

# A CASE STUDY ON STRAVA

By Mudit Singh Rajput & Vibhor Sharma

# ABOUT STRAVA

Strava is well-known for being one of the fastest-growing and most popular fitness apps on the market. Primarily used for runners and cyclists, it boasts a variety of features for all activities, skill levels, physical abilities, and interests. The social aspect of the app is what makes it stand out from the market as it has created a large network of active enthusiasts who love to cheer each other on and as well as compete against one another.

## PROBLEM STATEMENT

The current source of monetization for Strava is the single paid subscription model. Strava believes it has a lot more to offer for which they can charge their users.

They are looking at more potential revenue streams which can help them monetize existing users as well as increase user base by adding these new features.

## GOAL

To add revenue streams to the pre-existing Strava platform by improving and adding product features so as to increase paid users and enhance user experience.



# User Personas



**Lori Greiner**

## About **Lori**

Lori is a 36 year old mom who is a casual strava user as she is unable to find the motivation to go for a run everyday. She feels a fitness partner could help her become consistent.

## Pain **Points**

Lori wants to be a daily runner and improve her fitness levels, She has been actively looking for a fitness buddy/ group to help her become more consistent. She often gets bored running alone and has no one to look up to.



**Mark Cuban**

## About **Mark**

He is a 21 year old fitness enthusiast who uses Strava 4-5 times a week. He loves to keep himself updated about new fitness gear and replaces them after every few month.

## Pain **Points**

Mark has been an active Strava user and is constantly looking for fitness gear and equipment so as to enhance his performance. He uses the 'My gear' feature to keep track of his equipment but feels he is unable to keep up with newer technologies and has trouble finding the best gear for himself.



**Rohan Oza**

## About **Rohan**

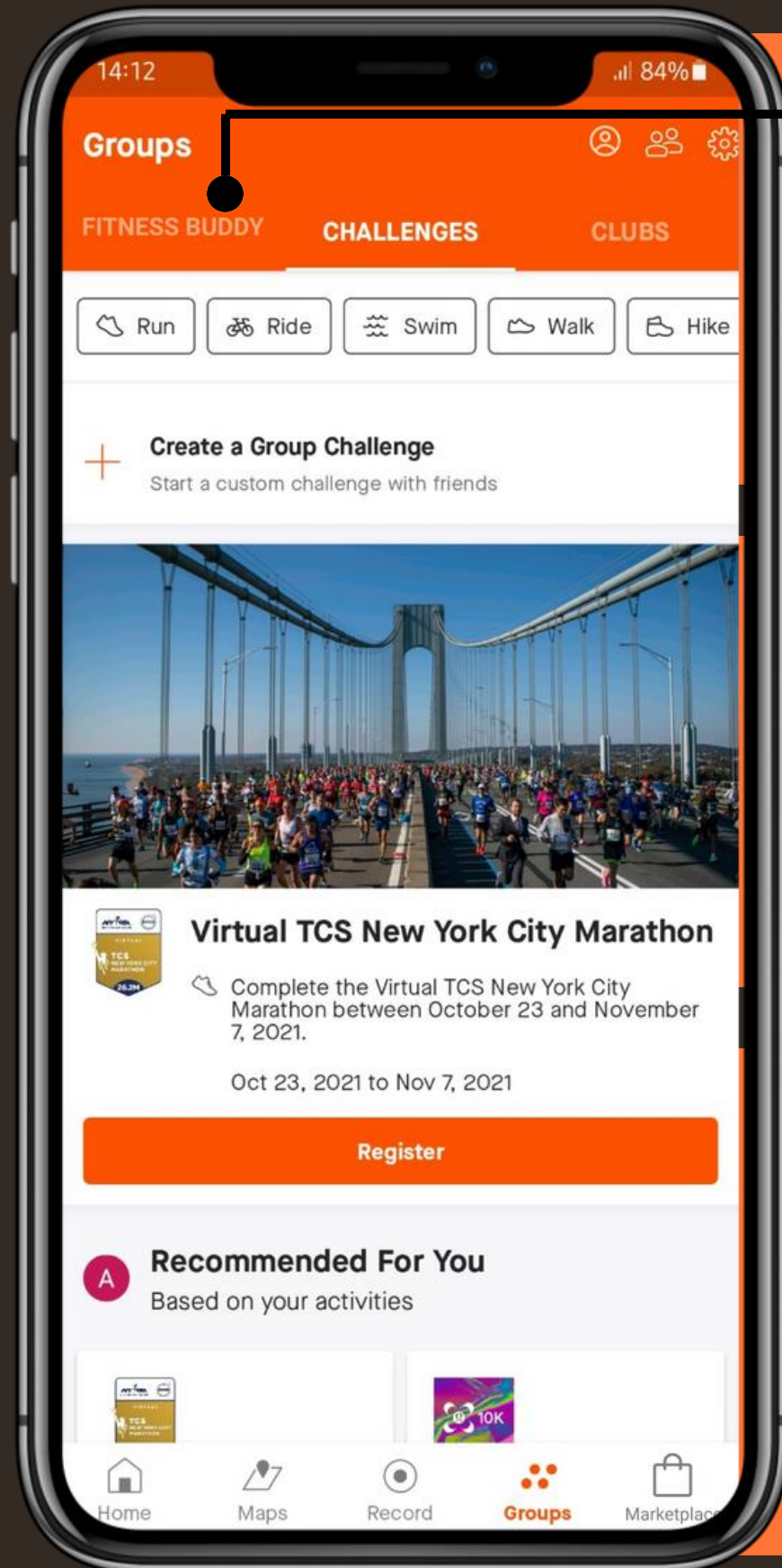
Rohan is someone who loves Strava but has been unable to afford the premium model. His love for fitness keeps him engaged on the app but he feels he is missing out.

## Pain **Points**

Rohan has been an early user and has stuck on the app but sadly he is unable to afford Strava 'premium'. He believes a few more subscription options would enable him to make the most of Strava and its features.



# Solution #1 : Fitness Buddy

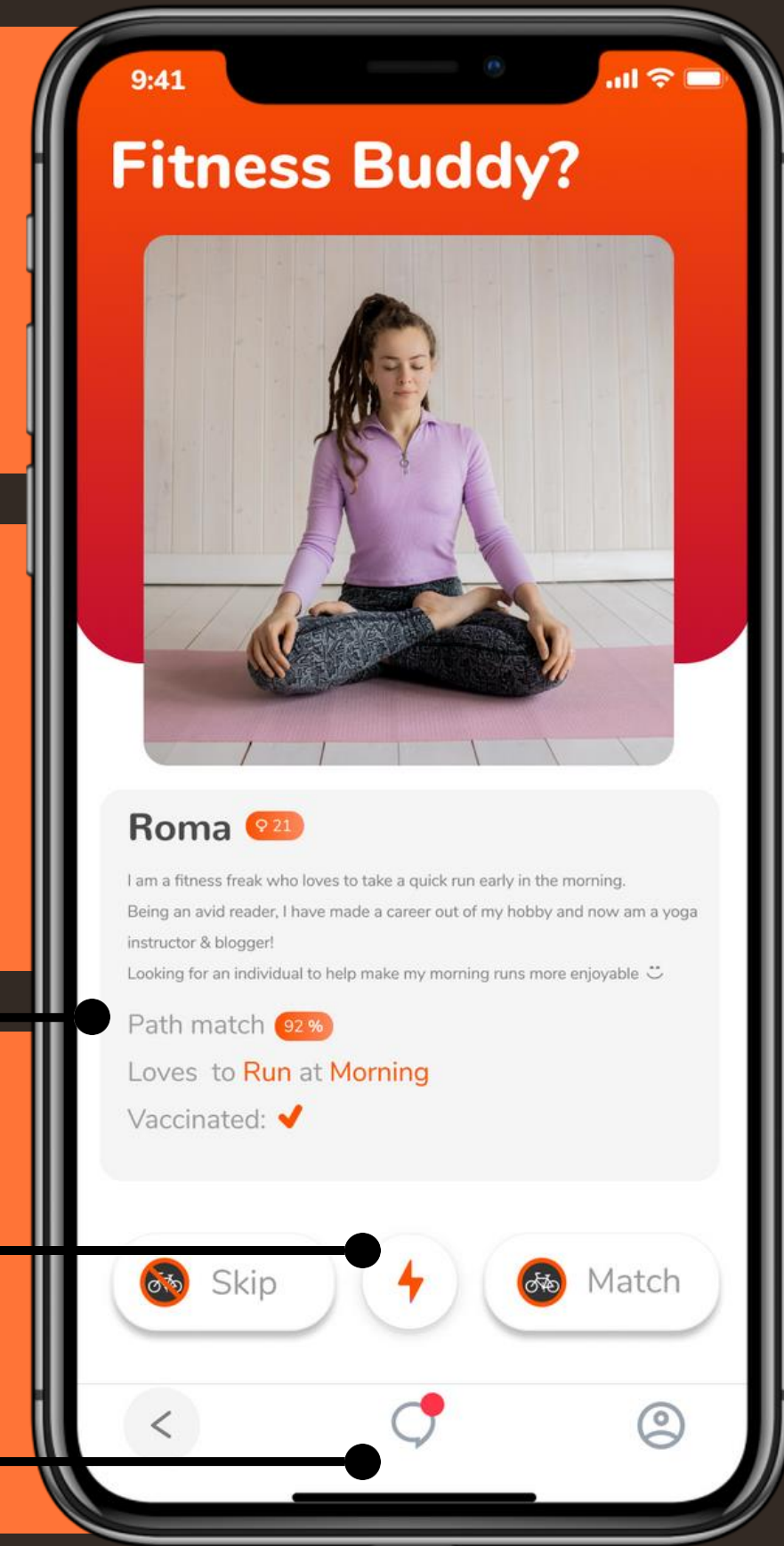


'Fitness Buddy' is a matchmaking feature on Strava to allow users to find people with similar fitness goals & drive.

Easy to locate as it is one of the key features shown when clicked on 'Groups'.

Key features of 'Fitness Buddy' include a brief bio of the user along with their picture & age. It also shows 'path match' which displays a % compatibility between the users usual running path.

It has a simple to use, tinder-like UI with left swipe 'skip', right swipe 'match' and lightning as a 'super match' option. Users can buy extra 'super match' and swipes by buying these features or they can buy 'Gold Athlete' subscription model. It also includes in-app messaging.



# Solution #1 Launch Plan

## *Product Announcement & Marketing*

- Announce the 'Fitness Buddy' feature on all Strava social media platforms. Available for free with 'Silver runner' or 'Gold Athlete' subscription.
- Collaborate with athletes and influencers to promote Fitness Buddy by using the app and showing off their profiles.
- Use push notifications to encourage users to open Strava Fitness Buddy if someone has swiped right on their profile.
- Run a #Foundafitnessbuddy challenge on Instagram, where users have to post pictures with their matches. 1 winner every week gets a lifetime 'Gold Athlete' subscription free.

## *Go To Market - Year 1*

- **Quarter 1 (0-3 Months):** Launch Fitness Buddy in cities with 1Mn+ active Strava users. Aim to acquire 15% of target users. Gather feedback and prepare for the next phase.
- **Quarter 2 (3-6 months):** Launch in cities with 500K+ active Strava users. Enhance user experience, add requested features.
- **Quarter 3 (6-9 months):** Launch in cities with 100K+ active Strava users. Experiment regional influencer marketing to gain more traction.
- **Quarter 4 (9-12 months):** Launch in remaining cities. Aim to capture 50% of targetted market.

# Solution #1 Success Metrics

## *Feature Success*

- No. of users getting matched via Fitness Buddy
- Customer Aquisition cost =  
$$\frac{\text{Marketing costs}}{\text{Revenue generated from Fitness Buddy}}$$
- %age increase in users this month to previous month
- Costomer Lifetime Value =  
$$\text{Avg amount spent by a user} \times \text{Avg lifetime of user}$$

## *Retention*

- %age increase in no. of user getting matched this month compared to previous month
- Churn rate of Fitness Buddy user
- Weekly/Monthly active users
- Avg time spent by user on Fitness Buddy

## *Monetary*

- No. of users buying extra 'super matches' or swipes
- No. of users switching from free to premium to use Fitness buddy
- Click through rate of final payment option
- Change in plan from bronze/silver to gold due to unlimited swipes



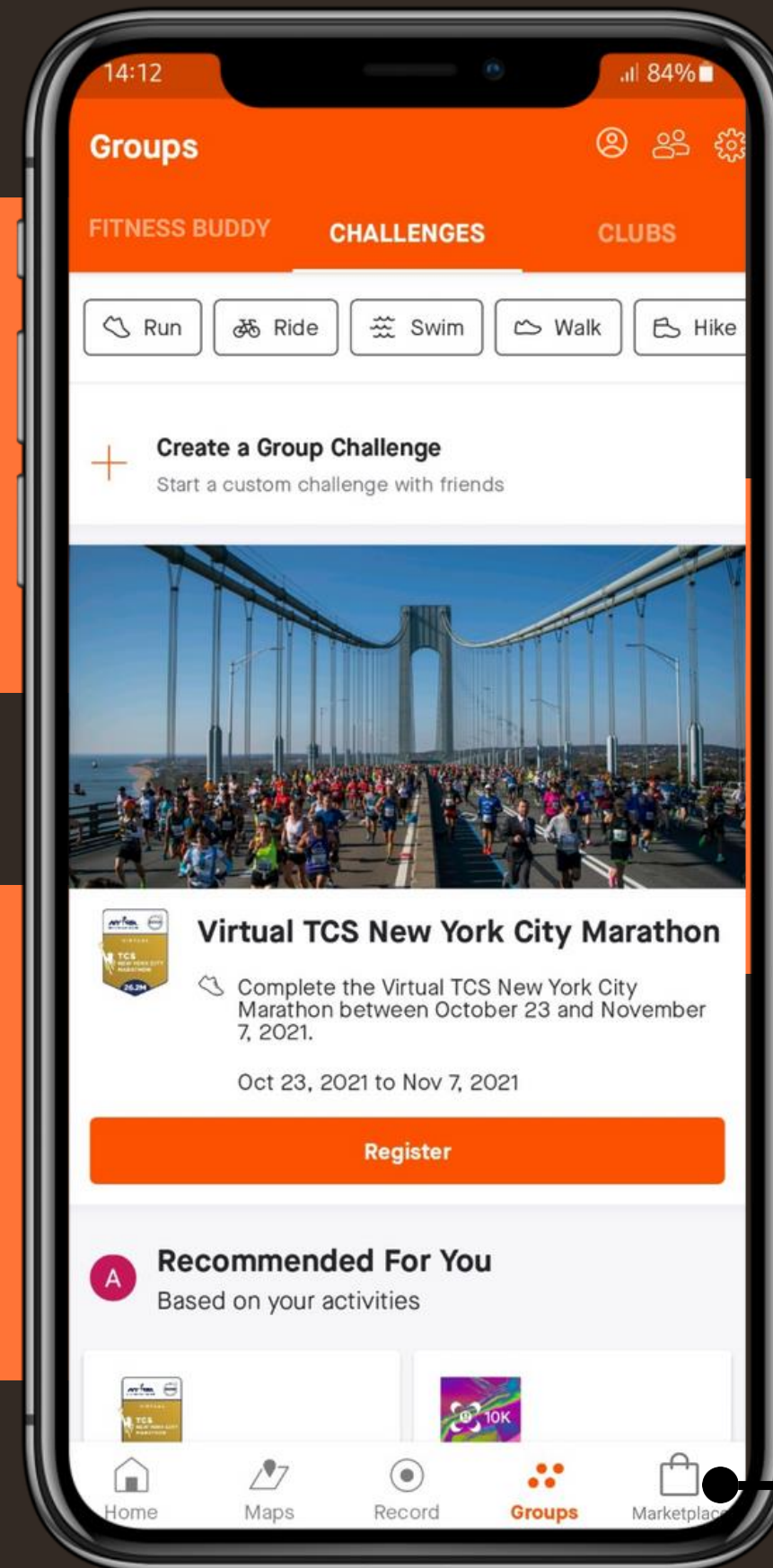
# Solution #2 : Gear Marketplace

1

Onboard fitness gear retailers and startups that are innovating in the fitness space and would be willing to sell online via Strava Marketplace.

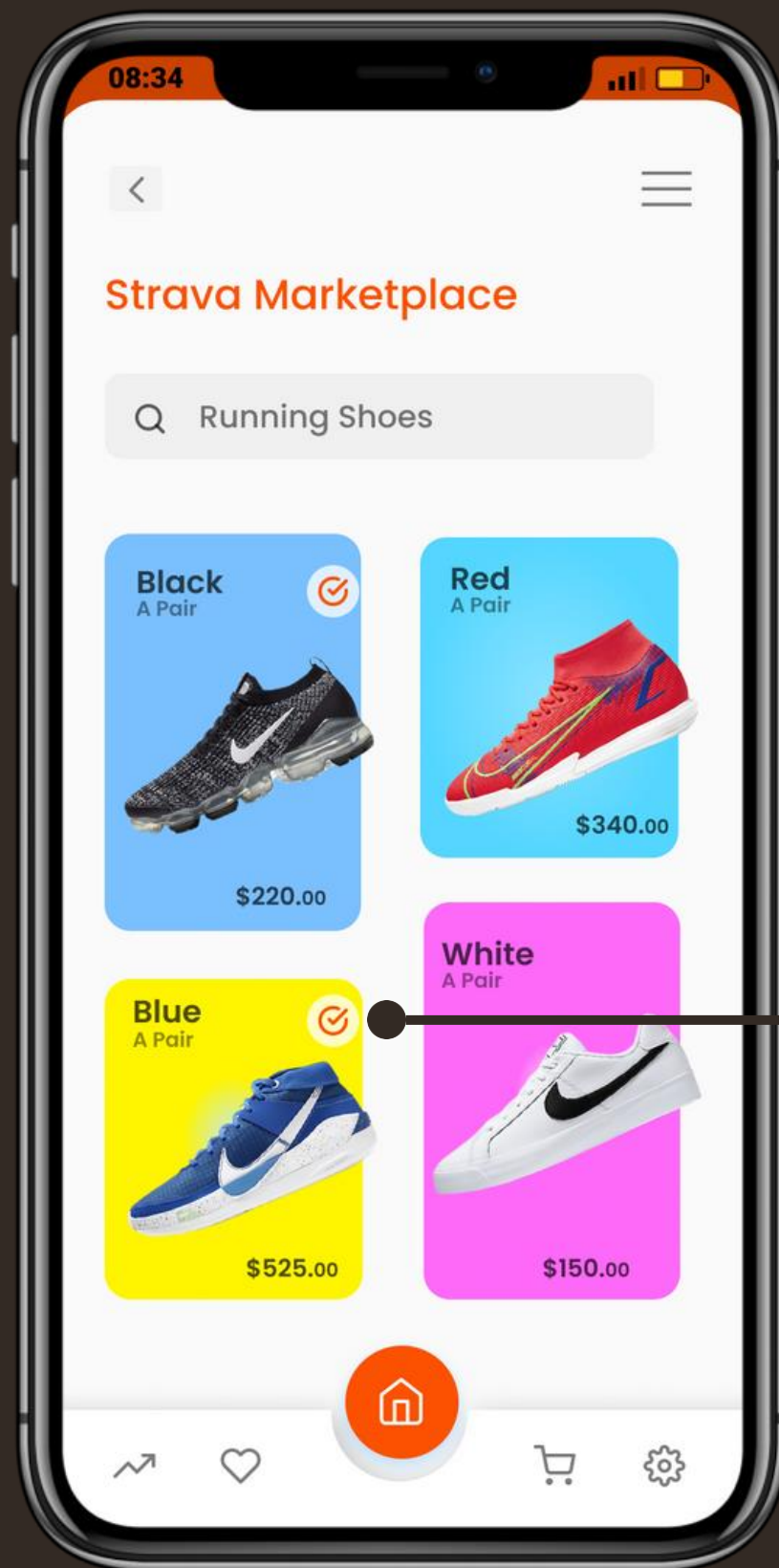
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Build a revenue-sharing model to the sellers. Strava gets X% of all sales that occur via the Strava marketplace platform.



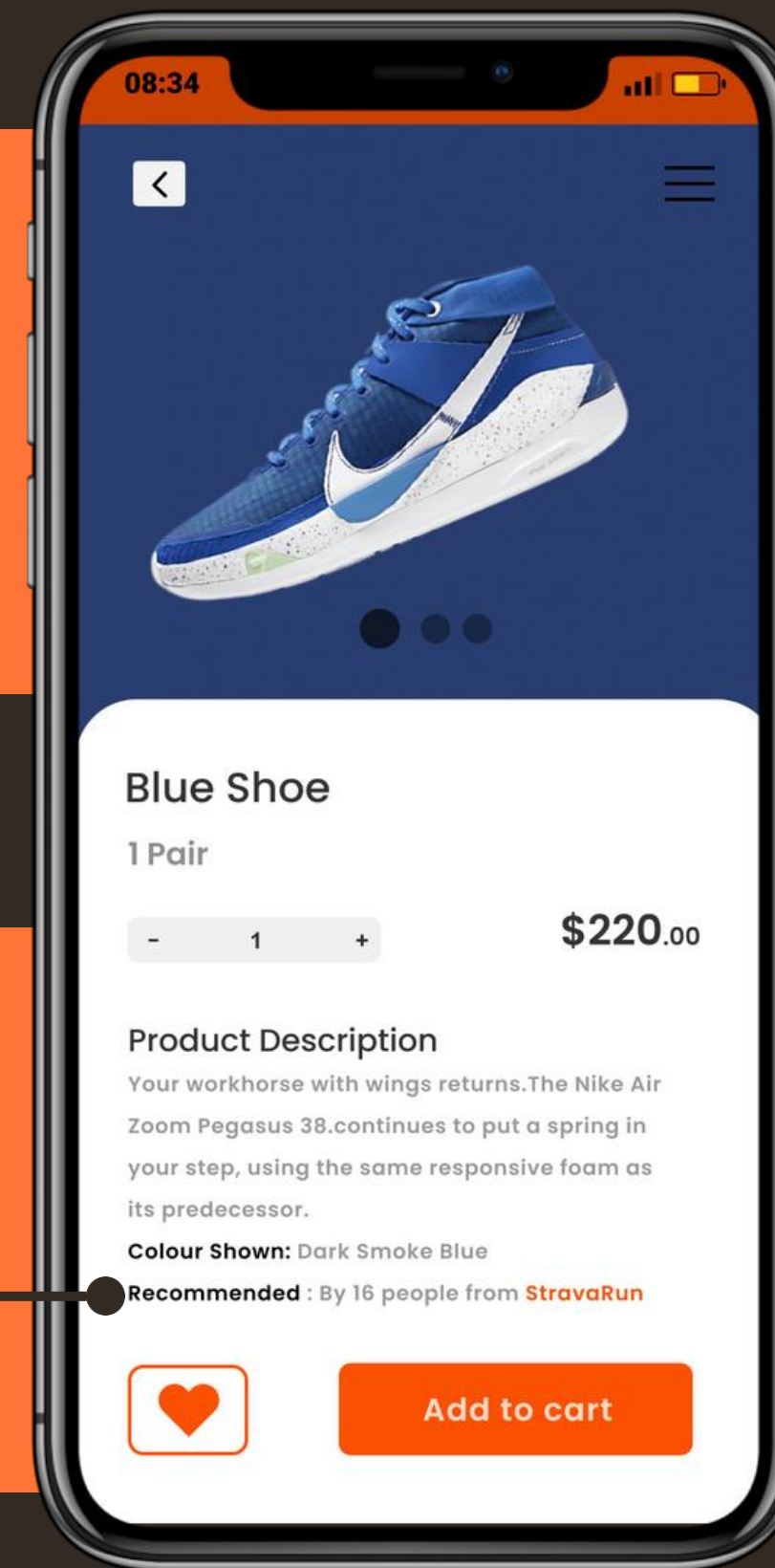
3

To maximise user engagement in Strava marketplace we add the icon to the navigation bar on the home screen.



**4** Integrate 'my gear' feature on the app so as send timely reminders when equipment needs a change, as well as push recommendations via Strava marketplace.

**5** Personalized Strava recommendation (Orange tick & Recommendation in Product Description) to help users pick the perfect equipment for their fitness needs!





# Solution #2 Launch Plan

## *Product Announcement*

- **Pop-up notification** when users open Strava app along with a **walkthrough** of Strava marketplace.
- Posts across **Strava's social media** (Twitter, Instagram, Facebook, Website etc) talking about the new **Strava marketplace**.
- Send an **email to pre-existing Strava users** with details about the Strava marketplace and a **unique cashback code**.

## *Product Marketing*

- **Social media advertising** via Reddit, Instagram and Facebook.
- **Paid articles, blogs and promotion** by fitness magazines, bloggers and influencers.
- Run a **#Stravagear** campaign where users who have bought gear from Strava get an opportunity to win a **free lifetime 'Gold Athlete' subscription**.

## *Push Notifications*

- Using the **'my gear' feature** on Strava we send timely push notification reminders to users whenever **their equipment needs replacement**.
- **Regular push notifications** when we have a **sale** on Strava marketplace or when a particular brand is selling at less than normal.
- Once a week push notifications for **'Product of the week'** which would be any new product that helps enhance performance or experience.

# Solution #2: Metrics

$$\text{Northstar metric} = \frac{\text{no. of users completing a purchase}}{\text{no. of users visiting the marketplace}}$$

## Awareness

- Marketplace tab visits
- Impression on social media

## Acquisition

- No. of brands onboarded selling on marketplace
- WAU/MAU measure
- Total no. of users visiting marketplace

## Activation

- %age of user going to marketplace after expiry notification from my gear
- No. of user buying from the marketplace

## Retention

- Churn rate of marketplace users
- ratio of subscriptions previous month to this month
- %age increase in gear bought from marketplace
- %age increase in no. of products sold by brands
- %age decrease in time from entering and chicking out from marketplace

## Revenue

- No. of user subscribed for premium
- ARPU & LTV of user

## Referral

- %age of new users buying from marketplace per month

# **Solution #3** : Splitting Premiums

## **1** *Bronze Starter*

- Plan and Discover Routes
- Personalized challenges and training plan
- Compete with friends and local and global leaderboards
- Access to Strava Marketplace

**@ 4.99\$/month**

## **2** *Silver Runner*

- All Features of Bronze Starter
- Heart Rate and other data statistics
- Access to Strava Marketplace (additional 2.5% discount per order)
- Access to 'Find Your Fitness Buddy' (limit of 10 swipes/day)

**@ 5.99\$/month**

## **3** *Gold Athlete*

- All Features of Silver Runner
- Access to Strava Marketplace (additional 5% discount per order)
- Access to 'Find Your Fitness Buddy' (unlimited swipes/day)
- Free Strava merchandise and early access to new features.

**@ 6.99\$/month**



# Solution #3 Success Metrics

## MMR

Depiction of the dependable revenue the company can bank on a month to month.

## LTV

The total revenue a single customer is expected to generate over their lifetime utilizing the service

## CAC

Cost directed at acquisition-focused sales and marketing upon total new customers for a given time period

## Churn

Cancellations in a given period upon total customers during the same time

## Trial conversion rate

No. of conversion to premium after free trial of premium

## ARPU

Average Revenue per User is amount earned from a single user in given time period

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