



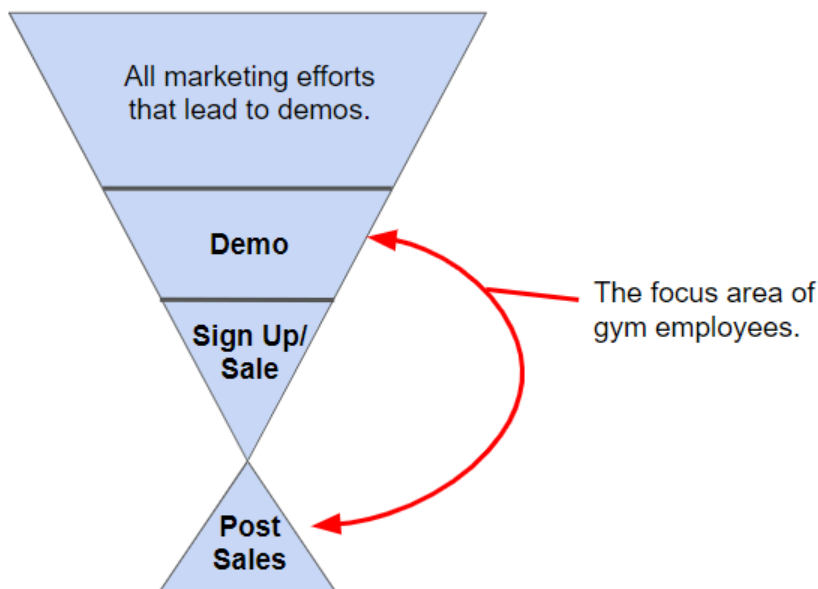
Black Box Sales Process: Bottom of the Funnel (SF Fox Plaza Test)

As Black Box VR employees we must be personally committed to giving every person who walks through our doors the best experience possible!

We are not trying to replicate the typical gym sales process. Our gyms are designed around technology and efficiency and we do not keep the necessary staff on-hand to adequately deal with the traditional gym sales method. That being said, Potential Members will no-doubt have questions, and in some cases many of them, however it is our intent to answer as many questions as possible via the 360 video tour, onboarding sessions, and the app. Once the PM has completed their demo we can answer additional questions, but if the employee anticipates a large number of questions we should direct the PM to the Black Box VR mobile application or website.

As a Gym Manager or Hero Trainer you will be focusing a great deal of your efforts on the bottom portion of the sales funnel. However, there may be times when you are needed to help prospect for new leads by reaching out to area companies, residential units, or attending appropriate events to try and get potential customers in the doors for demos.

Sales Funnel



Until we have an adequate number of members and other data we are making educated assumptions as to who are target customers are going to be. When the doors open expect to get a wide-range of people coming in who are interested in what Black Box VR is. Most of these people will fall into one of the four customer personas below. As we get a better



understanding of who our target customers are, and are able to market to them, there should be an increase in the number of leads fitting the description of Persona 1 and 2. In order to identify our target customers you will be gathering data through surveys and through conversation. Examples of data we are looking for are:

Addition Helpful Member Data

1. Are prospects/members gamers?
2. Do they consider themselves hardcore or casual gamers?
3. How many times per week do they play games?
4. What kind of games do they like to play?
5. What is their income level?
6. Are they in a relationship (married/single)?
7. What is their profession?
8. What genres of movies do they like to watch?
9. What music do they listen to?
10. What gym experiences have they tried in the past? - What did they like, what did they not like.

The Four Customer Personas

1. The Fanatic:
 - a. Has done their research on Black Box
 - b. Is energetic and pumped to come in for their demo
 - c. Will love our workout even if it isn't perfect
 - d. Will promote our offering to family and friends

This customer should be the easiest to sign up. This does not mean however, that we do not put our all into the sale. Many of the customers, once converted to members will be our biggest proponents and will do a lot for us in terms of driving in new PMs.

2. The Scout:
 - a. Knows a little bit about Black Box but still has a lot of questions and wants to see what we are all about
 - b. Is excited about their demo but also apprehensive because it is something new
 - c. Might be turned off if the demo doesn't go smoothly
 - d. Could turn into detractors if their experience is negative
 - e. Could turn into fanatics if their experience is great

The Scout will most likely be the largest demographic of PMs we deal with until the market becomes aware of our brand on a larger scale and is aware of what we do and offer. To convert Scouts to members we must give them a phenomenal experience, listen attentively, answer



their questions, and be ready with responses to overcome their objections.

3. The Critic:

- a. Could know a lot or very little about Black Box
- b. Comes in with the intent of going through the demo/experience just so he/she can say something negative
- c. Might be a member of another gym or adhere to another workout style they feel is superior
- d. Might dislike working out, gaming, or VR technology altogether
- e. Will turn into a detractor if their experience is not top-notch

When dealing with the Critic, the number one goal should be to not turn them into a detractor. The focus should still be on providing them with an exceptional experience. Critics can often seem combative and judgmental. It is better for an employee to acknowledge that they feel a certain way about our offering and how they feel about it. There will be times when these customers turn out to be detractors no matter how great their experience is. However there will also be times when Critics turn into proponents of Black Box. These conversions can be exceptionally powerful for the Black Box brand.

4. The Stranger:

- a. His little to no idea as to what Black Box is
- b. Drives or walks by and decides to drop in

The Stranger could be any one of the three customer types. It should be our goal here to give a brief description of our offering and to move the Stranger towards a demo while also discovering which one of the three customer types they are.

Although the ultimate goal is to get a potential member to sign up and become a Black Box customer, the objective shouldn't be to make the sale immediately. Our sales outcomes/conversion rates will be much better if we use the welcoming and onboarding portions of demo process to build rapport and identify the type of customer we are dealing with. Once the customer type has been identified a sales approach can be determined and implemented.

It is also very important for us to qualify each lead. Qualifying is the process that allows you to find out whether a lead is actually in the gym and ready to sign up as a member. As a Hero Trainer, if the prospect states to you that they aren't ready to sign up as a member it is completely fine to ask why in order to identify any objections or concerns they might have concerning the Black Box VR offering. If however, after learning about their concerns/objections and responding with the appropriate rebuttal the prospect still states they do not want to sign up, you should not pressure them, and instead shift your focus back to providing them with a



great experience. High pressure pushy sales tactics can turn prospects into detractors quickly. It is far better to let the prospect walk out our doors without a membership having undergone a great experience than it is to be pushy or combative and turn them off to Black Box forever. A happy former prospect still might refer a family member or friend to Black Box.

Value Propositions

<ul style="list-style-type: none"> • Real fitness and appearance results. • Have fun and get a workout at the same time. • Play video games for your workout. • Time goes by quickly. • Only 30 minute sessions. • We do the thinking for you. • Easier to adhere to over the long-term. • Motivating app and game community. • Real resistance training and all its benefits. • Get help and guidance from friendly and knowledgeable Hero Trainers. • Easily schedule battles and quickly check-in. 	<ul style="list-style-type: none"> • My friends are Black Box VR members. • Push yourself harder but feel less pain. • Automatically track your battles and workout data. • Upgrade your virtual characters and sidekick. • Less expensive than a trainer and most other boutique fitness studios. • Feel cool and high status belonging to something innovative and sexy • Learn more about a healthy and fit lifestyle with app content. • One monthly payment (vs. individual classes)
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Objections

It's not for me. <ul style="list-style-type: none"> • It's for males. • It's for females. • It's for hardcore workout freaks. • It's for video game nerds. • It's for young people. 	It's too expensive. <ul style="list-style-type: none"> • Is it worth it? • Will I be stuck in a contract? 	It's scary and intimidating. <ul style="list-style-type: none"> • I don't work out/I'm out of shape. • I don't understand video games. • What if the games too hard/I'm too wimpy? • I don't want to be embarrassed. • I'm unfamiliar with resistance training. • I'm unfamiliar with VR.
It seems unhygienic. <ul style="list-style-type: none"> • It's gross. • I'll get pink eye. • It will mess up my hair, makeup, skin. 	It looks uncomfortable. <ul style="list-style-type: none"> • Sweating in HMD. • Wearing arm garments. • Wearing a headset with wires. 	It competes with my business/livelihood. <ul style="list-style-type: none"> • I'm a personal trainer. • I'm an online fitness guru. • I'm a gym owner. • I make fitness equipment.
I won't get real fitness results. <ul style="list-style-type: none"> • Only free weights and treadmills work. • It's a child's game. • It's just for fun. • It's not hard-core enough. 	<ul style="list-style-type: none"> • I don't like violence. • I'm not competitive. • I'm not social and don't like public gyms. • It's too far away. • It'll take too much time. • I saw a negative review. 	<ul style="list-style-type: none"> • It's new and unproven. • I don't know the team behind it. • I like my current gym. • I like my current trainer. • I like my current gym friends.



	<ul style="list-style-type: none"> • My parents won't pay for it. • I don't understand it. 	<ul style="list-style-type: none"> • I like to workout outside. • I like to exercise at home.
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High Level Metrics

1. CAC (Customer Acquisition Cost)
2. LTV (LifeTime Value)
3. NPS (Net Promoter Score)
4. CS (Customer Satisfaction) - captured through the app

Demo Booked	Enters Gym	Onboarding	Sales/Sign Up	Post-sales
<ol style="list-style-type: none"> 1. # of cancellations before demo (scheduler and demo tracker) 2. # of people who didn't show for demo (demo tracker) <p>*Parentheses indicate where the information will reside.</p>	<ol style="list-style-type: none"> 1. # of walk-ins without scheduled demo (demo tracker) 2. Hero Trainer assigned to each demo (demo tracker) 3. # of walk-ins with app already downloaded (included in survey) 4. Popular times for demo sign-ups (scheduler and demo tracker) 	<ol style="list-style-type: none"> 1. Information gathering from surveys and post-demo conversations 	<ol style="list-style-type: none"> 1. Conversion Rate (Stripe and demo tracker) 2. Lost Deals (Demo Tracker) 3. Conversion Rate by Hero Trainer 4. Marketing Channel Conversion Rate 5. Time spent by employees on sales process and data entry. 6. # of sign-ups per Hero Trainer (demo tracker) 7. Who is following up with non-sign ups (CRM) 8. Frequency and number of follow ups (CRM) 	<ol style="list-style-type: none"> 1. Attrition Rate 2. Retention Rated 3. Session Completion Rate 4. Attrition and Retention Rates by Corporate Partners 5. Popular times for workouts

Customer Service/Sales Musts

1. Always greet customers enthusiastically. Nothing can turn a potential member or returning member off like a spiritless employee.
2. Learn and address people by name. A person's name is the greatest connection to their own identity and individuality.
3. Do not sell, consult. Every person has a different reason for coming into a gym. Whatever the reason, it is personal and important to that person, so take the time to listen and learn rather than rushing to get to the close.



4. If prospects or customers have complaints or objections, acknowledge that you hear what they are saying and understand why it is important to them before responding with a rebuttal or additional commentary.

Employee Script

Customer Navigation

When a customer enters the door for the first time they are entering for a couple different reasons. Questions about Black Box, a tour of our space, requesting a demo, or signing up for a membership.

Questions:

What is Black Box VR?

Black Box VR has created two things.

- 1) Our own cable resistance machine in which the weight selection and handles are self automated. No pins, no weight plates to have to worry about.
- 2) A virtual reality video game

We have meshed the two together to make your body the controller inside virtual reality within a 30 minute resistance training workout.

If you need to go further: When you are in the game, you are in an area setting. In order to attack your opponent, you have to do the exercises using the machine.

****You do not want to dive too deep into the details when explaining the overview of Black Box for the first time.**

So is it membership based? How much does it cost?

We are a membership based business model and our founding price is only \$199 a month. We also offer single sessions for \$27. We recommend members to come in 3 to 4 times a week for best results and full muscle recovery.

A membership includes full access to the Black Box VR app, access to schedule your workouts through the app, all hardware for your workout ready for you in the gym, pre workout and protein for your workouts, full towel service, shower/vanity area, and use of the warm up area.

Tour - Would you like to see our space?

Once shown the space and amenities (hero trainer also asking probing questions to know what their interests are) then there is the ask of the demo.

Demo - Would you like to try a demo in which you start learning how to play the game?

Download app

Make an account

Schedule demo



Or schedule them for another time for them to come in to the gym to do the demo.

Demo set up

Wristbands - show them where they are located and the difference between the sizes.

Laundry basket- show them this is where they will drop their wristbands off after their workout

Walk to booth - comment that the number of the booth is always on the outside of the room

Locker - Let them know they can bring places their personal items in the right top locker.

Put wristbands on them- show them the differences of the shorter and longer sides of the wristbands, as well as differentiate left from right.

Pucks: Will always be on the chargers. Feel free to always come in and take them from the charger. The colors correspond to the colors on your wrist. First places the ridges in and then push the other side down to hear the “click”. After your workout you will unclip the pucks as so (show them how to do it). Then give them the other puck to try it for themselves. Once your workout is over, if you can put the pucks on the top of the Cleanbox we will take care of the rest.

Cleanbox: Describe how the cleanbox functions. Your headset will always be in the cleanbox. You can open the door and gently take out the headset when you are ready for it. After your workout you can either set the headset on the ground or place it on the back rest.

Headset: Let them know all headsets are the HTC Vive Pro. Show them that you can adjust it in the following ways.

Standing: Ask them to face the door and let them know to put on the headset and to let them know that they can ask for help as well.

Last Comments: I will be here until the AI MAIA shows up on your screen to direct you what to do and then I will exit the door and close the door behind me.

Sign up - could be before a demo or after a demo

Before: individual has either already tried Black Box or just wants to be an early adopter

Once individual comes out of the demo, conversation ensues about the following:

- How was your experience?
- Do you feel like you understand the game and concept?
- Are there questions I can answer for you now that you have completed a full demo?

Soft Ask:

-If you would like to sign up for a membership, I'd be happy to answer any questions as you go through the app.



-I'm so glad that you enjoyed your experience and we would love to have you as part of the Black Box VR family.

EoS Fitness

- PT Clients first (Welcome workout) with their personal trainer
- Touching every new member
- Existing members (hardest bucket to get in to)
- Facets on onboarding in every section with Colby (session 1-6)
- Components of game strategy and be successful in the arena
- Game world name?

Follow up:

- All liability waivers (sign up, scheduling workout and clicking into the game)
- Colby - Gene talked to colby about waiver in game

Detractors:

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Onboarding 1:

- Learning chest press, row, and squat
- Deploy champion
- Element of the earth

Onbo 2:

- Overhead press deadlift and lat pulldown
- Power ups

Onbo 3:

- Switch lanes

Onbo 4:

- More of the same

Onbo5:

- Exposition (narrative stuff)

Onbo 6:

- Exposition
- Learn how to deploy how to deploy fire hawk
- Arena leagues, losing and winning trophies

