

Subscription & E-Commerce

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Mission & Vision

The Subscription and E-commerce Department of LRT is committed to enhancing our revenue through content packaging and exploring new e-commerce opportunities. Our mission is to elevate the LRT brand, increasing our visibility and recognition in the running and travel markets.

Competitors



ASICS Runkeeper
(\$9.99/mo, \$39.99/yr)



Apple Fitness+
(\$9.99/mo, \$79.99/yr)



Strava
(\$11.99/mo, \$79.99/yr;
Family plan: \$139.99/yr)

Sub-based running apps

- **ASICS Runkeeper:** running tracker, links to ASICS e-commerce site
 - Website: content on nutrition, health, runners' stories
- **Apple Fitness+:** tutorials on multiple workout activities
 - 'Time To Run': podcast-like guided virtual run in national parks & cities
 - Need iPhone & Apple Watch to use
- **Strava:** advance tracking (eg. heart rate), route planning, real-time location sharing, goal-setting dashboard

Strategic Plan Highlights

- Content packaging: premium features that attracts people to pay
- Creative e-commerce ideas to boost sales
- In-app purchasing meeting demand for customization



BIG Ideas

No Paywalls, But Tiered Subscription

Basic

- With ads
- Accessibility: dark mode
- Share activity on social media
- Editorials
- Basic running routes and playlists
- Basic track & log

Premium (\$9.99/mo, \$79.99/yr)

- Ad-free
- Premium video content
- Bookmark feature for editorials
- Access to themed running routes and playlists
 - eg. festive, movies
- Unlimited access to app themes & icons, badges & pins

Premium+ (\$12.99/mo, \$99.99/yr)

- Participation to bi-weekly community events
- Advanced tracking (speed, heart rate)
- Customized running route recommendation based on location, local time and running history
 - eg. Safer routes at night

1 month free trial

Tiered subscription explained

- Churn Rate: ~10%
 - lower in Q2 (summer peak season), higher in Q3 after summer
- Attractiveness of package (more exclusive content & events), and small price range between Premium & Premium+ aims to lure users to pay for higher tier
- Premium: for content
- Premium+: for customization, ticket to offline events

Community Events

- Bi-weekly events exclusively for Premium+ members (6~7 sessions each quarter)
- Themed: Group runs/ workouts, local experiences
- Featuring ambassadors, sponsored events
- Event highlights as video content
- Participation fee: \$45 (including free merch amenities)
- 25-30 participants

Major cities

- +3 cities every quarter based on user demography
- NYC, LA, London (Y1 Q1)
 - Melbourne, Dallas/ Chicago, Vancouver (Y1 Q2)
 - Miami, Singapore, Hong Kong (Y1 Q3)
 - Beijing, Taipei/ Seoul/ Tokyo, Paris (Y1 Q4)
 - Shanghai, Kuala Lumpur/ Manila, Osaka (Y2 Q1)

Considerations for Events: localization

- If we can feature K-Pop stars in the Seoul events, we can attract fans to subscribe to Premium+ and sign up for the event, also promote the app with the popularity of the person we are featuring
- Modifying participation fees for places that income levels and cost of living
 - eg. Taiwan: TW\$60K (~US\$1850) monthly salary, average cost for each meal TW\$200–300 (US\$6–9), people may not be willing to pay for 7 meals' cost to participate in a group run

*Example from Kelly's Taiwanese boyfriend, he is considered mid~high income in Taiwan, of course as a rookie in tech he can't compare himself to the TSMC guys

E-Commerce Opportunities



Merchandise



Affiliation



Micro-Payments
In-App Purchases

Merchandise opportunities

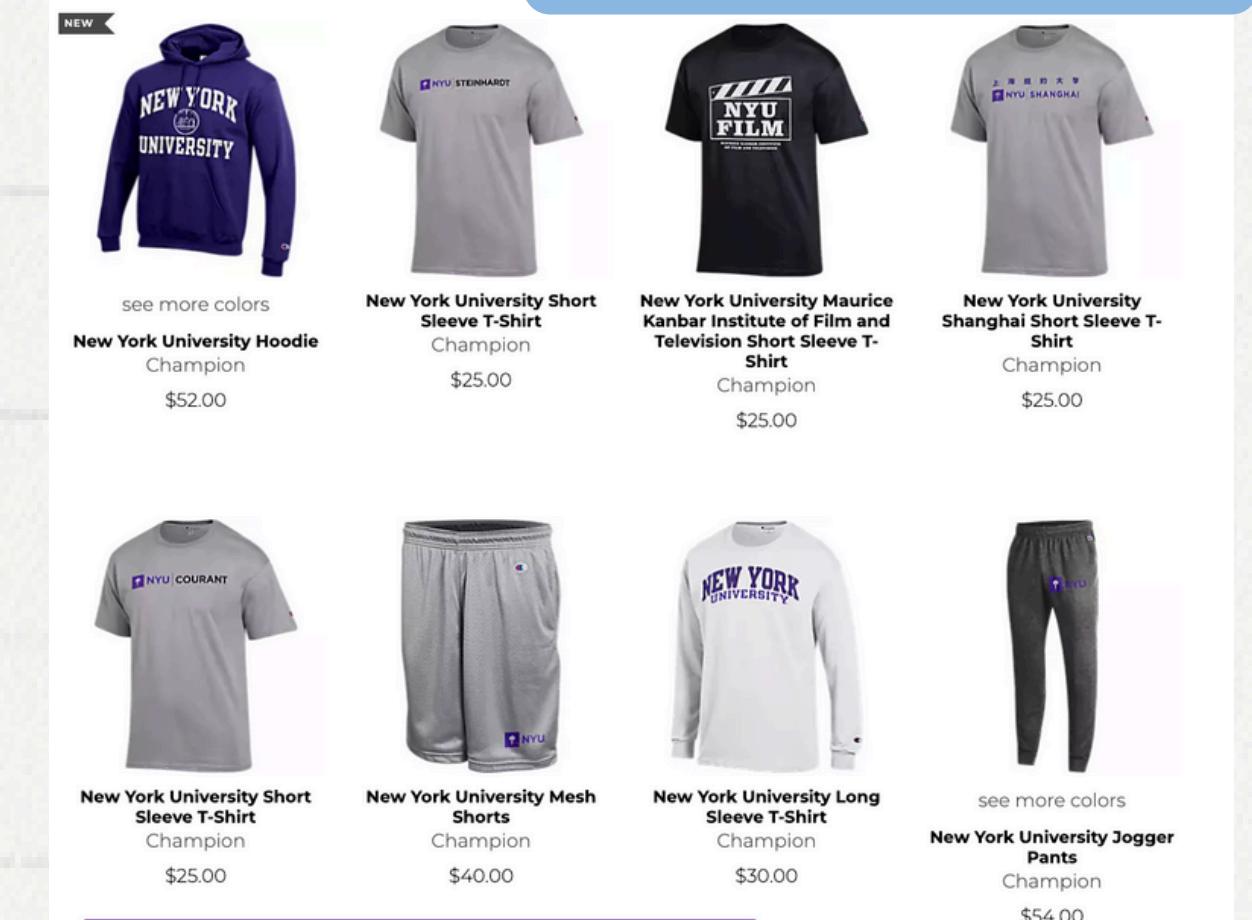
- Brand mascot → official merch
 - Plush toys, t-shirts, stickers, mobile phone cases,...
- Branded running gears
 - Collaboration with clothing/ sport gear brands eg. Lululemon, Nike
 - Water bottles, smart watch band



NYU Champion Apparel

Affiliation Sales

- CPAs agreed with each brand/ business



Playlist

Running Playlist 2024 🏃 120-150 BPM

Updated Weekly! best Running Music 2024 - best Cardio playlist - be...

Soave • 191,657 saves • 100 songs, about 4 hr 45 min



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List

#	Title	Album	L
1	This Girl (Kungs Vs. Cookin... Kungs, Cookin' On 3 Burners	Layers	3:15
2	Baianá Bakermat	Baianá	3:00
3	Mr. Saxobeat Masove, Brendan Mills, Tess B...	Mr. Saxobeat	2:38
4	Friday (feat. Mufasa & Hyp... Riton, Nightcrawlers, Mufasa ...	Friday (feat. Mufas...	2:49
5	Never Going Home Kungs	Club Azur	2:49
6	Mas Que Nada DESPERER MUSICA	Mas Que Nada	2:46

Micro-payments

Subscribe or pay

- Playlists (\$2.49 EA)
- Running routes (\$2.49 EA)



Kakao Talk (Korea)



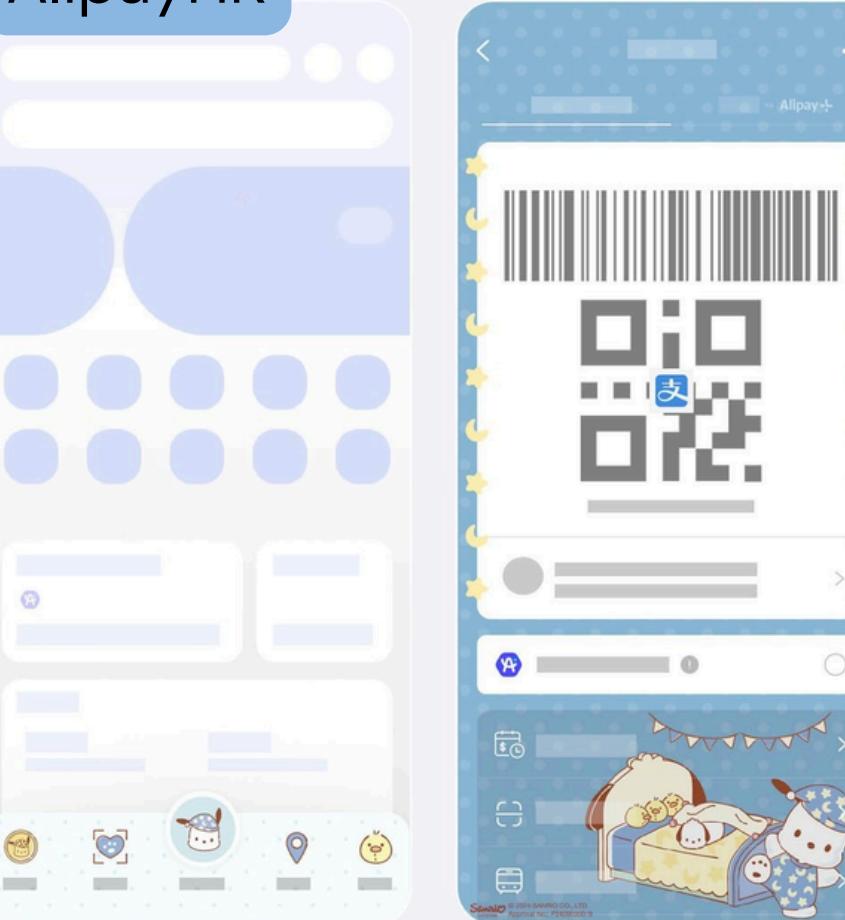
LINE (Japan)



Octopus Card (HK)



AlipayHK



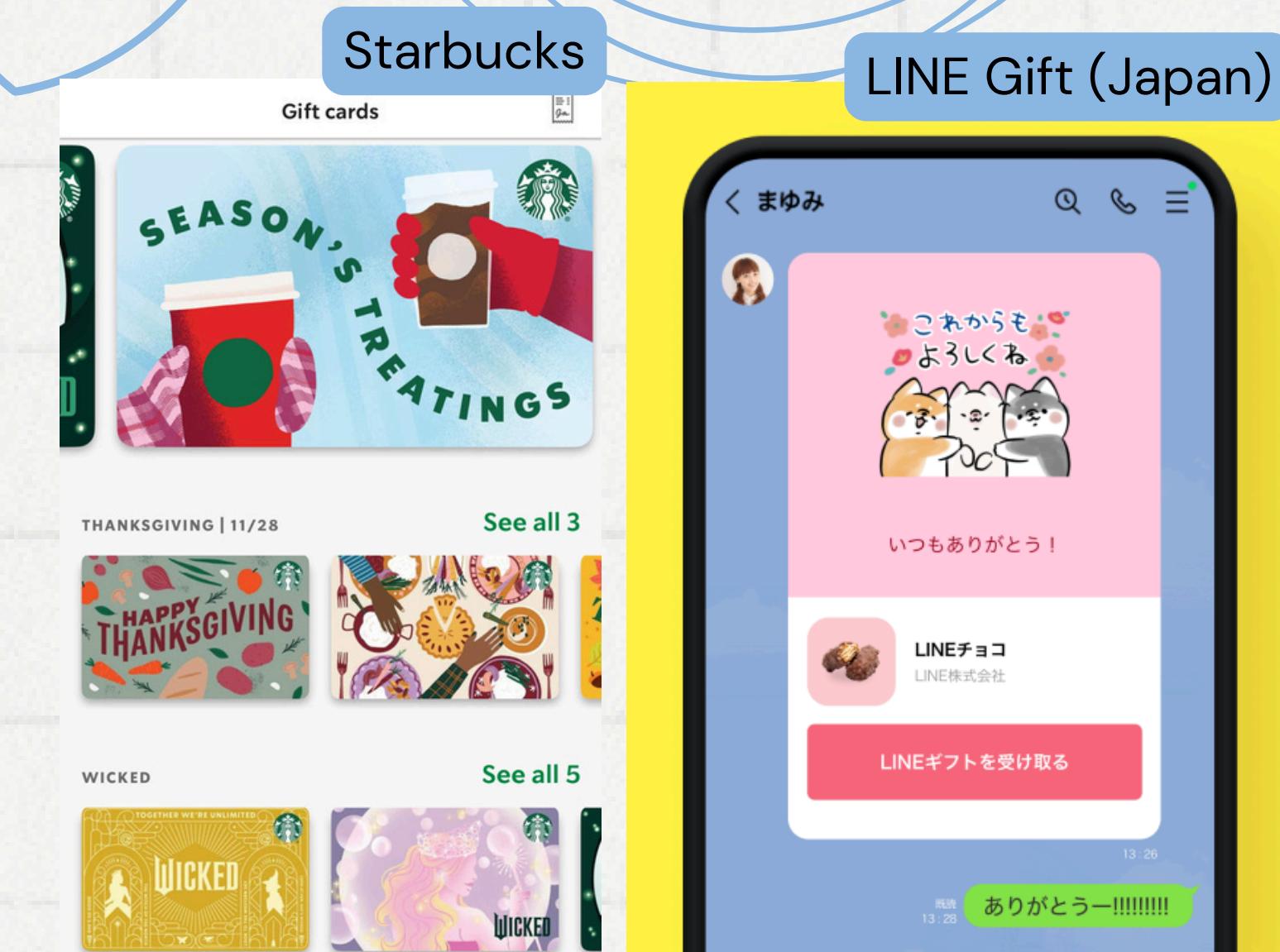
The Asian Experience

In-app purchases for customization

- App theme & icon set (app/ web interface) \$4.99/set
 - LINE/ Kakao (major texting apps): Unlock with subscription/ sell separately
- Themed badges, location pins \$3.49/set
 - Octopus (~OMNY card) card image

eGift

- Gifting option for friends & families, another way to create e-commerce sales
- Giftcard/ codes redeemable in local stores
 - eg. Code sent from the US to Hong Kong, receiver can redeem sneakers at a Hong Kong Nike store
- Premium(+) subscription gift = sub +1 



Year 1

	Q1	Q2	Q3	Q4	TOTAL
Subscription					
Digital Subscriptions	\$41,667	\$78,283	\$105,754	\$123,917	\$349,620
Total	\$41,667	\$78,283	\$105,754	\$123,917	\$349,620
Other					
Commerce	\$71,380	\$71,380	\$71,380	\$71,380	\$285,520
Lead Generation	\$35,000	\$35,000	\$35,000	\$35,000	\$140,000
Licensing & Accolades	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
Events	\$24,300	\$56,700	\$72,900	\$113,400	\$267,300
Third Party Partnerships	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
Total	\$140,680	\$173,080	\$189,280	\$229,780	\$732,820

3 Year Plan

	Y1	Y2	Y3	TOTAL
Subscription				
Digital Subscriptions	\$349,620	\$608,335	\$755,652	\$1,713,606
Total	\$349,620	\$608,335	\$755,652	\$1,713,606
Other				
Commerce	\$285,520	\$328,348	\$377,600	\$991,468
Lead Generation	\$140,000	\$154,000	\$172,480	\$466,480
Licensing & Accolades	\$20,000	\$21,400	\$22,898	\$64,298
Events	\$267,300	\$526,500	\$526,500	\$1,320,300
Third Party Partnerships	\$20,000	\$22,000	\$24,200	\$66,200
Total	\$732,820	\$1,052,248	\$1,123,678	\$2,908,746

	Y1	Y2	Y3
Subscription Revenues			
Monthly Subscription Fee (Digital, Premium & Premium+)	47,917	49,833	52,325
Monthly Average Subscriber Conversion Rate	\$11.49		
Annual Subscription Fee (Digital, Premium)	0.3%	0.31%	0.32%
Annual Average Subscriber Conversion Rate	\$89.99		
Subscribers Avg Monthly Volume	0.7%	0.72%	0.74%
Growth Volume	479	513	555
	34	34	41
Total Annualized Subscription Revenue	\$349,620	\$608,335	\$755,652
E-commerce Revenues			
Merchandise	\$100,000.00	\$120,000.00	\$150,000.00
App Themes and Icon Set	\$59,880.00	\$74,850.00	\$84,830.00
Running Routes	\$45,370.00	\$52,350.00	\$59,330.00
Playlists	\$40,135.00	\$45,370.00	\$52,350.00
Themed Badges and Location Pins Set	\$40,135.00	\$45,370.00	\$52,350.00
Affiliated Sales	\$160,000.00	\$160,000.00	\$160,000.00
Total Annualized E-commerce Revenue	\$285,520	\$337,940	\$398,860

Subscription conversion rate:
Monthly + Annual ≈ 1%

E-comm goal: Sell 10K+ for
each micro-payment item
every year

Why this plan?

- Tiered subscription plans that matches different user needs
- Opportunities to collaborate with designers and brands to make products for merch and in-app purchases, also makes room for creativity
- In-app purchase items that is not commonly seen in the US market

Questions?



Thank you!