



## MEMORANDUM

**TO:** Arroyo Grande Tourism Business Improvement District Advisory Board

**FROM:** Sheridan Bohlken, Director of Recreation Services

**SUBJECT:** Receive and File Marketing Report and Approve Billboard Artwork

**DATE:** April 9, 2026

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### **RECOMMENDATION:**

- 1) Receive and file marketing report to date for FY 2025-26; and
- 2) Approve billboard artwork.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

The agreement with Commune Communication for tourism marketing services is not to exceed \$250,000 for Fiscal Year 2025–26. No additional fiscal or personnel impacts are associated with receiving this report. All activities remain within the approved Arroyo Grande Tourism Business Improvement District budget and authorized uses.

### **BACKGROUND:**

On [May 13, 2025](#)<sup>1</sup>, the City Council approved an agreement with Commune Communication to provide destination marketing services for the Arroyo Grande Tourism Business Improvement District (AGTBID). The purpose of this agreement is to promote Arroyo Grande as an overnight visitor destination and support lodging demand through strategic marketing and brand development efforts.

Commune Communication provides comprehensive services including media planning, paid advertising, website management, content development, and public relations. These services are funded through AGTBID assessments and are intended to increase destination awareness, drive visitation, and support local lodging and visitor-serving businesses.

The updated Marketing Performance Report (Attachment 1) provides Location Visitation Reporting (LVR), digital campaign analytics, and strategic insights for the period of July 1, 2025, through March 22, 2026, including cumulative performance data for benchmarking purposes.

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<sup>1</sup> <https://pub-arroyogrande.escribemeetings.com/filestream.ashx?DocumentId=14514>

**ANALYSIS OF ISSUES:**

**Campaign Reach, Engagement, and Digital Performance**

Marketing efforts for Fiscal Year 2025–26 have demonstrated strong performance across digital platforms. Campaigns generated over 2.76 million digital impressions and 61,000 clicks, with an average click-through rate of 2.21 percent, exceeding prior-year benchmarks.

Paid social media campaigns, particularly Meta Ads, significantly outperformed industry standards, with click-through rates exceeding 4–7 percent in targeted markets such as Los Angeles and the Bay Area. These campaigns also generated strong secondary engagement, including shares, saves, and follower growth, extending campaign reach beyond initial impressions.

Google Ads campaigns captured high-intent travelers actively researching trips, generating over 6,800 clicks and approximately 600 conversions, further strengthening the connection between awareness and booking behavior.

**Visitation Outcomes and Return on Investment (ROI)**

Location Visitation Reporting (LVR) indicates that marketing exposure continues to translate into measurable visitation. From July 2025 through March 2026, campaigns generated approximately:

- 1,216 total exposed visits
- 554 total exposed unique visitors
- Overall average cost per exposed visit of approximately \$24.67
- Overall average cost per unique visitor of approximately \$54.15

These metrics remain consistent with industry benchmarks and reflect continued optimization of media placement and targeting strategies. Notably, lodging-related visitation increased as a percentage of total visits, indicating improved effectiveness in guiding users toward overnight stays.

**Media Mix Effectiveness**

Analysis of advertising tactics indicates that Connected TV (CTV/OTT) continues to be the most effective driver of visitation, followed by out-of-home (OOH) billboard placements and digital display campaigns.

The U.S. 101 billboard campaign has delivered over 1.1 million impressions and continues to generate added value through extended visibility. This tactic supports upper-funnel awareness while enhancing the effectiveness of retargeting efforts.

**Market Trends and Visitor Behavior**

Growth markets, including Southern California and the Bay Area, account for the majority of visitation, representing approximately two-thirds of total visits.

**Visitation trends indicate:**

- Strong performance during key travel periods such as holidays and spring break
- Increased mid-week visitation, with approximately 58 percent of visits occurring Monday through Thursday, supporting occupancy outside peak weekends

These trends align with AGTBID goals to stabilize visitation throughout the week and year.

**Strategic Insights and Ongoing Optimization**

Key insights from the current reporting period include:

- Consistent soft conversion rates indicate improved website performance and user experience
- Paid media continues to generate incremental visitation and sustained awareness
- Campaign creative refreshes and targeted messaging are driving higher engagement
- Opportunities exist to expand high-performing channels, including Google Ads and retargeting strategies

Ongoing optimization efforts will focus on refining messaging, enhancing booking pathways, and strategically allocating resources toward the highest-performing tactics.

**ALTERNATIVES:**

The following alternatives are provided for the Board’s consideration:

1. Receive and file the marketing performance update and approve billboard artwork; or
2. Receive and file the marketing performance update and do not approve billboard artwork; or
3. Provide other direction to staff.

**ADVANTAGES:**

- Provides clear and transparent reporting on marketing performance and return on investment
- Demonstrates alignment between AGTBID-funded efforts and visitation outcomes
- Supports data-driven decision-making and strategic optimization
- Reinforces the value of continued investment in destination marketing

**DISADVANTAGES:**

- Marketing performance metrics, while strong, rely on modeled attribution (such as Location Visitation Reporting) and may not capture the full extent of visitor behavior or direct booking activity.
- Continued investment in paid media requires sustained funding levels, which may limit flexibility in future budget allocations if revenues do not increase at a comparable pace.
- Certain high-performing tactics, such as CTV/OTT and out-of-home advertising, prioritize awareness and may not always translate immediately into measurable overnight stays or direct revenue.

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**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.

**ATTACHMENTS:**

1. FY 2025-26 Arroyo Grande Location Visitation Reporting Update