Pricing Landscape of Smart Home Gyms

TONAL

OXEFIT

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Smart Home Gyms: The Future of Fitness

The fitness industry has seen a major shift towards connected, AI-driven home gyms, especially post-pandemic.
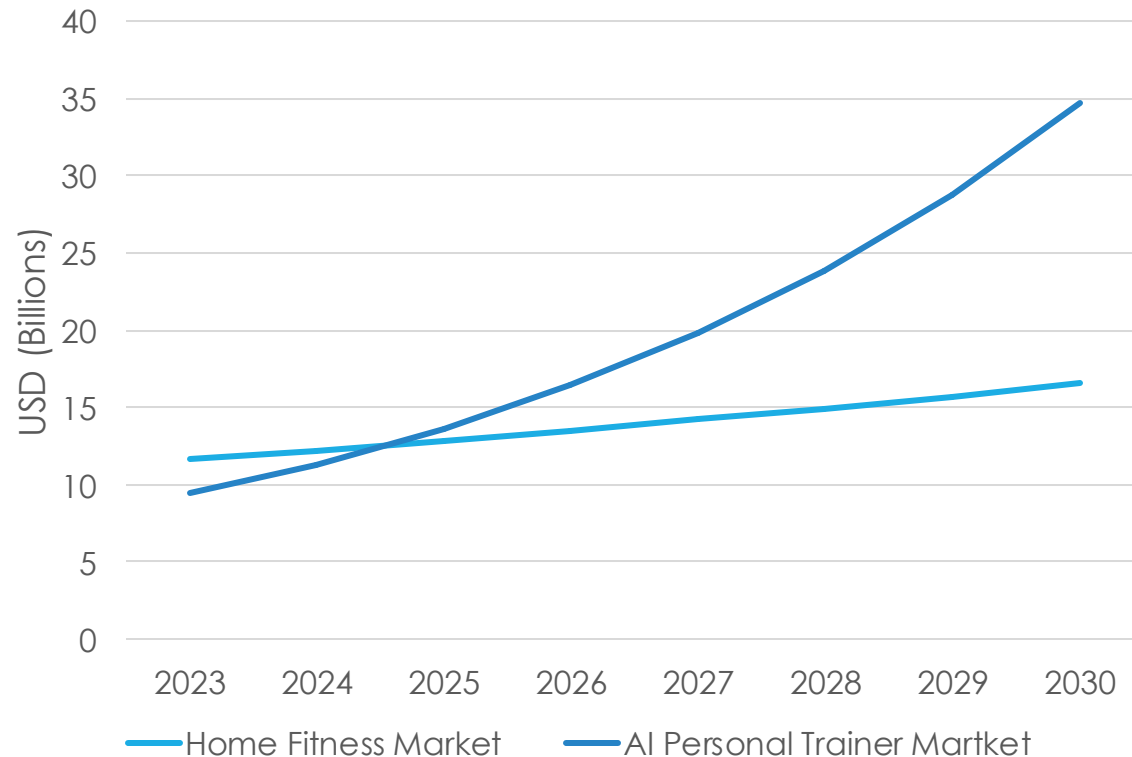
Consumers now seek convenient, tech-enabled solutions for personalized workouts without the need for a gym membership.

The global smart fitness equipment market is expected to grow significantly, driven by advancements in AI, data analytics, and digital coaching.

Market Dynamics

Market Size and Growth

USD (Billions)

40							
35							
30							
25							
20							
15							
10							
5							
0							
2023	2024	2025	2026	2027	2028	2029	2030

Home Fitness Market — AI Personal Trainer Martket

Integrating AI into fitness equipment offers personalized real-time feedback with adaptive training programs, enhancing user engagement and satisfaction.

Growing emphasis on health, coupled with convenience of home workouts, has led to increased demand for smart fitness solutions.

The COVID-19 pandemic accelerated shift towards home-based fitness, as consumers sought safe and convenient alternatives to traditional gyms.

Tonal 2: The AI-Powered Strength Trainer

- Wall-mounted smart gym with AI-adjusted resistance (up to 200 lbs).

- Uses electromagnetic resistance for smooth, precise weight control.

- Built-in sensors track form and progress in real-time.

- Features live and on-demand coaching with personalized programs.

- Compact design suitable for small spaces.

Competitor Landscape

	TONAL	OXEFIT	PELOTON	TEMPO
Key Features	• AI-powered Resistance <= 200 lbs • Form Tracking • Live Coaching • Compact Wall-Mounted Design	• Motorized Resistance <= 250 lbs • Strength & Cardio • Biometrics Tracking • Freestanding, larger footprint	• Connected Spin Bike • Subscription Based Classes • Interactive Leaderboard	• AI-based guided weightlifting • Real-time feedback • Adjustable weight set
Target Audience	• Affluent Professionals • Homeowners with Limited Space	• Athletes • Strength & Endurance Trainers	• Cardio-Focused Users • Cycling enthusiasts • Group Class Lovers	• Weight Training Enthusiasts • Users Wanting Guided Workouts

Contrasts in Pricing
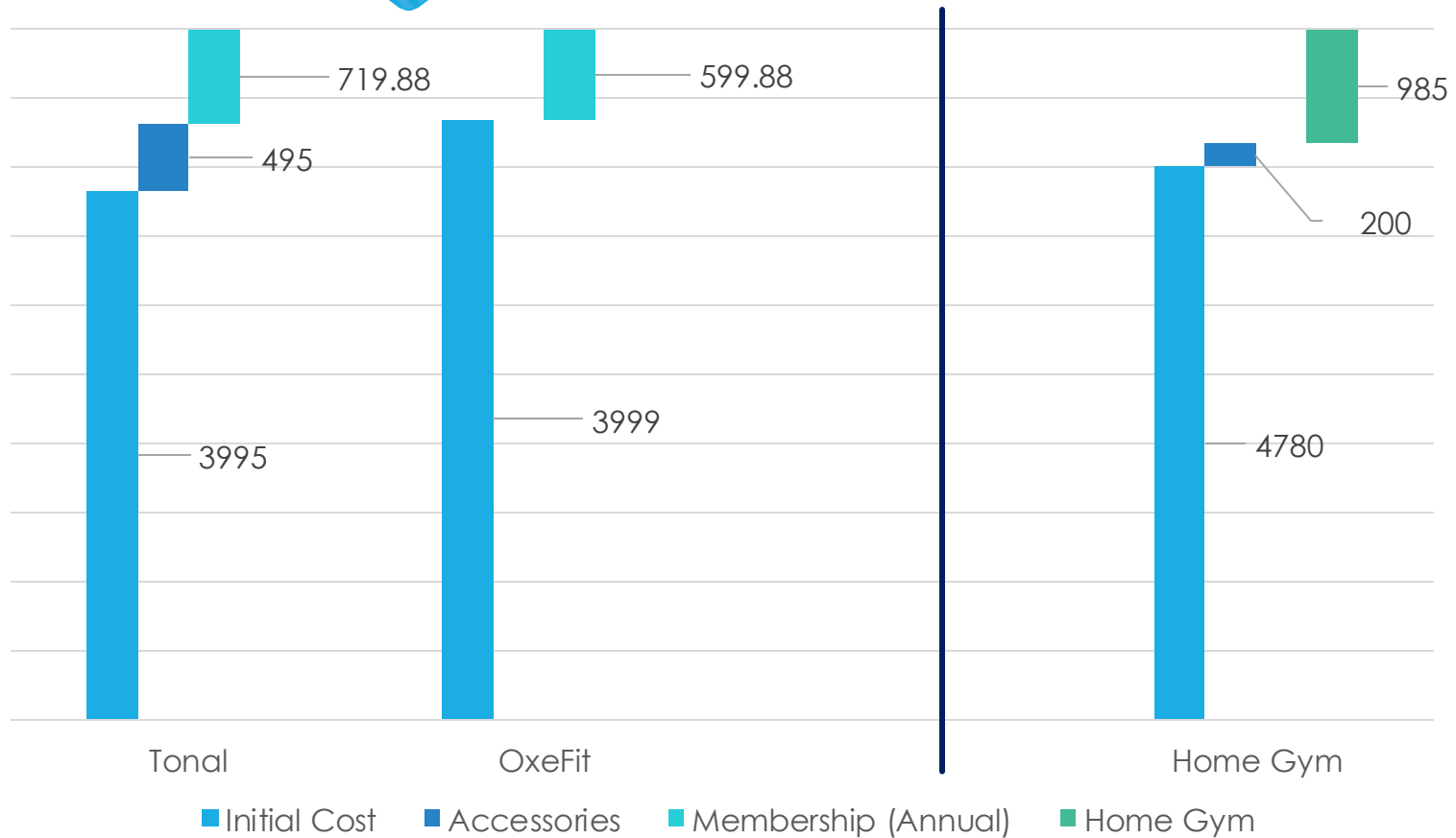
- As compared to traditional gyms, smart gyms have a simplified approach.

- Minimal cost to maintain equipment

- Tonal 2 provides flexibility as compared to OxeFit.

SWOT Analysis for Tonal Home Gym

Strengths

- AI guided training with "Smart View" feedback
- Automatic weight adjustment mechanism
- Strong brand association (ads by sports and fitness influencers)

Weaknesses

- Mandatory membership with annual commitment
- Initial investment is high (~ $ 4k)
- Focuses exclusively on weight training, no cardio options

Opportunities

- Expanding home fitness market in post-COVID era
- Partnerships with other fitness brands (e.g. Optimum Nutrition, Apple Fitness +)
- Product line expansion – (Tonal Mid!)

Threats

- Competitors like Tempo have lower prices
- Technology dependence – software could get bugs, hardware issues can't be easily fixed
- Preference to use traditional gyms

Who buys this stuff?

- Affluent professionals (ages 30-50) who seek convenient, high-tech fitness solutions.

- Fitness enthusiasts looking for strength training & data-driven progress tracking.

- Homeowners & urban dwellers with limited space for bulky gym equipment.

- Athletes & rehab patients who benefit from AI-powered strength training & injury prevention features.
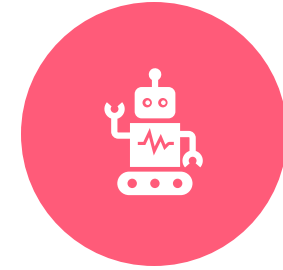
Challenges in sales

PRICE SENSITIVITY: HIGH UPFRONT COST

DEPENDENCE ON SUBSCRIPTIONS

COMPETITION FROM TRADITIONAL GYMS

AI-DRIVEN WORKOUTS REQUIRE TRUST.

User Survey – Workout behavioral preferences

Would you call yourself a fitness enthusiast?

	0%	20%	40%	60%	80%	100%	%	Count
Yes							40.00%	20
No							30.00%	15
Maybe							30.00%	15

Min: 1   Max: 3   Mean: 1.90   Total count: 50
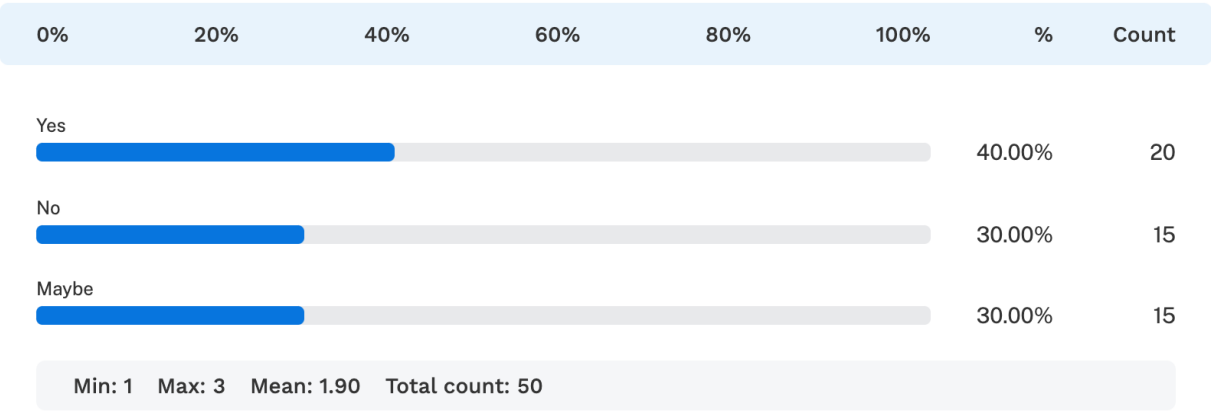
Where do you prefer to have your workouts?

	0%	20%	40%	60%	80%	100%	%	Count
Traditional Gym							34.00%	17
Home Gym							30.00%	15
Hybrid							24.00%	12
I do not work out							12.00%	6

Min: 1   Max: 4   Mean: 2.14   Total count: 50
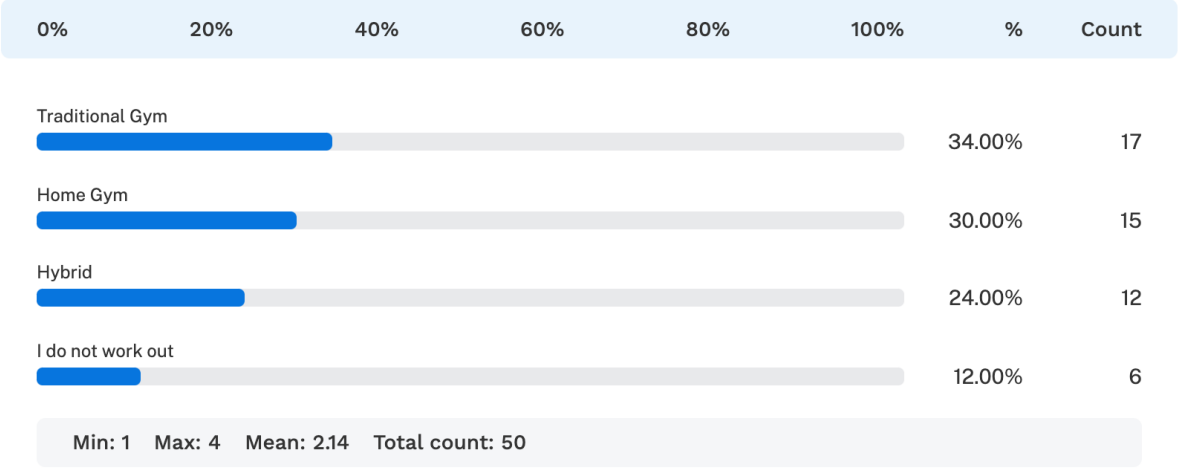
User Survey – Customer Segmentation

Which of these fitness companies have you heard about?

	%	Count
0%	20%	40%	60%	80%	100%		

Company	%	Count
Tonal	46.00%	23
Oxefit	18.00%	9
Peloton	50.00%	25
Life fitness	36.00%	18
Others : Please Specify	14.00%	7

Total count: 50

What is your age group?

	%	Count
0%	20%	40%	60%	80%	100%		

Age group	%	Count
Less than 18 Years	2.00%	1
18 - 24 Years	20.00%	10
25 - 35 Years	58.00%	29
36 - 44 Years	16.00%	8
45 Years Plus	4.00%	2

Min: 1   Max: 5   Mean: 3.00   Total count: 50
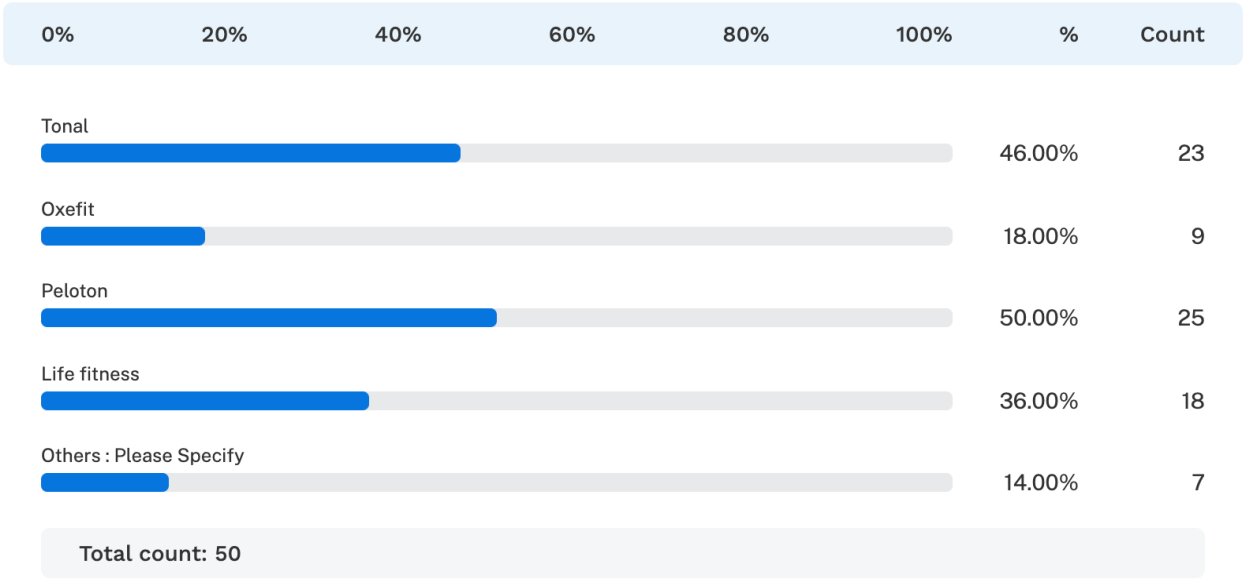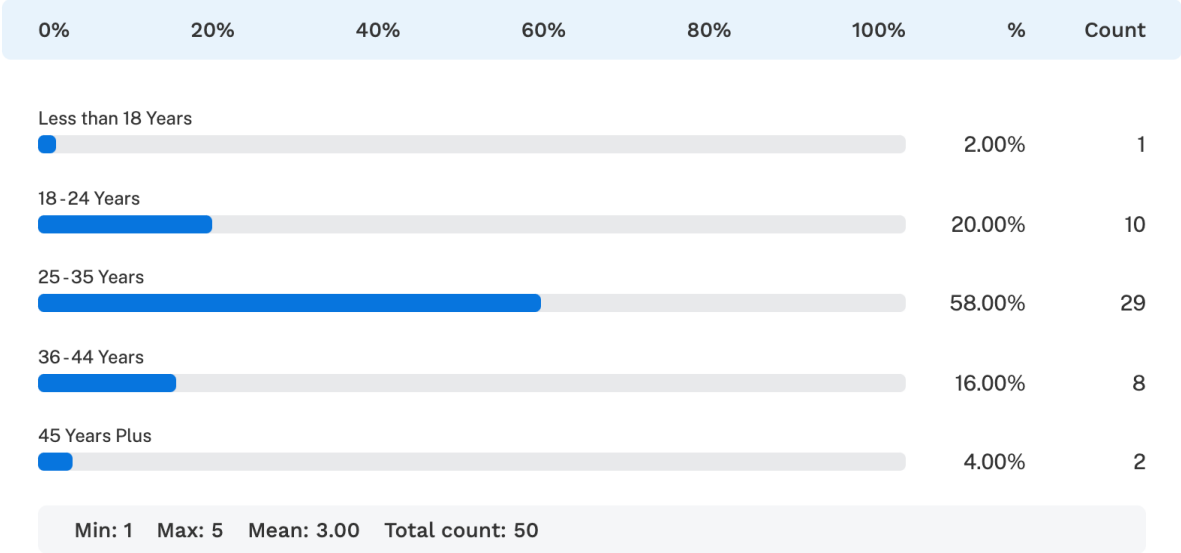
User Survey – Gym preferences

If you are working out at home, How big is your Gym Area?

	%	Count
0% 20% 40% 60% 80% 100%		

Small (Less than 100 sq.ft) — 28.00% — 14

Medium (100-200 sq. ft) — 28.00% — 14

Large (More than 200 sq. ft) — 14.00% — 7

No dedicated gym space — 30.00% — 15

Min: 1   Max: 4   Mean: 2.46   Total count: 50
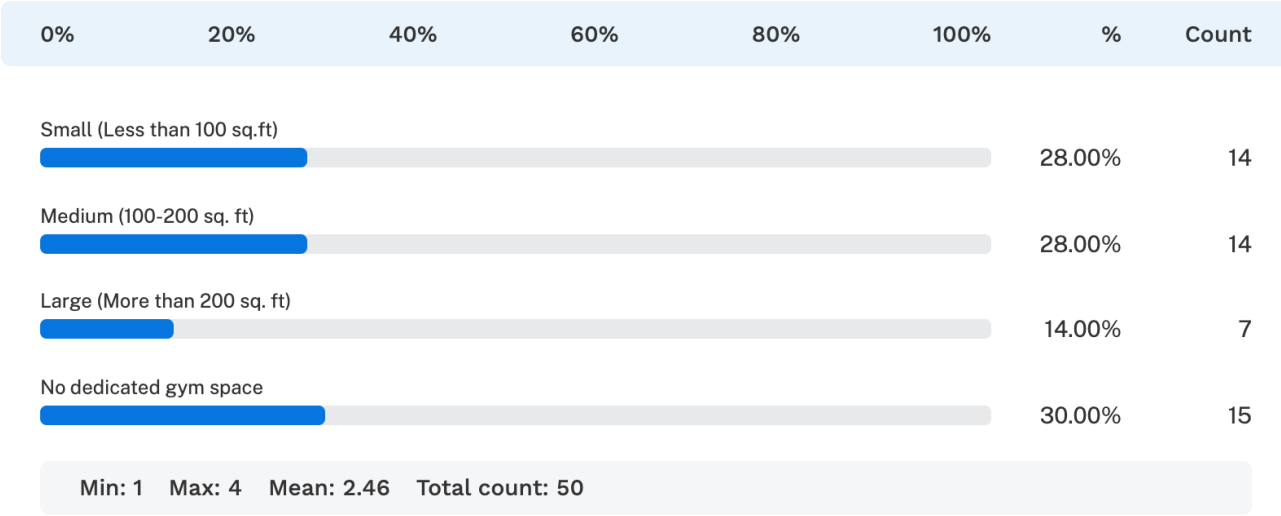
Some features of a traditional gym are missed in a home gym. What features would you prefer in your home gym workouts if you could have one? Rank from Top to Bottom in order of priority. Highest - Top, Lowest - Bottom

	1	2	3	4	5	6	Mean rank
Compact - All in one Equipment - Space Saving	36.00% 18	22.00% 11	10.00% 5	12.00% 6	10.00% 5	10.00% 5	2.68
Flexibility in equipment to support different types of workouts (Eg. Boxing, Cycling, Yoga etc.)	18.00% 9	22.00% 11	26.00% 13	24.00% 12	6.00% 3	4.00% 2	2.90
Range of free weights instead of dedicated machines	12.00% 6	20.00% 10	28.00% 14	14.00% 7	18.00% 9	8.00% 4	3.30
Dedicated machines for each workout type	10.00% 5	4.00% 2	6.00% 3	26.00% 13	22.00% 11	32.00% 16	4.42
Coach for personalized training and feedback	14.00% 7	18.00% 9	22.00% 11	10.00% 5	24.00% 12	12.00% 6	3.48
Live Classes with Community Engagement	10.00% 5	14.00% 7	8.00% 4	14.00% 7	20.00% 10	34.00% 17	4.22

Choice Based Conjoint Analysis Question

Traditional fully equipped home gyms typically require at least 300 sq ft of space and cost over $6,000. We're introducing a revolutionary all-in-one home gym system that is compact, versatile, and costs significantly less. To make the most out of this product with personalized coaching and tailored workouts, which membership benefits would you pick and how much would you be willing to pay per month for the subscription?
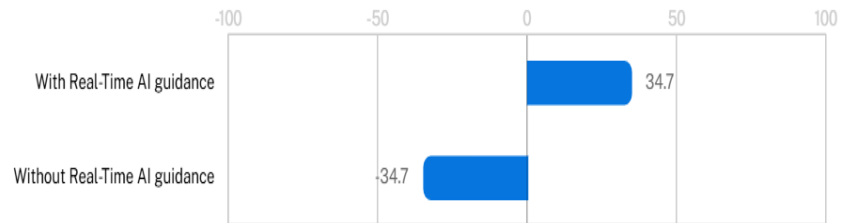
TASK 1/7

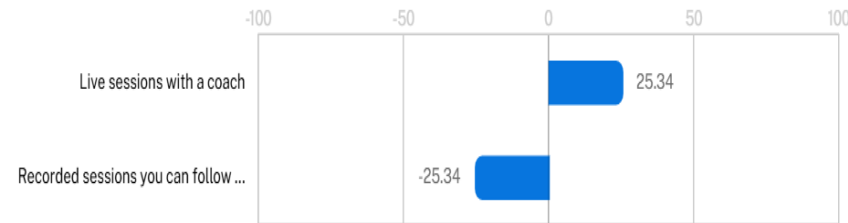|			
Screen	With Real-Time AI guidance	With Real-Time AI guidance	Without Real-Time AI guidance
Coach	Live sessions with a coach	Recorded sessions you can follow at your own pace	Recorded sessions you can follow at your own pace
Weight Adjustment	Automatic weight adjustment (AI sets the weight for you)	Manual weight adjustment with AI assistance	Manual weight adjustment with AI assistance
Price	$69.99/month	$49.99/month	$59.99/month
	Select	Select	Select

13% Completed

Conjoint Analysis

Relative importance of attributes - customers are most sensitive to price

Screen
N=50
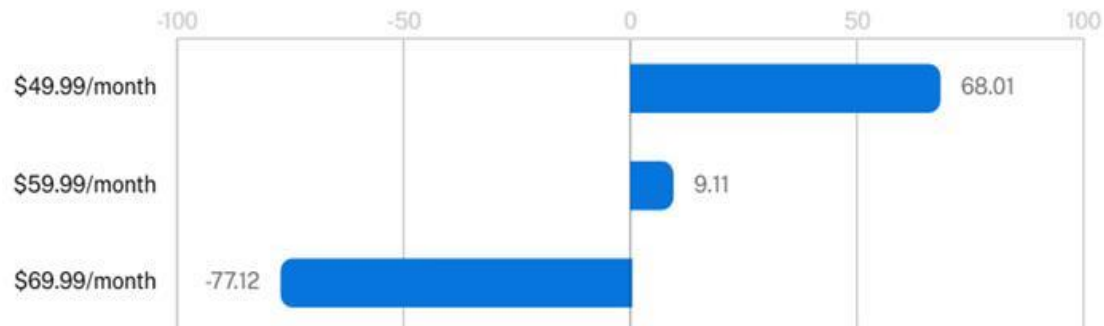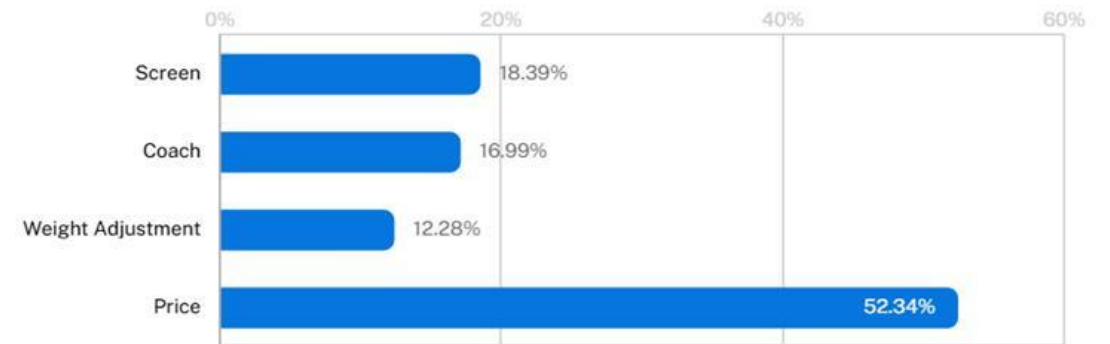
With Real-Time AI guidance	34.7
Without Real-Time AI guidance	-34.7

Coach
N=50

Live sessions with a coach	25.34
Recorded sessions you can follow ...	-25.34

Weight Adjustment
N=50

Automatic weight adjustment (AI ...	1.46
Manual weight adjustment with AI ...	-1.46

Price
N=50

$49.99/month	68.01
$59.99/month	9.11
$69.99/month	-77.12

Attribute importance
N=50

Screen	18.39%
Coach	16.99%
Weight Adjustment	12.28%
Price	52.34%

How can Tonal introduce tiered pricing?

AI Guidance	Live Coach	Auto Weight Adj	Tonal Mid @ 59.99	Reduction of Tonal Top	Reduction of Oxefit Base
0	0	0	13.4%	16.4%	-3.1%
1	0	0	22.8%	22.7%	0.1%
0	1	0	19.5%	21.5%	-2.0%
0	0	1	14.4%	17.5%	-3.1%
1	1	0	32.1%	30.7%	1.3%
1	0	1	25.3%	24.9%	0.4%
0	1	1	21.1%	23.1%	-2.0%
1	1	1	35.2%	33.6%	1.6%

The table shows the predicted market share of Tonal-Mid if launched @ $59.99 and the resultant changes in market share of Tonal top and Oxefit base.

Strategic Recommendation for Tonal

- Conjoint analysis results indicate that price sensitivity is a major factor in customer choice for smart home gyms.
- OxeFit's market entry with a similar price point is a competitive threat.
- By introducing a mid-range Tonal model at a lower price, we can:
  - Capture budget-conscious consumers.
  - Combat OxeFit's market entry by offering a compelling alternative.
  - Drive long-term subscription revenue.

Top-Down Selling Strategy:

- Position the new mid-range model below the flagship Tonal 2, so customers compare downward rather than against OxeFit.
- Emphasize premium features of Tonal 2 to maintain its high perceived value.
- Leverage discounts on accessories or first-year subscriptions rather than reducing base hardware prices.

Asymmetric Dominance Effect:

- Introduce two product tiers:
  - Tonal 2 Premium : Full AI-driven strength training with maximum features.
  - Tonal Mid-Range: Core AI strength features at a lower price.

Appendix

- https://research.contrary.com/company/tonal

- https://www.tonal.com/?srsltid=AfmBOoqckgMvqG2J7tQ194znTBpBlMON7GHQnT9r65qe0cuGDvDzGobv

- https://www.oxefit.com/

- https://www.prnewswire.com/news-releases/home-fitness-equipment-market-to-grow-by-usd-4-44-billion-2024-2028-increased-demand-for-home-fitness-equipment-boosts-the-market-report-on-ai-powered-market-evolution---technavio-302369519.html