



2024-2025

ARROYO GRANDE, CA

— ◆ — TBID Annual Report — ◆ —

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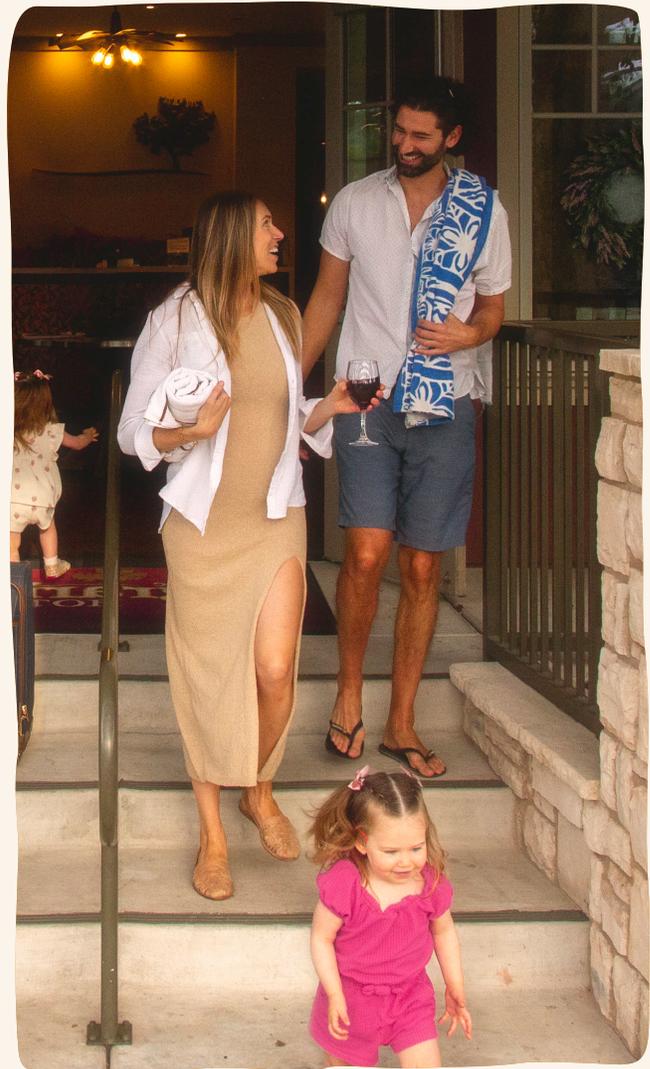
OVERVIEW & GOALS

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The Arroyo Grande Tourism Business Improvement District (AGTBID) has a plan in motion to reach travelers whose interests and behaviors align with the genuine experiences found in our area. These travelers are ready to discover the magic of Arroyo Grande—a town differentiated by its charming atmosphere, striking scenery, and access to some of the Central Coast’s most sought-after experiences. The AGTBID Advisory Board is made up of representatives from the local community, lodging, or hospitality-related businesses in Arroyo Grande appointed by the City Council. The TBID helps to promote Arroyo Grande as a travel destination and is funded by a 2% assessment charged by hotels and Short Term Rentals (STRs) for this purpose.

Advisory Body

The AGTBID Advisory Board consists of individuals with expertise in the lodging and tourism industry, including owners of lodging businesses within the AGTBID. These members are appointed by the City Council and play a vital role in promoting Arroyo Grande as a travel destination.



| Name | Position | Orig. Term | Exp. Term |
|-----------------|--------------|------------|-----------|
| Sean Dasmann | Chair | 8/22/2023 | 1/31/2025 |
| Sarah Kunkle | Vice Chair | 8/22/2023 | 1/31/2027 |
| Gregory Dutson | Board Member | 8/22/2023 | 1/31/2025 |
| Jared Worthen | Board Member | 8/22/2023 | 1/31/2025 |
| Jeannie Miranda | Board Member | 8/22/2023 | 1/31/2027 |

Marketing Objectives

Arroyo Grande TBID's plan to increase tourism involves expanding to new audiences while driving greater differentiation and distinctiveness:

- 1 Attract new visitors from top feeder markets by inspiring a new audience to consider SLO and Arroyo Grande as a vacation destination.
- 2 Increase Arroyo Grande's share of overnight stays among visitors to the 5 cities and SLO County by creating a distinctive proposition and voice for Arroyo within the broader region.



Communications Goal

We need to **ignite a spark**  that makes people want to visit our area,

while giving them a clear reason **to choose Arroyo Grande** over all the other options available.

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STRATEGIC PLAN

STRATEGIC PLAN

This updated Visit Arroyo Grande strategic plan retains the core positioning and objectives, but puts a greater focus on paid media outreach, driving advocacy, and tapping into current travel inspiration trends.

Vision

A thriving community rooted in authentic hospitality and nourished by a strong economy.

Mission

To market Arroyo Grande as a desirable travel destination, create memorable experiences and support a prosperous economy and community

Values

- Truth
- Excellence
- Teamwork
- Community
- Impact

Reputation

- Transparent
- Forward-thinking
- Reliable
- Humble
- Partners

Position

Arroyo Grande TBID is the city's primary source for destination marketing services and tourism leadership.

We are:

- Storytellers of the Arroyo Grande tourism experience

- Providers of tourism related information and data
- Collaborators championing the value of tourism and supporting key tourism drivers
- Stewards balancing the benefits of tourism with Arroyo Grande's quality of life

Vision

- Increase Brand Awareness as a Central California Destination of Choice
- Ensure the Quality of our Brand Promise and Visitor Experience
- Expand Stakeholder and Community Engagement to Create a Collaborative and Supportive Tourism Industry

Mission

- Attract new visitors from top feeder markets
- Increase share of county visitor volume
- Increase number of visitor hours in market
- Increase length of stay
- Increase advocacy
- Inspire repeat visits
- Increase representation of lodging partners on the Board
- Grow stakeholder participation
- Increase resident approval of tourism

Initiatives

- Increase paid media efforts targeting larger growth markets
- Create a distinctive proposition and voice for Arroyo within the broader region
- Introduce new attribution model tying media exposure to increased visitation
- Test new media types to elevate exposure to a broader audience
- Use social media and influencer marketing to reach travelers where they go for inspiration
- Create and market experiences tied to culturally relevant passion areas
- Create and promote shareworthy experiences for visitors
- Provide visitors with content and materials that help them get the most out of their visit
- Create a stakeholder engagement and outreach campaign to educate and promote the value of the TBID to lodging partners
- Collaborate with stakeholders to design and expand co-operative marketing programs
- Increase the voice of tourism with key governmental, businesses and community decision makers and leaders

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COMMUNICATIONS STRATEGY

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This updated Visit Arroyo Grande strategic plan retains the core positioning and objectives, but puts a greater focus on paid media outreach, driving advocacy, and tapping into current travel inspiration trends.

Positioning Statement: There's Just Something in the Air

There are plenty of places to shop, dine, and play on the Central Coast, but there is something different about Arroyo Grande. Whether it's the charm of the historic downtown, the cozy neighborhood feel, the best weather in the region, or the locals'

passion for their community, AG has a unique, indefinable character that must be experienced to be truly understood.

Arroyo Grande is SLO for those in the know.



Communications Architecture

**There's Just
Something in the Air**

AG has an unique, indefinable character that must be experienced to be truly understood. It's SLO for those in the know.

What's AG?

Many people in key feeder markets are unaware or have low familiarity with what AG has to offer.

Why AG?

Those who are aware of Arroyo Grande, may not understand what makes us different from other destinations in the area.

How do I do AG?

Those who would like to visit may not know where to stay, dine, and play or be exposed to less well-known assets of the city.

Inspire

Reach travelers where they go to get inspired, and establish Arroyo Grande as a destination that they aspire to visit.

Convince

Connect with interested travelers around shared passions and human storytelling that gives them a reason to discover more about AG.

Capture

Make AG travel information and experiences more engaging and easy to discover .

Moments to Share

Use social media, programming opportunities in the city, influencer marketing, and broad reach media to create shareable snapshots of AG's unique charm.

Storytelling

Use longer form video, image, and text stories to communicate the unique culture and emerging character of AG, while connecting with shared passions of travelers.

For Those in the Know

Capture interested travelers with targeted paid media and search, while curating content for different types of travelers in easy-to-navigate digital experiences.

Social Media
Influencer Marketing
Display
OOH
CTV / Video

Display
Organic Social
Web

Search
Display
Social Media
Web

Media Mix

Beginning in Q2, we shifted our media mix and marketing activities to prioritize paid media investment targeted to new, potential visitors and de-prioritized marketing activities targeting known audiences and the local community.

FY 2024 Media Mix

| | |
|-------|-----------------------|
| 33.3% | CTV |
| 18.2% | Organic Social |
| 12% | Display |
| 11.8% | Paid Social |
| 9.2% | Pre-Roll |
| 9.1% | E-Newsletter |
| 1.9% | Print |

FY 2025 Media Mix

| | |
|-------|----------------------------------|
| 34.7% | CTV/OTT <i>New!</i> |
| 22.2% | Paid Search <i>New!</i> |
| 16.7% | Display Banners |
| 12.5% | Paid Social |
| 8.3% | Pre-Roll |
| 5.6% | Interstitials <i>New!</i> |

The media mix is now being optimized towards channels that are effective at driving visitation to Arroyo Grande as tracked by mobile device IDs.

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GEOGRAPHY

GEOGRAPHY

Focus on expanding visitation from major growth markets while continuing to increase share of Nurture markets

Grow

High volume markets with lower per-capita visitation, suggesting opportunity for growth

- Los Angeles
- San Francisco
- Sacramento
- San Diego

Nurture

Low / Mid volume markets with high per-capita visitation, suggesting a high conversion opportunity

- Fresno
- Monterey / Salinas
- Bakersfield



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COMPLETED INITIATIVES

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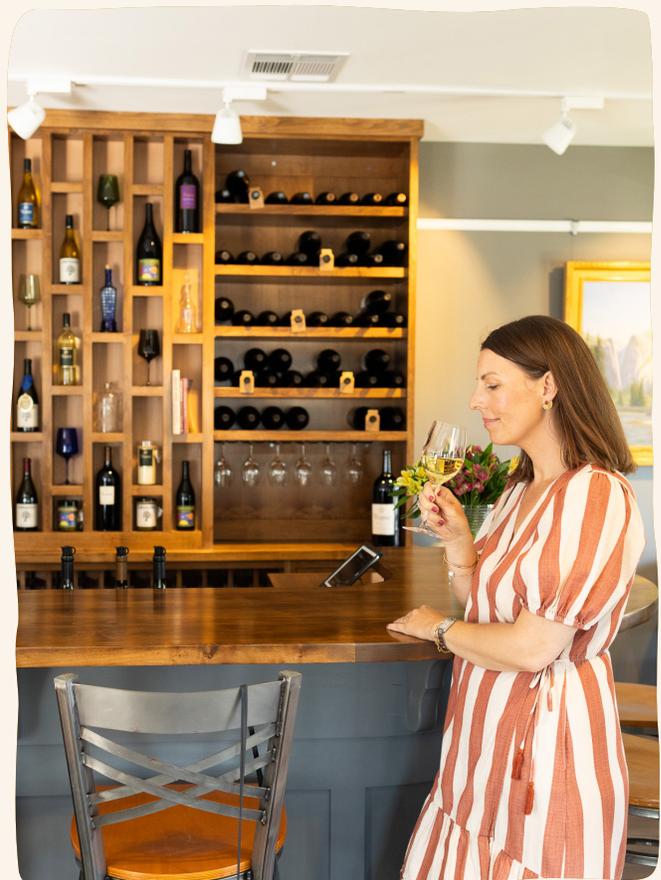
Completed Proposed Activities From FY2024

From April to June, Visit Arroyo completed proposed activities, including a photo and video shoot to support the “Time Well Spent” creative campaign, a Co-Op marketing test with Sojern to measure the economic impact of marketing activity, and previously scheduled blog posts and newsletters. In addition, Arroyo Grande TBID secured ad placement in Edible Magazine (Winter Digital Issue) for illustrated holiday map as well as an influencer partnership with CCTC California Gold Pass Media.

In addition to the paid media test with Sojern, and in partnership with Visit SLOCal, Arroyo Grande TBID also executed a variety of marketing programs to help increase visibility for Arroyo Grande with visitors to the region. In Q2, Arroyo Grande hosted Lisa Gipson from San Diego Family Magazine helping generate coverage with the important family traveler demographic. Arroyo Grande was also featured in a recent episode of Visit SLOCal’s “Unpacking” social media video series. Arroyo Grande secured placement with ads in Visit SLOCal’s visitor magazine, the South County Chamber of Commerce Visitor’s magazine, and Sunset magazine, which are distributed across the region. Lastly, our own Swinging Bridge and Lopez Lake are featured in a custom SLOCal edition of the Monopoly board game, which is for sale online and retailers across the region.

Arroyo Grande TBID’s owned media work focused on maintaining an active social media presence, including event promotions, holiday celebrations, and emergency response

messaging for the LA fires. The AGTBID created a new video for the Visit California Welcome Center, and launched a talent search campaign to source local ambassadors. Arroyo Grande TBID collaborated with Visit SLO CAL and Visit California, covering topics including “What’s New in 2025”, “New Year’s Eve Celebrations”, and the “CA Calendar.” Arroyo Grande TBID participated in Visit SLO CAL Travel & Tourism Customer Service Training and supported the CCTC Fam Trip Influencer with Discover California. \$24,500 was approved for local event sponsorships and the AGTBID developed merchandise for distribution as stickers and tote bags.



Hired new marketing agency

In Q2 of FY2025, Arroyo Grande TBID engaged Commune Communication as their new agency of record for marketing communications. Since the initial kickoff, the AGTBID has been working with Commune to develop a refreshed marketing strategy, including a more distinctive brand positioning and creative voice, a revised marketing strategy, as well as a new attribution model for marketing effectiveness and optimization.

Launched new paid media strategy and attribution model

The first step of the transition to a new marketing strategy was the rapid implementation of a revised media mix and data attribution strategy. Marketing activities have been re-prioritized with a heavier emphasis on paid channels and awareness building activities that target potential visitors from Arroyo Grande's top feeder markets. Using location-based, mobile ID data, AGTBID and Commune identified top markets both in terms of volume and per capita visitation. Paid efforts launched immediately in November to begin driving visitation activity from top feeder markets, as well as beginning to collect visitation data to inform future marketing efforts. In an effort to prioritize reach and paid media exposure to new audiences, certain activities like blog posts, newsletters, and organic social media have been de-prioritized as these channels primarily reach existing audiences or the local community.

In addition to helping identify key growth opportunities, mobile device ID data is being collected to analyze the performance of paid media efforts at driving incremental visitation to Arroyo Grande and member

hotels. Included in this is the addition of Days Inn as part of the lodging options available to potential travelers. An initial report on location visitation was provided to the AGTBID board in February. These findings not only provide valuable benchmarks for future performance, they have led to specific optimization recommendations, including an increased focus on CTV/OTT, as well as an upcoming test of OOH billboards on HWY 101.



Developed new campaign concept

In an effort to further differentiate Arroyo Grande from other regional destinations, Commune developed a fresh, distinctive tourism campaign concept. The idea, Oddly Familiar, not only captures the unique, authentic charm of Arroyo Grande, it establishes a truly original voice that helps Arroyo Grande not only stand out within the region, it breaks the common conventions of tourism advertising. The campaign uses breakthrough headlines and thought-provoking imagery to inspire curiosity and intrigue, inspiring the uninitiated to find out more about what makes Arroyo Grande the hidden gem of SLO County and to come visit a place where they instantly feel at home.

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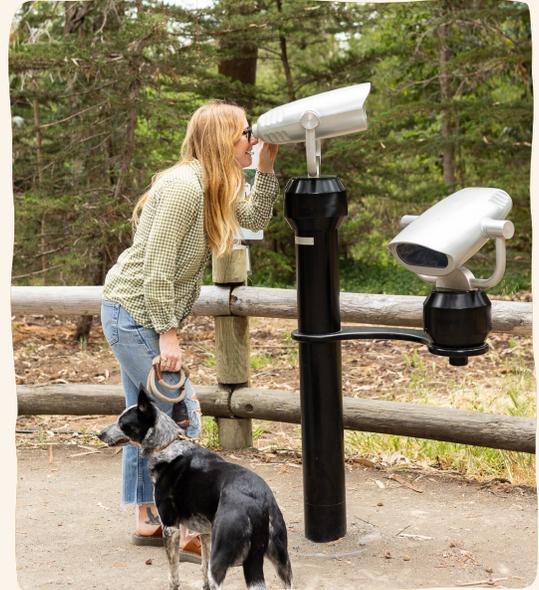


NEW CREATIVE CONCEPT

NEW CREATIVE CONCEPT

Strategic Insight

- 1 84% of Gen Zers and Millennials are looking for the excitement of discovery and finding something unique and personal.
- 2 JOMO (Joy of Mission Out): Large cities are impossible to get through in one weekend, maybe even a week, but AG is truly fun sized—allowing visitors to partake in a mix of experiences at a pace that let's them actually enjoy them.



Concept

Nearly everywhere we went in Arroyo Grande, locals were quick to welcome us into their world like family—even though we were there for the first time. As visitors from big California cities, this felt a bit...odd.

At the same time, Arroyo Grande offers an experience that's familiar, with farm-to-table fare, outdoor adventure, artisan shopping and cultural events, all packaged with the friendly spirit of a small town.

It all made us think, Have we been here before?



From the second you arrive in Arroyo Grande,
You feel like this town isn't just welcoming you in
It's somehow welcoming you back.

Even if you've never set foot here before.

In Arroyo Grande, intuition is your travel guide
And familiarity sets the pace.

You already know your way around,
Even if you don't quite know how.

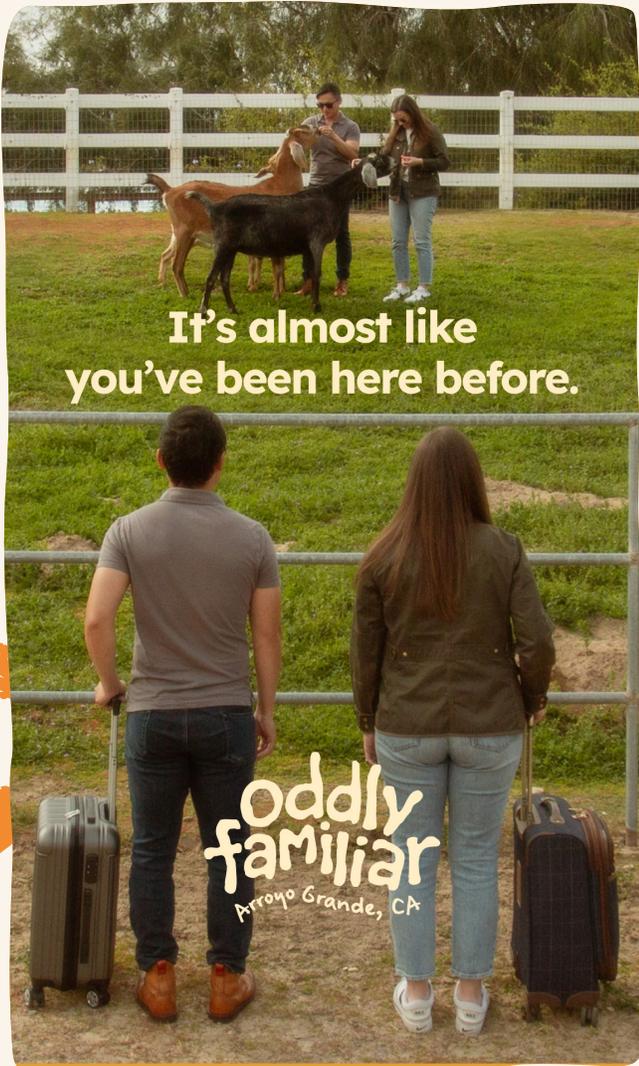
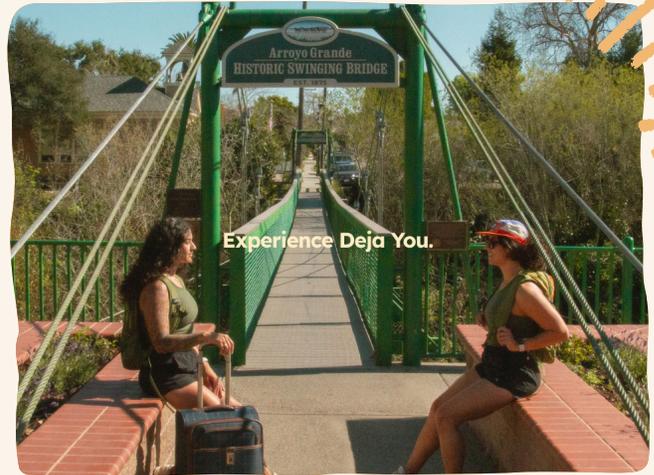
It's where first-time visitors are treated like long-
time locals, activities are tailor-made for your specific
interests, and there's no learning curve to climb.

Every choice feels effortless, every turn feels right, every
moment makes perfect sense.

Almost as if you've lived it all before.
And maybe you have—

Because an experience this different from the norm, yet
this comfortable, can only happen in a place that's

oddly familiar
Arroyo Grande, CA



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RESULTS TO DATE

RESULTS TO DATE

Along with a shift in paid media strategy, starting in Q2, we initiated a new attribution model for paid media, allowing us to track the incremental impact of paid placements on visitation to Arroyo Grande and our member hotels. This data uses mobile device IDs to connect exposure to advertising with actual visits to specific locations in Arroyo Grande.

This data, along with occupancy and Transit Occupancy Tax reporting provides a more complete picture of Arroyo Grande TBID's performance, while allowing the marketing team to make smarter decisions about audience targeting, marketing mix, and messaging.

Business Results

Transit Occupancy Tax (TOT)

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|-----------|-------------|-------------|-------------|-------------|------------|
| \$926,026 | \$1,016,301 | \$1,472,554 | \$1,519,395 | \$1,398,882 | \$778,800* |

*data represents July - December FY 2025

Paid Media

1.56%
CTR

3.35M+
Total Digital Impressions

2.13 M+
Total Video Impressions

54,401
Total Clicks



Location Visitation Reporting

Location Visitation Reporting (LVR) complements occupancy and TOT data to provide insight into the incremental impact of paid media on visitation to specific locations within Arroyo Grande. These numbers reflect visits resulting from exposure to our paid media efforts, allowing us to track the contribution and effectiveness of those efforts over time, while optimizing key variables like channel mix, messaging, and audience targeting.

166

Total Exposed Visits

13

Confirmed Overnight Stays

679

Total Exposed Travel Activities*

5:1

Estimated ROAS**

530

Total Exposed Visits

199

Total Exposed Unique Visitors

\$105.53

Overall Cost Per Unique Visitor

\$40.57

Overall Cost Per Exposed Visit

Sojern Co-op Media Test

In addition to Location Visitation Reporting, Arroyo Grande TBID participated in a BETA test campaign with SLOCal to test the economic impact of marketing with media partner, Sojern.

*includes both searches and bookings for car rentals, flights, lodging, and foot traffic

**based on estimated \$1,216 per traveler across all activities

VisitArroyoGrande.org Results

The primary drivers to VisitArroyoGrande.org for FY2024 were paid search and cross-network display ads. Organic search had the highest engagement rate, indicating strong SEO performance and alignment with visitor intent.



| Source | Sessions | Engagement Rate |
|----------------|----------|-----------------|
| Paid Search | 64,139 | 18.24% |
| Cross-Network | 36,440 | 18.82% |
| Organic Search | 24,212 | 57.42% |
| Organic Social | 17,285 | 20.01% |
| Direct | 10,996 | 30.53% |



Stay

Eat + Drink

Things To Do

Events



Visitation by Location

On a per capita basis, Arroyo Grande continues to attract a higher percentage of visitors from our “Nurture” markets and from the Bay Area. The marketing team is exploring opportunities to increase media exposure in LA and the Bay Area to continue capitalizing on growth opportunities in those markets.



| | | |
|-------------------------------------|--|-------------------|
| Exposed Visits Total: 530 | Exposed Unique Visits Total: 199 | Population |
|-------------------------------------|--|-------------------|

ALL MARKETS

| | | | |
|------------------------|-----|-----|------------|
| Growth Markets | 410 | 151 | 13,175,753 |
| Nurture Markets | 120 | 48 | 1,247,217 |

GROWTH MARKETS

| | | | |
|-----------------------|-----|----|-----------|
| All Bay Area | 182 | 54 | 1,335,372 |
| All SoCal Area | 169 | 92 | 4,639,394 |

Visitation by Destination

In addition to tracking by feeder market, we are able to track visitation to specific locations within Arroyo Grande, including all local lodging establishments. When combined with website behavior data, we can better analyze marketing impact on driving consideration, purchase intent, and conversion for specific properties, as well as AG as a whole.

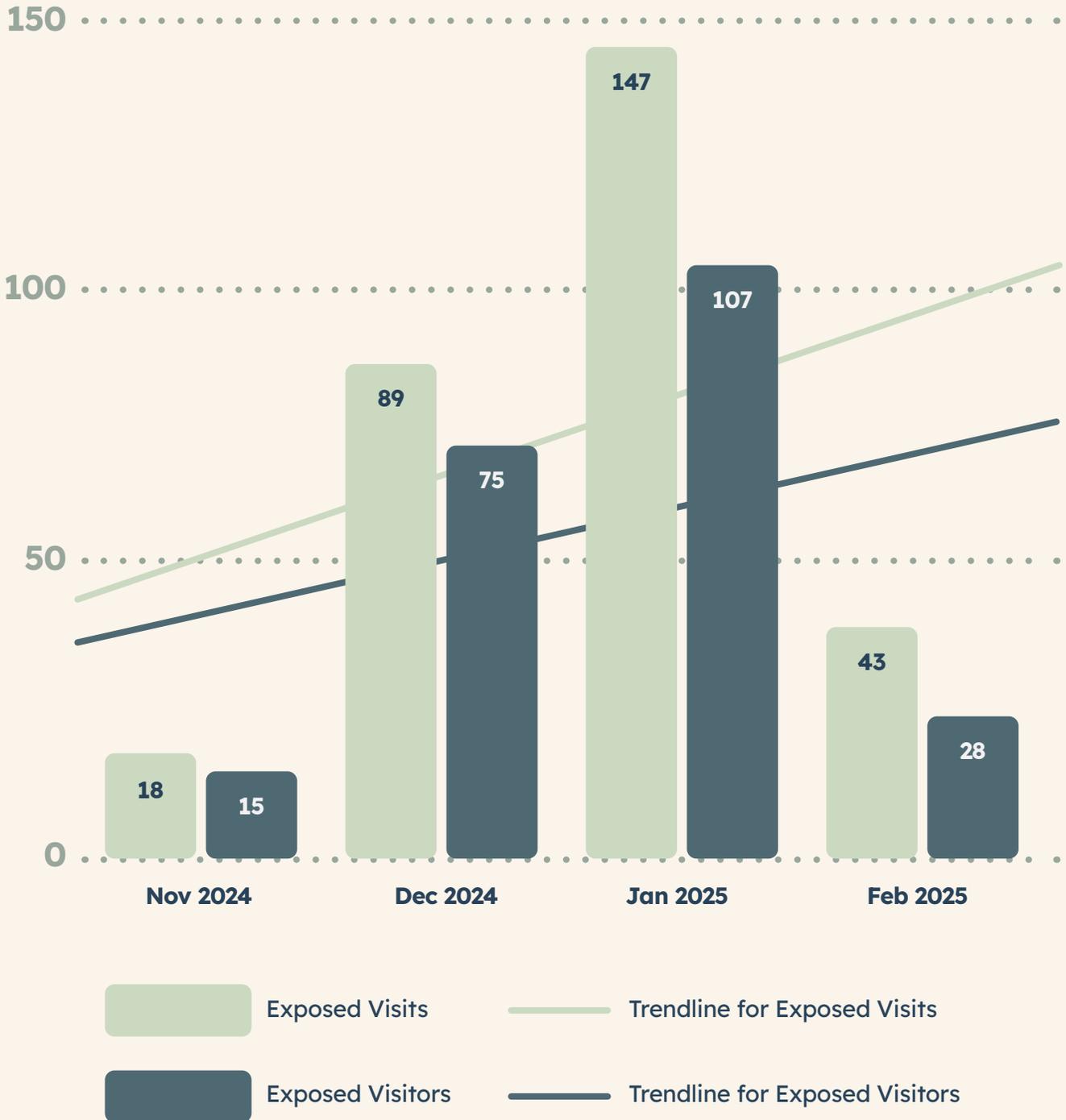


| | Exposed Visits Total: 530 | Exposed Unique Visitors Total: 199 | Website Hotel Page Soft Conversions | Website Book Now Soft Conversions |
|---------------------------------|-------------------------------------|--|---|---|
| Location ▼ | Total across all Hotels: 64 | Total across all Hotels: 29 | Total across all Hotels: 79 | Total across all Hotels: 78 |
| The Village | 425 | 162 | - | - |
| Best Western Casa Grande | 34 | 12 | 16 | 21 |
| Days Inn (was Pismo) | 25 | 8 | 16 | 21 |
| Hampton Inn & Suites | 23 | 7 | 11 | 0 |
| The Agrarian Hotel | 13 | 4 | 22 | 22 |
| Beachway Inn | 2 | 2 | 3 | No book button |
| Aloha Inn | 6 | 2 | 7 | 8 |
| Arroyo Village Inn | 2 | 2 | 4 | 6 |

While the majority of initial visits are to the village, paid media has created a significant lift in visits to our hotel properties, while also bringing in more visitors to the village who may convert to overnight stays on future trips.

Exposed Visitation by Month

As media exposure accumulates and tourists begin following through on their travel planning, visits resulting from ad exposure month over month have steadily increased, helping to drive down our Cost-Per-Visit and improving ROI.



Exposed Visitation by Tactic

Based on the first few months of activity CTV/OTT has proved to be the most effective tactic at driving visitation to Arroyo Grande and will continue to provide the foundation of the plan, while interstitials and display play a complementary role in driving cost-effective reach and web traffic.



| Ad Tactic | Exposed Visits Total: 530 | Exposed Unique Visitors Total: 199 | Total Impressions Soft Conversions | Total Exposed Visits per 1K Impressions |
|---------------------------|------------------------------|---------------------------------------|---------------------------------------|---|
| CTV/OTT | 390 | 124 | 279,333 | 1.51 |
| Pre-Roll Video | 3 | 3 | 160,270 | 0.02 |
| High Impact Interstitials | 17 | 12 | 134,261 | 0.13 |
| Standard Display | 120 | 60 | 910,043 | 0.18 |

Performance Against Benchmarks

With the introduction of location visitation reporting (LVR) the Arroyo Grande TBID team used the first few months of activity to establish performance benchmarks against key paid media KPIs. Continual optimization has already demonstrated improvement against most key metrics. While most metrics have improved, the need to convert more visitors to overnight stays remains an issue to address in the coming months.



| Metric | Benchmark | Current | % +/- Benchmark |
|---------------------------------|-----------|----------|-----------------|
| CTR | 1.12% | 1.17% | +4.5% |
| Cost per Exposed Unique Visitor | \$125.78 | \$105.53 | -16.1% |
| Cost per Exposed Visit | \$67.34 | \$40.57 | -39.75% |
| Hotels as % of Total Visits | 21% | 19.81% | -5.67% |

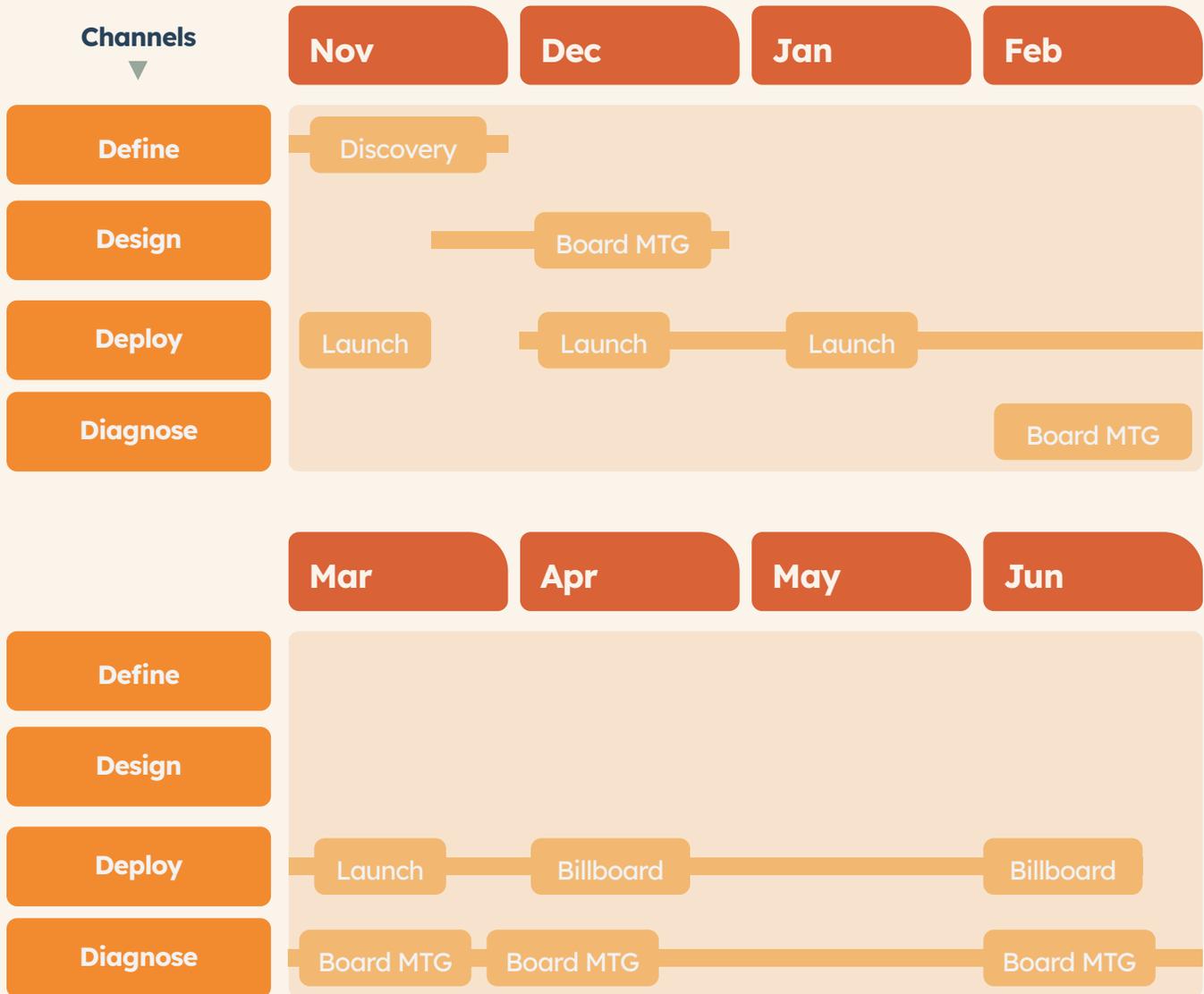
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ROADMAP

ROADMAP

The next launch of the campaign creative for this fiscal year takes place Q3 with placements across standard display banners, high-impact interstitials, paid social media, and billboards. The FY24/25 annual report will be brought to City Council in Q3, 2025, with the next optimization and performance report brought to the board in Q4 2025.





ARROYO GRANDE, CA