



MEMORANDUM

TO: Arroyo Grande Tourism Business Improvement District Advisory Board

FROM: Sheridan Bohlken, Director of Recreation Services

SUBJECT: 6-Month Marketing Progress Review and Contract Extension Proposal for Commune Communication

DATE: April 28, 2025

RECOMMENDATION:

- 1) Receive 6-Month Marketing Progress Review from Commune Communication and provide feedback on strategic direction, creative execution, and accomplishments to support Visit Arroyo Grande; and
- 2) Recommend One Year Contract Extension to City Council.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The FY 2024–25 AGTBID budget includes funding for the Commune Communication contract, not to exceed \$225,000, inclusive of media buys. To date, spending remains within approved limits.

BACKGROUND:

The Arroyo Grande Tourism Business Improvement District (AGTBID) was formed in 2013 to fund marketing efforts that promote Arroyo Grande as a tourist destination and support the success of local lodging businesses. The AGTBID operates as a Destination Marketing Organization (DMO) under the name Visit Arroyo Grande and is guided by a City Council-appointed Advisory Board composed of local lodging and tourism representatives.

The contract with Verdin Marketing, the City's longtime marketing partner, expired on October 31, 2024. The AGTBID Board initiated a [Request for Proposals \(RFP\)](#)¹ seeking proven marketing strategy and measurable results. The RFP emphasized ROI, media efficiency, and brand evolution, resulting in eight competitive proposals.

¹ <https://pub-arroyogrande.escribemeetings.com/filestream.ashx?DocumentId=10019>

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In [July 2024](#)², Commune Communication was selected through the competitive process to serve as the AGTBID's agency of record for marketing, communications, website, and social media services. The scope of work emphasized measurable ROI, modernized branding, strategic paid media investment, and increased visibility for Arroyo Grande as a tourism destination.

ANALYSIS OF ISSUES:

Over the first six months, Communication has delivered on the key objectives outlined in the RFP and contract:

Contractual Deliverables Met

- Developed and implemented a refreshed brand strategy and the "Oddly Familiar" creative campaign.
- Executed a multi-platform paid media strategy, including CTV/OTT, display, social, and search.
- Initiated a location visitation reporting model using mobile device data to measure ROI and visitor behavior.
- Optimized website performance to increase conversions and engagement.
- Supported lodging businesses and the broader visitor economy with curated content and outreach.

Key Metrics & Accomplishments

- Over 3.35M digital impressions and 54,401 clicks.
- Cost per unique visitor decreased by 16.1%.
- Location visitation utilized through targeted paid media efforts.
- Launched a creative campaign that differentiates Arroyo Grande and aligns with the AGTBID's voice and vision.

Alignment with RFP Goals

Commune's performance aligns with core RFP criteria including:

- Strategic ROI measurement and reporting.
- Innovation in creative and brand positioning.
- Tactical focus on off-peak visitation and growth markets (e.g., LA, SF).
- Integration across digital, social, and print platforms.
- Monthly reporting and responsiveness to AGTBID objectives.

Creative & Strategic Feedback Opportunity

The board is encouraged to provide feedback on:

- Artistic quality and voice of the "Oddly Familiar" campaign.
- Effectiveness of brand storytelling in differentiating Arroyo Grande.
- Proposed FY 2025–26 campaign elements and budget priorities.

² <https://pub-arroyogrande.escribemeetings.com/filestream.ashx?DocumentId=11630>

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Commune Communication has made strong progress toward meeting the objectives outlined in the RFP during the initial six months of their contract. To date, they have implemented a strategic paid media plan, completed a full website audit and optimization, introduced location-based visitation tracking, and developed a new brand platform aimed at increasing Arroyo Grande's visibility as a tourism destination.

Because Commune has not yet completed a full year under contract, there is still significant opportunity for the AGTBID Advisory Board to guide and refine the campaign's trajectory. Extending the contract would allow the Board to build on the existing momentum, provide informed feedback, and ensure that upcoming initiatives continue to align with AGTBID goals and community values.

ALTERNATIVES:

The following alternatives are provided for the Boards's consideration:

1. Receive 6-month report, provide feedback and forward contract extension to City Council;
2. Receive 6-month report, provide feedback and do not forward contract extension to City Council; or
3. Provide other direction to staff.

ADVANTAGES:

1. Providing feedback to refine future projects and maintaining the current marketing agency will allow planned work and projects to continue with momentum;
2. Commune Communication has achieved significant impact in the past 6 months and with an additional 12 months will continue destination branding for Arroyo Grande with the Board's invested support;
3. Relationships with the community and direction from the Board will continue to strengthen and solidify the Visit Arroyo Grande brand with Commune Communication's efforts.

DISADVANTAGES:

The only disadvantage of continuing to support the current marketing firm and recommending an extended contract is the missed opportunity with other marketing firms; however, the time to onboard a marketing firm is extensive.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

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ATTACHMENTS:

1. 6-Month Marketing Progress Review by Commune Communication