



# Strava Growth Model

The Social Network for Athletes

Daniel Pace, Enric Cortes, Alex Lange



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## Eco-System: Current Overview

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### Users

- Strava's core users are athletes who log their activities, track progress, and interact with others through social features
- Strava has over 100 million users worldwide, growing at approximately 15% per year

### Data Insights

- Strava Metro partners with city planners, providing anonymized movement data to improve infrastructure
- Strava Metro's city partnerships are a growing revenue source in cities focusing on eco-friendly transportation

### Subscription Model

- Strava operates a freemium model. Users can access basic tracking for free, while premium users unlock advanced analytics and features
- 40% of Strava's revenue is generated through subscriptions

### Advertising Model

- Brands targeting athletes partner with Strava for high-engagement advertising opportunities
- ~20 million users are actively targetable, offering advertisers access to a dedicated athletic community



# Eco-System: Actors & Performance Dynamics

<b>Ecosystem Actors &amp; Governance</b> <ul style="list-style-type: none"><li>• Users: Primarily athletes, segmented by activity (70% cardio-focused; 30% cyclists).</li><li>• Developers: Access Strava's API, supporting over 20,000 integrations (e.g., fitness devices, urban planning).</li><li>• Advertisers: Target high-income demographics, reaching ~20 million users based on activity patterns.</li><li>• Third Parties: Health and fitness apps limited to anonymized data access.</li></ul>					
<b>Platform Dynamics: Multi-Sided Interactions</b> <ul style="list-style-type: none"><li>• Platform Structure: Strava connects users, developers, and advertisers in a multi-sided ecosystem.</li><li>• User Activity Potential: Active user base uploads ~1 billion activities annually.</li><li>• Interaction Flow: User activity data fuels API calls and supports targeted advertising.</li></ul>					
Actor	Characterisation	Limits on Interaction	Side	Potential	Key Interactions
Users	Fitness Enthusiasts	Limited to in-app Social Interaction	Users	Growing uploads (1 billion/yr)	Shares data with third parties, enables ads
Developers	API Integrations	API Rate Limits, Data Access Restrictions	Developers	Over 20,000 API apps	Integrates for user insights
Advertisers	High-Income Demographics	Non-personalised advertising only	Advertisers	High engagement, targeted reach	Relies on user engagement /activity patterns
Third Parties	Health and Fitness apps	Limited to Aggregated Data			

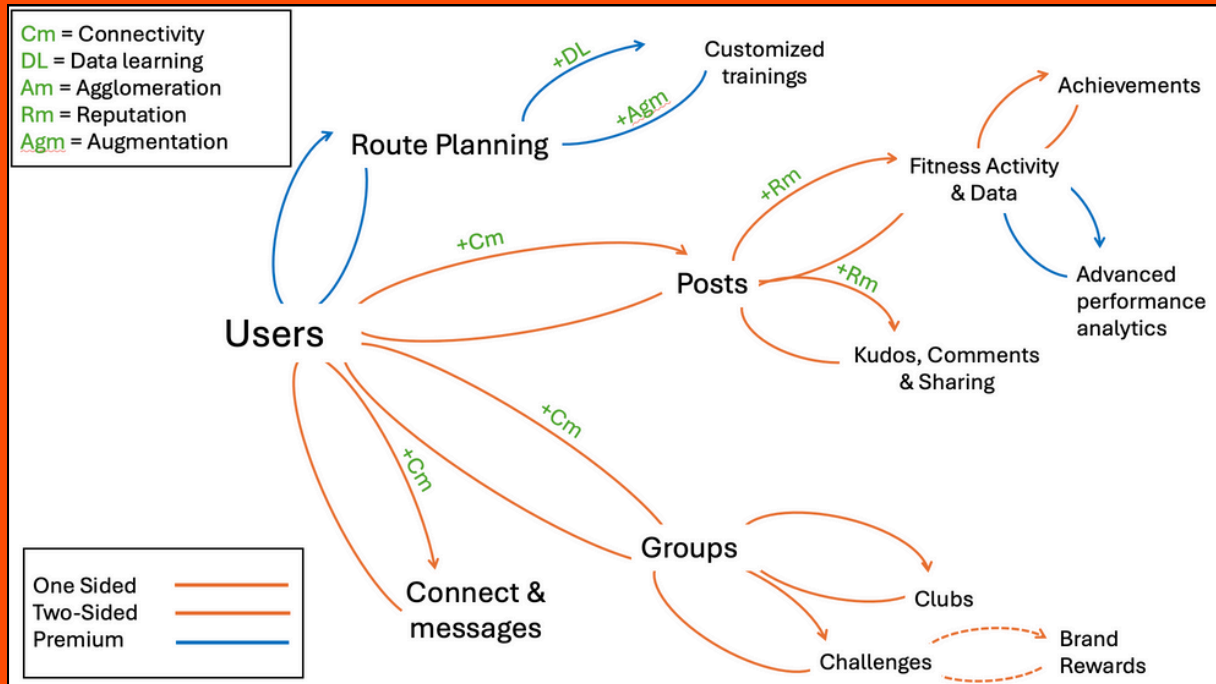
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# O1: NETWORK EFFECTS DIAGRAM



Route Planning → Customized Trainings (Premium - One-Sided)

- Premium users have access to route planning features powered by AI, which also integrate with customized training plans tailored to their fitness levels and goals.

Why It's a Network Effect: As more premium users engage with route planning and customized trainings, Strava collects valuable data on user preferences. Increased usage of route planning by premium users enriches Strava's data on route popularity and user behavior. This allows the platform to refine its recommendations, making the feature more valuable to existing and potential premium users.

Users → Posts (One-Sided)

- Both regular and premium users create posts by sharing their fitness activities, achievements, and data.

Why It's a Network Effect: As more users post their activities, the platform's content base expands, encouraging interaction and motivating users to remain active. Each post adds social value, creating a community effect where value grows as more users participate and engage.

Posts → Fitness Activity & Data (One-Sided)

- Posts showcase fitness activity data, including performance details like distance, speed, and calories burned.

Why It's a Network Effect: The more fitness data shared, the more users can benchmark their progress and compare with others. This fosters a supportive and competitive community, encouraging users to engage more deeply with their own fitness tracking and data-sharing.

#### Fitness Activity & Data → Achievements (One-Sided)

- Users earn achievements based on specific fitness milestones or goals reached in their activity data.

Why It's a Network Effect: Achievements provide motivation for users to increase their activity and set new goals. Each achievement not only enhances personal motivation but also inspires others within the community, creating a loop of engagement and goal setting.

#### Fitness Activity & Data → Advanced Performance Analytics (Premium - One-Sided)

- Premium users have access to advanced performance analytics, providing deeper insights into their training progress.

Why It's a Network Effect: As more premium users engage with advanced analytics, the platform can further refine its analytics tools based on user behavior and feedback. This enhances the overall value of the premium experience, encouraging more users to upgrade for detailed performance insights.

#### Posts → Kudos, Comments & Sharing (One-Sided)

- Posts receive Kudos (likes), comments, and shares from other users, fostering interaction and engagement.

Why It's a Network Effect: As more users engage by giving Kudos and commenting, the social aspect of the platform strengthens, creating a supportive and interactive community. This encourages more users to post and interact, reinforcing a loop of social engagement.

#### Users → Connect & Messages (One-Sided)

- Users can connect with each other and send direct messages within the platform.

Why It's a Network Effect: Increased connectivity and messaging between users foster stronger community bonds, making the platform more engaging and interactive. This social connectivity

contributes to user retention and enhances the overall network value.

#### Users → Groups (One-Sided)

- Users join groups based on shared interests or fitness goals, enabling group activities and discussions.

Why It's a Network Effect: Groups become more valuable as more users join and interact. Additionally, the more active groups there are, the more they attract new users seeking a sense of community, creating a reciprocal loop that enhances platform value.

#### Groups → Clubs (One-Sided)

- Within groups, users can join specific clubs that are centered around particular themes or goals.

Why It's a Network Effect: Active clubs provide a structured community experience, which keeps users engaged and encourages new members to join. This increases the appeal of the platform by offering a vibrant community atmosphere.

#### Groups → Challenges (One-Sided)

- Groups host challenges that users can participate in, often organized by brands or clubs.

Why It's a Network Effect: Challenges attract user participation, while more users engaging in challenges increases interest for sponsors to offer them. This mutual interaction boosts engagement for both users and brands, enhancing Strava's overall community appeal.

#### Challenges → Rewards (Two-Sided)

- Rewards, such as discounts and event invitations, are provided exclusively by brands partnering with Strava as incentives for users to participate in challenges.

Why It's a Network Effect: This creates a two-sided network effect because brands gain visibility and engagement from users, while users benefit from the rewards offered. As more users participate in challenges, it attracts more brands to offer rewards, creating a mutually beneficial cycle that strengthens user engagement and brand presence on the platform.





# The Dominant Network Effects: Ranking and Measuring Network Effects

## One Sided Network Effects

### User-to-User Interaction

- Users sharing activities increase social engagement through comments, kudos, and participation in challenges.
- High-volume interactions drive content generation and motivate further participation.

### Content Visibility

- Posts highlighting personal achievements and milestone completions encourage others to engage, follow, and replicate activities.

## Two Sided Network Effects

### Club Engagement

- Clubs promote specific types of activities, such as cycling or running, fostering group-based interaction.
- Members joining clubs receive targeted challenges and updates, boosting their platform commitment.

### Event and Partner Collaborations

- Collaborations with races or fitness brands create sponsored challenges and event-specific activities, enhancing visibility and engagement.

### Insights:

- One-sided effects dominate with user-driven activities creating a consistent flow of content.
- Two-sided effects ensure long-term retention by adding layers of interaction through clubs and partnerships.



# The Dominant Network Effects: Platform Characteristics and Misalignments



## Dominant Effects

- Community Engagement:
  - Social features, such as leaderboards and shared achievements, drive ongoing user interest and competitive participation.
- Data Products:
  - Insights like monthly progress charts, personalized segment suggestions, and training data analysis keep users motivated and invested.



## Potential Misalignments

- Content Overload:
  - An overabundance of shared activities can cause user fatigue, diminishing the perceived value of interactions.
- Premium Features:
  - The reliance on paywalls for advanced insights may alienate non-premium users, creating a divide between user tiers and impacting overall satisfaction.



## Compound Effects

- Growth Feedback Loop:
  - New users joining and sharing activities drive their peers to join, multiplying the user base. This effect can lead to overwhelming content unless properly curated.
- Engagement Quality:
  - Excessive notifications and activity feeds can reduce user interactions' quality, limiting meaningful participation.

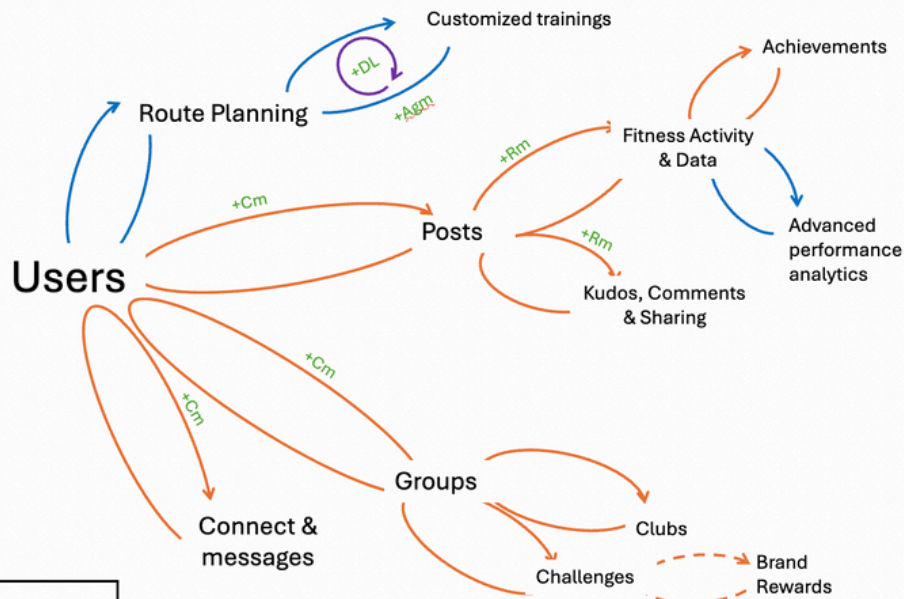
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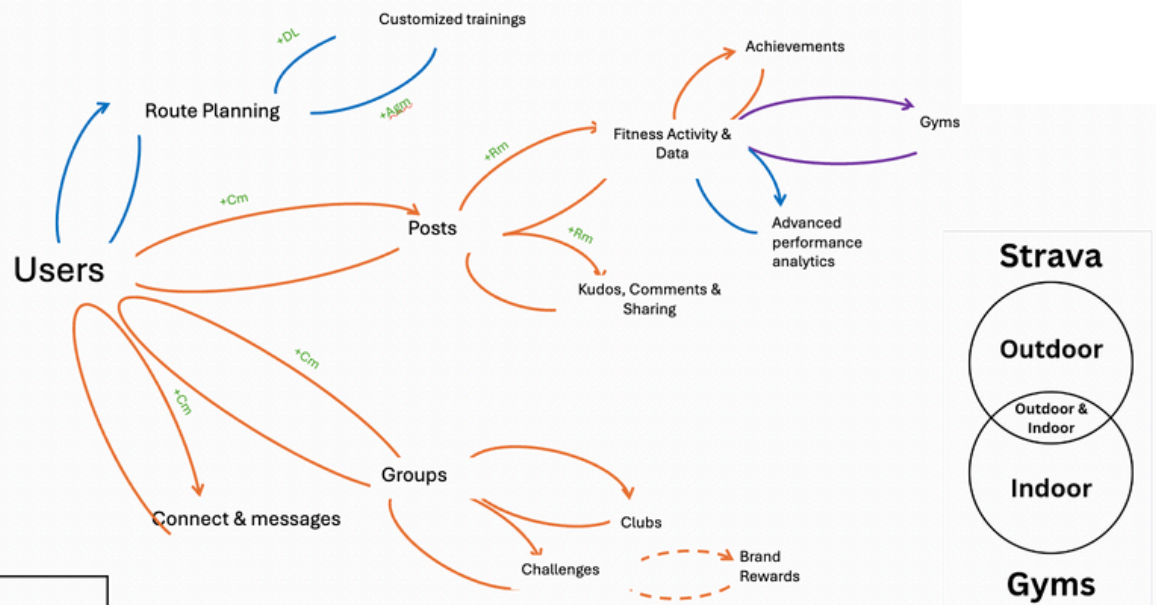
## Proposal 1: Personalized AI Coach



Overall we suggest three proposals to grow Strava’s network:

AI-powered personal coaching assistant: An AI-driven feature that creates tailored workout plans and training schedules based on individual fitness data, goals, and preferences, transforming Strava into a more comprehensive fitness platform. This would appeal to users seeking structured guidance without needing a personal trainer, driving user engagement and expanding Strava’s network. By integrating personalization, wearables, and wellness insights, Strava could build long-term user loyalty. This innovation also positions Strava to capitalize on the fitness app market, projected to grow from \$15 billion in 2024 to \$36 billion by 2028 at a 22.6% CAGR.

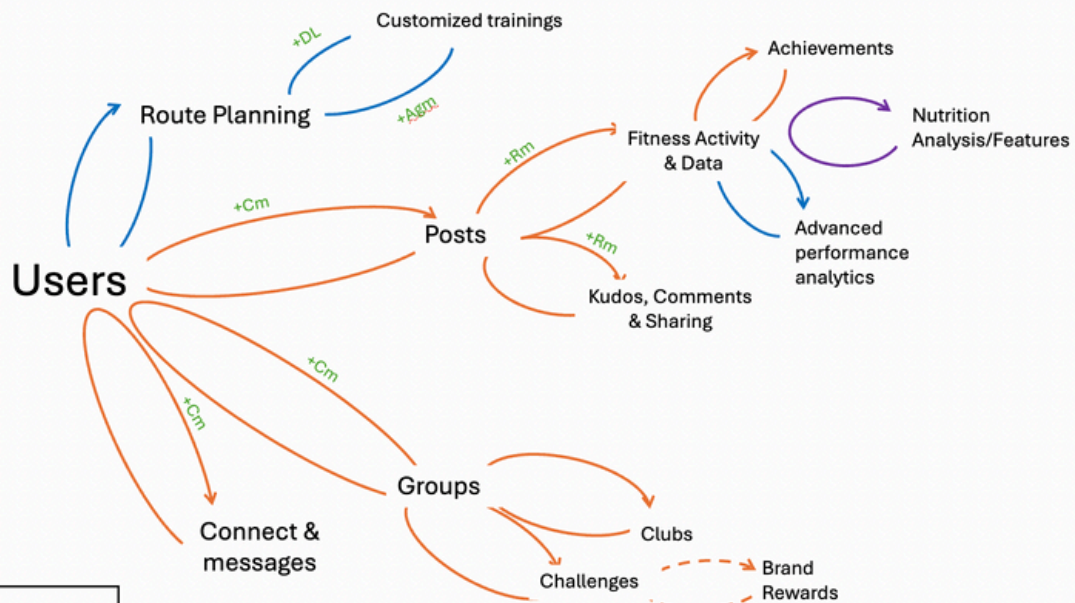
## Proposal 2: Partnerships with Gyms



Partnerships with gyms: Partnering with gyms to integrate data from indoor workouts, addressing users' need for comprehensive fitness tracking. With global gym memberships growing at 7% annually, Strava could tap into this market by collaborating with equipment manufacturers like Technogym, attracting users interested in tracking weightlifting and strength training. This partnership would enhance users' workout experiences while expanding Strava's user base and network effects.

## Proposal 3: Fitness+ (Nutrition & wellbeing analysis)

See notes for discussion



Wellness extension: Adding wellness features such as guided meditation, nutrition tracking, and journaling would enable Strava to capture a larger share of the expanding wellness market. These additions could attract users focused on mental health and overall wellness, even if they aren't primarily engaged in physical activities. This expansion would grow Strava's user base, encourage new network growth, and position it as a comprehensive health platform as the wellness industry continues to expand.

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IT DIDN'T HAPPEN