



Operator Frequently Asked Questions (FAQs)

1. What are “Everywhere Credits”?

Everywhere Credits are the new mobile app credits that can be used to play music at any mobile-enabled TouchTunes venue in the U.S. With Everywhere Credits, mobile app users will no longer be limited to using their mobile app credits only at the venue at which they were purchased.

2. Why is TouchTunes making this change?

Users have been asking for it more and more.

Everywhere Credits will deliver a crucial enhancement of value, user experience and satisfaction for the TouchTunes mobile app. Mobile users have clearly and repeatedly expressed their desire for Everywhere Credits across surveys, social media and in feedback to our support team. By addressing this #1 user request, we’re delivering on our commitment to be user-focused and to drive value for you.

We’ve tested Everywhere Credits and have seen positive results.

TouchTunes has taken care to extensively test and measure the impact of Everywhere Credits so that this new feature improves upon the experience of our users. Our research and testing points to increased user satisfaction and engagement. Over the long-run, happier, more engaged users who can use their credits at any venue will help drive more users at more locations across the TouchTunes network, to help drive more revenue for you.

It’s good for business overall.

Increased user satisfaction can lead to increased user engagement and loyalty. Happier, more engaged users who can use their credits at any venue are likely to boost sales across the TouchTunes network, helping to drive revenue for you and your venues.

Users will likely play at more locations. Some users today are hesitant to purchase credits from the TouchTunes app when in a venue they don't visit frequently because they may not have the opportunity to use all of their credits while there. With Everywhere Credits patrons can use their credits on any TouchTunes mobile-enabled jukebox in the U.S. During testing we saw the number of users who played at a second venue increase significantly for both existing and new users.

We expect to get more new users. Prospective users may have been discouraged from signing up for the mobile app because they didn't like the idea of having their credits locked to a specific venue. Everywhere Credits makes our mobile app more appealing to a wider audience.

Everywhere Credits are aligned with marketplace standards for meeting user expectations for flexibility and convenience. Being a leader in the marketplace means empowering mobile users with the ability to spend credits at any TouchTunes location.

3. How will Everywhere Credits affect operator revenue?

We expect Everywhere Credits to have a positive impact on revenue for the following reasons:

- We expect to retain more users because they are satisfied with our service.
- Users may purchase more credits because their credits can be used at all TouchTunes mobile-enabled locations within the U.S.
- We anticipate acquiring more mobile app users because the service better matches their expectations for any mobile app.

Extensive testing prior to the rollout supports these expectations.

4. What is the price for Everywhere Credits and what does it mean for Jukebox credit pricing?

The price of Everywhere Credits will be the same for all mobile users, no matter where or when they are making a purchase. This will provide a simple and satisfying user experience.

The pricing for Everywhere Credits will be:

- \$5 for 12 credits,
- \$10 for 27 credits (displayed as 24 + 3 free), and
- \$20 for 56 credits (displayed as 48 + 8 free)

With Everywhere Credits, mobile users will still receive bonus credits based on the number of songs they play each month.

Operators will continue to set the price for credits purchased on the Jukebox. Operators will also continue to determine the number of credits required for a song play and for a Play Next (or Fast Pass) in a location.

5. How Do I (the operator) get paid from Everywhere Credits?

With Everywhere Credits, mobile users can purchase credits at any place or time. Because mobile credit purchases will no longer be tied to a specific venue, gross coinage will be recognized when a play is made rather than when credits are purchased.

- When a user purchases credits, each credit will be tagged with its specific purchase price
- When the user plays a song, the gross coinage will equal the cost of the credits used to play the song (that is, the gross coinage will equal the cost of the play).

Example:

A user purchases 12 credits for \$5, so the credits cost \$0.4167 each

The user plays a 2-credit song and uses fast pass for 1 additional credit for a total of 3 credits

The gross coinage is: 3 credits X \$0.4167/credit = \$1.25

6. How will Everywhere Credits impact Promo Cards and other credits that users acquire for free?

All existing promo cards will continue to be redeemable until their expiration date. Mobile users will no longer have to be checked into a venue to redeem promo cards. Any free credits, including promo card credits, bonus credits earned in the mobile app and credits won by a user through a TouchTunes promotion or sweepstakes will be available for users to play music at any mobile-enabled TouchTunes venue in the U.S.

7. What happens to existing credits users have locked with venues now?

Existing credits that users already have purchased at venues will continue to be locked to those venues. The introduction of Everywhere Credits will not impact these existing credits. Any existing purchased credits in a user's wallet will be available through their expiration date (180 days from purchase).

8. In what order will existing credits locked with a venue, free/promo credits and Everywhere Credits be used?

Everywhere Credits that are purchased by a user will be used in a first in, first out basis. Any free credits, including promo card credits, bonus credits earned in the mobile app and credits won by a user through a TouchTunes promotion or sweepstakes will always be used before purchased Everywhere Credits. If a user is checked into a venue where they have pre-existing locked credits, these credits will be used first, before any free/promo credits or Everywhere Credits.

9. What happens to expired Everywhere Credits?

When Everywhere Credits expire (180 days from purchase) they will be treated like spent credits so that operators and TouchTunes can realize revenue from them. Expired credits will be shared with TouchTunes (78% to operator; 22% to TouchTunes) and distributed to operators based on their percentage of total mobile coinage across the TouchTunes network.

Example: If for a given month an operator's mobile coinage was 3% of the total TouchTunes mobile coinage, they would get (3% x 78%) of that month's expired credits.

Expired credits will be paid out monthly on a rolling basis as part of the regular Music and Services invoice.

10. What is the rollout plan for Everywhere Credits?

A rolling launch for mobile users will begin in the fall of 2018.

During the launch period, mobile users who have been activated with Everywhere Credits will receive an email and in-app message that briefly describes the enhanced experience. Additionally, an email will go out to all mobile app users announcing the arrival of Everywhere Credits.

Once Everywhere Credits are fully launched, TouchTunes will implement a promotional plan with special contests and incentives to encourage mobile users to take advantage of their new Everywhere Credits and play and spend more.

All dates for the rolling launch, and promotional period will remain flexible.

11. What should I (the Operator) recommend if a venue is receiving user complaints about mobile Everywhere Credits being too expensive?

If you are hearing that some mobile users are very price sensitive, you should:

- 1) Reiterate the values of the mobile app including personalization, real-time notifications, song recommendations, user convenience, rewards and more
- 2) Recommend that those users purchase credits directly from the jukebox to get the lowest price possible

12. Where should Operators refer users who have questions and concerns?

Users should be referred to the TouchTunes mobile support team. Inquiries and concerns can be submitted within the mobile app following these simple directions:

- 1) Click on user profile icon
- 2) Click on “Help Center”
- 3) Click on “Contact Us” in the upper righthand corner of the screen
- 4) Type and submit the inquiry or concern