200	-68,400
Income tax expense	3,700	3,700	19,600	-9,200	3,300
Income from continuing operations	-1,261,700	-1,261,700	-2,816,800	-189,000	-71,700
Net income	-1,261,700	-1,261,700	-2,816,900	-189,000	-71,600
Net income available to common s...	-1,261,700	-1,261,700	-2,816,900	-189,000	-71,600
Basic EPS	-	-3.64	-8.77	-0.64	-0.32
Diluted EPS	-	-3.64	-8.77	-0.64	-0.32
Basic average shares	-	346,671	322,369	293,893	220,952
Diluted average shares	-	346,671	322,369	293,893	220,952

Figure 1Income statement of Peloton from 2020 to 2022 (Source: Peloton Interactive, 2023)

All numbers in thousands

Breakdown	TTM	29/06/2023	29/06/2022	29/06/2021	29/06/2020
⌄ Cash flows from operating activ…					
Net income	-1,261,700	-1,261,700	-2,816,900	-189,000	-71,600
Depreciation & amortisation	124,300	124,300	142,800	63,800	40,200
Stock-based compensation	405,000	405,000	328,400	194,000	88,800
Change in working capital	113,700	113,700	-641,100	-400,600	264,900
Accounts receivable	-13,800	-13,800	-12,800	15,100	11,300
Inventory	537,500	537,500	-398,600	-587,200	-96,800
Other working capital	-470,000	-470,000	-2,357,400	-491,900	220,000
Other non-cash items	93,600	93,600	127,400	74,600	54,100
Net cash provided by operatin…	-387,600	-387,600	-2,037,700	-239,700	376,400
⌄ Cash flows from investing activi…					
Investments in property, plant a…	-82,400	-82,400	-319,700	-252,200	-156,400
Acquisitions, net	0	0	-11,000	-478,200	-45,000
Purchases of investments	0	0	0	-449,100	-1,199,700
Sales/maturities of investments	0	0	517,700	672,600	659,700
Other investing activities	12,500	12,500	-16,000	-78,200	100
Net cash used for investing act…	-69,900	-69,900	171,000	-585,100	-741,300
⌄ Cash flows from financing activ…					
Debt repayment	-9,800	-9,800	-1,700	-800	0
Common stock issued	0	0	1,218,800	0	1,195,700
Common stock repurchased	-	-	-	0	0
Other financing activities	-100	-100	-	-135,200	100
Net cash used provided by (us…	76,900	76,900	2,015,100	916,800	1,240,100
Net change in cash	-372,200	-372,200	121,900	98,700	874,000
Cash at beginning of period	1,257,600	1,257,600	1,135,700	1,037,000	163,000

Figure 2: Cash flow from 2020 to 2022

1 STRATEGIC ANALYSIS

Based on the strategic plans earlier mentioned, analysing the current state of Peloton will provide a vivid picture of the health of the organisations and the area where improvement is required. Among the several methods for assessing the strategic analysis of an organisation, the SWOT analysis has shown to cover both the external and internal factors. Figure 4 is a summary of SWOT analysis of Peloton.

SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

1.1 STRENGTHS

i. **One stop product ecosystem:** The company that offers a comprehensive product ecosystem, such as the cutting-edge Peloton Bike and Tread, which are premium exercise equipment.

ii. **Innovative User-inclined Technology:** The company is known for its innovation and user-centric technology, investing in research and development, and utilizing advanced software and data analytics for personalized recommendations.

iii. **Brand Identity:** Peloton's brand identity and community engagement are key strengths, promoting connected fitness, empowerment, and community through virtual classes, social media, live leaderboard rankings, and virtual high-fives.

iv. **Talented team of instructors:** Peloton's diverse team of world-class fitness experts and celebrity instructors, combined with a strong social media presence, provides a well-rounded fitness experience.

v. **Subscription-based revenue model:** Peloton's financial success is attributed to its stable revenue stream, predictable business model, and high customer retention rate, bolstering its competitive position and sustainable growth.

vi. **Aggressive marketing and strategic partnerships:** The company has successfully established its brand through a multichannel marketing approach that makes use of influencer relationships, internet advertising, social media, luxury hotels, and wellness initiatives.

vii. **Diversification:** Another asset of Peloton has been its aggressive plan for worldwide development, which has helped the business diversify its sources of income and reduce the dangers involved with depending too much on any one market. Complementary products have been launched by the firm, like Peloton App, which enables customers to access the digital platform without having to purchase Peloton equipment.

1.2 WEAKNESSES

The fitness equipment company faces several weaknesses, including.

i. High initial costs
ii. Limited market penetration initiated by pricing strategy.
iii. Heavy dependence on subscription revenue,
iv. Product reliability and safety concerns,
v. Heavy reliance on instructor personalities,
vi. Limited physical presence, and
vii. Evolving market landscape.

The high initial cost of Peloton's premium products, such as the Peloton Bike, Tread, and Bike+, reduces their availability to customers on a tight budget. This pricing approach may also prevent a wider range of consumers from entering the market, such as price-conscious buyers and those who favour less expensive options.

Peloton's subscription-based revenue model is susceptible to changes in client retention rates and recessions, making it vulnerable to decreased subscription renewals. Peloton must diversify its revenue sources and look at non-subscription revenue streams to reduce this risk.

The restricted range of cardio-focused workouts offered by Peloton may put off prospective consumers looking for a more varied training experience. Industry rivals with more varied fitness offerings include boutique fitness studios and conventional gyms.

Product reliability and safety concerns have led to product recalls (Schultz, 2021a) and negative publicity, undermining customer confidence and harming Peloton's brand. To

continue to preserve its reputation and protect its market position, Peloton must guarantee the safety and dependability of its products.

Lastly, boutique studios, conventional fitness centres, and newcomers to the virtual fitness market compete with Peloton. Peloton must constantly develop and adjust to changing market conditions, changing consumer preferences, and remaining flexible and responsive.

1.3 OPPORTUNITIES
As a fitness company, Peloton has several opportunities to capitalize on as the fitness landscape evolves.

i. **Market Expansion and Penetration:** It can expand its global presence by going after unexplored areas of Asia, Europe, and other continents, and customising its products to fit a wide range of global consumers.

ii. **Tactical Alliances:** Gyms, celebrities, and local fitness influencers may help expand brand recognition and market penetration into new areas.

iii. **Diversification and innovations:** Peloton can expand its fitness equipment range by introducing rowing machines, ellipticals, and strength training equipment, and explore wearable fitness technology for seamless integration with its digital platform.

iv. **Expanding Digital Content Library:** Expanding the digital content library of workout classes, incorporating wellness and mindfulness content, and offering new disciplines and difficulty levels can enhance customer engagement and loyalty.

v. **Special Events:** Live events like Peloton-branded fitness festivals and wellness retreats can strengthen community and brand loyalty, while exclusive experiences and retention incentives can enhance Peloton membership value.

vi. **Leveraging Data Analytics:** By analysing user behaviour and workout performance, Peloton can improve its capabilities, improving contentment, rates of retention, and a competitive advantage in the fitness industry.

1.4 THREATS

Peloton, a fitness company, faces several challenges in the market due to evolving consumer preferences and intensifying competition.

i. **Intense Competition:** The fitness market faces intense competition from established brands and startups, with traditional clubs and boutique studios entering the digital space, potentially leading to pricing pressures and increased costs.

ii. **Evolving consumer preferences:** Peloton must adapt to evolving consumer preferences and trends to stay relevant and appealing, as failure to do so could result in reduced customer engagement and potential competitor defection.

iii. **Regulatory Challenges:** Peloton faces regulatory challenges in multiple areas worldwide, including complex and costly adherence to regional regulations concerning consumer protection, product safety, data privacy, and intellectual property.

iv. **Supply chain disruptions and manufacturing challenges:** can impact the timely delivery of products and affect Peloton's brand reputation.

v. **Technology dangers and reliance on electronic infrastructure:** can also pose challenges. Cyber-attacks, data breaches, and system outages can lead to legal consequences, undermine consumer trust, and jeopardise user information.

vi. **Economic downturns and consumer spending habits:** potentially affect Peloton's attempts to attract new customers and maintain their loyalty levels.

vii. **Social media backlash and bad press** may spread swiftly and have serious repercussions for companies**.** Peloton must respond to such incidents and address customer concerns to manage and mitigate these threats.

PELOTON INTERACTIVE SWOT ANALYSIS

STRENGTH:

- → One stop product ecosystem
- → Innovative User-inclined Technology
- → Brand Identity
- → Talented team of instructors
- → Subscription-based revenue model
- → Aggressive marketing and strategic partnership
- → Diversification

WEAKNESS:

- → High initial costs
- → Limited market penetration initiated by pricing strategy.
- → Heavy dependence on subscription revenue,
- → Product reliability and safety concerns,
- → Heavy reliance on instructor personalities,
- → Limited physical presence, and
- → Evolving market landscape

OPPORTUNITIES

- → Market Expansion and Penetration
- → Diversification of Product Offerings
- → Expanding Digital Content Library
- → Strategic Partnerships
- → Special Events
- → Leveraging Data Analytics

THREATS

- → Intensifying Competition
- → Evolving Consumer Preferences and Trends
- → Regulatory and Legal Challenges
- → 4. Supply Chain Disruptions and Manufacturing Challenges
- → 5. Dependency on Digital Infrastructure and Technological Risks
- → 6. Economic Downturns and Consumer Spending Habits
- → 7. Negative Publicity and Social Media Backlash

Figure 3: SWOT analysis of Peloton

2. INVESTIGATING SITUATION: PRIOR RESEARCH

As a way of investigating the situation at Peloton, the suitable method adopted was the prior research available on Pereira, (2023), considering the daunting task of other approaches. The Business model captures nine key segments that defines the Peloton interactive.

2.1 Customer Segments
The customer base of the organization is made up of

- Fitness enthusiasts: Targeting 60% of their customer demographic aged 24-44, with only 2% over 65.
- Well-known people and other prominent figures in society.
- Tech-savvy individuals.

2.2 Value Propositions
Which aimed at customers satisfaction creates.

- Instructor-led Workout experience
- Interactive and entertaining Workout Session
- Enhanced Customer Experience
- Convenience-based workout

2.3 Channels: Website, App, social media, Real studios, and showrooms,

2.4 **Customer relations:** content promotion, social media advertising, independent service, and fitness club

2.5 Revenue Streams: Sales of clothing, accessories, technology, and exercise gear plans for monthly subscriptions

2.6 Key Resources

- Personal trainers
- Personnel
- Media partnerships
- Equipment
- Facilities and studios
- Digital content

- Application
- Online visibility

2.7   Key Activities:
Fitness instruction courses; celebrity classes; manufacturing; delivery; marketing, branding, and content production; sales; customer support; fitness instruction classes; unique events

2.8   Key Partners

- Instructors
- Manufacturing and logistic companies
- Record labels

2.9   Cost Structure: Payroll and teacher expenses; administrative and running expenditures; maintaining physical infrastructure; branding and marketing; shipping.

2.1 Competitors

- Life Fitness: Manufacturer and distributor of fitness equipment with a focus on treadmills and stationary bikes.
- SoulCycle: Equinox Group-owned fitness brand that offers indoor cycling and spinning sessions.
- NordicTrack: is a fitness equipment manufacturer that produces ellipticals, exercise bikes, treadmills, strength training equipment, and other fitness accessories.
- Bowflex: a Vancouver-based manufacturer of exercise equipment.

3 STAKEHOLDERS ANALYSIS

The stakeholder's analysis for Peloton interactive plc was performed by plotting or categorising the stakeholders across the four quadrants of who to monitor, actively engage, Keep Informed, and Keep Satisfied suing the Power/Interest grid. See figure 4.

i.   **High Power - High Interest:** The decision-makers among stakeholders are categorised here as those whose influence on the activity is so significant that their expectations determine its continued existence.

ii. **High Power - Low Interest:** These categories of stakeholders are not too keen on the activities as much as they on the output but have a considerable influence over its implementation. Such stakeholders must be kept satisfied.

iii. **Low Power – High Interest:** these categories of stakeholders need to be informed regularly and properly, to avoid severe difficulties, as their impact can go a long way to influence the activity negatively

iv. **Low Power - Low Interest**: this category consists of entities that must be watched on a regular basis and must be avoided by excessive communication.

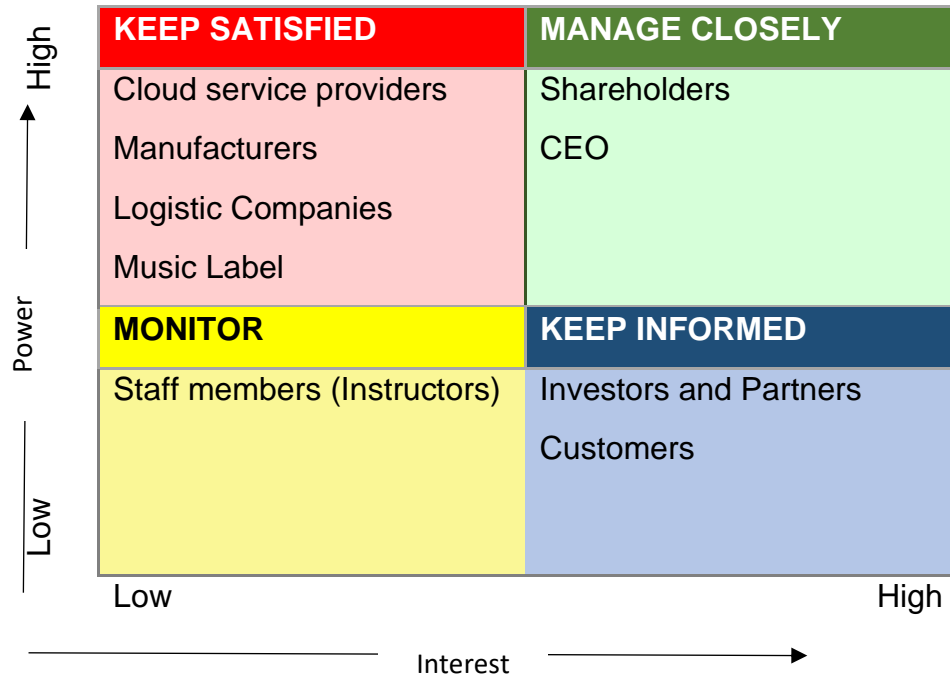|			
High	**KEEP SATISFIED**		**MANAGE CLOSELY**
	Cloud service providers		Shareholders
Power	Manufacturers		CEO
	Logistic Companies		
	Music Label		
	MONITOR		**KEEP INFORMED**
Low	Staff members (Instructors)		Investors and Partners
			Customers
	Low		High

Interest

Figure 4: Power interest grid of stakeholders

4   NEEDS ANALYSIS

The needs analysis will be performed in the following phases.

A.   Understanding the short- and long-term goals

The strategic objectives as highlighted earlier is.

    I.   To consistently add new subscribers.

    II.   To provide interactive elements that improve ties within the community.

    III.   To provide the greatest fitness material available.

    IV.   Creating novel items and modernising existing ones to meet industry requirements.

    V.   And to increase the company's market share and geographic reach.

B.   Identifying the desired performance effort

From the strategic objective, Peloton expects to grow her subscription continuously and to expand the company's geographical spread.

C.   Examining the current performance

- Peloton's revenue declined by 30% in Q3 2021 (Quarterly Results, 2021)
- Net subscriber additions dropping to near zero losing 3 million connected fitness subscription as seen in figure 2.
- The company's market capitalization has dropped from almost $50 billion to $3.0 billion.

Legend: Hardware revenue, Subscription revenue, Net subscriber additions

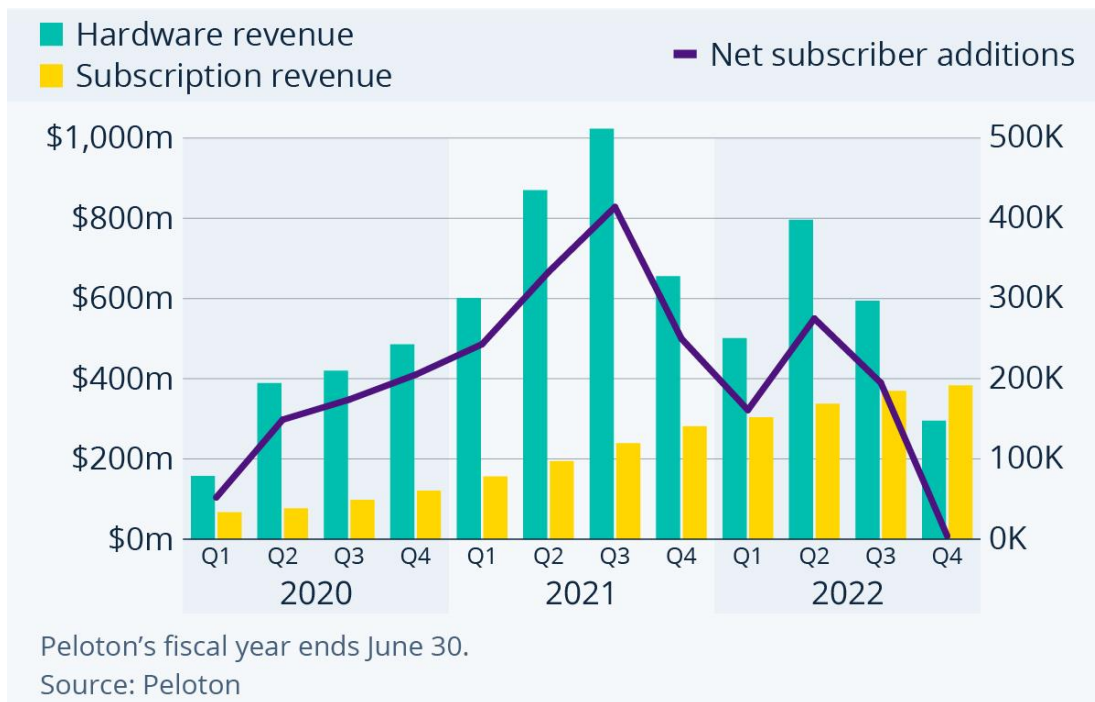Peloton's fiscal year ends June 30.
Source: Peloton

Figure 5: Peloton Subscriber Growth Ebbs (Richter, 2022)

5 BUSINESS PROCESS MODELLING

Having the understanding that the current performance is short of the expected goal with drop in earnings, membership subscription and market capitalization, a view of the company's business model will throw light into the processes involved. To do this, Peloton business model canvas will be sued to x-ray the key actors, activities, and their interactions with one another. Figure 6 below is the Peloton Business canvas.
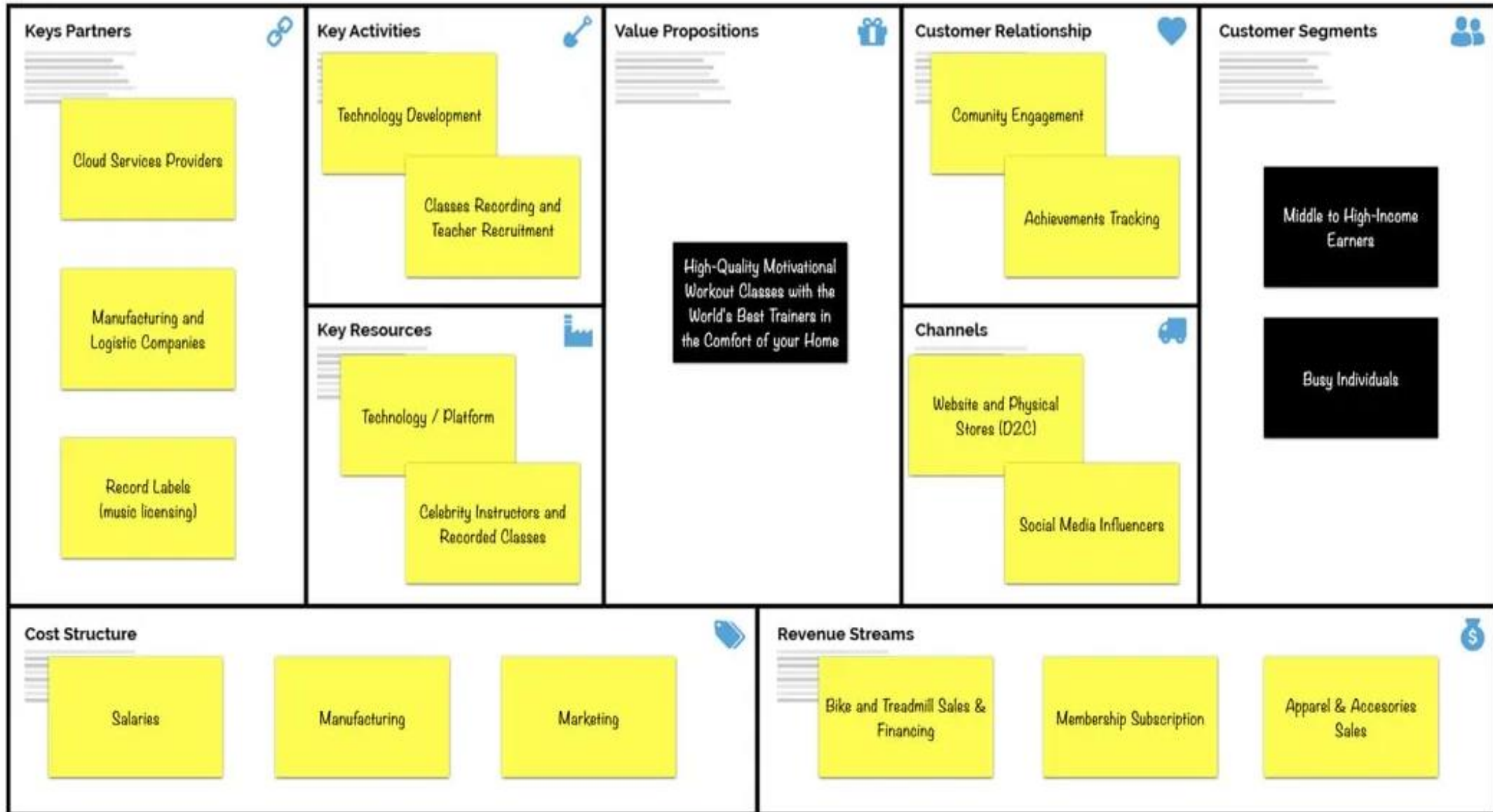
PELOTON - Business Model Canvas

Keys Partners

- Cloud Services Providers
- Manufacturing and Logistic Companies
- Record Labels (music licensing)

Key Activities

- Technology Development
- Classes Recording and Teacher Recruitment

Key Resources

- Technology / Platform
- Celebrity Instructors and Recorded Classes

Value Propositions

High-Quality Motivational Workout Classes with the World's Best Trainers in the Comfort of your Home

Customer Relationship

- Comunity Engagement
- Achievements Tracking

Channels

- Website and Physical Stores (D2C)
- Social Media Influencers

Customer Segments

- Middle to High-Income Earners
- Busy Individuals

Cost Structure

- Salaries
- Manufacturing
- Marketing

Revenue Streams

- Bike and Treadmill Sales & Financing
- Membership Subscription
- Apparel & Accesories Sales

Figure 6: The Peloton Business model (Source: Pereira, (2023)).

6   DEFINING SOLUTION

The customer subscription drop post pandemic could be explained from the customers lifestyle change after the pandemic. Recall that during the pandemic so many activities were reduced due to the lockdown. This activity became a priority activity; however, it was different post pandemic, and this will affect the financial commitment of subscribers as well. To restore this growth, a few changes are being introduced in this proposed model for Peloton as shown in Figure 7.

The model introduces changes to key segments like customer segment, value proposition, partners and all three will in turn affect the revenue segments.

Value Proposition: In its policy marketing drive, we are introducing additional benefits that subscribers will benefit from, which are.

    i.   Promoting an all year- and all-round total wellness lifestyle, through advertisement, counselling, seminars, and conferences

   ii.   Wearable devices will make it easier for the now mobile subscribers to incorporate fitness activities into their upwardly mobile lifestyle.

  iii.   Incorporate the option to choose an instructor.

Customer segment: The customer segment will expand further from just the middle - high end earners, celebrities, and tech savvy customers to also include community of people looking now for total wellness irrespective of their class.

Revenue Stream: From the new introductions, the organization will add at least two streams of income.

   i.   Sales of wearable devices.

  ii.   Free registrations after purchasing a wearable device.

Partnership: Partnership with hotels and clubs will help to open-up more service outlets and ad earnings from both equipment sales and subscriptions

The Business Model Canvas

Key Partnerships

Manufacturers and suppliers, logistic companies, record labels

Hotels, clubs

Key Activities

product research and development, manufacturing, delivery, marketing, branding, content creation, sales, customer service, fitness instruction classes, celebrity classes, and special events

Key Resources

fitness instructors, human resources, media collaborations, equipment, manufacturing partnerships, distribution network, infrastructure, studios, digital production, application, online presence, and patents

Value Propositions

increased workout effectiveness, enhanced customer experience, and a sense of belonging

promoting a Healthy lifestyle all year round, platform for connecting choice instructor and wearable devices.

Customer Relationships

The brand has been endorsed by celebrities and prominent figures, giving members a sense of belonging to a high-class community

Channels

physical studios, websites, apps, social media, and customer relationships

Customer Segments

middle- to upper-class fitness enthusiasts, celebrities, and tech-savvy individuals.

People seeking total health and wellness.

Cost Structure

personnel and instructor payments, administrative and operational costs, maintenance of physical infrastructure, branding and marketing, and shipping.

Revenue Streams

sales of fitness equipment, apparel, accessories, and technology, as well as monthly subscription plans,

Sales of wearable devices, for choice instructor

Figure 7: Proposed Business canvas model

7 COMMENTS, OBSERVATIONS AND RECOMMENDATIONS

7.1 Comments and Observations

Peloton's target audience as it is shown from its business model indicates that it is towards fitness enthusiast and mid – high income earners. However, a careful observation shows that the entry level power bike price is $2,495, which indicates that the actual target audience is the high-income households, considering this excessive cost of owning a peloton. What this has done is to restrict a larger number of populations that would wish to own a peloton from owning one. Second, being a major beneficiary from the covid 19 lockdown, Peloton's responds to the demand surge were way above the demand with the investment of $420 billion in the purchase of the fitness machine making company – Precor, shortly before the lockdown was eased. This resulted to having more equipment, than the market demand for it.

7.2 Recommendations

The following measures can address the inadequacies so identified and more.

1. There needs to be a pricing review that will accommodate more people. The shortfall in profits from sales can be shifted to fee for personalized fitness instructors and subscriptions from other partnering organizations like hotel and clubs.

2. Subsequently, it is recommended that a careful study of the demand stability be carried out before making serious investments to address the demands.

PART 2: BUSINESS DATA ANALYSIS

INTRODUCTION

In this session of this assessment the data analysis of a business data is carried out, either from same company being investigated in Part one of the report or a tutor-approved dataset chosen from a list. In this part of my study, business data from same company, which in this case is Peloton Interactive Inc., has being used. The dataset which has been retrieved from Kaggle is accessible with the link: CStevens Peloton Data (kaggle.com). The data is comprised of 21 attributes (columns) and 3737 rows.

These attributes of the datasets are, 'Workout_ID', 'Workout_Timestamp', 'Workout_Date', 'Workout_Day', 'Workout_Time', 'Live_OnDemand', 'Instructor_Name', 'Co_Instructor', 'Length', 'Fitness_Discipline', 'Type', 'Total_Output', 'Avg_Watts', 'Avg_Resistance', 'Avg_Cadence', 'Avg_Speed', 'Distance', 'Calories_Burned', 'Avg_Heartrate', 'Avg_Incline', and 'Avg_Pace'.

This report covers introduction, Research questions, Business insight, Comments, observations, and recommendations, and conclusions.

Research Questions
To get the analysis, the following research questions have been identified.

    i. Which activity contributes most to the total output?

    ii. What are the key influences of total output?

    iii. What are the key influencers of live-OnDemand?

    iv. Is there any significant difference between calories burned and the fitness discipline?

    v. In what day of the week is the highest total output?

    vi. Which instructor has the highest output?

    vii. Are the instructors performing uniformly across board?

    viii. What is the total output and total calories burned by live-demand?

    ix. What is the daily workout peak period?

8   BUSINESS INSIGHT

The analysis performed on the data set to gain insight was conducted using Power BI and python tools for both statistical analysis and visualization.

8.1   Total output

For the three-year period covered in the dataset, the total output is 153,099 while the total calorie burned is 402,740 (Figure 8).
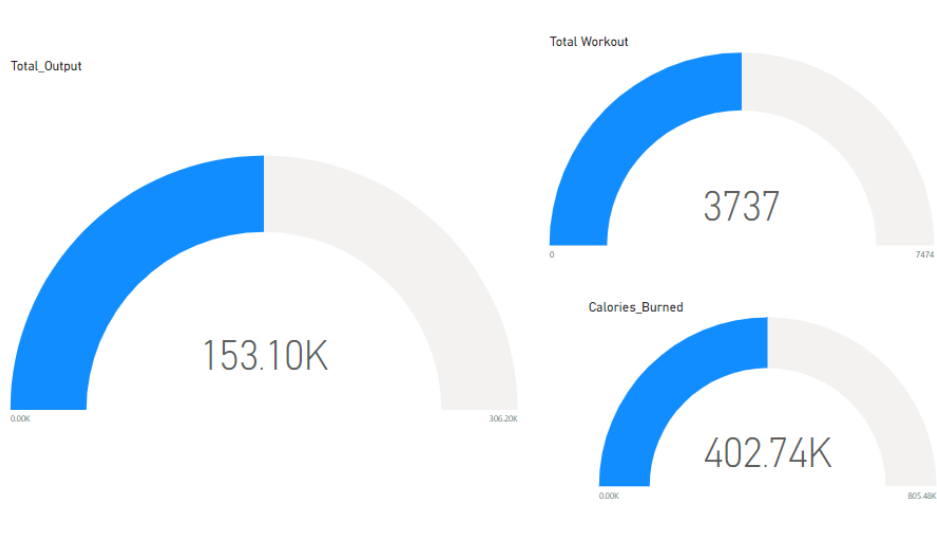

Figure 8: Showing the total output, calorie burned and workout for three years.

Further investigations shows that the year 2022 had a higher concentration of outputs when compared to 2021 and 2023 (Figure 9), suggesting that more workouts had occurred in this period above 2021, 2023, while it was lowest in 2020.
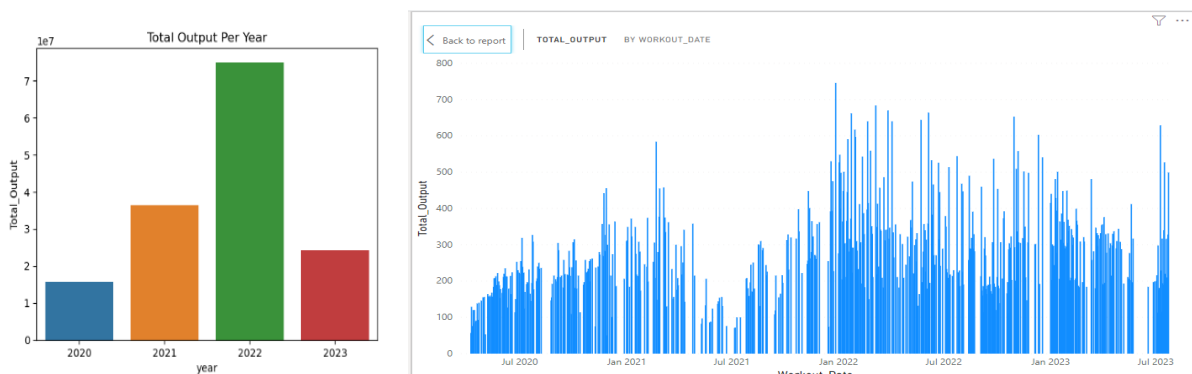
Figure 9: total output spread per period

The contributing parameters to the total output can further be assessed to give an insight into the activities that have contributed the most to the total output recorded within these periods. The heatmap shown in Figure 10 shows that there is a remarkably high correlation between Calories burned and Total output, and between Distance covered and total output. The collinearity chart further highlights that the output and calories burned are positively interdependent such that while calories burned increases, the total output also increases correspondingly.
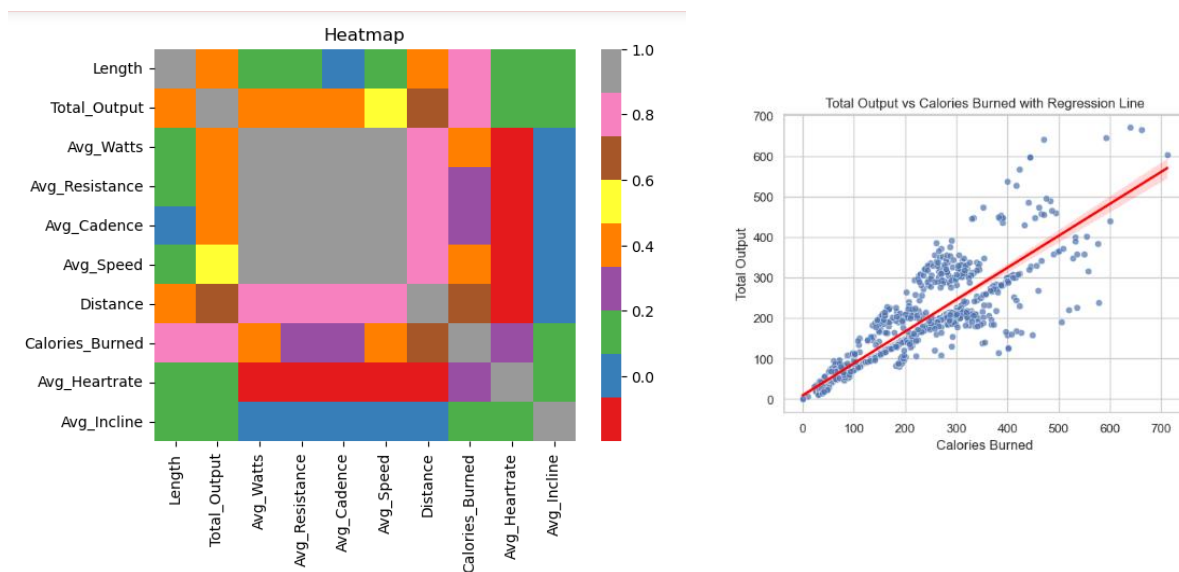
Figure 10: Heatmap and regression graph

Other factors that could predict increase in the total output were analysed. These influencers were categorized in the order in which they could increase the total output, Below the top three categories that will predict an increase total output as shown in figure 11, 12 and 13.

1. Total output is likely to increase when the type is Hiking, as Hiking has contributed a total output of 272.4 higher than any other values of type.
2. When it is walk and run, the total out is 226.4 higher than otherwise.
3. When the instructor's name is Kirsten Ferguson, the total output is 197 higher than others and it is likely to increase.
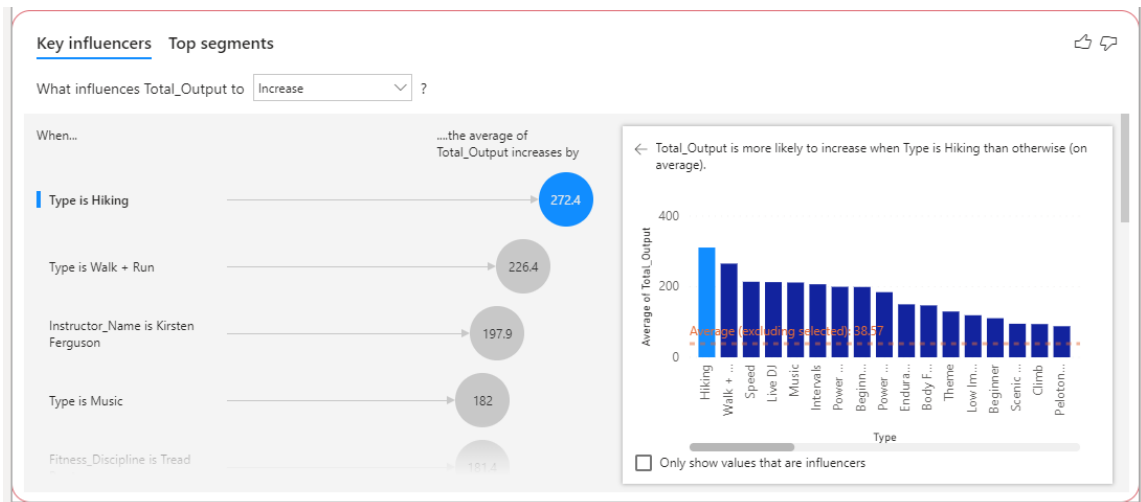
Figure 11: Total Output first key influencer
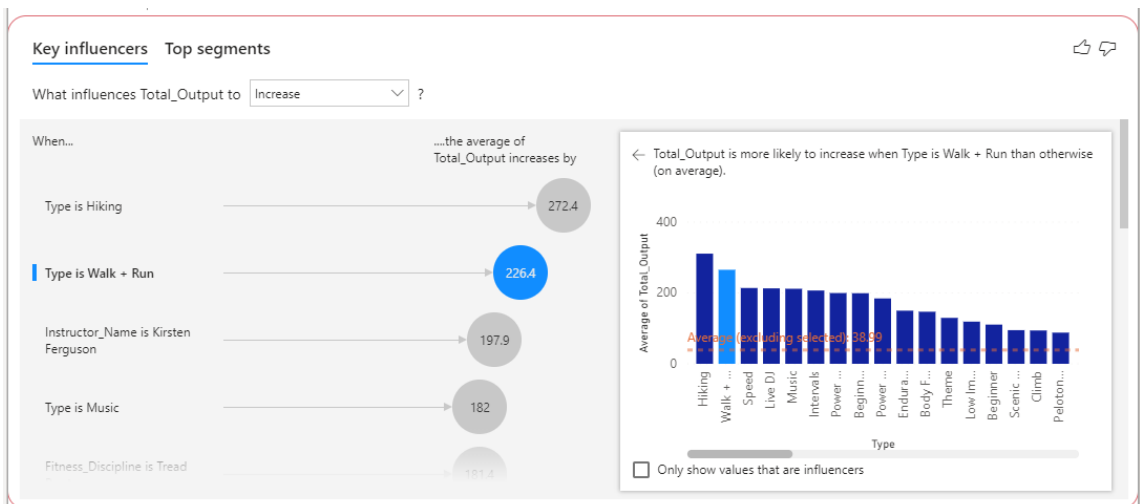
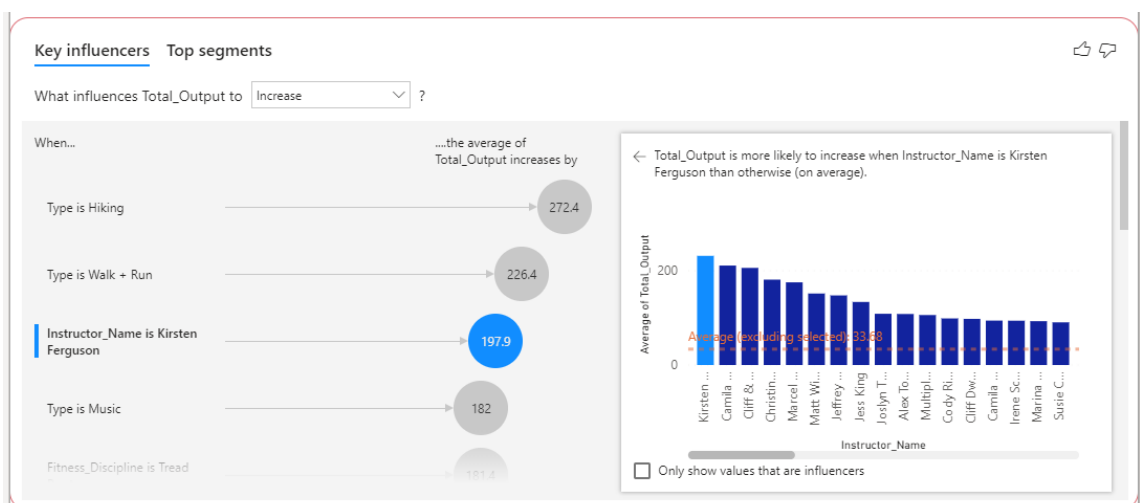*Figure 12: Total Output second key influencer*

Figure 13: Total Output third key influencer

8.2   Live – On Demand Performance review.

Live – On demand are two options available to customers in terms of location of their exercise. While 'Live' is the physical appearance at the gym site, the on-demand use of the Peloton services through their high-tech equipment's and apps from the user's comfort base. Comparing their impact on total output and calories burned, the on demand has higher values than the live. Which suggests that most customers find it easier to exercise by owning their Peloton equipment. Obviously, more calories were burned from the On-demand exercise with highest result arising from Cycling, Walking Running fitness discipline respectively (Figure 14). This comparison is restricted to exercises that are done in both locations because there are others that can only be done Live, that is why analysis of the key influencers (Figure 15, 16 and 7) indicates that.

i.   As calories burned decreases, the likelihood of live on-demand being On-demand increases (2.16times).

ii.   When the instructor is Andy Speer the live on-demand is 1.16 times going to be On-demand.

iii.   When the output is 6-61 it is likely going to be On-demand
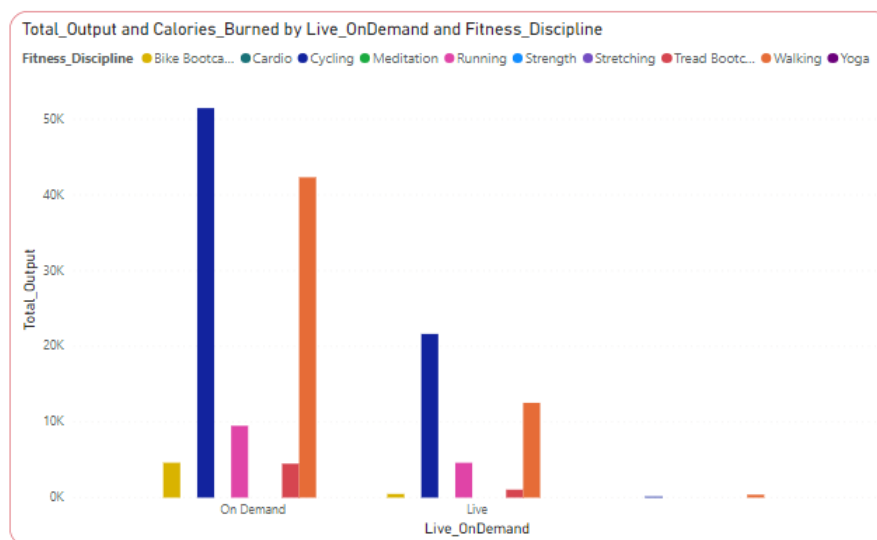
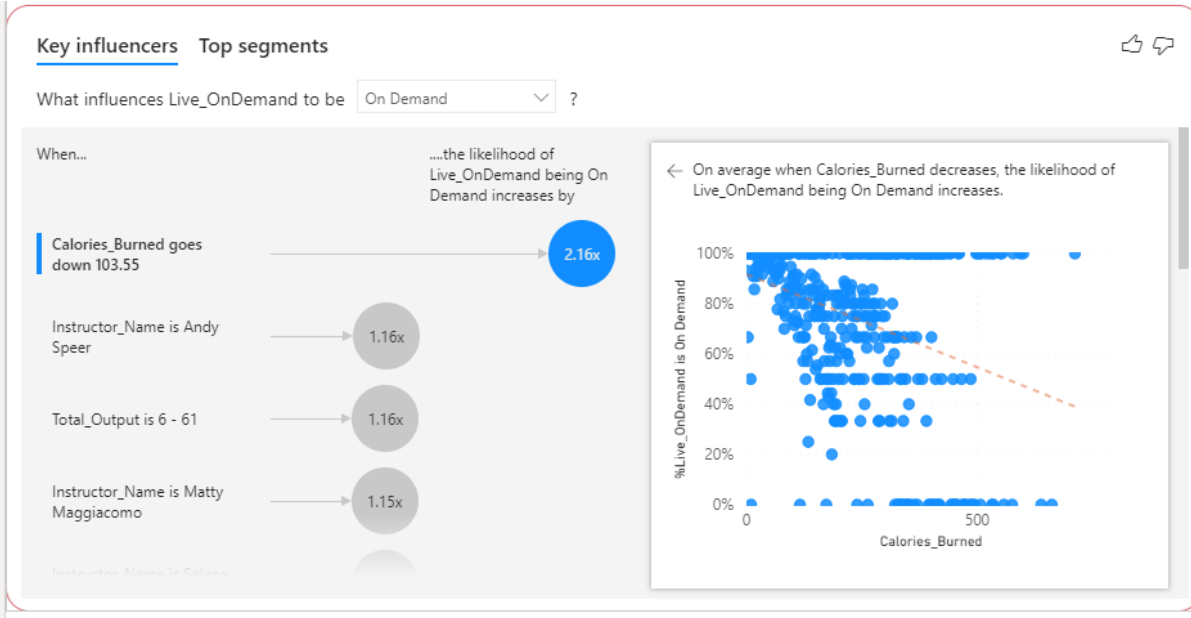*Figure 14: Total Output and Calories Burned by Live On-demand*

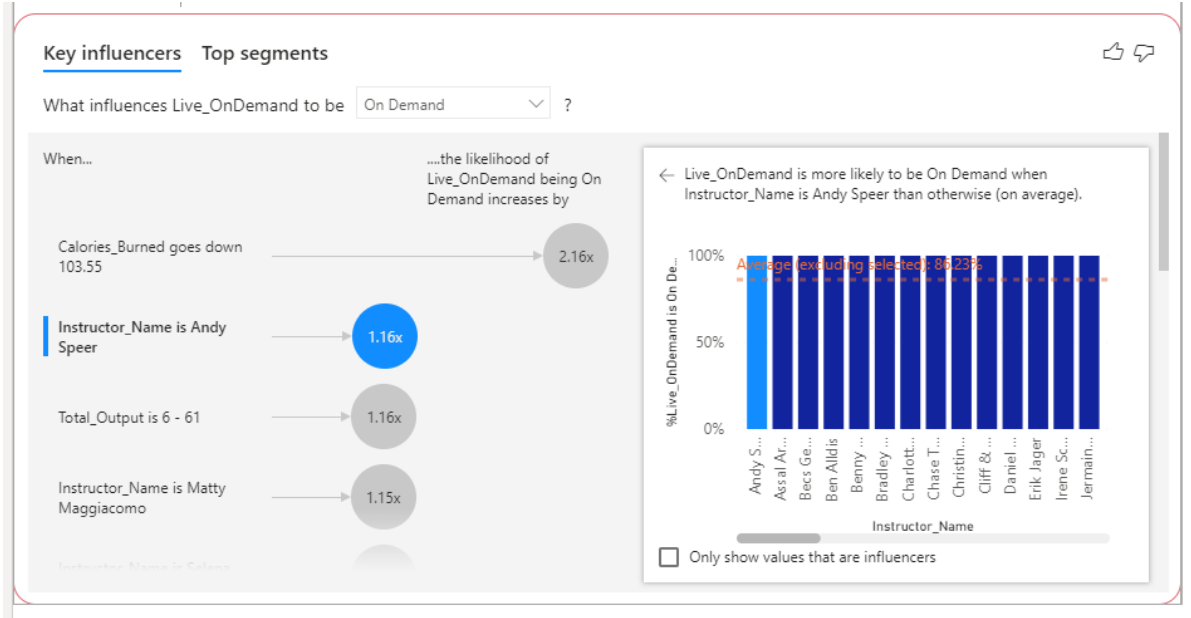*Figure 15: Live On-demand influencer 1*
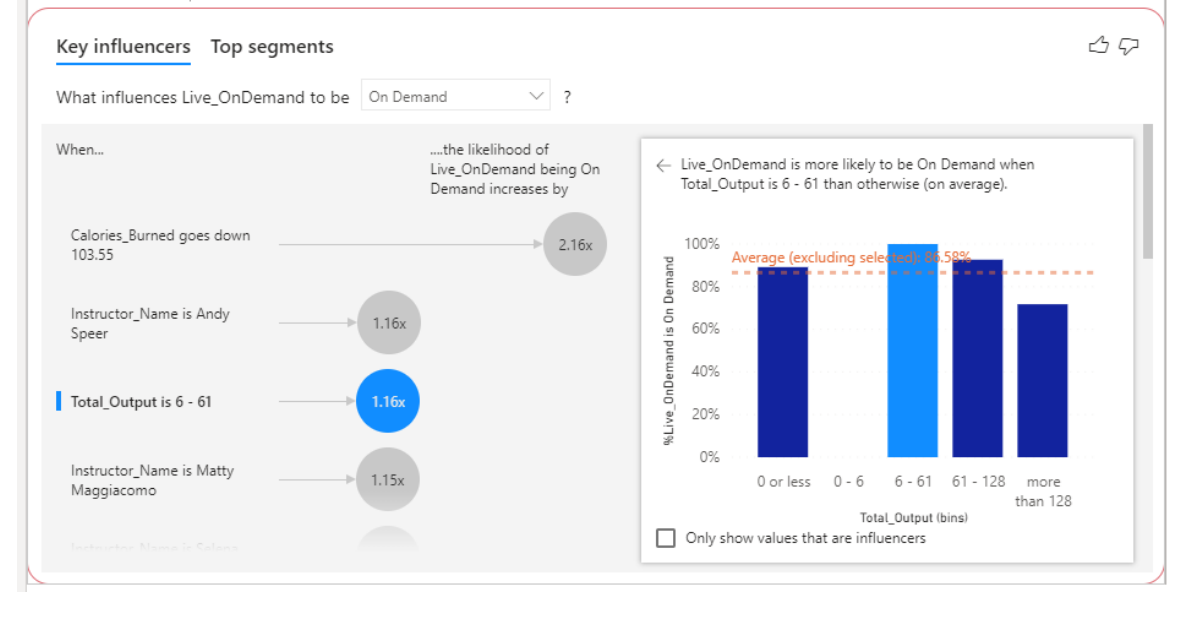

Figure 16: Live On-demand influencer 2

Figure 17: Live On-demand influencer 3

8.3   Impact of Instructors and Fitness Discipline

Peloton boast of celebrity instructors and prior analysis has indicated its influence on the total output. A look at the various contributions of the instructors can be seen in Figure 18 with Kirsten Ferguson having the highest total output, affirming while Kirsten is the 3rd key influencer of total output. On the fitness discipline Strength, Cycling and walking burned the highest calories of 28.9%, 25.38% and 23.31% respectively (Figure 19).
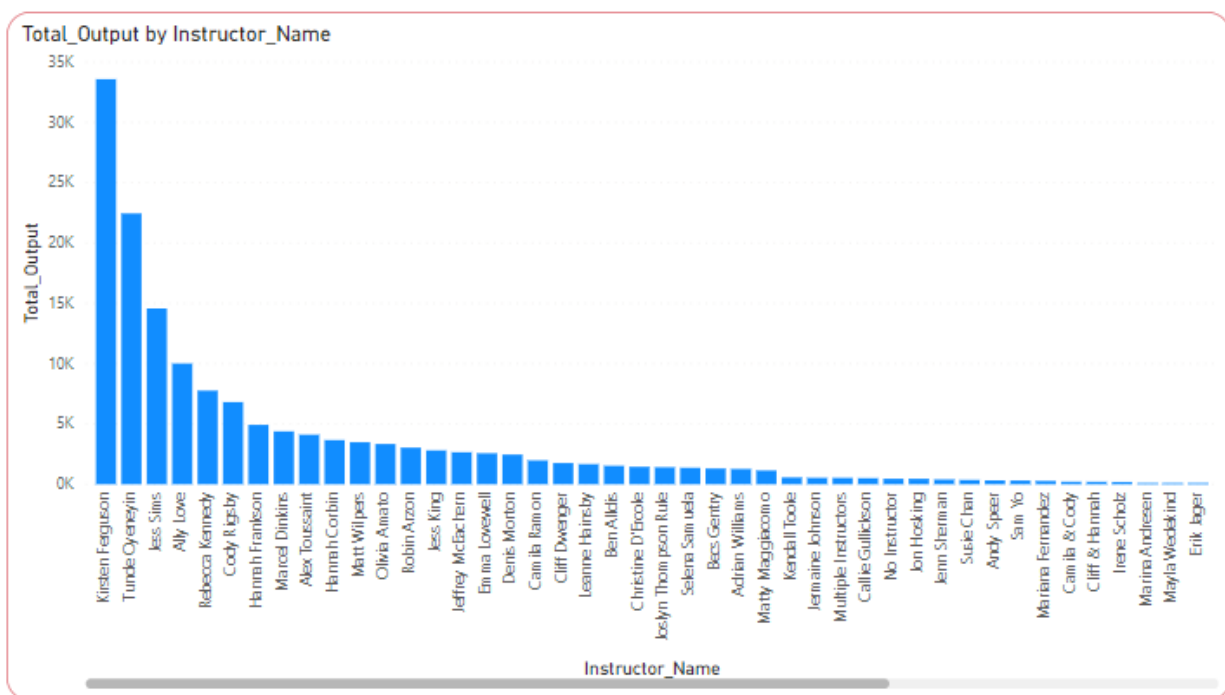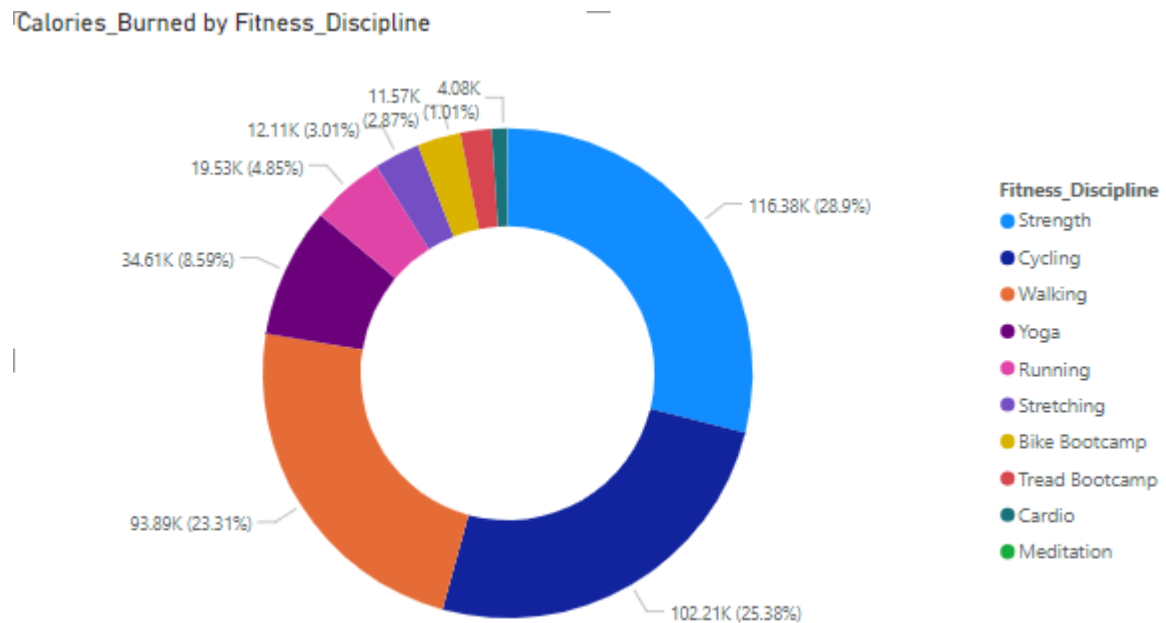

Figure 18: Instructors rating per total output

Calories_Burned by Fitness_Discipline

116.38K (28.9%)
102.21K (25.38%)
93.89K (23.31%)
34.61K (8.59%)
19.53K (4.85%)
12.11K (3.01%)
11.57K (2.87%)
4.08K (1.01%)

Fitness_Discipline
- Strength
- Cycling
- Walking
- Yoga
- Running
- Stretching
- Bike Bootcamp
- Tread Bootcamp
- Cardio
- Meditation

Figure 19: Calories Burned per Fitness Discipline

8.4 Impact of workout dates and times

The knowledge of the most active periods is essential for planning and resource allocation. This is done by reviewing amounts of calories burned and total output per day of the week. Whereas figure 20 shows Sunday has the highest Total Output, figure 21 also affirm that more calories were burned on Sunday. Furthermore, pick workout times of the day are between the hours of 7am – 10am in the morning and 6-7pm in the evening (Figure 22).
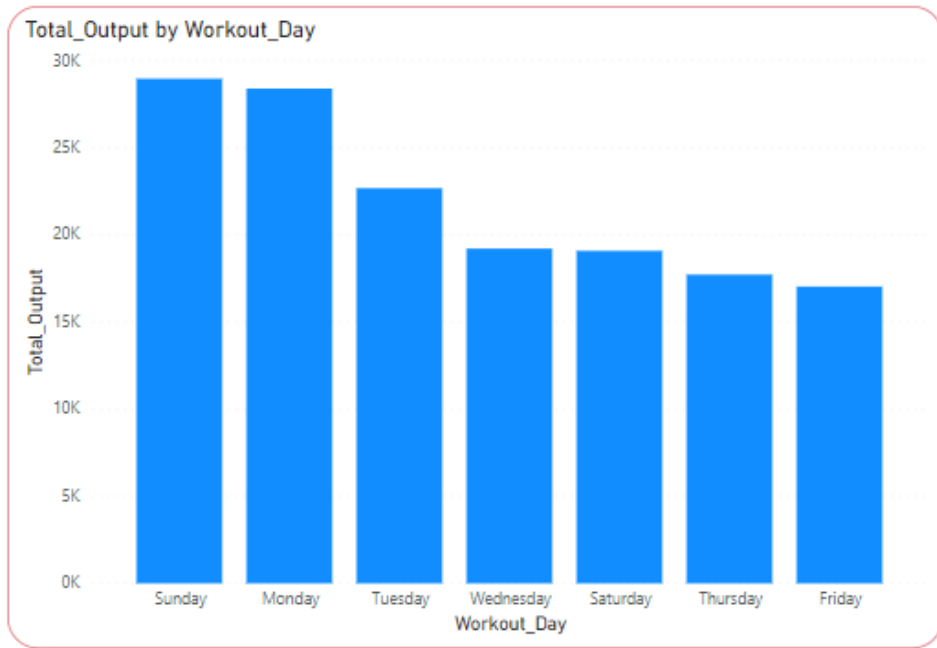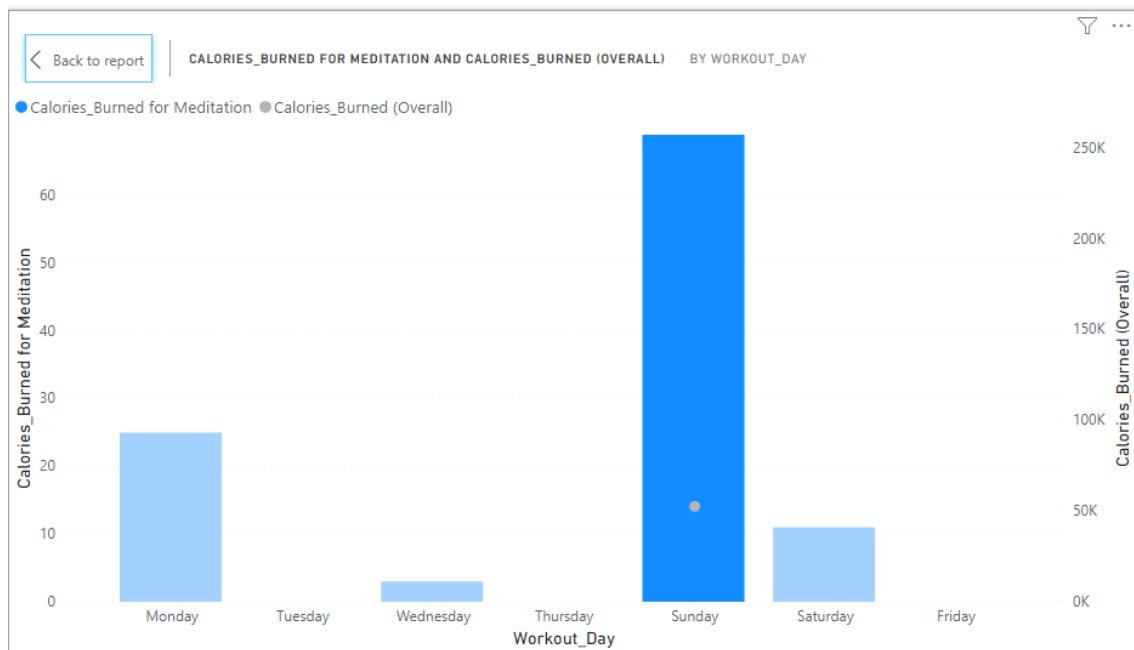
Figure 20: Total Output per workout day of the week
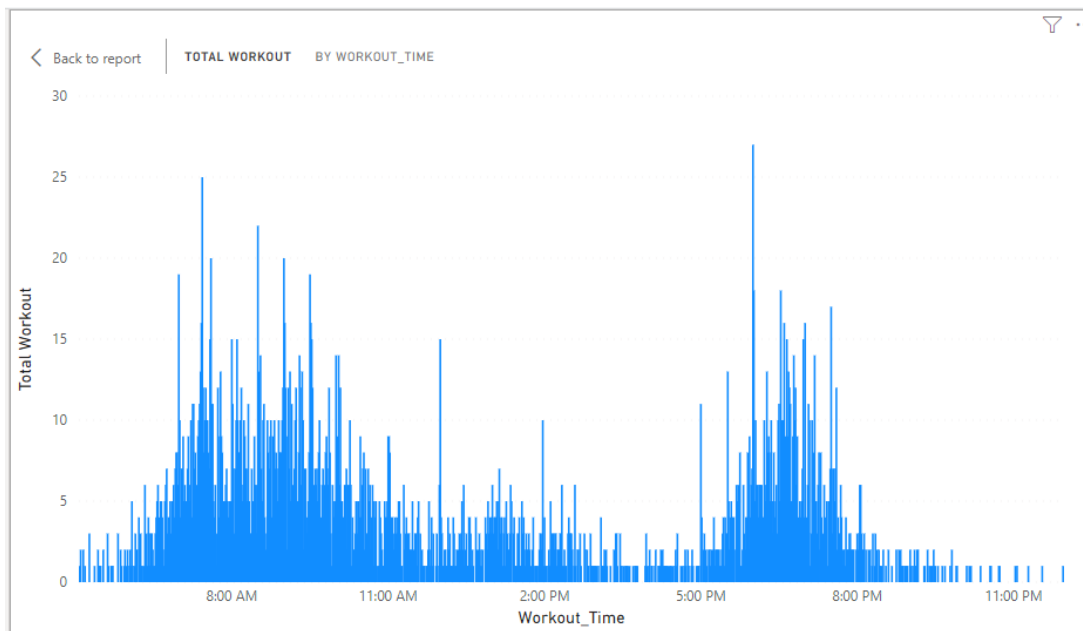

Figure 21: Calories burned per workout day of the week

Figure 22: Total workout by workout time

9 Comments, Observations and Recommendations

9.1 Comments, Observations

From the insights gained and noted above, calories burned contributes most to the total output as a single activity, however other key influencers were identified, which are either single or a combination of activities. Same applied to the options between Live or on-demand, however, on demand recorded the most patronage resulting in high total output and calories burned. Obviously, there were identified differences among fitness discipline in terms of number of calories burned. Instructor performances were also not uniform, Kirsten Ferguson being the most productive. Finally, Sunday happened to be the most productive day of the week.

9.2 Recommendations

After the analysis and insight gained, the following recommendations are made.

i.   Create a marketing option for customers to choose from the top 5 instructors for a fee to generate extra revenue.

ii. Deploy more resources to type hiking, walking, and running and prominent instructors since they are key influencers of total output.
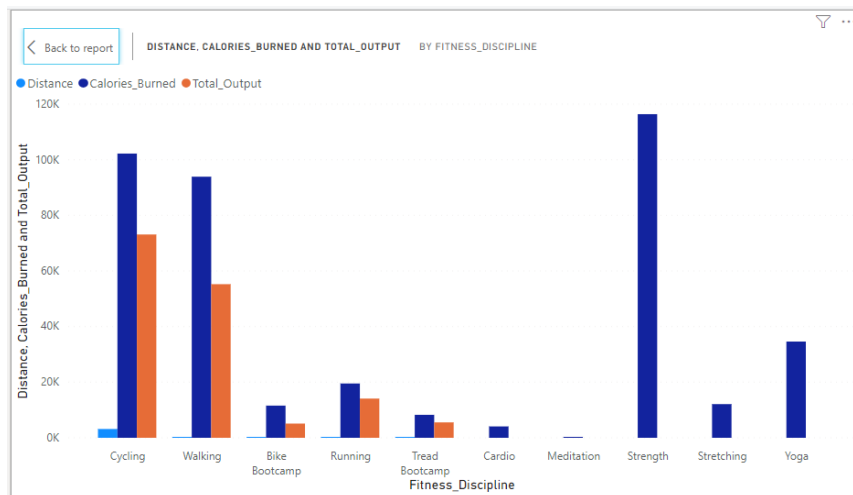
10   CONCLUSIONS

The analysis of Peloton datasets guided by 9 research questions has thrown insight into the performance of Peloton from 2020 to 2023, identifying key areas of strength which can further be harnessed for further growth.

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Appendix

DISTANCE, CALORIES_BURNED AND TOTAL_OUTPUT   BY FITNESS_DISCIPLINE

Power BI link:

https://app.powerbi.com/groups/me/reports/ae711e1c-0cca-4317-9593-
67652533a06b?redirectedFromSignup=1&ScenarioId=Signup&redirectedWait
Simple=1&experience=power-bi