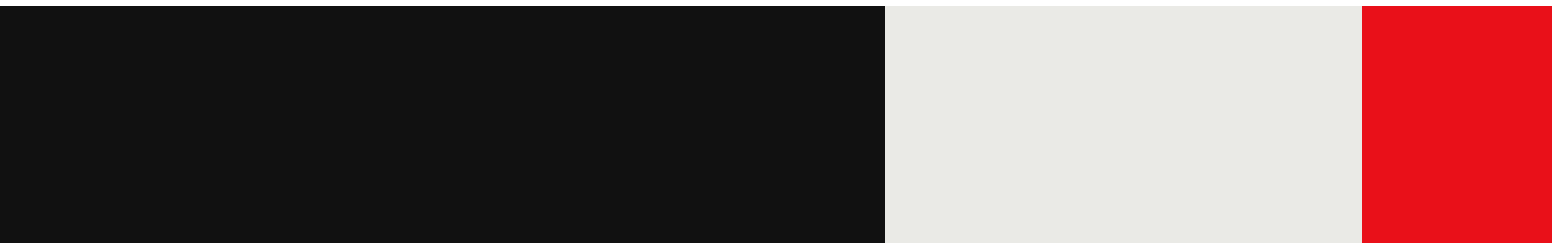


Q&A: How Peloton is building its brand into a digital platform

Article



Robert Franklin

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Robert Franklin, senior vice president of ecommerce at Peloton Interactive, leads the product and technology teams to improve the shopping experience for the company's bikes,

treadmills, accessories, subscriptions, and more. Franklin spoke with Insider Intelligence about expanding to a digital platform that enables third-party creators to partake in the Peloton experience and the role of video in a customer's shopping journey.

Insider Intelligence: How are you adapting the Peloton platform to meet consumers' changing needs?

Robert Franklin: The piece that takes the ecommerce platform to the next level is opening it up to third-party developers and third-party content creators, so you're more of a platform and less of a service. Any platform that starts to develop where anyone can be a content creator and developer, like on the Alexa and Echo platforms, allows the company to build out wonderful customer experiences.

We are excited to open up Peloton as a platform. We can expand the content in ways that we'd never even imagined—allowing YouTube creators to teach classes or do one-on-one training with someone who lives in a different city, for example. In addition, on the mobile shopping side, we're seeing a transition to more social interactions on platforms like Instagram, where the commerce has to meet the customer.

II: How does Peloton increase conversion rates by offering a digital-only subscription option?

RF: There's less of a financial commitment with our digital-only subscription, and with those members we are able to build a wider pool of leads. It is one of our top sources of bringing new members into buying a bike or a treadmill, and then joining and upgrading to the all-access membership.

At Peloton, there's going to be an investment in digital as its own experience and as an important feeder into connected fitness offerings.

II: What tools do you use to convince a consumer that purchasing a Peloton bike is worth the investment?

RF: Price is the No. 1 barrier to people buying a bike. We've learned that customers need to take five to seven key actions before they make a purchase. We do everything from putting bikes in hotels, to geotargeting you to a class on our website, to talking to a sales associate just to understand whether or not Peloton fits for you.

We try to break down barriers to purchase and provide the consumer with a value calculator that allows them to understand how much they're spending in the gym versus how much

they'd spend with Peloton. We also have an AR visualizer that allows you to see [the product] in your home because the size and fit of these products is a concern with consumers in the EU market.

One of our newest tools is showing customers videos. We're offering 1- to 2-minute clips of classes on our site, and we're finding that the customers who engage with the videos end up converting at two to three times the rate of people who don't engage with videos. Videos are an important part of showcasing storytelling around all the different ways a Peloton bike will bring utility to your workout routine.