# PROBLEM STATEMENT & COMPANY INFO

# WHAT IS LIFEBEAM?

# WHO IS VI?

### <u>Mission</u>

Improve humanity by building the best AI companion for the body and mind

### <u>Story</u>

- Founded in 2011 by former IDF air force pilots
- Sensor tech in Al wearable product was initially developed for pilots
- \$20M investments •
- 40 employees •
- 20K sold @\$200 around • 40 countries

mobile app for free

WHAT WAS THE PROBLEM TO SOLVE?

# The World's First **Al Personal** Trainer Sits inside a bio-sensing headphone & a companion app





• Currently, LifeBEAM monetizes their proprietary bio-sensing headphones & provides the companion

• LifeBEAM would like to better monetize its AI personal training SW through an app subscription model • The MIT Team was asked to do a comprehensive analysis of the competitors in the fitness & wellness

industry to identify an innovative business model, pricing strategy, and price points

ERGONOMIC DESIGN FULL DAY BATTERY LIFE BEAUTIFUL SOUND BY HARMAN/KARDON **AI PERSONAL** TRAINING - SETS YOUR GOALS - GIVES YOU A TAILORED PLAN - REAL-TIME INSIGHTS - READS YOUR FITNESS APP DATA **VOICE & TEXT** INTERACTION

WHAT DO I GET WITH VI?

HEARABLE DEVICE

### SPEECH RECOGNITION - PLAY MUSIC WITH VOICE - PLUS TEXT MESSAGING

**É**MUSIC

# LifeBEAM



# Israel Lab 2017 LifeBEAM, Tel-Aviv, Israel







Isabelle Bensimon Khatantuul Filer

Elena Alberti

**Thomas Humpert** 

# BACKGROUND ANALYSIS

**COMPETITOR LANDSCAPE** 

**COMPETITOR PRICING** 



Current Position (Vi = \$199) Free + HW Price Range *: \$139.95-\$329		Popular Competitor Positions				Less Popular Competitor Position	
		Two Tier Subscription (Freemium Subscription) Price Range * : \$2.99-\$12.99		Two Tier One Time Payment (Freemium) Price Range * : \$1.74-\$11.50		One Tier Subscription Price Range *: \$5.99-\$19.99	
\$\$	\$199.95-\$269.9 5	\$\$	\$4.99-\$7.99/mo	\$\$	\$2.99-\$4	\$\$	\$12.95-\$15
\$\$\$	>\$285	\$\$\$	>\$7.99	\$\$\$	>\$4	\$\$\$	>\$15
			Other Less Popular	Competitor Po	ositions		
à la Carte Pricing		Free (owned by Brands)		Two Tier Subscription + HW		Three Tier Subscription	
This is co	ore pricing range for V	i's target cons	umer.				

# FINDINGS & RECOMMENDATIONS

### **Product Offering: Training Plans**

- The white space in fitness/wellness industry is the ability to provide real-time feedback on adaptive training plans
- Our team believes that Vi is the best suited player to enter this territory and recommends that Vi expands its product offering to include training plans as exemplified below.



## **PRIORITY VERTICALS**

Existing Sub	Existing Subcomponents		
Running	Cycling	Indoor Workouts	
Walking	Indoor Running	Yoga / Pilates	
		Meditation	
Relevant Subcom	ponents	No immediate	

### Priority subcomponents to enter were selected based on:

- Degree of leverage on Vi's current capabilities
- Vi's current target market preferences
- Overall saturation in the ۲ individual market



X Real-Time Voice Notification: "Don't burn out! Slow down to 6.5 mph."

X Real-Time Voice Notification: "You're doing great! Keep your head up and chest back."

X Real-Time Voice Notification: "You did great on that last interval. Let's pick it up to 6.5 mph to feel the burn."



**BUSINESS MODEL RECOMMENDATION: Two-Tiered Freemium Model** 

# **PRICING**

- Based off of competition, we recommended a price range between \$5.99 to \$9.99 •
- We recommend distributing a survey to potential customers to gauge their willingness to pay (WTP)
  - Our preliminary recommendation is \$7.99+/month: we hypothesize that consumers will be willing to pay a premium for Vi, and that Vi provides more value than similarly-priced apps

Competitors charge \$5.99 - \$9.99	Most competitors charge \$5.99, \$7.99 and \$9.99
Freemium seems to be the most common	Most apps use a freemium subscription methodology, giving away a lot of benefits for free and charging for premium benefits
Common paid features	<ul> <li>Customized Plans</li> <li>Additional Training Sessions</li> <li>Additional Insights`</li> <li>Live Tracking</li> <li>Offline usage</li> <li>Access to real coach</li> <li>Audio Coaching</li> </ul>
< 10% conversion to premium	Conversion to premium is is below 10% for most freemium apps. Additionally, most apps have been acquired by larger brands, and we expect price competition going forward
Price-point is not correlated with nb of sports	Multi-sports apps don't necessarily charge more than one-sport apps. Some categories tend to be more expensive than others (meditation apps are on the higher end)
SDK/API Pricing	Competitors apply a freemium model, allowing a limited number of calls for free, and charge per call a fixed price per call. More expensive packages also include on call customer support



Unstructured ("free") exercise works with and without hardware	Training Plan that works with and without hardware	Training Plan only works with connected hardware
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- Free intro sessions for all verticals
- Premium content taught by personal trainers & brands