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Explore Minnesota Tourism

Agency Profile 1

Explore Minnesota Tourism — Agency Profile

https://www.exploreminnesota.com/

AT A GLANCE

Explore Minnesota is the state's official tourism promotion agency. Through advertising, marketing, education, industry and other programs, it supports the thousands of businesses and organizations that make up Minnesota's tourism economy. The tourism industry in Minnesota generates:

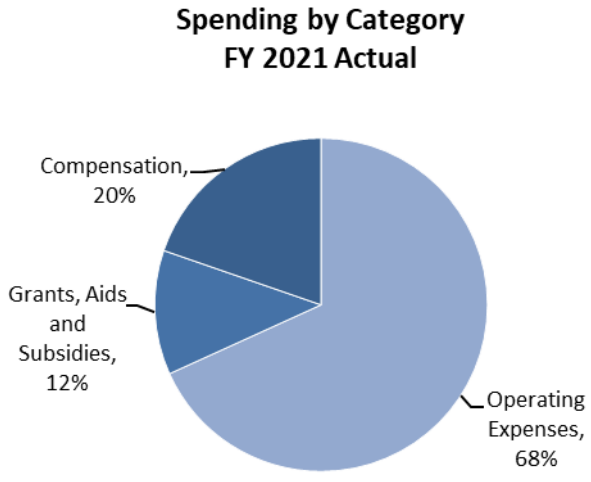
- **Sales:** $11.7 billion in gross sales in 2020.
- **Jobs:** Nearly 205,000 full- and part-time jobs in 2020, or 9 percent of total private sector employment.[1]
- **Wages:** $4.9 billion in wages.[1]
- **Revenue:** $731 million in state sales tax revenue in 2020, or 12 percent of state sales tax revenues.
- **Return on Investment:** Every $1 in state tourism advertising results in $18 in state and local taxes and $180 in spending by travelers.[2]

1: Source: Bureau of Labor Statistics, U.S. Department of Labor, 2020
2: Source: January 2020, SMARInsights, Spring Summer 2019 ROI/Economic Impact Research Study (https://mn.gov/tourism-industry/assets/EMT%202019%20ROI%20report_rev%20final_tcm1135-438890.pdf)

PURPOSE

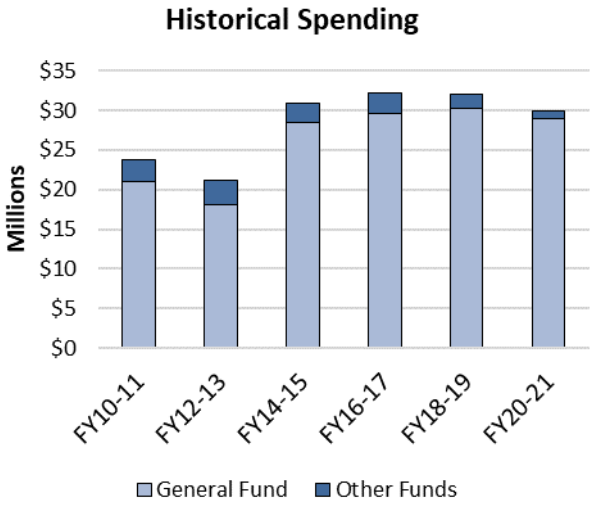
The mission of Explore Minnesota Tourism is to inspire consumers and facilitate their travel to and within Minnesota. The agency does this by marketing Minnesota travel products and opportunities to consumers, including communities, lodging, museums, attractions, restaurants, events, and outdoor recreation. Through consumer advertising, public relations, publications, websites, social media, international marketing, and other efforts, Explore Minnesota Tourism reaches millions of potential travelers each year.

BUDGET



Explore Minnesota's Operating Expenses include advertising, marketing, public relations and other tourism promotion efforts.

Source: Budget Planning & Analysis System (BPAS)



Historical Spending is inclusive of pass-through appropriations.

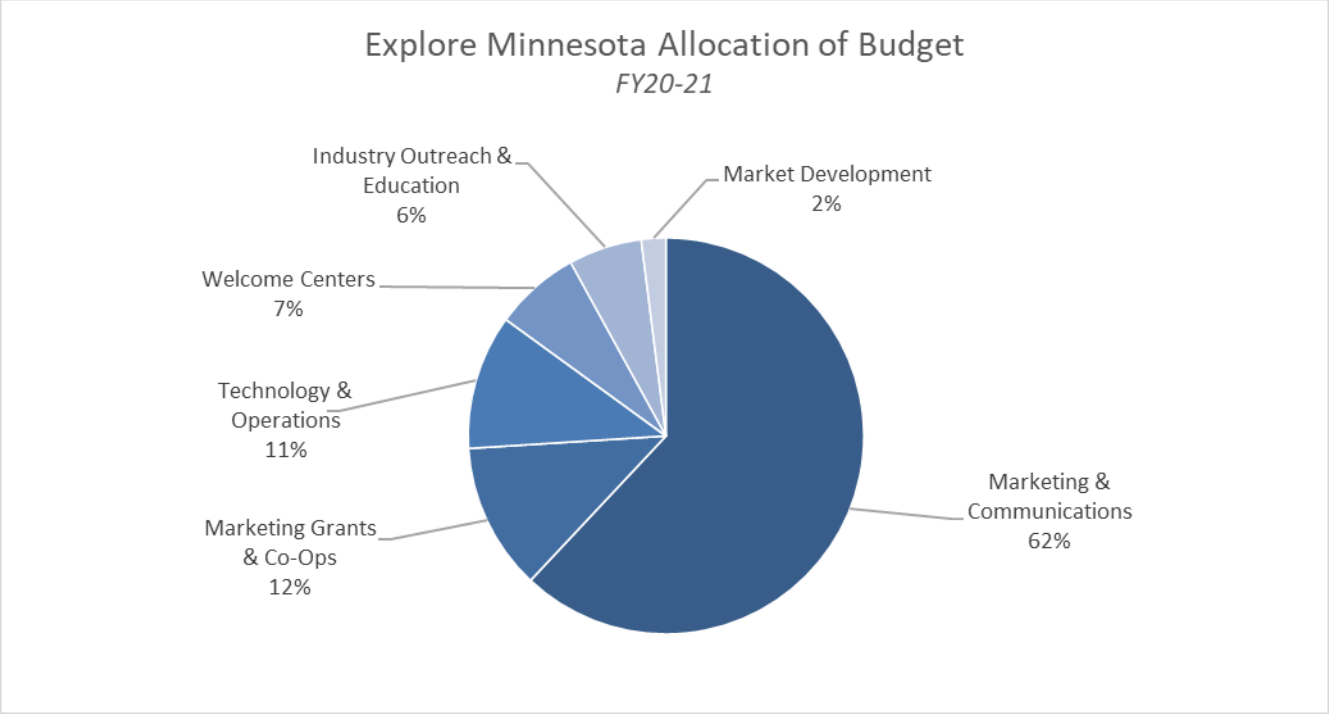
Source: Consolidated Fund Statemen

Explore Minnesota Tourism has a total biennial budget in FY22/23 of $28.8million in general fund appropriations, and $1.06 million in revenue through advertising sales and marketing programs. It also partners with public and private organizations to maximize resources and reach more consumers.

STRATEGIES

Explore Minnesota Tourism:

- Drives economic vitality by influencing visitation from new and existing domestic and global markets.
- Creates inspirational and differentiating advertising and promotions that market Minnesota as a travel destination, reaching new audiences through highly-targeted marketing tactics.
- Increases consumer reach and engagement through creation of unique content, innovative campaigns and travel information for online, social media and public relations platforms, publications and customer service.
- Engages stakeholders and invests in public/private partnerships to leverage state funding and provide opportunities that support recovery and sustainability for Minnesota's tourism industry and communities.



Includes $500,000 in supplemental state funding available when private sector support generated by Explore Minnesota is at least $3 million.

During the past biennium, our focus has been brand awareness, consumer engagement and partner collaboration.

Brand Awareness: Explore Minnesota was agile and responded to opportunities and changes in the marketplace to elevate Minnesota as a top vacation choice. A specific "Welcome Back" campaign was developed to invite Canadian travelers back to the state after borders were re-opened in late 2021. In spring 2022, we launched a new campaign, Dream State, created in response to the change in travel behaviors due to COVID. Goals are to create deeper emotional connections with travelers and more differentiation between competitors, while continuing to support the recovery of the tourism industry. Creative features our unique product combination of outdoor recreation and urban vibrancy. National campaigns focused on paddling (canoeing, kayaking, paddleboarding), live concerts and events, and golf in summer 2022, hiking and biking in fall 2022, outdoor recreation and performing arts in winter 2022-23, and national parks and culinary travel in summer 2023. These campaigns are targeted to audiences who travel specifically for these activities and result in return-on-investment that's two to three times that of the general marketing.

Ongoing work for FY23 will include coverage of additional destinations and travel opportunities. Stronger integration of diversity and accessibility will communicate a welcoming travel experience for all visitors.

Measures of our effectiveness are the overall indicators of Minnesota's visitor economy: visitor volume, leisure and hospitality gross sales, taxes and jobs.

Consumer Engagement: Consumers look to Explore Minnesota as the expert for travel information. We distribute over 300,000 publications annually and in FY22 grew our newsletter subscriber base by over 45,000 (+15%).

A variety of partnership marketing initiatives were developed that used mobile passports to drive web traffic, lead generation, and incentivize people to travel and check out businesses throughout the state. Seasonal sweepstakes around a variety of activities such as hiking, downhill skiing, and professional sports encouraged web traffic and generated leads for ongoing communication.

Marketing and inspiring communications drove over 6.8 million visits (+19%) to ExploreMinnesota.com and over 12 million pageviews in FY22. Over 5 million pageviews took visitors to website listings for Minnesota destinations and tourism businesses. New content promoted safe travel in times of uncertainty, regional "Dream State" vacation ideas and Trip on a Tankful itineraries for value- and sustainability-oriented travelers. EMT has continued to increase its collaborations with a variety of diverse writers and social content creators (BIPOC and people with disabilities) to represent authentic travel perspectives. Seasonal content highlighted outdoor recreation, key events and attractions that provide ongoing entertainment. A large-scale activation was developed for St. Louis and Chicago markets. A walk-through experience promoted Minnesota as a Dream State, using video, ambience and social photo opportunities, a sweepstakes and on-site brand ambassadors to engage crowds at the St. Louis Pridefest and Chicago July 4th weekend festivities.

Throughout the year, our social strategies led to increased followers on every platform for total social audience of over 578,000, nearly 71 million impressions and nearly 20.5 million engagements (shares, comments, likes, etc.).

Main measures include website analytics, newsletter subscribers, publication requests, social followers and engagements, return on advertising spend.

Partner Collaboration: In 2021-2022 created two grant programs specifically for non-profit destination marketing organizations across the state. One program was funded by a $750K appropriation for the purpose of expediting tourism recovery for Minnesota communities, the other was a $1 million program funded through base budget to support marketing-related initiatives. Grants were given to over 150 organizations and communities and required no cash match. Future industry grant programs are at risk without expansion of budget.

A cooperative marketing program was created, funded at $500K from base budget for the purpose of providing lower cost marketing tactics and opportunities to tourism communities and businesses throughout the state. The program involved 26 vendors, yielded 155 industry participants and resulted in $540K in cash contributions from the industry and $1,4 million in added value from the vendors.

A co-op program specifically for the advancement of sports-related business and sports marketing was created in FY2021 utilizing two specific sports technology matchmaking systems. These platforms aim at connecting Minnesota communities and venues with sports events right holders and planners. From the base budget $40K was dedicated; over 20 communities participated and contributed equal funds. These platforms generated hundreds of leads for communities around the state and helped to create a sense of place for Minnesota in the business of sports, a high growth and highly competitive marketplace. This program was discontinued in FY2023 due to budget limitations, but with future funding could be enhanced and expanded to include no-cost representation for all Minnesota communities and create new business opportunities from a growing market segment.

Explore Minnesota operates six travel information/welcome centers in partnership with MNDOT and maintains programmatic relationships with an additional 50 partner and affiliate centers around the state. The welcome

center program also includes brochure distribution programs at Mall of America and MSP International Airport and distributes travel information to consumers on behalf of over 400 tourism communities and businesses.

In November 2021, a new director was appointed and our efforts shifted from recovery as a sole focus to recovery and growth. There were several priorities that were critical to address: the public/national perception of Minnesota as a safe and welcoming place; diversity, equity, inclusion and accessibility; Explore Minnesota's role as a leader for the state's tourism industry; and labor issues in the tourism workforce.

While many projects remain underway, we saw growth in several of these areas, even with a limited budget.

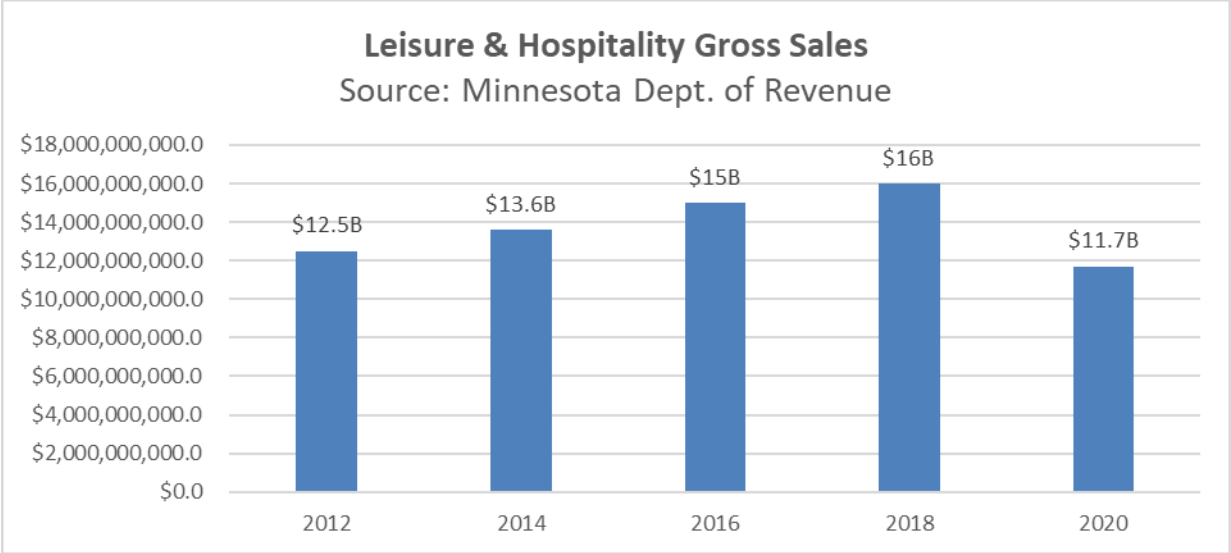
Perception of MN: Explore Minnesota continues to support the work of St. Paul, Minneapolis, and Bloomington as they lead the metro in travel. Meet Minneapolis is currently developing several new marketing initiatives to show how Minneapolis is a safe and welcoming location. Our team continues to work with them on messaging to ensure we can help promote those values. We have featured Minneapolis in several ads over the past few years to show the various welcoming aspects of the city.

Diversity, Equity, Inclusion and Accessibility: One of our largest areas of growth. We partnered with Twin Cities PRIDE in 2022 with our largest partnership to date. We also supported DEED's booth at PRIDE fest and promoted the event at international travel trade shows. We worked with multiple content creators in this space as well, including a couple who visited MN during the festival and then traveled to other cities in MN. We also worked with a content creator, Curb Free with Cory Lee, who traveled to several destinations in the state highlighting wheelchair accessible accommodations. As we continue to develop our programming in this area, we will put more emphasis on community-based conversations and ideas. We started working Native Nations in MN to discuss their needs and desires around tourism. By the end of 2022, we hope to have visited with all 11 Nations in MN to listen to how they currently aim to attract visitors and if there are needs they have of our office to support visitor attraction.

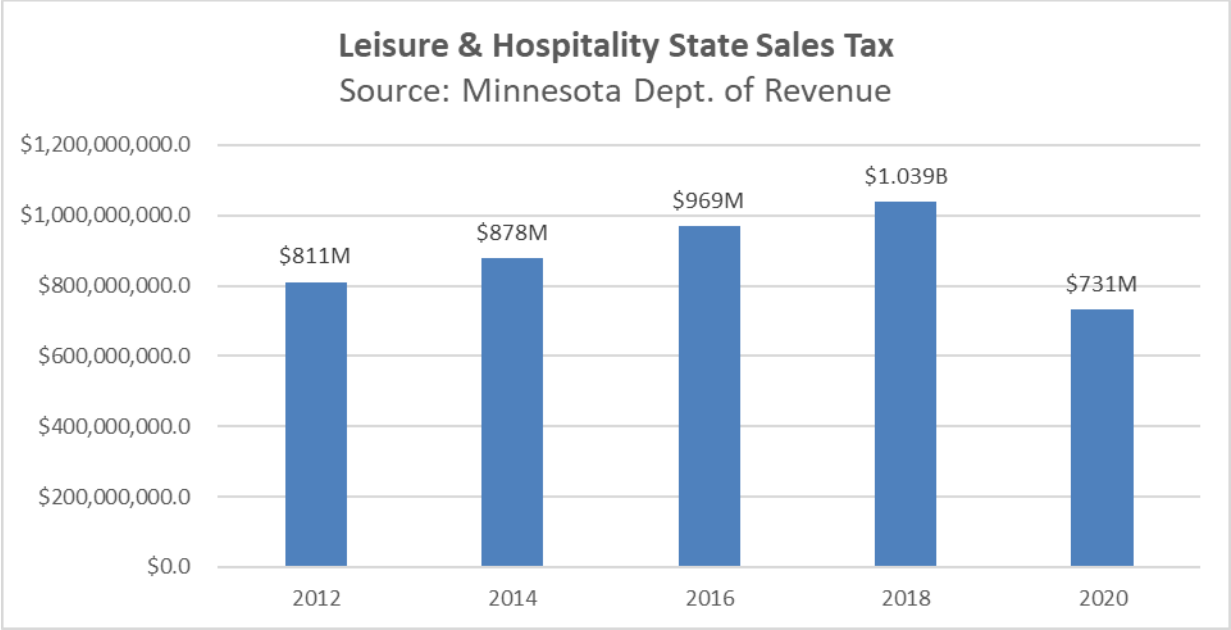
EMT as an Industry Leader: Explore Minnesota provides accessible, on-demand learning opportunities through recorded webinars, and also produces a statewide annual Tourism Conference specifically designed for Minnesota's tourism industry. Topics include marketing, PR, social media, accessibility, diversity and inclusion, customer service, new technologies, destination development and industry best practices. Recordings are freely accessed on our tourism industry website, along with information on our programs and areas of work, industry opportunities, resources and research.

We continue to share best practices and standards with Minnesota's tourism industry in areas of website accessibility, new and emerging technologies for tourism and consumer trends. Workforce in the tourism industry, which is primarily leisure and hospitality, continues to be one of the largest issues impacting a slow recovery. Explore Minnesota works closely with DEED to develop new ideas around how to find and retain new workers in the space. We also work with the University of Minnesota Tourism Center, Hospitality Minnesota and the State Legislature to develop programming and funding for hospitality workforce programs. However, the most recent proposal for the development of the hospitality training program was not advanced at the Capitol in 2022. Continuing in 2022 and 2023, EMT will explore the development of a program aimed at marketing careers in tourism and hospitality. Though funding is not currently available in the existing budget, it will be included in the upcoming budget proposal.

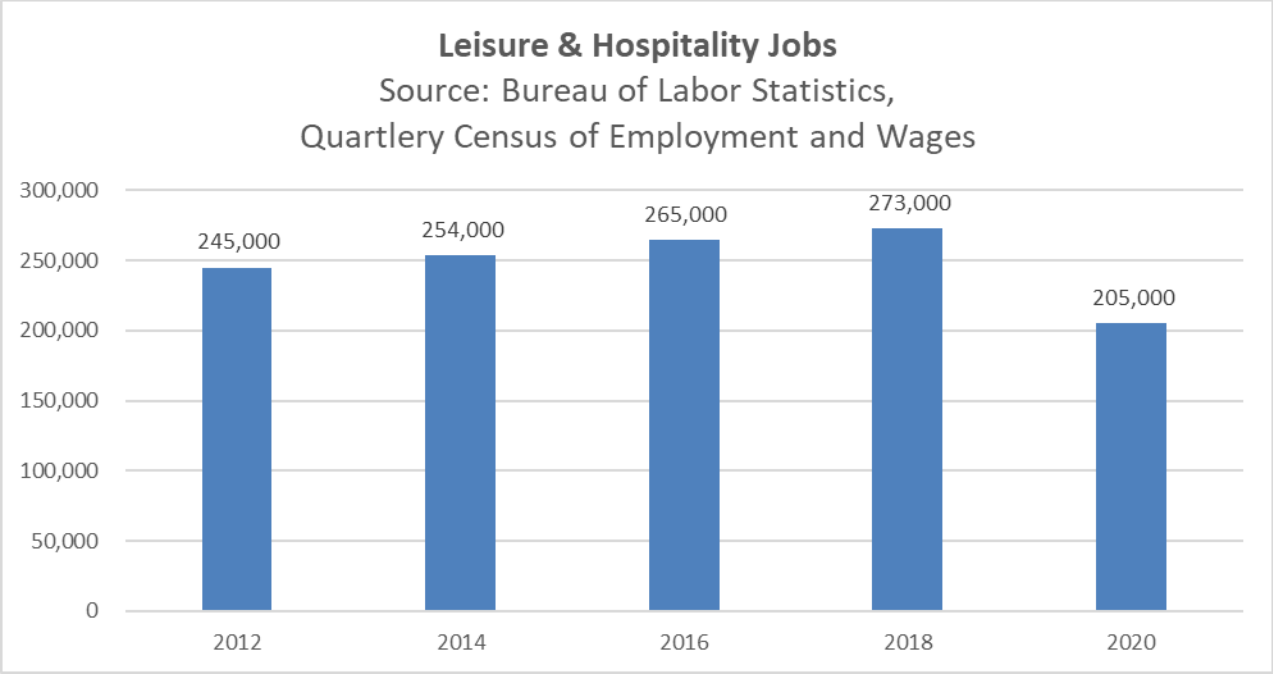
RESULTS



Minnesota's leisure and hospitality industry is a major provider of tourism services. The increase of gross sales in this sector illustrates the effect of successfully advertising to inspire travel to and throughout Minnesota. However, in 2020 a clear and steep decline due to the lack of travel is evident. Despite some indicators, we still see a loss of more than $16B since the start of the pandemic.



Minnesota's leisure and hospitality industry is crucial to the state's economic vitality, accounting for 18% of total state sales tax revenue. This chart demonstrates how negatively the pandemic impacted tourism. Additionally, EMT spent less on marketing and more on recovery grants and other industry relations activities in 2020 to support a more even recovery.



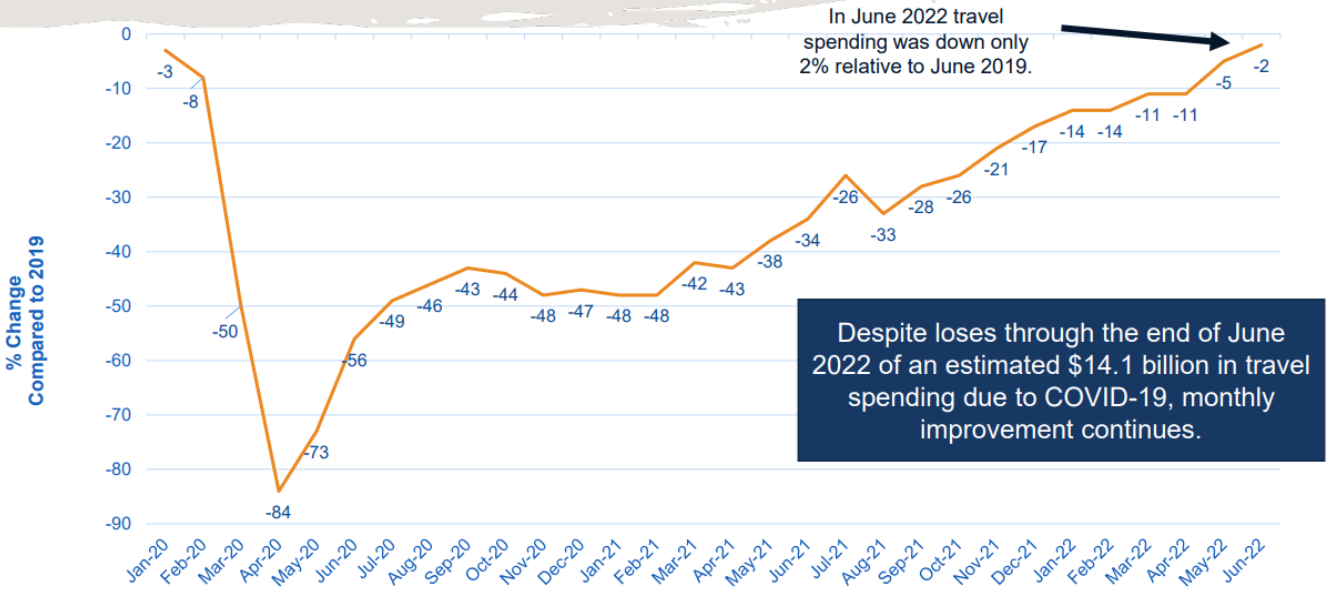
Minnesota's 273,000 leisure and hospitality jobs accounted for 11% of the state's total private sector employment in 2018. Though 2020 saw a sharp decline, we still continue to see slow growth for jobs in this industry. Leisure & hospitality continues to have one of the largest workforce shortages in the state.

Explore Minnesota Tourism's advertising campaigns generate millions of Minnesota trips that would not otherwise take place. The spring/summer 2019 campaign generated 2.36 million incremental person-trips. The impact of this travel included $708.6 million in travel spending in Minnesota and $69.4 million in state and local taxes. Every dollar Explore Minnesota invested in the campaign resulted in $180 in travel spending and $18 in state and local taxes; the return on investment for Explore Minnesota's spring/summer 2019 campaign was 180:1 for travel spending and 18:1 for state and local taxes. Source: Strategic Marketing and Research Insights, January 2020

The below graphics show an increase in travel over time. Our monthly Travel Indicators Report (https://mn.gov/tourism-industry/assets/EMT%20July%202022%20Travel%20Indicators%20-%20Final_tcm1135-538578.pdf) includes information for the tourism industry regarding short-term rentals, hotel occupancy and travel spending. All recent indications do show a slight positive progress toward recovery.

The charts demonstrate a result—an increase in visitation to Minnesota based on an increase in campaign spending.

Minnesota Travel Spending Trend – Spending % Change Compared to 2019
January 2020 - June 2022

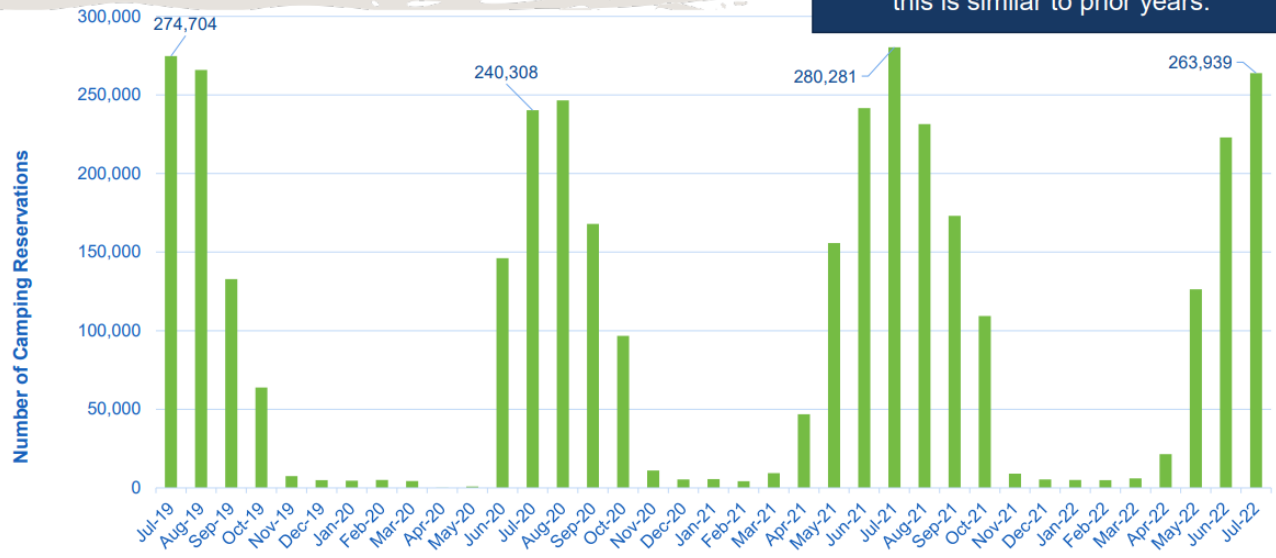


EXPLORE MINNESOTA

Source: Tourism Economics; July 2022 spending loss information will be included in the August 2022 Travel Indicators Report

Minnesota State Parks Overnight Camping Trend
July 2019 - July 2022 with July data highlighted

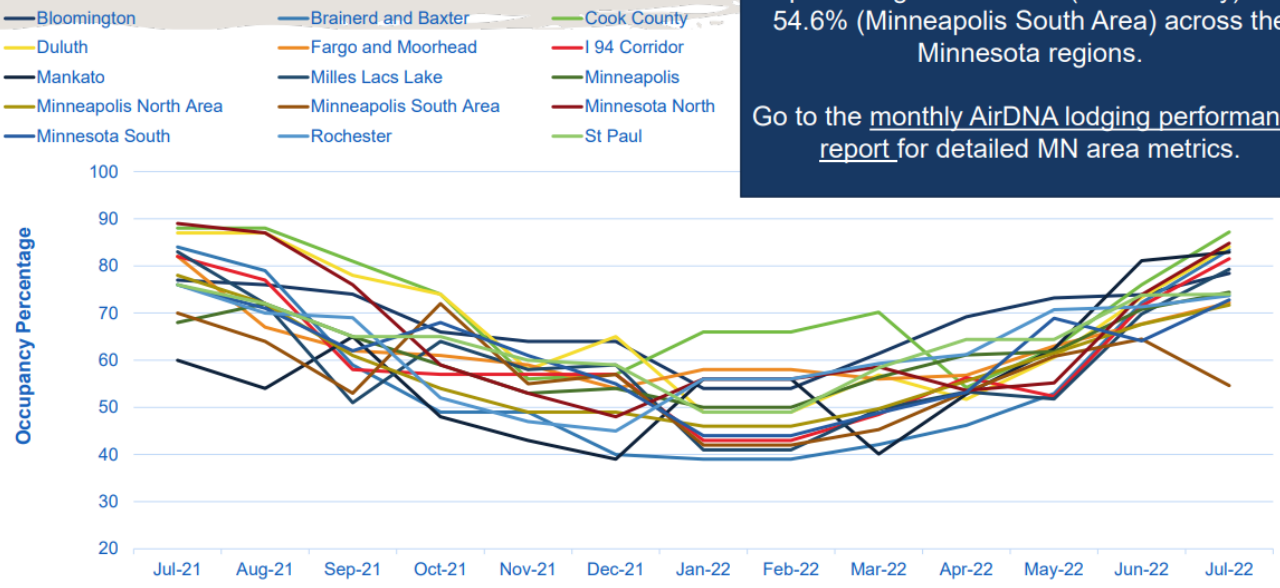
In July 2022 there were approximately 264k overnight camping reservations, this is similar to prior years.



EXPLORE MINNESOTA

Source: Minnesota Dept. of Natural Resources

Minnesota Areas Short-Term Rental Occupancy Percentage
July 2021 - July 2022



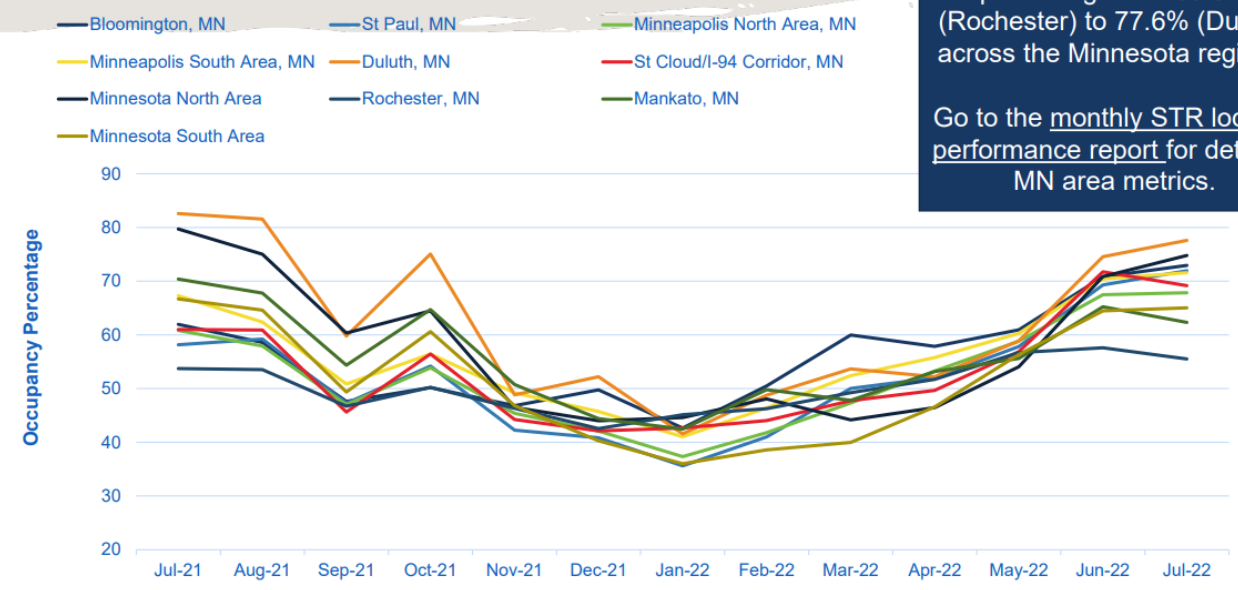
In July 2022 short-term rental occupancy percentage was 87.2% (Cook County) to 54.6% (Minneapolis South Area) across the Minnesota regions.

Go to the monthly AirDNA lodging performance report for detailed MN area metrics.

EXPLORE MINNESOTA

Source: AirDNA; Minneapolis is defined as downtown Minneapolis and not the greater Minneapolis/St. Paul metro area and Data is for "entire place" rentals which includes rentals of all sizes from studios to 4 bedroom plus

Minnesota Areas Hotel Occupancy Percentage
July 2021 - July 2022

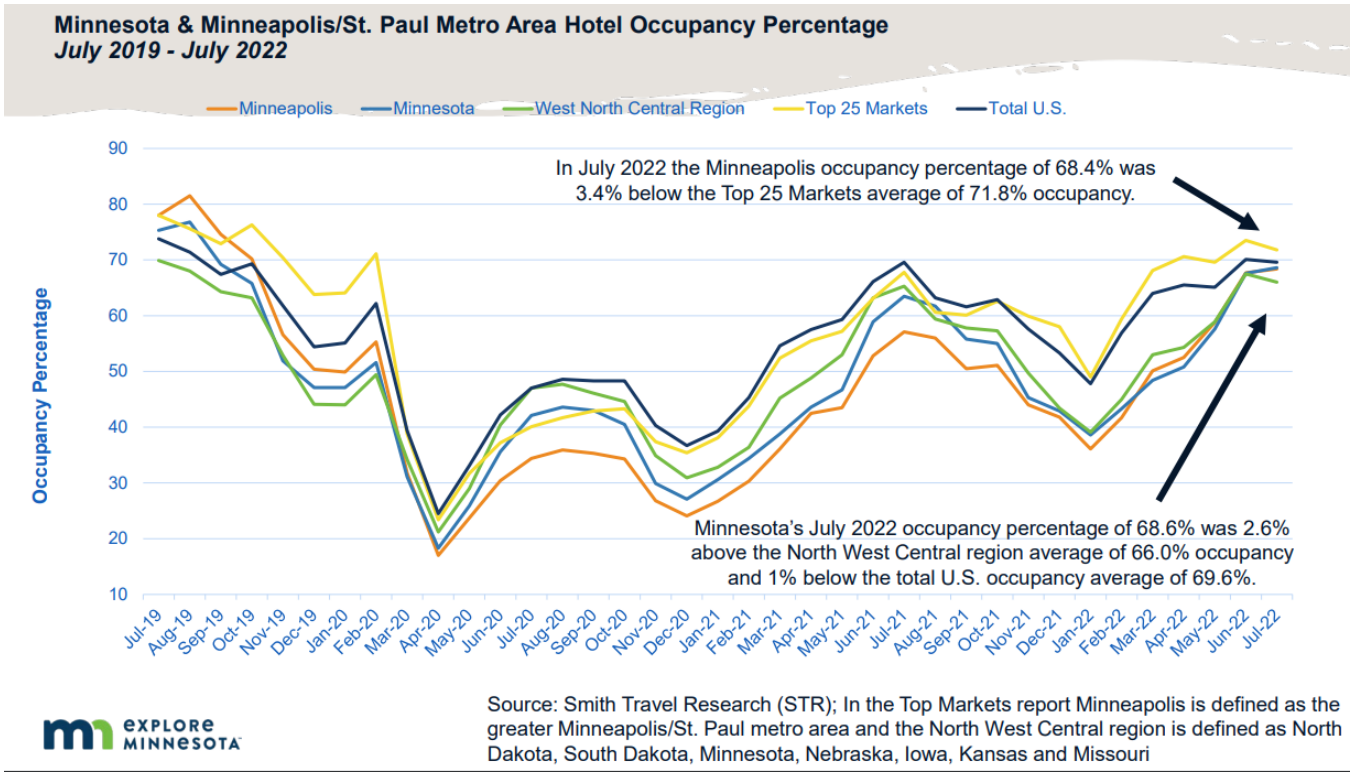


In July 2022 hotel occupancy percentage was 55.5% (Rochester) to 77.6% (Duluth) across the Minnesota regions.

Go to the monthly STR lodging performance report for detailed MN area metrics.

EXPLORE MINNESOTA

Source: Smith Travel Research (STR); In the MN Areas Report Minneapolis is defined as downtown Minneapolis and not the greater Minneapolis/St. Paul metro area



Content creators

Content creators also continue to be a great way to see positive results and support our efforts to increase our audiences and welcome a more diverse traveler to Minnesota.

Type of Measure	*Name of Measure*	*Previous Value*	*Date*	*Current Value*	*Date*
Quantity	Amount paid	$21,300	FY22	$31,710	FY23
Quality	Number of content creators hired	8	FY22	6	FY23
Results	We recalibrated our content creator program between FY22 and FY23. Toward the end of FY22, we started focusing more on the variety of content we received from creators. While previously, it would have only been an article for our travel guide, or just social media posts, we now focus more on the whole experience. We work with content creators to travel the state and highlight specific areas or destination to support the strategic plan. For example, in FY22, we worked with the Wanderful Wives to promote the LGBTQIA+ community in MN. For $11,700 they traveled to MN to participate in the 50th Anniversary of Twin Cities Pride, but also traveled to Winona to hike and visit some of the local attractions. This resulted in a story reach of 99,204, 90,342 impressions, and 13,443 active engagements (plays, comments, likes, shares, saves) on Instagram. Not only did we spend more money, but we received far more intangible assets that we could not have generated on our own. Showing real people from the LGBTQIA+ community helps potential travelers discover themselves in MN and feel welcome.	$1,000 for one story	Beginning of FY22	$11,700 for 1 travel article, 3 Instagram reels, 3 Instagram posts, 8 Instagram story slides tagging partners, photography rights, promotion of the 2023 travel guide, analytics from the trip. Specific focus on new strategic plan initiatives.	End of FY22

MS 116U.30 (https://www.revisor.mn.gov/statutes/?id=116U) provides the legal authority for Explore Minnesota Tourism.