

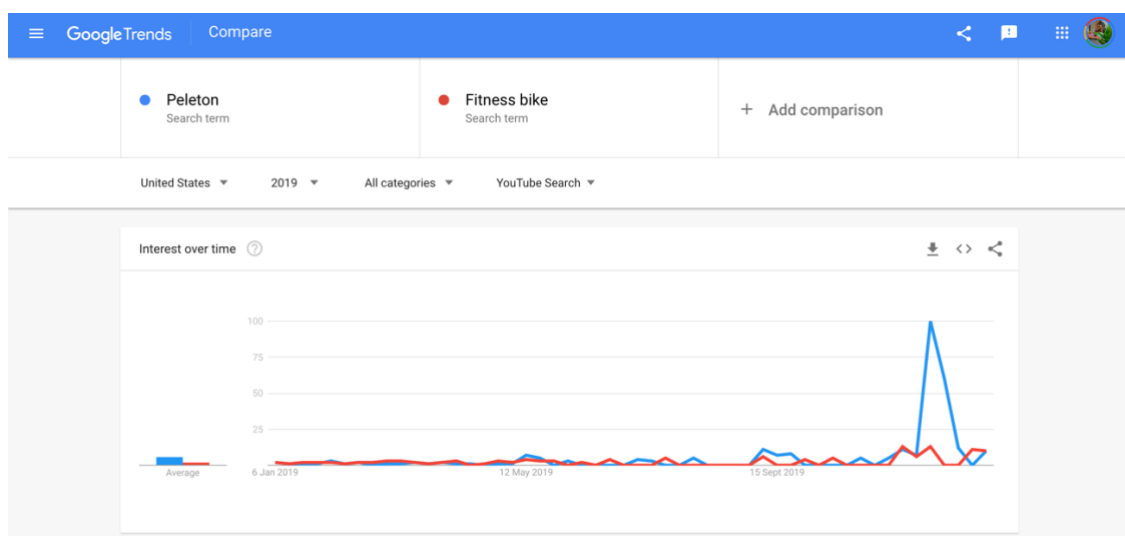
Individual Assignment 2: Quantifying the impact of Peloton's 2019 holiday commercial

What we know about the Peloton Commercial

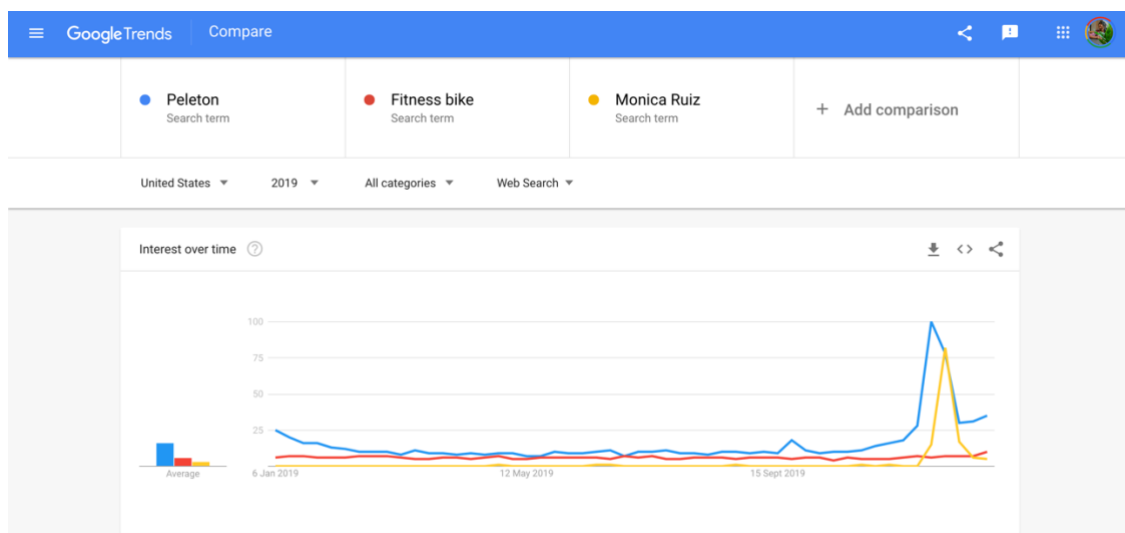
The ad, published to YouTube on **Nov. 21**, depicts a husband surprising his wife (starring actress Monica Ruiz) with a \$2,245 Peloton bike on Christmas morning. A 30-second narrative ensues, to the backdrop of Tal Bachman's 1999 song "She's So High," during which the wife appears to reluctantly appreciate the bike and its virtual workout content.

Impact of Peloton's holiday commercial

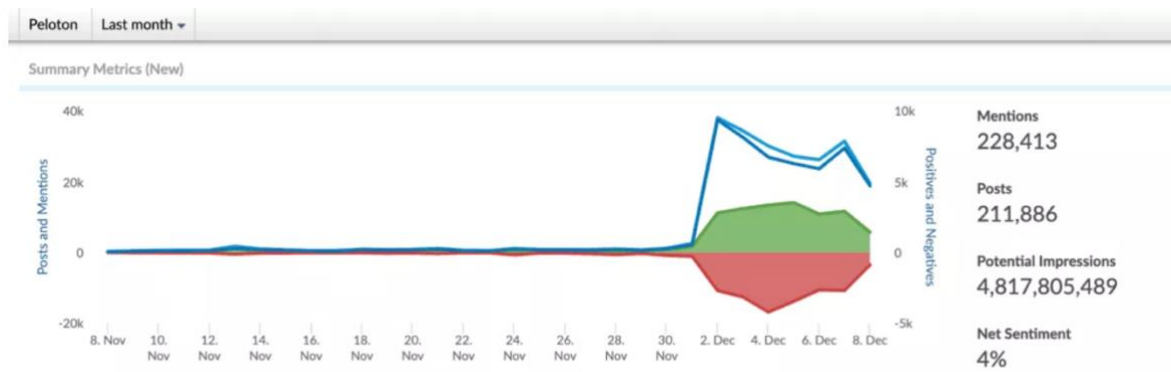
This is evident in the following graph where we can see that YouTube Searches for Peloton spiked in November 2019 around the time when the ad was released. We can attribute this traction to the ad as we do not see a similar spike in fitness equipment in general.



Following this, we also notice a spike in interest for not only Peloton bikes on Google but also Monica Ruiz, the actress who starred in the advertisement.

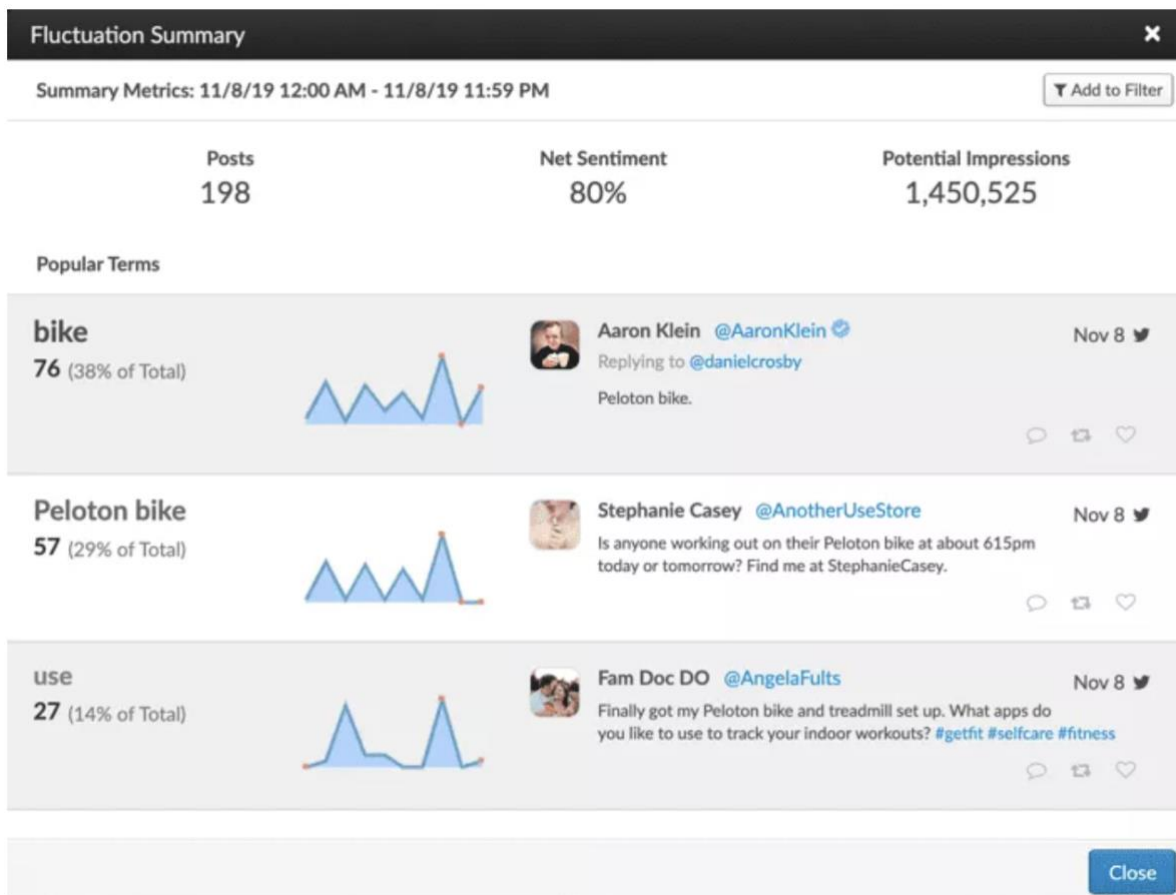


The ad itself, which first appeared on November 4th, didn't go viral right away. But then there was a sudden spike in mentions and sentiment nosedive on December 2nd.

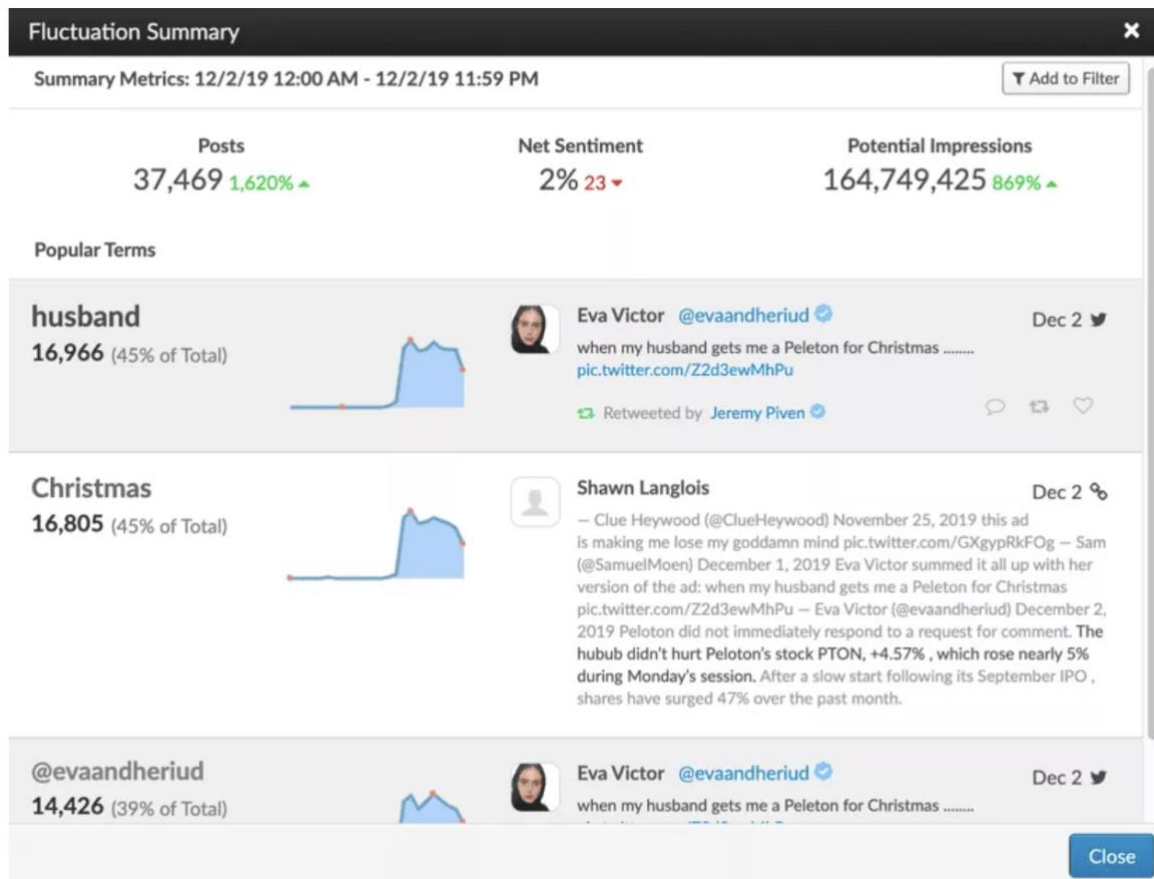


We can see that this happened because a comedian, Eva Victor decided to create a [pretty hilarious parody of it](#) and it went viral pretty immediately.

Twitter engagement **before** the Eva Victor's Tweet :



Twitter engagement **after** the Eva Victor's Tweet :



Peloton's stock plunged 15% in three days this week, wiping more than \$1.5 billion from its market capitalization. Peloton's [stock dropped dramatically](#). This goes to show how negative consumer sentiment can strongly impact stock price volatility.

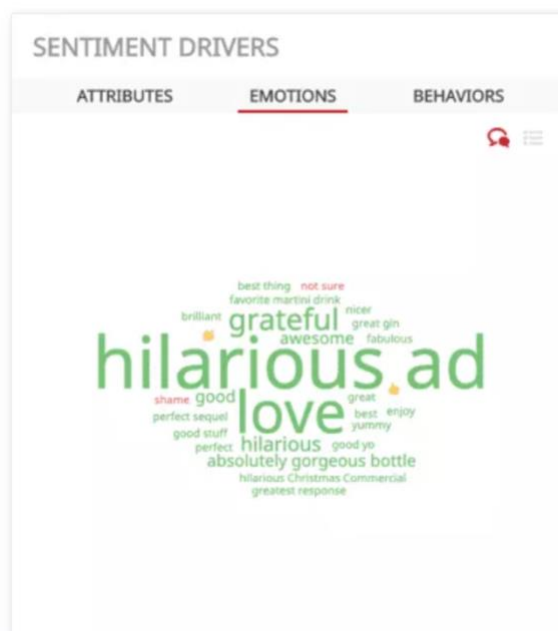


Negative sentiment towards the ad was overwhelmingly high, with many people expressing their dislike for the commercial and its message. According to a survey conducted by YouGov, 63% of people who saw the ad had a negative reaction to it.



Opportunity in the face of adversity

Ryan Reynolds' company, [Aviation Gin](#), was quick to snap up the Peloton Wife for an [ad promoting its gin](#). Aviation Gin has taken advantage of a viral moment and expanded its life. Mentions of the brand began spiking as well, but in a good way:



Despite the negative reactions, the commercial had a positive impact on Peloton's brand. The controversy surrounding the ad generated a significant amount of media coverage, which helped to raise awareness of the company and its products. As a result, many people who had never heard of Peloton before were now familiar with the brand.