



Brand Report Card

IMC 602: Brand Development

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April 23, 2023

Introduction

Purpose

This Brand Report Card and Recommendations is based on the content analyzed and evaluated in the Brand Inventory and Brand Exploratory reports. The report will serve as a way to critique and analyze how well the brand is being managed in the marketplace. It will examine Peloton through the report card and offer recommendations for building brand equity.

Brand Report Card

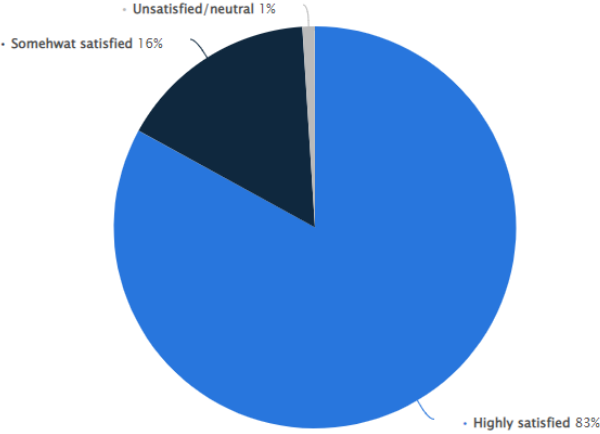
This section will analyze Peloton via The Brand Report Card section of the Keller and Swaminathan text (2020) to assess the brand's management and ability to avoid the "Seven Deadly Sins" of brand management.

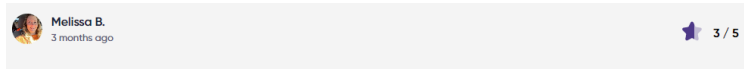
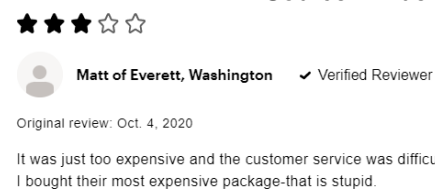
"The brand report card reveals how well you are managing your brand. It will help identify where you excel, pinpoint areas that need improvement, and help learn more about how your particular brand is configured" (Keller et al., 2020, p. 586). This will help Peloton by providing a comprehensive evaluation of its brand performance and identifying its areas of strengths and weakness. It will also help the management team to have a better understanding of how the brand is perceived by its target audience for use in future brand strategy and tactics.

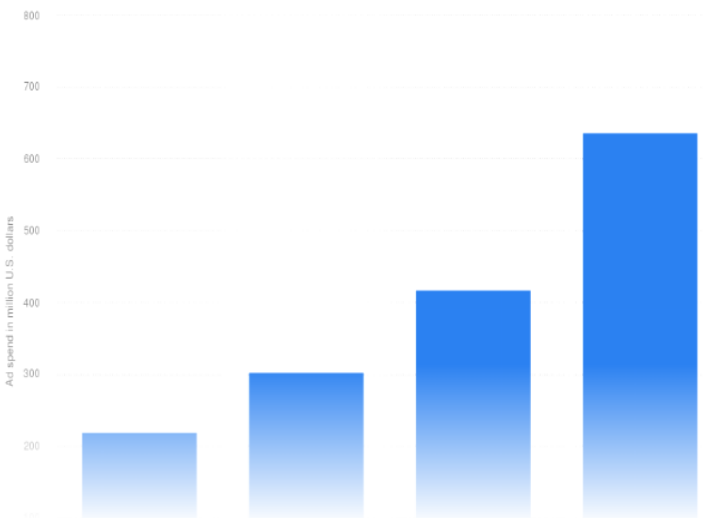
Figure A shows the areas reviewed throughout the Brand Inventory and Brand Exploratory reports, measured on a scale of 1 to 10 (1 = extremely poor; 10 = extremely good), using Keller and Swaminathan's Seven Deadly Sins of Brand Management methods.

Figure A: Peloton Brand Report Card

SCORE	TOPIC	REASONING & JUSTIFICATION
9	1. Managers understand what the brand means to consumers.	<p>Peloton managers have a good understanding of what the brand means to consumers due to their strong focus on customer experience and feedback.</p> <ul style="list-style-type: none"> • Through Peloton's Member Support program, they provide users with 24/7 customer service, personalized coaching, and community support (Peloton, n.d.). • As noted in the Brand Inventory Report, Peloton has a large, community-based following. They have robust brand recognition through their logo and logo colors, packaging, social media presence, community, and company name. • Peloton regularly surveys their customers to use their feedback to improve products and services. According to Statista, 83% of customers were highly satisfied with Peloton exercise equipment worldwide as of May 2020 (Gough, 2021).




		 <p>Source: Statista</p> <p>Although Peloton reached its peak in 2021 during the Covid-19 pandemic, they have achieved high brand salience. This is important because it is the first step toward building brand loyalty and creating a preference for a particular brand over its competitors. “It measures various aspects of the awareness of the brand and how easily and often the brand is evoked under various situations or circumstances” (Keller et al., 2020, p107).</p>
<p>8</p>	<p>2. The brand is properly positioned.</p>	<p>Peloton’s brand is positioned as a premium option for fitness enthusiasts and has established a strong brand presence in the fitness industry. Peloton’s slogan is “Motivation that Moves You” and users consider Peloton to have a strong community-based lifestyle and superior equipment. However other competitor brands have similar products and programs. General points of parity and points of difference can be seen in the Brand Exploratory Report. The following illustrates why there is a score of “8” for this category.</p> <ul style="list-style-type: none"> • Category points of parity: offers fitness equipment and online classes, focus on personalized fitness experience, targets consumers who prioritize health and wellness • Competitive points of parity: competes with other companies like NordicTrack, Echelon, and SoulCycle, offers live and on-demand fitness classes similar to other online programs, provides data and metrics to track progress and set fitness goals • Correlative points of parity: offers various types of workouts, subscription-based model for access to equipment and classes, targets similar demographic to other premium health and wellness brands • Category points of difference: high-end fitness experience with premium equipment and classes, focus on community of users who can interact with and motivate each other, live classes with real-time feedback

		<ul style="list-style-type: none"> • Competitive points of difference: offers broad range of live and on-demand classes, high-technology equipment and classes, range of content including music playlists, celebrity guest instructors, and live events • Correlative points of difference: targets specific demographic, has strong brand image and loyal following, provides all-in-one fitness solution
<p>7</p>	<p>3. Customers receive superior delivery of the benefits they value most.</p>	<p>To maintain consumer identity, brand reputation, and avoid cancel culture, Peloton must do the following as illustrated in the Brand Exploratory Report:</p> <ul style="list-style-type: none"> • Focus on a strong and differentiated brand identity • Participate in consumer engagement • Prioritize customer service • Demonstrate social responsibility • Be vigilant in monitoring its brand reputation and social media channels <p>Peloton is known for its luxury brand products and classes. When compared to its competitors, Peloton sits in the top intersection of high price and quality products, and high purchase and product accessibility.</p> <p>These reviews from the Brand Exploratory Report show that while consumers find that the products are good, they are high priced, and the company is lacking in customer service:</p> <div data-bbox="678 1119 1417 1249" style="border: 1px solid #ccc; padding: 5px;">  <p>I loved peloton when I first started using it. However, the price of the monthly subscription keeps rising. I understand inflation happens, but we haven't gotten anything additional out of the pricing rising. They have added additional machines but if you only have one machine you should only have to pay a fixed price for those particular classes.</p> </div> <p style="text-align: center;">Source: Influenster</p> <div data-bbox="678 1276 1109 1465" style="border: 1px solid #ccc; padding: 5px;">  <p>It was just too expensive and the customer service was difficult. They also released a new one right after I bought their most expensive package-that is stupid.</p> </div> <p style="text-align: center;">Source: Consumer Affairs</p>
<p>8</p>	<p>4. The brand takes advantage of the full repertoire of branding and full marketing activities available to build brand equity.</p>	<p>As shown in the Brand Resonance Pyramid in the Brand Exploratory Report, Peloton excels in its branding and marketing activities and consistently build brand equity through:</p> <ul style="list-style-type: none"> • Motivation • Partnerships • Inclusivity • Community • Innovation

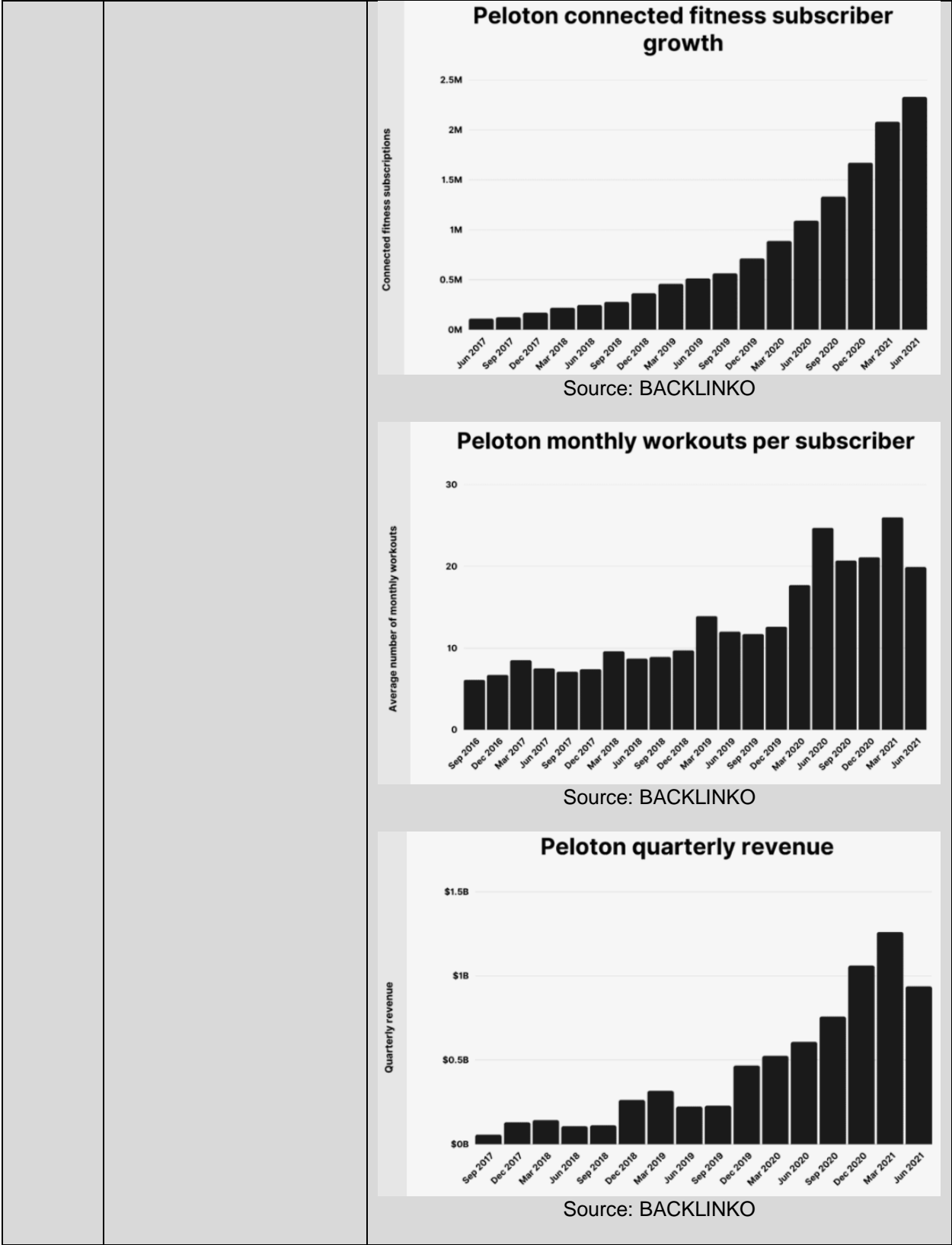
		<p>The score was not a “10” due to Peloton’s lack of patents, number of lawsuits over patents, tremendous competition, and economic uncertainty.</p> <ul style="list-style-type: none"> • Peloton has been involved in several lawsuits, including one with Echelon, for allegedly copying its products and remote-workout technology (Reuters, 2022). They have also had litigation tangles with Canadian company Lululemon over allegations of “copycat” clothing. The two companies agreed to a settlement, the terms of which have not been made public (CBC News, 2022). Peloton is currently in a lawsuit with Johnson Health Tech where JHT “alleges that Peloton’s Tread and Tread+ treadmills use technology that infringes upon three of JHT’s patents related to motors used in the products and sensors that detect user engagement as well as a removable operating unit, a controller connected to the unit and other devices” (Kufahl, 2022). 										
<p>9</p>	<p>5. Marketing and communication efforts are seamlessly integrated (or as close to humanly possible). The brand communicates with one voice.</p>	<p>Peloton’s marketing and communication efforts are centered around creating a cohesive and consistent brand image that resonates with its target audience. They use a mix of digital and traditional channels to reach their customers and prospective customers including social media, email marketing, influencer partnerships, TV ads, and experiential marketing events. These efforts are closely integrated with a consistent focus on the customer experience and personalized content.</p> <p>“Between July 2021 and June 2023, Peloton Interactive, Inc. invested 637.3 million U.S. dollars in advertising activities. In the previous fiscal year, the company’s ad spending stood at 417.6 million U.S. dollars” (Faria, 2023).</p>  <table border="1"> <caption>Advertising Spend Data</caption> <thead> <tr> <th>Year</th> <th>Ad Spend (million U.S. dollars)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>~220</td> </tr> <tr> <td>2022</td> <td>300</td> </tr> <tr> <td>2023</td> <td>417.6</td> </tr> <tr> <td>2024</td> <td>637.3</td> </tr> </tbody> </table> <p>Source: Statista</p>	Year	Ad Spend (million U.S. dollars)	2021	~220	2022	300	2023	417.6	2024	637.3
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		<p>Peloton’s media spending has increased steadily from 2017 to 2022. The reason the score was lowered from a “10” is due to some of their controversial and negatively received advertisements:</p> <ul style="list-style-type: none"> • “Once a Pandemic Superstar, Peloton Rode Straight into a Wall. Now What?”: This article discusses how a popular show on HBO, “And Just Like That”, depicted a character dying of a heart attack after his one thousandth ride on a Peloton. To combat backlash, Peloton decided to use the actor playing the deceased character, Chris Noth, in commercials for the brand, showing that he is alive and well. Noth was pulled from the advertisements after facing two allegations of sexual assault (Klara, 2022). • “Peloton Ad Is Criticized as Sexist and Dystopian”: In this article from the New York Times, an advertisement features a man giving a woman a Peloton bike for the holidays. The consumer response to the ad was very negative with social media users calling it “sexist and classist”. The ad was even spoofed by comedians and compared to an episode of “Black Mirror”, a series on Netflix (Ortiz, 2019).
<p>9</p>	<p>6. The brand’s pricing strategy is based on consumer perceptions of value.</p>	<p>Peloton’s pricing considers the perceived value that its customers place on its products and services through their integrated approach to fitness. This includes hardware, software, and content and creates a unique and personalized experience for its users. Peloton’s pricing strategy is in line with its brand identity which resonates with its target market.</p> <ul style="list-style-type: none"> • “A dynamic pricing model built for profit: Peloton’s strategy speaks directly to this. It understands the shift from consumers paying to own something towards paying to use something. It’s about flexibility and independence in the consumer journey” (Raine, 2023). • “New and interesting tactics are becoming increasingly important to retain and engage customers, and that’s exactly how Peloton went from launch to a \$3.9 billion valuation in less than 10 years and now boasts over half a million users. The Peloton Marketing Strategy puts community and content first, selling much more than just a bike. “Peloton sells happiness,” says co-founder and CEO John Foley” (Farrell & Gupta, 2022). <p>The score was lowered from a “10” due to the commentary from customers in Topic 3 that the products are overly expensive.</p>

<p>10</p>	<p>7. The brand uses appropriate imagery to support its personality.</p>	<p>Peloton’s use of brand imagery is a key part of its brand strategy. The use of visual identity, logo colors, typography, and imagery are all designed to create a consistent brand image that resonates with its target market. Peloton’s marketing campaigns often feature images of individuals working out using their products as well as images of group classes and community events. Peloton’s imagery is also used to create a sense of luxury and exclusivity with high-quality photography and videos that showcase the premium nature of its products and services. Although the brand is “exclusive” as far as its quality, Peloton’s use of imagery has been well received and praised for their focus on inclusivity and diversity, with images that feature individuals of different ages, genders, races, and body types. They are recognized for promoting body positivity and the idea that fitness is for everyone within and outside of the company.</p> <ul style="list-style-type: none"> • “In June 2020, we created the Peloton Pledge, our signature commitment to becoming an anti-racist organization. Our mission is to empower individuals experiencing systemic inequities through physical fitness and mental well-being to be the best versions of themselves. The Pledge is a living blueprint to keep us honest and on course” (Peloton, n.d.). • “Diverse employees at Peloton score the company 85/100 across various culture categories, placing Peloton in the top 5% of companies on Comparably with 5,001-10,000 Employees for Comparably's diversity score. The Diversity score provides insights into how diverse employees feel and rate their work experience at Peloton across various culture dimensions” (Comparably, n.d.). <div data-bbox="688 1255 1425 1675"> <p>The infographic displays two 'Best Company for Women' awards from 2021 and 2020. Below, it shows eNPS scores for three groups: Female (71), Male (82), and Diverse Employees (67). Each score is accompanied by a donut chart showing the percentage of Promoters, Passives, and Detractors.</p> <table border="1"> <thead> <tr> <th>Group</th> <th>eNPS Score</th> <th>Promoters</th> <th>Passives</th> <th>Detractors</th> </tr> </thead> <tbody> <tr> <td>FEMALE</td> <td>71</td> <td>79%</td> <td>13%</td> <td>8%</td> </tr> <tr> <td>MALE</td> <td>82</td> <td>85%</td> <td>12%</td> <td>3%</td> </tr> <tr> <td>DIVERSE EMPLOYEES</td> <td>67</td> <td>76%</td> <td>15%</td> <td>9%</td> </tr> </tbody> </table> <p>Source: Comparably</p> </div>	Group	eNPS Score	Promoters	Passives	Detractors	FEMALE	71	79%	13%	8%	MALE	82	85%	12%	3%	DIVERSE EMPLOYEES	67	76%	15%	9%
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		 <p>Source: Pelo Buddy</p>  <p>Source: NBC News</p>  <p>Source: Shape, Positive Change for Women Campaign</p>
<p>9</p>	<p>8. The brand is innovative and relevant.</p>	<p>Peloton has been able to successfully leverage technology to create a unique and engaging fitness experience for its users. Their brand innovation is rooted in its ability to create a comprehensive at-home fitness solution that includes both hardware and software components. Additionally, Peloton’s focus on community and social engagement has pushed the brand to become more relevant to modern consumers.</p> <p>The score is not a “10” due to the intense competition with other fitness companies like NordicTrack, Echelon, and SoulCycle as well as other digital fitness platforms like Apple Fitness+ and ClassPass. As explained in the Brand Exploratory Report, these competitors offer similar products and services, some at lower prices, which can be a threat to Peloton’s market share.</p>

<p>8</p>	<p>9. For a multi-product, multi-brand company, the brand architecture is strategically sound.</p>	<p>While there may be some drawbacks to a multi-product, multi-brand strategy, like increased complexity and potential dismantling of sales between product lines, Peloton's architecture is strategically sound. Their multi-brand strategy allows it to offer a more comprehensive fitness solutions to target a wider range of consumers while focusing on an integrative and cohesive brand experience. A look at some examples of Peloton's partnerships from the Brand Exploratory Report elaborate on this commentary:</p> <ul style="list-style-type: none"> • Peloton has partnered with various companies including Adidas, Amazon, Dick's Sporting Goods, and Hilton Hotels. These partnerships can have positive impacts on the company's overall brand reputation and consumer identity. <p>The lower score is due to acquisition of companies which were made in 2020 when Peloton was reaching its peak. After in-person gyms and classes reopened after the COVID-19 pandemic, the company lost significant money and had to lay off employees. Peloton would have been better served by waiting to procure these, or other, companies.</p> <ul style="list-style-type: none"> • In late 2020, Peloton finalized deals to acquire three companies: Atlas Wearables, Otari, and Aiqudo, paying \$78.1 million for the companies and employees from these acquired companies are expected to join the Peloton family (Agomuoh, 2021)
<p>6</p>	<p>10. The company has a system in place to monitor brand equity and performance.</p>	<p>Minimal evidence was found for how Peloton uses metrics and brand tracking studies to monitor their brand equity. These metrics determine how customers perceive their brand, products, and services, and also to monitor brand performance including sales figures, customer retention rates, and social media engagement. One site that does measure such statistics is BACKLINKO:</p> <ul style="list-style-type: none"> • Peloton has over 5.9 million members on the platform. • 2.33 million people subscribe to Peloton's connected fitness membership. • Peloton has more than 874,000 paying digital-only subscribers. • 134.33 million workouts are completed quarterly on Peloton. • Peloton's quarterly revenue is \$937 million. • Peloton has 51 instructors. <p style="text-align: center;">Source: BACKLINKO</p> <p style="text-align: center;">Below are statistics from March 2019 to June 2021:</p>



		<div style="text-align: center;"> <h3>Peloton bike users by household income</h3> <table border="1"> <caption>Peloton bike users by household income</caption> <thead> <tr> <th>Household Income</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Under \$50,000</td> <td>~8%</td> </tr> <tr> <td>\$50,000 - \$100,000</td> <td>~38%</td> </tr> <tr> <td>\$100,000 - \$150,000</td> <td>~25%</td> </tr> <tr> <td>\$150,000 - \$200,000</td> <td>~10%</td> </tr> <tr> <td>\$200,000+</td> <td>~22%</td> </tr> </tbody> </table> <p>Source: BACKLINKO</p> </div> <div style="text-align: center; margin-top: 20px;"> <h3>Peloton instructors Instagram followers</h3> <table border="1"> <caption>Peloton instructors Instagram followers</caption> <thead> <tr> <th>Instructor</th> <th>Followers (Approximate)</th> </tr> </thead> <tbody> <tr> <td>Cody Rigsby</td> <td>~950,000</td> </tr> <tr> <td>Robin Arzón</td> <td>~850,000</td> </tr> <tr> <td>Ally Love</td> <td>~750,000</td> </tr> <tr> <td>Kendall Toole</td> <td>~550,000</td> </tr> <tr> <td>Emma Lovewell</td> <td>~500,000</td> </tr> <tr> <td>Alex Toussaint</td> <td>~500,000</td> </tr> <tr> <td>Tunde Oyeneiyin</td> <td>~450,000</td> </tr> <tr> <td>Jess King</td> <td>~350,000</td> </tr> <tr> <td>Jess Sims</td> <td>~350,000</td> </tr> <tr> <td>Olivia Amoto</td> <td>~350,000</td> </tr> </tbody> </table> <p>Source: BACKLINKO</p> </div> <p>According to a Peloton case study by The Harris Poll, “Peloton’s brand equity increased overall for Peloton following this incident (the accidental death of a child), likely due to an increase in consideration and familiarity (two of the four components that make up brand equity)” (The Harris Poll, n.d.). The study concludes that while more consumers say they are considering purchasing from Peloton, they feel less confident about the direction of the brand.</p> <p>A score of 6 was given in this section due to the lack of information available to determine how Peloton measures their brand equity and performance.</p>	Household Income	Percentage	Under \$50,000	~8%	\$50,000 - \$100,000	~38%	\$100,000 - \$150,000	~25%	\$150,000 - \$200,000	~10%	\$200,000+	~22%	Instructor	Followers (Approximate)	Cody Rigsby	~950,000	Robin Arzón	~850,000	Ally Love	~750,000	Kendall Toole	~550,000	Emma Lovewell	~500,000	Alex Toussaint	~500,000	Tunde Oyeneiyin	~450,000	Jess King	~350,000	Jess Sims	~350,000	Olivia Amoto	~350,000
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“Seven Deadly Sins”

Peloton received an 83/100 (83%) score. This score is high, however when measured against specific competitors, may be equal or low. The “seven deadly sins”, according to Keller and Swaminathan (2020), are the “common branding mistakes that prevent firms from creating strong, powerful brands”. The errors that Peloton have made correspond to the “sins” below, in accordance with the Brand Report Card:

1. **Failure to adequately control the brand:** According to Keller and Swaminathan (2020), this happens when “firms make decisions that haphazardly, without a true understanding of the current and desired brand equity or recognition of the impact these decisions have on other brands or brand-related activities”. Due to Peloton’s ambitious goals and acquisitions during the COVID-19 pandemic, they failed to look at what might happen when the pandemic was over as far as product and equipment sales and member subscriptions. Due to the failure to look ahead, Peloton lost more than \$1.2B and had to lay off many employees. “The layoffs amount to 12% of its staff, leaving the company with nearly 4,000 employees — that’s less than half the number of employees it had its peak in 2021” (Valinsky, 2022).
2. **Failure to be patient with the brand:** “A firm foundation requires that consumers have the proper breadth of awareness and strong, favorable, and unique associations with the brand” (Keller et al., 2020, p. 588). Although Peloton has built a robust and loyal community of users, they have a substantial amount negative reviews about customer service. Many of these can be viewed through the Better Business Bureau (BBB, n.d.).
3. **Failure to understand the complexity of brand equity measurement and management:** This is when “marketers oversimplify the process and try to equate success in branding with taking one particular action or approach” (Keller et al., 2020, p. 588). Minimal evidence of Peloton’s measurements to show their brand tracking studies, sales figures, retention rates, and social media engagement. Statistics for these items can be found on other platforms such as Statista and BACKLINKO.

Recommendations for Building Brand Equity

This section will analyze ways that Peloton can build brand equity via brand image and position, brand association, marketing strategies, brand management, leveraging new products and markets, and show a brand value chain based on the information in the Brand Inventory and Brand Exploratory Reports.

Brand Image & Position

The findings from the Brand Inventory and Exploratory Reports conclude that Peloton’s brand image is consistent and successful. “Peloton has used its virtual platform to create tremendous emotional and social value. Because of its multidimensional nature, instructors and members can use Peloton as a platform for culturally relevant issues; adding to the emotional component of a member’s experience” (McMains, 2021).

Peloton should continue to develop their unique and memorable brand personality that aligns with its core values by consistently communicating its personality across all touchpoints with customers. They should also continue to invest in their powerful branding stories that connect with their audience and differentiate them from their competitors.

Brand Associations:

Below are the core brand associations from Peloton’s mental map as shown in the Brand Exploratory Report. These sections detail the areas that the brand should continue to strengthen and associations that should be removed.

Repair Negative Consumer Perception of Advertisements

As explained in the Brand Exploratory Report, Peloton has received criticism and negative reactions to several of their advertisements. These commercials negatively impacted the brand’s image and value and inspired extensive commentary on social media outlets. “Almost \$1.5B has been wiped off the value of the exercise bike firm after a backlash against a Christmas advert widely derided as ‘sexist and dystopian’” (Belam & Partridge, 2019).

Peloton can repair negative consumer perception of their controversial advertisements by acknowledging and apologizing for any offense caused, clarifying the intended messaging, communicating its brand values, engaging with customers, launching positive campaigns, and collaborating with influencers and media outlets. By implementing these strategies, Peloton can rebuild its brand reputation and regain customer trust.

Expand Market to Gen Z

Gen Z is an important target market demographic to Peloton because they are one of the largest generations in the world and are quickly becoming a significant consumer demographic. They hold brands to high standards, are online constantly, and consider influencers to be celebrities (Huberman, 2021).

Gen Z is the first generation to grow up with smartphones and social media, making them highly tech-savvy. Peloton's digital fitness platforms and high-tech exercise equipment are well suited to this demographic. Gen Z is highly focused on health and wellness, and they value experiences over material possessions. Peloton offers an immersive and personalized fitness experience that emphasizes community, competition, and goalsetting which aligns with Gen Z's demographic. Gen Z is socially conscious and value companies that prioritize sustainability and social responsibility (Huberman, 2021). Peloton's commitment to using eco-friendly materials in its products and donations to charities speak to this demographic. As Gen Z ages and becomes more financially stable, Peloton has an opportunity to create loyal and long-lasting customers.

Strengthen Position as Sustainable Company

Peloton prides themselves on being an eco-friendly and sustainable brand. "Peloton is committed to regularly communicating our efforts to drive and track progress on the environmental, social, and governance issues of greatest significance to our business and stakeholders. We value ongoing feedback as we continue our efforts to support and improve the well-being of our people, our community, and our planet" (Peloton, n.d.). "When consumers are asked if they care about buying environmentally and ethically sustainable products, they overwhelmingly answer yes: in a 2020 McKinsey US consumer sentiment survey, more than 60 percent of respondents said they'd pay more for a product with sustainable packaging" (Am et al., 2023).

In order to continue and expand on their efforts, Peloton should implement the following strategies:

- Continue to use eco-friendly materials in its products to show its commitment to sustainability and reduce the environmental impact.
- Reduce energy consumption by using energy efficient components and optimizing the software that powers their products.
- Promote sustainable transportation by partnering with a bike-sharing or public transportation provider as an alternative to driving.
- Offset carbon emissions by implementing a tree planting program and supporting renewable energy projects.
- Reduce packaging waste by using biodegradable or recyclable packaging materials and reducing the amount of packaging used with its products.
- Work with suppliers to ensure that its supply chain is sustainable.
- Communicate sustainability efforts to consumers through marketing campaigns and product labeling.

Leverage Position as Valued and Luxury Brand

Peloton has marketed itself as a luxury brand due to its high-quality and high-tech products and applications. Consumers equate luxury to value and equate value to love and desire. "When brands create so much hype, they do it because consumers feel they get extreme value. And that means brands

must be aware of the responsibility they carry. I have used the comparison of luxury with a love relationship because all the same rules apply. The more value and desire a brand creates and the more hype it gets, the more it makes customers trust and fall in love with it. Hence, brands that create extreme value carry extreme responsibility to nurture those love relationships” (Langer, 2021).

Peloton can leverage their position by:

- Expanding product offerings through luxury fitness apparel, accessories, or wellness products. They are currently partnering with Adidas for an apparel collection (Adidas, 2021).
- Collaborate with other high-end brands to create exclusive experiences. Peloton is currently partnering with select Hilton Hotels (Hilton, n.d.).
- Maintain premium pricing to promote exclusivity and appeal to customers who value luxury and quality.
- Continue to customize options for products to allow customers to personalize their fitness equipment and workouts.
- Provide exceptional customer service to reinforce its luxury brand position.
- Partner with influencers who align with Peloton’s luxury brand image and promote their products and experiences to a wider audience.

Marketing Strategies

As illustrated in the Brand Exploratory Report, Peloton uses various strategies to reach their target audience and personalize communications through social media marketing, influencer marketing, content marketing, and events to build its brand equity.

Although they have been very successful in this aspect, there are ways that they could extend their reach even further which will help them to reach new audiences and strengthen their brand:

- Use customer referral programs to incentivize existing customers to refer their friends and family to the brand.
- Partner with younger influencers who will be effective in reaching younger demographics, like Gen Z.
- Create emotional storytelling that resonates with customers and creates a deeper connection with the brand.
- Partner with other brands to create co-branded marketing campaigns.
- Use data analytics to track customer behavior and preferences to help inform marketing strategies.
- Build an even stronger community by creating more social media groups and hosting virtual events to foster greater loyalty among users.

Brand Management

Facing Crisis and Criticism

According to Keller and Swaminathan (2020), “Crises incidents can be detrimental to a brand’s reputation. This is more so today with social media acting as an amplifier of information about brands”. They also state that created responses should be “swift and sincere”. As previously stated in the Brand Report Card and Brand Inventory and Exploratory Reports, Peloton has faced several incidents with crisis and criticism caused by poorly received advertisements and the death of a child due to their equipment.

Peloton can face crisis and criticism by implementing proactive communication, developing a crisis management plan, monitoring social media, providing excellent customer service, collaborating with experts, continuously improving its products and services, and admitting mistakes. These strategies will address consumer issues and concerns to strengthen Peloton’s brand reputation.

Maintain Brand Consistency while Targeting New Customers

In order to stay relevant, Peloton must market to a broader demographic of consumers while maintaining brand consistency. “Consistency ensures that diverse brand and marketing mix elements share a common core meaning such as a benefit association that is reinforced by a highly integrated, well-branded marketing communications program” (Keller et al., 2020, p. 583).

Ways that Peloton can achieve this are below:

- Maintain brand identity by ensuring that all marketing messages and materials are consistent with the brand’s core values and mission utilizing logos, fonts, and colors across all marketing channels.
- Segment audience based on demographics, psychographics, and behaviors to create marketing campaigns that are consistent with the brand identity. The use of target personas is key in this area; samples are illustrated in the Brand Exploratory Report.
- Personalize marketing messages and materials to appeal to different segments of target audience through email campaigns and social media advertising.
- Ensure consistent messaging across all marketing channels including tone and language.
- Collaborate with other brands to create co-branded campaigns consistent with the brand’s identity while reaching new audiences.
- Create brand guidelines that clearly outline the brand’s core values, mission, and messaging.
- Continuously monitor marketing efforts to ensure they are consistent with the brand identity and resonate with the target audience(s).

Leverage New Products and Markets

It is important for Peloton to leverage new products and markets for revenue growth, diversification, customer retention, brand awareness, and innovation.

For brands whose core associations are primarily product-related performance attributes or benefits, innovation in product design, manufacturing, and merchandising is especially critical to maintaining or enhancing brand equity” (Keller et al. 2020, p. 523).

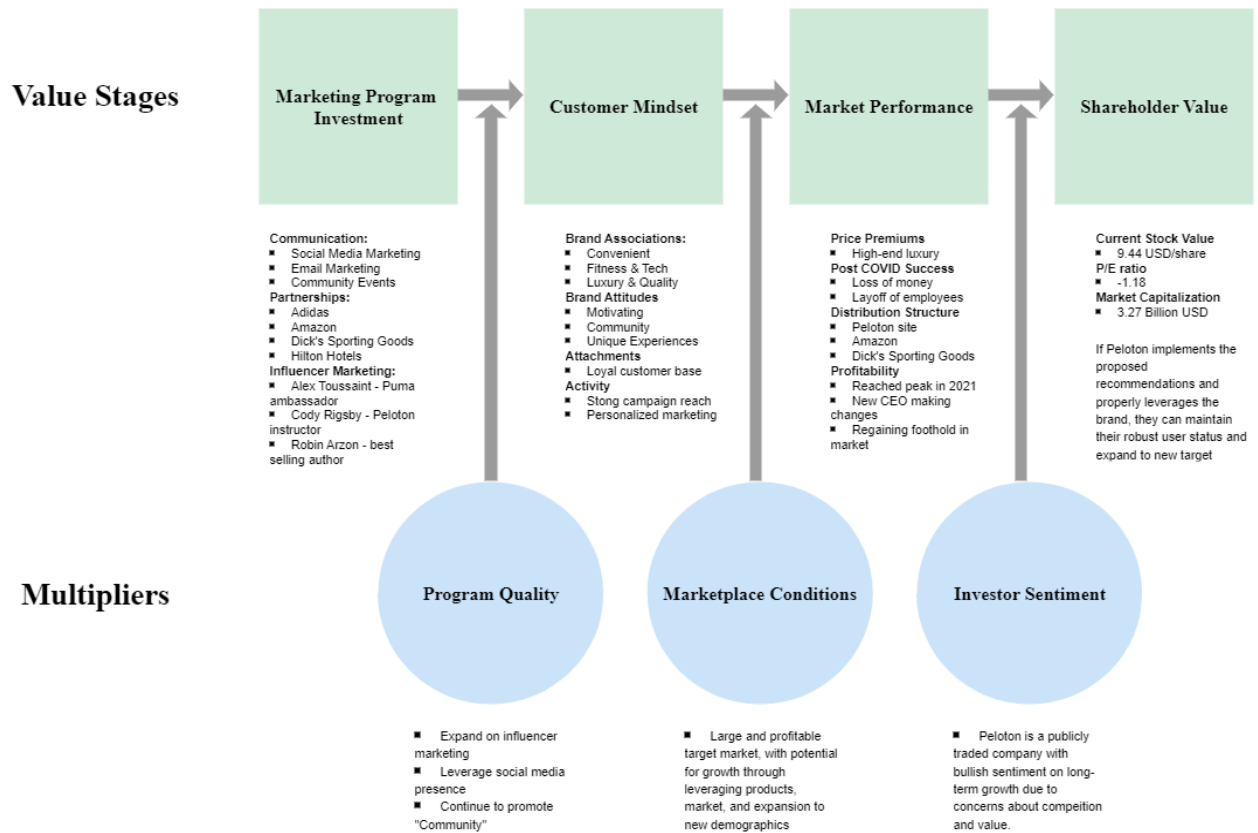
Peloton can leverage new products and markets by:

- Conduct market research to identify new products and markets that align with its core values and mission by analyzing trends and consumer preferences.
- Diversify product offerings to reach new markets through new equipment or expansion into nutrition and wellness categories.
- Partner with other brands
- Expand its geographic footprint to reach new markets that may be in demand for its products and services.
- Create targeted marketing campaigns that resonate with specific demographics and audiences.
- Enhance the customer experience to retain and attract customers in new markets through offering localized content and providing excellent customer support.
- Continuously innovate its products and services to stay ahead of the competition and meet the evolving needs of its customers.

Brand Value Chain

The brand value chain model “describes how to trace the value creation process to better understand the financial impact of marketing expenditures and investments. The model examines four different stages in the value creation process for a brand” (Keller et al., 2020, p. 597). **Figure B** shows the brand value chain for Peloton.

Figure B: Peloton Brand Value Chain



Conclusion

The takeaways that should be noted from the Brand Report Card & Recommendation Report for Peloton include:

- Detailed brand report Card resulting in a score of 83/100 (83%) due to low scores in the following areas:
 - Failure to adequately control the brand: Peloton did not look forward to what might happen when the pandemic was over as far as product and equipment sales and member subscriptions.
 - Failure to be patient with the brand: Peloton is so concerned with their sales and subscription memberships that their customer service fails to meet expectations.
 - Failure to understand the complexity of brand equity measurement and management: minimal evidence of Peloton's measurements exists to show their brand tracking studies, sales figures, retention rates, and social media engagement.
- Detailed set of recommendations for Peloton to build brand equity:
 - **Brand Image and Position Conclusions:**
 - Peloton should continue to develop their unique and memorable brand personality that aligns with its core values by consistently communicating its personality across all touchpoints with customers.
 - Peloton should continue to invest in their powerful branding stories that connect with their audience and differentiate them from their competitors.

- **Brand Associations Conclusions:**
 - Repair Negative Consumer Perception of Advertisements.
 - Expand Market to Gen Z.
 - Strengthen Position as Sustainable Company.
 - Leverage Position as Valued and Luxury Brand.
- **Marketing Strategies Conclusion:**
 - Use customer referral programs to incentivize existing customers.
 - Partner with younger influencers.
 - Create emotional storytelling that resonates with customers.
 - Partner with other brands.
 - Use data analytics to track customer behavior and preferences.
 - Build an even stronger community.
- **Brand Management Conclusions:**
 - Peloton should have a clear and communicative plan for facing crisis and criticism.
 - Peloton needs to maintain brand consistency while targeting new customers.
- **Leveraging New Products & Markets:**
 - Peloton should leverage new products and markets for revenue growth, diversification, customer retention, brand awareness, and innovation through conducting market research, partnering with other brands, expanding its geographic footprint, creating targeted marketing campaigns, enhancing the customer experience, and continuously innovating its products and services.
- **Brand Value Chain:**
 - Evaluation of the sources and outcomes of brand equity for Peloton and the ways that marketing activities create brand value.

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