



Dear Prospective Client,

Thank you for your interest in Advanced Feedback's services. We are excited that you recognize the benefits of mystery shopping. Our programs will help you identify sales and service execution gaps and allow you to establish an actionable outline to improve team performance. For sustained results, an ongoing mystery shopping program will ensure you have the systems in place to help employees achieve consistently high performance standards.

Individual reports can be used to identify specific training needs as well as to recognize employees for exemplary performance. Corporate level trend analysis can help guide training resources and programs. Used as a coaching tool with incentives, the mystery shopper program can greatly improve a business' overall customer experience and quickly identify and increase sales opportunities.

Advanced Feedback services date back to 1991, when a small group of customer service and sales specialists launched a specialized customer feedback and training system. By the late 90's Advanced Feedback added the benefit of objective mystery shopping and extended our services to all industries. With a reputation for offering the most customized and cost effective solutions, we grew this segment to nearly 15,000 shops per month, nationwide.

Objectively Monitor Operations and the Customer Experience

- Are you missing sales opportunities?
- Are procedures being followed?
- Are problem areas identified?
- Is staff trained to serve and sell?
- Are departments and staff working as a team?
- Is management onsite and active?
- Do you have an objective feedback and training system in place?
- Are all shifts performing?
- Are your online reviews positive?
- Immediately see lost sales opportunities
- Identify problems before customers complain
- Improve selling technique and services
- Monitor all hours, days and locations
- Institute unbiased training and bonuses
- Keep team "on their toes" and competitive
- Fine tune operations
- Gain an objective 3rd party perspective
- Improve online reviews and referrals
- Identify and correct point-of-sale problems
- Gain peace of mind, improve the bottom line

In the short run, shopper reports will pay for themselves via actionable information aimed at immediately reducing costs or capturing more sales. Long term – there's simply no better tool to guarantee consistent front line performance.

Advanced Feedback has kept a wide variety of clients satisfied year-after-year, by making sure our services are an indispensable part of every-day operations and customer experience objectives. See what others say about us: [Client List](#). We are delighted to share a complete list of references upon request.

Service and Process Description

Overview

This document outlines Advanced Feedback's most commonly used mystery shopping solutions for a wide variety businesses and public services: traditional mystery shopping (onsite written evaluations), video shopping (undercover video specialists), and phone shopping. This document combined with any written or emailed service requests and pricing will constitute the entire service agreement from which you can request services based on your business needs and schedule.

If at any time client specifications or requests are considered unique to the definition or scope of the services described herein, you will be notified in advance if unit pricing or other terms need to be adjusted.

Mystery Shopping (Written)

Advanced Feedback uses a traditional mystery shopper program to obtain objective, actionable, sales and service performance criteria. Experienced and trained mystery shoppers, following strict scenario and evaluation guidelines, will visit your locations (random or targeted) posing as typical customers inquiring about services, products, prices and financing options, or using services and making purchases if applicable.

The evaluation begins once the mystery shopper arrives at the location. In addition to our specific survey questions, shoppers are instructed to carefully note nearly everything they observe relating to exterior & interior conditions, customer areas, customer care and service, comfort and privacy, salesmanship and service/product knowledge, staff behavior and teamwork, transactions, finance offers and approach, etc. To accommodate this, most Advanced Feedback mystery shops include both a full narrative and section-by-section comments.

Results of each evaluation will yield an accurate, actionable and objective scorecard, along with a detailed summary from the customer perspective. The narrative and shopper comments are an important element of service evaluations. Written properly they enable management to dig deeper and "see" the entire guest experience. The data from each evaluation will be presented in a stand-alone report. Corporate level trend analysis and location-to-location comparisons are an option for high volume on-going programs.

Advanced Feedback solutions consists of detailed performance based questions (Yes/No/NA format) and comments for each of area of customer influence. Depending on your service, these may include:

- Property Conditions – Interior, Exterior, Parking, & Facilities
- Telephone Handling and Skills
- First Impression and Greeting
- Organization and Speed of Service
- Customer Consultation and Assistance
- Service Execution
- Crowd Handling
- Complaint or Problem Resolution
- Product or Service Knowledge
- Salesmanship and/or Demonstrations
- Payment Procedures and/or Finance Options
- Customer Follow-up
- Overall Customer Experience

Video Options

The efficacy of individual and team video training is well documented. Once reserved for athletes and performers, video self analysis has made its way into any industry ready for an up-close honest look. Taking video undercover to reveal and analyze the customer's service and sales experience is proving invaluable. Video mystery shoppers remove any chance for evaluator bias or employee disagreement. Teams are not only accountable, they obtain 100% accurate feedback - themselves.

Undercover video (body worn equipment) is now widely used in many industries to record service and sales experiences. Providing a quality undercover video requires careful planning, continuous attention to detail and equipment, many hours of training, and a lot of experience. All of our video shoppers complete the top

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certification available for this line of work, earning the title “Advanced Undercover Video Specialist”. They are also Gold Certified mystery shoppers, meaning they maintain the highest standards for quality, ethics and training. Additionally, we use only police grade cameras, microphone and DVR, and continue to learn and use the best practices for camera placement, orientation and audio pickup.

Due to the advanced training, equipment and resources needed, video shop scheduling is more restrictive and has a longer lead time than traditional mystery shopping. To provide a cost effective solution we typically organize video projects into routes with a minimum number of stops. Routes are planned well in advance and do not usually include the targeting of specific individuals. Individually scheduled and targeted video shops are a higher priced option.

Once on site, the video shopper will document key identifiers on camera before the visit and any important observations at the end of the encounter if the opportunity presents itself. A full-length mystery shopping report (narrative and questionnaire) is not typically provided as in traditional mystery shopping. Your video will capture the up-close encounter and all exchanges between staff and the mystery shopper. Each encounter will comprise 1-4 unique video files depending on the length of the visit. Each file is typically between 500 MB to 1 GB.

Advanced Feedback will format each video and upload to a secure and password protected video streaming site for immediate viewing by the staff of your choice. Each video may be streamed or downloaded in all common formats (PC, iPhone, Android, and tablets). Training comments can be added directly to the video stream for others to view as they replay the training segment. Also, viewers can leave comments in a blog style format.

When viewing undercover video, keep in mind that hidden micro cameras yield a narrow field of vision unlike most of the wide-angle high definition video we’re accustomed to. The shopper will always do their best to try and keep the target subject and experience framed at all times, but from time to time this may not be possible due to the body worn aspect and narrow angle.

Please note that video production and uploading are time consuming. Depending on the number of locations and videos, please allow up to one full week after shops are complete to process and host all media.

Phone Shop Options

With all of its advantages, one downside of technology is it often reduces chances to personally connect with customers. Regardless of your service and sales channels (in-person, phone, or online) the occasional telephone inquiry provides valuable insight into the overall customer experience. Our experience shows that how an associate handles customers over the phone is a true reflection of their in-person skills. With decades of phone shop management experience covering a wide range of industries, Advanced Feedback management is uniquely positioned to help every caller hear how your associate’s enthusiasm and attention to their needs sets them apart!

Advanced Feedback uses a combination of in-house professional phone shoppers for general inquiry calls and scheduled mystery shoppers when appointments are to be coordinated with onsite sales or service personnel evaluations. The client has the option of recorded or unrecorded, survey and report customization and performance trend reports via a secure online dashboard.

In addition to a narrative and/or call summary, most phone shops include specific performance based questions (Yes/No/NA format) to objectively measure and maintain a professional standard of phone skills:

- Prompt Answer
- Appropriate Friendly Greeting
- Ask and Use Name
- Qualify Questions
- Needs Assessment Questions
- Build Value
- Ask or Offer Appointment
- Overcome
- Lead Conversation
- Contact Information

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Professional Evaluators and Compensation

Advanced Feedback recruits shoppers with proven mystery shopping experience, solid data capture and communication skills. Occasionally projects call for mystery shoppers to reflect a narrow demographic or cover a remote geographic area where we would not normally find individuals with mystery shopping experience. In this case, we first recruit as we would focus groups and then train the participants how to be mystery shoppers. If the shopper profile or demographics needs to be significantly filtered, we may request an additional shopper-profiling fee to accommodate the additional recruiting.

Regardless of their demographics and experience, all applicants complete our registration, training and testing process. In addition, Advanced Feedback typically develops project specific training and certifications for corporate or franchise programs.

Mystery shoppers are compensated as independent contractors for their time and out-of-pocket expenses. Remote locations may require a mileage expense reimbursement. In the event this is necessary and in addition to agreed per shop fees and reimbursements your account manager will contact you for approval. Video routes and multiple property evaluations may also be priced with a round trip mileage reimbursement.

Data Collection and Reports

Once on site, shoppers will discretely document key data but never at the risk of being revealed. Most observations and the important narrative of their experience will be written as soon as physically possible after their site visit. In recent years, both the accuracy and clandestine nature of Advanced Feedback mystery shopping has improved with the aid of mobile devices and our online data entry tools.

After the shopper completes their report, your account manager will review and revise as necessary to ensure that the report reflects the customer experience with objectivity, thoroughness and accuracy. All reports are housed in a corporate level secure database with access privileges determined by the client. Upon release each report is immediately available online and automatically emailed to your distribution list in PDF format.

We use the industry's leading survey platform giving the client complete control of their data, reporting options and download in spreadsheet format. You can use this one database for all of your customer service and sales initiatives: phone shops, written shops, video, customer surveys, etc. Functionality includes integrated recorded media, site-to-site or month-over-month performance comparisons and trends for any combination of measured parameters and performance. A wide variety of standard and custom reports is programmed and available in one or two clicks from your home page. In addition, all platform features are available in free mobile apps for iOS, Android, and Windows.

All reports reflect the honest observations and comments of our evaluators and are reviewed for consistency prior to release. From time-to-time front line management may find certain observations or wording objectionable. There are two options to address this. Using our Request for Action (RFA) process you can easily identify and document requested report revisions within the reporting database. Such requests are seen by your account manager and will be processed accordingly. Additionally, you or other authorized managers may be granted editorial rights within the reporting database. In this way, you can edit reports as needed. With either approach, we will have a system to revise reports as needed while maintaining the overall integrity and objective nature of the evaluations.

Turn around time varies depending on the complexity of the project, the date or days of the shop and the length of the report. Advanced Feedback strives for no more than a 72-hour turn around time from visit to report delivery for most mystery shopping projects.

Lead Time and Scheduling

Once we receive your authorization, Advanced Feedback will begin scheduling shops per your specified schedule, for example one shop per month per location. You may request shops be scheduled to cover different shifts within each shopping cycle at no extra charge, for example one morning shop and one evening shop per week. These are considered random (non-targeted), in that the undercover customer will complete an evaluation upon visiting regardless of the associate that assists them

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There is a small fee for clients to specify exact dates or times due to the restriction and increased chance of cancellation. Shops are also priced higher if a specific individual is to be targeted (not random) or as an alternative, the client may keep non-targeted pricing and pay half-price for any failed attempt to shop a target during specified shifts.

Once the schedule is determined, assignments are posted to Advanced Feedback registered and trained shoppers in your area, so you can expect the first evaluations scheduled usually within one to two weeks. In small towns and sparsely populated areas scheduling times may vary significantly. Your account manager will keep you informed of scheduling progress in remote regions and request permission prior to offering any additional incentives or mileage reimbursement. Client may specify when they want the shopping cycle to begin.

Video shopping of multiple locations is usually scheduled to be conducted within a short period of time. Advanced video specialists are sought after and can take longer than a traditional mystery shoppers to reserve, we like to keep them on the assignment and avoid their identity being communicated from one location to the next. In this regard, we ask that you not announce the specific timeframe to your associates or share videos until the route is complete.

Phone shops may also be random (whoever answers the phone first) or targeted. Targeted phone shops are typically priced higher and come with a fixed number of failed attempts, each failed attempt to target is billed separately.

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Program Development, Customization and Pricing

Advanced Feedback requires a one-time administration and project development fee that varies depending on the individual needs of each client.

Most companies have unique testing and training requirements. We understand this and welcome your specific performance criteria. Your survey standards and mystery customer procedures will be programmed into our data collection and reporting system. Furthermore, if at any time in the future your needs or evaluation criteria should change, we would be glad to implement these changes on your behalf.

Authorization Process – What Comes Next?

If we have any questions a member of the Advanced Feedback team will contact you to review your mystery shopping options and service requirements. After that point, a custom proposal will be created for your review and authorization.

Once we receive a signed proposal, email authorizing service, or your authorization online at <http://advancedfeedback.com/authorize-service.html>, your Account Manager will work quickly with you to customize the details of your Mystery Shopping program. Please allow up to two weeks for this phase. In certain cases, the administrative development fee must be paid in full prior to scheduling activity.

We look forward to working in partnership with you to design a customized service portfolio.

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Payment and Terms

Long term sales and service success is typically the results of structured systems put in place to measure, monitor and train for an extended period of time. For this reason we recommend that you use a mystery shopping program for a minimum of six months, preferably 12 months. Our pricing reflects this commitment. However, we do understand that not all businesses are ready to make an extended commitment and therefore offer services on a month-to-month or quarterly basis as needed. With shorter running programs, Advanced Feedback may request receipt of the account setup fee prior to project development, and depending on the scope of the project development may invoice development costs prior to scheduling. With each purchase request client agrees to the following terms and conditions.

INVOICE AND PAYMENT OPTIONS: Advanced Feedback will email an invoice from Quickbooks online typically within one week of report delivery, or at the end of the month for monthly scheduled programs. Payment is due in lump sum net 30 days from date of invoice. After that date, if payment is not completed, an interest charge of 1.5% per month (18% annum) will be added to past due accounts. The invoice will itemize all deliverables per our service agreement. This may include shop fees, reporting fees, shop purchase reimbursements, account setup or development fees, plus any late payment fees. By signing this agreement you agree to pay all fees for services. If payment goes to collections, client will pay all associated fees in addition to charges already outstanding.

For your convenience we accept all forms of payment and all major credit cards via Quickbooks online. Merchant rates and fees apply as listed.

CHECK: If you pay by check, make it payable to Advanced Feedback and mail it to: 7950 Silverton Ave. Suite 205, San Diego, CA 92126.

ACH DIRECT PAYMENT: Pay online with Quickbooks ACH processing activated and free of charge with each invoice. If required, email your account manager or Accounts Receivable at ar@advancedfeedback.com a vendor ACH enrollment form.

CREDIT CARD: To pay by credit card please contact your account manager or Accounts Receivable, ar@advancedfeedback.com, (858) 566-0524 to activate this option. Quickbook's 2.9% merchant fee will be added to the invoice subtotal.

NON-US CURRENCY All service fees and reimbursements are invoiced in US dollars. Any fees associated with the conversion or receipt of non-US funds are in addition to the amount invoiced and are the responsibility of the client. Clients making payment from outside the US and Canada will be required to pay all start up costs, account and development fees, prior to the first scheduled shop..

GUARANTEES: We guarantee work to be completed with sufficient detail and accuracy to be useful. In case you have a problem with a report, please let us know within a week of receiving a report so that we can investigate and/or resolve any questions. This guarantee does not cover a case whereby the client simply does not like or agree with the information. In the event a survey is repeated per this performance guarantee, the client is still obligated to pay for the service fee and the agreed reimbursed expenses. In the event a survey is rejected per this performance guarantee, the client is still obligated to pay for the agreed reimbursed expenses.

DISCONTINUATION OF SERVICE: Extended month agreements have discounted Project Development Fees and unit pricing. If elected, your agreement will commence upon the date your service authorization is signed and is in effect for the term agreed upon. It is agreed that if, for any reason, Advanced Feedback's services are discontinued, any outstanding balance will be paid in full, including any shops that have been performed for which you have not yet been billed. If service is discontinued prior to completion of a full term of discounted prices, the outstanding balance will include an adjustment to reflect a month-to-month service plan for all completed reports to-date and initial Project Development Fee.

CUSTOM SERVICES: Initial Customization Advanced Feedback is proud to provide fully customized services and professional account management at very competitive prices. You will find our new account setup, project development, and per shop prices to be among the lowest in the industry. We will help you tailor your questionnaire(s), scenario and shopper instructions to best reflect your exact operation and performance objectives during the project development phase for no additional cost. Throughout the duration of your program you will have a single point of contact for the scheduling, review, and delivery of evaluations. Project Revisions and Custom Services We understand and welcome changes to your surveys and scenarios at any time during your program - stay aligned with new training initiatives, improving staff performance, or shifting areas of focus. To accommodate this and other custom services the client is billed at \$60 per hour in minimum 20 minute increments, or \$20. Examples of custom billables include: survey and scenario revisions, custom reporting and analysis, database consultation and training, client-meeting attendance and presentations, custom video or call editing, special training materials, in-depth project management.

SCHEDULE CHANGES: In order to ensure that you receive reports in a timely manner, and from qualified and trained shoppers, we assign our shops usually 1-2 weeks ahead of an agreed schedule not restricted by date or time. In the event you wish to add or delete a location, or revise the schedule, we ask that these requests be submitted before the 15th of the preceding month so that we have time to implement such changes. If changes require scheduled visits to be canceled without a two week notice, you may choose to complete the shop as previously scheduled or cancel at half price.

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LOCATIONS: There is generally no fee to add or delete locations (low volume). Refer to your service agreement to determine if volume based pricing is affected by the addition or removal of locations. NOTE: Locations in Nevada will be priced higher in order to use employment services. Nevada law restricts mystery shopping to employed private investigators. Locations in New York City are typically priced higher to accommodate shopper costs and requirements. Airport based locations may be priced higher to accommodate increased time and expense per visit. Remote locations (those far from an urban population or a metropolitan area) may be priced higher. Whether or not your service agreement has identified and uniquely priced remote locations, we reserve the right to designate a store as remote if the cost and time to schedule is significantly impacted due to its distance from a populated region. Your account manager will obtain approval prior to offering any added shopper incentive, typically in the form of a \$.25 per mile round trip mileage reimbursement.

RESTRICTIONS, TARGETING, AND FAILED ATTEMPTS: In the event you wish to add a scheduling restriction by date (without alternatives), time of shop within 2-hour period, a specific target, or a shopper demographic, there will be an additional \$10 per shop scheduling service fee. Scheduling restrictions such as these reduce the pool of available shoppers and increases the chance of cancellations, driving up scheduling costs.

With targeted shops (Phone or Onsite) the client must specify if shops are to be abandoned at half price or proceed with a random shop if target is not available for the shopper. There is a minimum \$2 fee for each failed phone shop attempt made during a client's advertised business hours.

INTEGRITY INVESTIGATION & LOSS PREVENTION DISCLAIMER: Advanced Feedback Inc. is a traditional mystery shopping company not a licensed private investigation firm. Our evaluators, whether or not they themselves are state licensed private investigators, conduct evaluations for Advanced Feedback as Independent Contractors, not as employees of a security service firm. Our mystery shoppers will objectively observe and document the client's customer service and sales practice using pre-established questionnaires. They are instructed to visit unannounced and randomly (or within set timeframes and on specific dates if requested) to make inquiries and purchases reflecting typical customer scenarios and exchanges. To the best of their ability, our evaluators will accurately answer the questions asked of them and provide a detailed written account of everything heard and seen. Any observations describing employee activity that are regarded as unethical or dishonest are not the result of a private investigation and should not be used as the sole source of disciplinary action.

RECORDING DISCLAIMERS: With regard to the recording of telephone calls in two-party consent states, and consistent with the rules and regulations concerning the privacy of telephone communications, Advanced Feedback, Inc. requires your employees' knowledge and consent prior to the initiation of a recorded phone shopping program. With regard to undercover video recording (with audio) in two-party consent states, and consistent with an employee's potential notion of conversations conducted in private, Advanced Feedback, Inc. requires your employees' knowledge and consent prior to conducting scheduled video shops. By executing this service agreement and requested these recorded services, you have represented to Advanced Feedback, Inc. that all of your employees, subject to the phone shop surveys or undercover video shops, have been fully informed and agreed to such recording.

HOLD HARMLESS AGREEMENT: Client indemnifies and holds Advanced Feedback, its officers, employees, agents, and contractors, harmless, and will defend each of them, from any and all legal claims, losses, liabilities, fines, costs (including attorneys' fees) and damages arising from a Client coworker in respect to Advanced Feedback written or recorded evaluations. No officers, employees or subcontractors of Advanced Feedback will be required in any way to participate in any legal proceedings connected with legal action related to Advanced Feedback reviews.

CONFIDENTIALITY: Advanced Feedback will not at any time or in any manner use or communicate any information that is proprietary to the client including the results and analysis from these agreed services. Advanced Feedback will protect such information and treat it as strictly confidential.

Client agrees not to modify, distribute or create derivative works based on Advanced Feedback's evaluation systems. This mystery shopping system shall be deemed to be confidential, proprietary and trade secret of Advanced Feedback.

ENTIRE SEVERABLE AGREEMENT: This agreement constitutes the entire agreement between Advanced Feedback and client with respect to mystery shopping services. It shall supersede all prior oral and written discussions, promises, understandings or representations by any agent of Advanced Feedback. If any one provision of this Agreement is found invalid under applicable law, only that one provision shall be ineffective to the extent it is invalid without invalidating the remainder of provisions of this Agreement, which will remain in effect.

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