



Michael A. Roberto

## Planet Fitness: No Judgements, No Lunks

“Planet Fitness Is Not a Gym: And it’s stupid to keep pretending it is.”<sup>1</sup> In January 2014, this headline appeared in *Men’s Health*—a popular health, fitness, and nutrition magazine. Executives at most fitness center chains might be quite alarmed at such a news story. However, the headline didn’t faze McCall Gosselin, head of public relations for Planet Fitness. She told the magazine, “We say we’re not a gym, we’re Planet Fitness.” Gosselin explained, “The gym industry was built on bodybuilders, people who work out multiple times a week. Planet Fitness was founded as a place for the other 85 percent.”<sup>2</sup>

Planet Fitness proudly proclaimed itself a “judgement-free zone” where people could exercise without feeling intimidated by serious athletes and muscular bodybuilders. Each gym possessed a “lunk alarm”—a siren that would sound if someone grunted too loudly while working out, or dropped their weights. Its television commercials poked fun at bodybuilders and hard core “gym rats” on a regular basis and made it clear that they were not welcome at the firm’s fitness centers. In one scene, a Planet Fitness employee asked a new customer what type of exercise he enjoys. The man with bulging muscles and very short, tight pants kept repeating, “I lift things up and put them down.” The employee tricked the man into leaving the gym and locked the door. The commercial ended with the message: “Not his planet...yours.”<sup>3</sup> The gym even offered free pizza on the first Monday of each month, free bagels on the second Tuesday, and Tootsie Roll candies in the lobby on a regular basis. These policies stirred the ire of fitness enthusiasts, as evidenced by the rants against the company on many online forums. One blogger wrote, “Planet Fitness is a big, purple-colored adult daycare marketed to people afraid to go to an actual gym.”<sup>4</sup>

Despite the negative reaction from some observers, Planet Fitness had grown rapidly over the past decade in a highly competitive industry. While competitors Bally Total Fitness experienced bankruptcy twice and Curves closed thousands of locations, Planet Fitness continued to thrive. In its 2017 annual report, the firm reported 44 consecutive quarters of same-store sales growth. The company had doubled its number of locations over the past four years and boasted 10.6 million members across 1,518 gyms.<sup>5</sup> By August 2018, the company’s stock price had risen by over 150% since its initial public offering in 2015, outpacing the S&P 500 index by a wide margin (see **Exhibit 1**).<sup>6</sup>

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