

# Peloton and Mirror look for new ways to attract users

## Article

**The news:** Both Peloton and lululemon athletica's Mirror fitness brand are taking steps to drive more people to buy their expensive devices as they look to expand their customer bases.

- Peloton will begin selling its bikes, treadmills, and other products in Dick's Sporting Goods stores. The move will make Dick's the first brick-and-mortar retailer outside of Peloton's

namesake stores to carry the connected fitness brand's equipment.

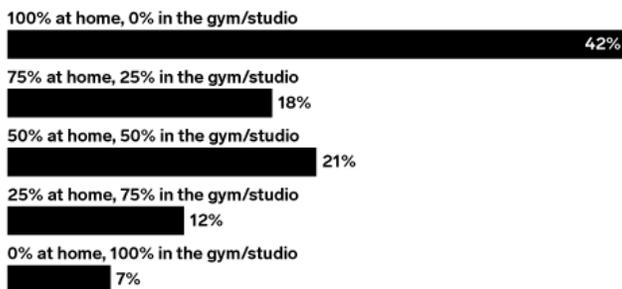
- **Lululemon is temporarily slashing the price of its Mirror home-fitness device by roughly 50%** to build interest in its new studio membership platform.

**A pandemic-driven trend:** The pandemic drove many consumers to shift to at-home workouts and connected fitness devices such as Peloton's bike and treadmills and Mirror's device.

- A majority of US consumers, 60%, continued to work out at home the majority of the time as of June 2022, per Toluna.

#### Expected Fitness Routine Location Split According to US Consumers, June 2022

% of respondents



Note: over the next 12 months

Source: The New Consumer and Coefficient Capital, "Consumer Trends - 2022: Mid-Year Update," conducted by Toluna, July 12, 2022

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**Expanding their reach:** Connected fitness companies' long-term success is dependent on their ability to attract and retain subscribers willing to pay a monthly fee to access content.

- **Peloton has taken a multipronged approach to attracting new members.** Beyond the Dick's collaboration, it recently began **selling on Amazon** and rolled out a so-called **fitness-as-a-service program** that allows consumers to pay a monthly fee to rent equipment and access fitness classes. It also offers a digital app subscription.
- Lululemon's similar Studio service offers on-demand and livestreamed classes as well as online classes from boutique studios such as **Pure Barre**, in addition to discounts to in-person classes at those studios.

**The big takeaway:** Recurring revenue models are incredibly powerful as they can provide companies with predictable income, financial stability, and brand loyalty. But the model only

works if companies continue to grow their base and minimize churn.

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