

### Well-Being and Ethics: Planet Fitness Commentary

Planet Fitness and other large gym chains use a card swipe system to track customer behavior. This system helps them understand how often members attend the gym. Many people may sign up with good intentions but rarely show up. The podcast highlighted this by swiping a member's card—someone who claimed to go five times a week—only to reveal they had gone twice. At the featured Planet Fitness location, there were over 6,000 members, yet only about 100 people were there at any given time. The podcast described this as self-deception—people believe they go more than they do.

Nearly half of the subscribed members never step foot in the gym. For Planet Fitness, this is beneficial because customers who pay but do not attend don't cost the business a dime. In this model, gym emptiness equals success. If all 6,000 members attended regularly, the costs would skyrocket. Chains like Crunch, Planet Fitness, and Lifetime excel at getting people excited to join—but not necessarily to attend often—and that's the real moneymaker. Planet Fitness and other gyms use this data to segment their customers into different groups. Aspirational members are those who sign up thinking they will go. Casual attendees are those who do show up but not often. And performance-driven members are those who go frequently. As long as aspirational members and casual attendees outweigh the performance-driven, the gym will be making a large profit.

I believe people join Planet Fitness for both performance and meaning, but the reasons differ by demographic. Younger consumers tend to join for performance. For example, Planet Fitness offers free summer memberships to high schoolers, hoping they will continue the membership once the school year begins. Younger members, like my high school brother, often want to "get swole" to impress others or improve in sports. On the other hand, older consumers seem to join more for meaning. There is societal pressure to "be healthy" as people age, even if they don't have the time or motivation to go consistently. From what I have seen with my parents, they were encouraged to join by younger family members, doctors, or other parents in their community, yet they rarely go. For many, a membership provides a sense of belonging or the illusion of an active lifestyle, even if they don't use it often.

To attract and retain members, Planet Fitness offers incentives like a monthly bagel, pizza nights, and social events. These perks serve a dual purpose: they entice people to sign up while ensuring that attendance remains low enough to keep costs down. The podcast featured interviews with members who admitted they came mainly for the free bagels, sometimes squeezing in a quick workout. Essentially, they are paying a subscription fee for a slice of pizza and a bagel. These events reinforce the relaxed and non-intimidating atmosphere that Planet Fitness promotes, making it feel more like a community space rather than a serious gym. This strategy ensures that members stay subscribed, even if they only show up occasionally.

People want a more relaxed environment so they can casually go, pay for the month, and only go a couple of times. If they are out of shape, they are more likely to be comfortable in a gym that looks like something else when they walk in, like a bar, or if it looks nice and clean upfront, not exposing machines and weights. The people who go to these larger gyms frequently,

Sara Kulesza

compared to the members who go to the smaller ones, have a subsidized price. Members who attend a larger gym pay less for a gym with relatively the same amenities because the larger gyms have more members not utilizing the experiences. Smaller gyms usually charge more monthly due to fewer members, making it more exclusive.

For brand managers, this podcast reveals a key insight: success is not just about delivering the best product or service but about understanding human behavior and motivation. Planet Fitness and other larger chain gyms have mastered the art of making people feel good about joining a gym without necessarily making them feel pressured to work out. Using behavioral insights, brand managers have created a model that maximizes membership retention while keeping operational costs low.