



## MEMO

Date	2.1.17
Client	MCTC
Client Team	B. Haugen
Prepared By	R. Quinan
Re:	Memorandum of Understanding 2017-2018

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Thank you for asking TheorySF to continue through your marketing agency selection process. We are thrilled to be considered and look forward to building an amazing long-term partnership with the MCTC and the board.

We received your request to forward a "Memorandum of Understanding" so please consider this document our memo acknowledging your needs and our proposed scope of work for the 2017-2018 time periods.

We heard loud and clear from you that the objective of our engagement is to turn up the volume on Mendocino as a desirable "get away" vacation destination. To drive more visitors to Mendocino County and capture a larger share of their wallets. We have developed a scope-of-work with this in mind. In fact, in the back of the document you will note a purchase funnel with our proposed tactics aligned to stage of funnel. Funnel metrics is something we'll want to pay careful attention to so we ensure we're pulling all the right levers at the right time. This is about bringing more revenue into the town, not losing it.

You will also note there are no tactics to support "Purchase." That will be up to the wonderful business owners who will experience a significant lift in inquiries and phone calls. But, we will not leave them to fend for themselves.

Our brand and engagement will be a team effort. It must be understood and embodied in all the wonderful proprietors of the town. To that end, we would love to call a "business leader presentation" where we present our brand to the local businesses and explain our thinking and what it means for them. How they'll need to participate and embody the core equities for the experience we will actively promote. This is about teamwork.

**2017-2018 TIME TO GET NOTICED**

During the previous 2016-2017 time period, we will have performed all of our due diligence and creative development and come to agreement with you on the Mendocino County brand, brand positioning and creative approach.

The 2017-2018 time period will focus on putting it into action so that it can start to impact and benefit the Mendocino County community.

This time period will focus on applying our brand and strategy to all of our external communications tactics or “prospect touch points” that drive our targeted audience segments to learn more about us. Additionally, TheorySF will continue to guide MCTC throughout the year with respect to oversight of all programs, including social media, developing all creative tactics in the approved plan as well as supervising the MCTC staff on implementation of brand guidelines, creative oversight, meeting support and reporting. We would like our fingerprints on absolutely everything and we have no problem hopping in a car and meeting with you as often as necessary. We believe in building relationships and not just “phoning it in.”

## 2017-2018 TACTICS

### 1. Website

- a. Learning about Mendocino County is the second critical stage of your sales funnel. It will require an engaging/creative web presence that “speaks” to our audiences in their language and in a visual and content style they will appreciate. We happen to know this Bay Area audience very well and will excel at attracting them.
- b. Our first goal will be to get The VMC website in order and have it accurately represent our new brand positioning, brand look and feel and acquisition messaging. Since the site currently receives good organic traffic from a number of sources, we’ll want to ensure that it is a well-oiled referring engine, able to sell and refer effortlessly.

As we shared in our presentation, we do not believe you need to rip and replace, as you already have a good solid foundation, we simply will want to update the graphics and messaging and make some technical tweaks to ensure optimal performance. Once our “catcher’s mitt” is ready, we’ll turn our attention to outreach and tactics that will inspire our audiences to explore and choose Mendocino County for their getaway needs.

- c. Budget to reskin the current website: \$50k (Estimate)

### 2. Shareable Virtual Reality Experience.

- a. Let’s get some press attention for being ahead of the curve!  
Depending on the outcome of our focus groups and target intercept research, we’ll explore the feasibility of producing our own VR content

that would be shared among the millions of Bay Area audiences and then worldwide. This experience could be the first opportunity to influence Bay Area visitors and help drive search volume. Imagine, showcasing the peaceful beauty of our gorgeous forests, the spectacular coastline water views as well as standing in a tidal pool, or standing in the middle of a row of grape vines, or hanging out in a couple of our favorite downtown restaurants or taverns. This experience is truly the future of travel and would receive much industry attention.

- i. Costs; Unknown until we spec out an exact experience. Possible partnership with Virtual Reality Assoc. to mitigate costs. Placeholder budget \$40,000.

### 3. Online Advertising -- Programmatic Media Buying for high ROI

- a. Programmatic media buying, marketing and advertising is the algorithmic purchase and sale of advertising space in real time. During this process, software is used to automate the buying, placement, and optimization of media inventory via a bidding system.
- b. Essentially, we're going to use the latest tactics in media targeting and buying to cost effectively deliver our online communications in real time to those that meet our demographic and psychographic profiles and are currently looking for getaway locations. Our marketing will have no waste.
- c. Costs: We would like to apply at least \$80,000 to online media buying. This amount would generate anywhere from 8 million impressions to 16 million impressions depending on level of premium space purchased. Cheap, remnant media inventory would not be considered as you may as well burn your budget to get a better outcome.

### 4. Online Partnerships

- i. We believe that some of your online partnerships are working and some are not. To that end, we would like to review all paid partnerships to see if they can hit the bar we will set to stay a partner. As a result, we expect to save some money on current non performing partners while doubling down on others that drive real business for Mendocino County.
  - ii. Budget: \$30,000
- b. Shareable Online Videos
    - i. The hottest thing on the internet right now to support the purchase funnel is shareable videos. We would like to professionally produce perhaps 6-8 videos that each

showcase a different side of Mendocino County. These would help inspire viewers to check us out and share with friends. Also, great to promote on our own social media pages.

ii. Budget: \$30,000

c. Agency Service fees

i. In order to manage and coordinate all of the above elements, we would propose a \$8,333/Mo. retainer. We would not charge mark ups. Our time will be balanced between strategic, account management and creative time. We believe some months will need more management and others will need more creative. We'll be as flexible as possible with your monthly fees to ensure we're delivering on exactly what you need. Furthermore, we recommend a "look back" after 6 months to determine if we are servicing the account properly or need to make any adjustments to team, time or fees. Our blended rate is \$220/hr. which equates to approximately 38 hours per month.

d. Budget Adjustments

i. As we roll out tactics and monitor our performance, we would like the ability to optimize our budget to those tactics that prove successful, so to that end we view these budgets as flexible. For instance, after review, we may want to apply the online partnership budget to online advertising or vice versa. We just ask for your flexibility once our data rolls in and we can assess success levels and metrics.

### 2017-2018 BUDGET ROLL UP

• Website reskin	\$50,000
• Virtual Reality (VR) Experience	\$40,000 (Placeholder)
• Programmatic Online Media	\$80,000
• Search Engine Marketing	\$20,000
• Online Partnerships	\$30,000
• Shareable Online videos	\$30,000
• Agency Service Fees	<u>\$100,000</u>

TOTAL

\$350,000

The MCTC has our commitment to provide you our very best thinking, strategy, creative and management. We do not view you as a “small account.” Rather, we view you as a beautiful community of entrepreneurs that need some professional support. The kind of support that we happen to excel at.

As I said in our meeting, it's easy to sell more shoes for Nike, or peddle more I pads for Apple. At the end of the day, did we really make that big of an impact to their faceless shareholders? The opportunity for us with MCTC is to help real people and a community succeed. To support a great small community and make a real difference in the lives of people we hope to call our friends. That get us excited!

You have our word on it

Russell Quinan  
President, Co Founder  
TheorySF

### TACTICS & MEASUREMENT VS. PURCHASE FUNNEL



