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# LUNTZ RESEARCH COMPANIES

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Luntz Research & Strategic Services ■ The Public Opinion Company ■ Luntz Corporate ■ Luntz Worldwide

To: McIntyre Law Firm  
Re: MemberWorks Research Results Nationally  
Date: August 13, 2001

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Between April and August, The Luntz Research Companies conducted 16 focus groups and interviewed more than 2000 adults 18 and older ( $\pm 2.2\%$  margin of error) by telephone to assess public opinion regarding marketing issues, and MemberWorks' membership clubs. Our specific objective was to measure the understandability and fairness of an actual MemberWorks marketing script.

**The results are clear and conclusive. Americans who receive a call from MemberWorks *universally understand* the details of the offer, *universally believe* the company's business practices are fair and legitimate, and *universally believe* the individual, not the company, is responsible for whether he or she will cancel the program or be charged.** In all our years of survey research and all the challenging projects we have undertaken, we cannot name a single instance where public opinion was this uniform or this unanimous.

These conclusions are absolutely beyond question for three reasons. First, we used the *exact wording* of an *actual* MemberWorks telemarketing script. Second, that script was read to respondents by *actual* telemarketing operators just like the third-party telemarketers who make MemberWorks solicitation calls and perform upsells to millions of people all across the country. And third, the results were almost identical regardless of gender, income, education or state.

When it comes to issues, anything above 70% is considered a consensus, and you simply rarely see anything that has more than 80% support or agreement. Frankly, we were surprised by the results:

1. **Understandable.** This is really the most important finding. We were trying to determine whether a prospective customer understands the advantages, costs and responsibilities associated with the MemberWorks programs when they agree to join. They do. An incredible ***85 percent of those polled said the billing methods are understandable.***
2. **Responsible.** People feel the company is doing more than enough to make people understand both the advantages and the costs of the programs. When asked who is responsible if they join and forget to cancel, ***86 percent of Americans polled think that the company has done enough and that the individual who signs up for the program is responsible for either payment or cancellation of membership.***
3. **Fair.** To protect the consumer, the company explains at least three times on the telephone and then sends two additional explanations in writing, exactly what the billing arrangements are. ***Fully 87 percent of respondents nationally specifically said the company was acting fairly,*** and that this was sufficient disclosure.