



MEMO

Date	2.1.17
Client	MCTC
Client Team	B. Haugen
Prepared By	R. Quinan
Re:	Memorandum of Understanding 2016-2017

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 2016-2017.

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 our scope-of-work with this in mind.

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. This time it will be different.

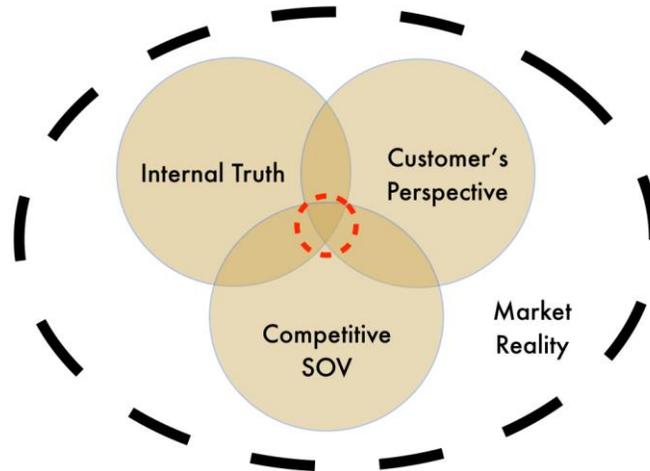
2016-2017 A TIME FOR INTROSPECTION

During this initial time period our goal will be to come up to speed on the “flavor” of Mendocino County. We will treat this assignment just as we would for any brand entering and competing in a commoditized marketplace. I know this may be a bit of a different thought process, considering yourselves a brand, but I assure you that you are a brand, and a darn good one. But, just like any brand, you need to discover your soul and which audience you are perfect for. As we’ve said many times, you can’t boil the ocean. “Everyone” is not your target.

The following steps represent our approach for deep diving into the Mendocino County brand due diligence.

1. Strategy Development

- a. First and foremost, the TheorySF team will come up and have a ball in Mendocino County and really get the flavor of the area, the attractions, the people, the restaurants, the lodging, the wineries, etc. so we can represent it accurately.
- b. Perform competitive alternative research
 - i. Research communications strategies, creative and social programs for Napa, Sonoma, Carmel, Monterey, etc.. This will enable us to have insight as to how our competitors are messaging our same audiences. We will not want to copy them and must find our own differentiated and unique communications strategies and tactics.
- c. Meet and “Deep dive” with members of the board as well as Marketing Committee and tourism-impacted businesses.
 - i. In depth discussions with board members and local businesses to learn directly from them what has worked in the past and their desires for the future.
 - ii. Additionally, we’ll want to establish reasonable business metrics for success for our new branding and communications programs. Given the fact that we are not converting on the main website, we would recommend monitoring “Mendocino County” Google search volume, Website visits and of course number of outgoing refers to local businesses.
- d. Conduct focus groups with visitors to understand their beliefs, attitudes and values with respect to “getaway” vacations.
 - i. Perform both focus groups and street “intercept” research (on video) with current visitors and learn how and why they made their decision to visit Mendocino County.
- e. Develop and present preliminary positioning options
 - i. We must develop a unique and completely differentiated brand positioning for Mendocino to have a chance. Think Apple’s Ipod launch and the positioning of, “1000 songs in your pocket.” What is Mendocino?
 - ii. See chart below. The sweet spot for strategic brand positioning is at the intersection of the customer’s needs, your internal truth (or what makes you special) and competitive messaging. All within the context of the reality of the market. This is why we pay particular attention to these areas in our due diligence—mentioned above.



- f. Revise positioning based on feedback
 - i. We share our positioning options with you and discuss the implications of each positioning and how it may affect brand creative. Based on your feedback we will tweak the positioning to make it fit just right. Once it's approved, we'll begin the branding phase.
- 2. Branding
 - a. Begin brand creative exploratory that communicates the positioning
 - i. Once we agree on a go-to-market positioning, we'll brief our creative teams and let them come up with numerous visual and messaging creative approaches. We'll show you a continuum of work from soft and traditional through more aggressive. Together, we'll then hone it to perfection.
 - b. Present creative options to Marketing Committee and Board
 - i. We'll present 3 - 5 brand creative approaches for you to review and "oooh" and "ahh" over. This is always a fun presentation with great and lively discussion.
 - c. Revise brand creative based on feedback
 - i. Once we have presented our creative ideas for how Mendocino County needs to communicate to attract more visitor attention, we will listen to your feedback and make any necessary revisions to ensure you love the work and would be proud for the world to see it. Because with our plan, the world will.
 - d. Represent brand creative for approval
 - i. Once we receive final approval, we'll have our new Mendocino County competitive messaging, brand look and feel, target audience segments all ready to go for implementation into communication tactics.
 - e. Develop Brand Style Guide

- i. After the brand has final approval, we will create a brand "Quick Start Guide" to allow local MCTC folks to correctly implement the new brand on the communications that TheorySF does not develop.
3. A snapshot in time
 - a. We'll want to capture and measure all traffic from all sources to use as our baseline for the following year in which we predict a rise on all levels.

BUDGET

This engagement will require approximately \$100,000 and 3-4 months to complete. We normally charge between \$150k to \$200k for similar work on other brands. But we really want to work with MCTC and can make your budget level work. We think this will be a tremendous case study for TheorySF and we're willing to invest to make it happen.