

Minnesota

2014 Tourism Advertising Evaluation Study

January 2015

Research Objective



- The purpose of this research was to provide *an evaluation of Minnesota's Spring/Summer 2014 "Only in MN" tourism advertising campaign in terms of:*
 - *Awareness of the advertising*
 - *The bottom line return on Minnesota's investment in the campaign in terms of:*
 - *Incremental travel to Minnesota*
 - *Incremental visitor spending in Minnesota*
 - *Incremental state and local taxes*

Background



- Minnesota expanded their advertising markets in 2014:
 - *Existing markets include Minnesota, North Dakota, South Dakota, Illinois, Iowa, Wisconsin, and Winnipeg, Manitoba, Canada*
 - *New markets this year include Colorado, Missouri, Montana, Nebraska, Wyoming, Kansas and Regina and Saskatoon, Saskatchewan, Canada*
- Total advertising investment was \$4.7 million
- Media employed included TV, Radio, Digital, Print and Out-of-Home.

Research Method



- The study was conducted among a representative sample of adult travelers residing in Minnesota's advertising markets.
 - *'Travelers' mean respondents had taken a day and/or overnight pleasure trip anywhere in the past 3 years and intend to take another in the next 2 years.*
- The study was conducted via a major American online consumer panel with a sample demographically balanced to represent the population in the markets surveyed.
 - *1,244 individuals responded to the research.*

Research Method (Cont'd)



- ◉ Questionnaire content included:
 - ◉ ***Travel to Minnesota***
 - ◉ *Respondents reported trips they took to Minnesota during and shortly after the advertising campaign.*
 - ◉ ***Advertising Awareness***
 - ◉ *Actual creative from the Spring/Summer 2014 campaign was exposed and respondents reported recall of each.*
 - ◉ *We use this forced exposure approach to ensure that we are measuring the State sponsored advertising only – not that of Minnesota attractions and accommodation facilities.*

Research Method (Cont'd)



- **ROI calculation:**

- *The **Longwoods R.O.EYE™** method quantifies the relationship between awareness of campaign elements and trip taking.*
- *A baseline measure is generated to estimate the level of visitation that would have occurred in the absence of advertising activity.*
- *Using the principles and techniques of experimental design, we control for the effects of internal and external factors that could otherwise influence the result, such as economic conditions, weather, prior visitation, etc.*

The Campaign

Longwoods INTERNATIONAL



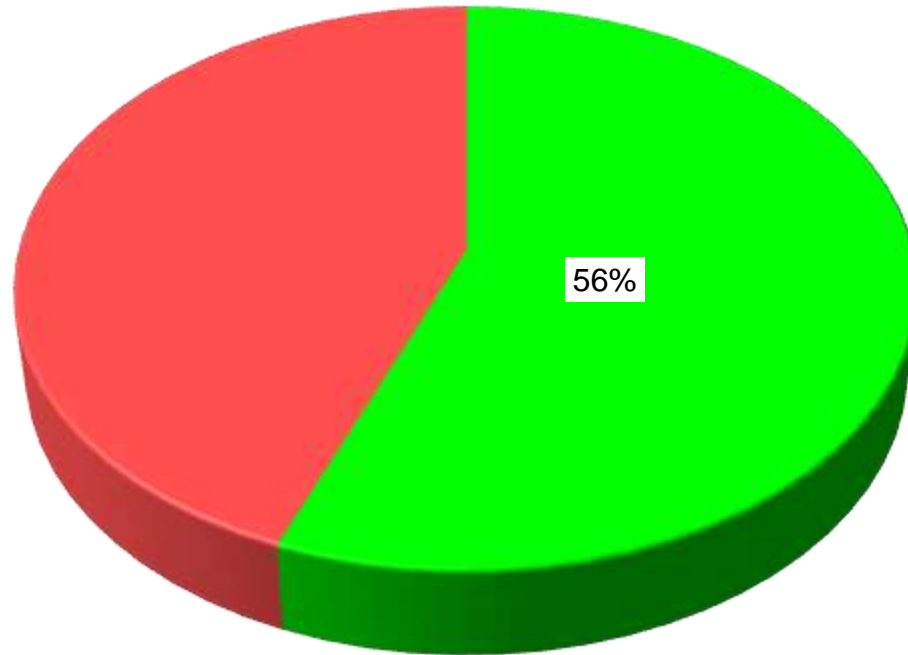
Main Findings

Advertising Impacts

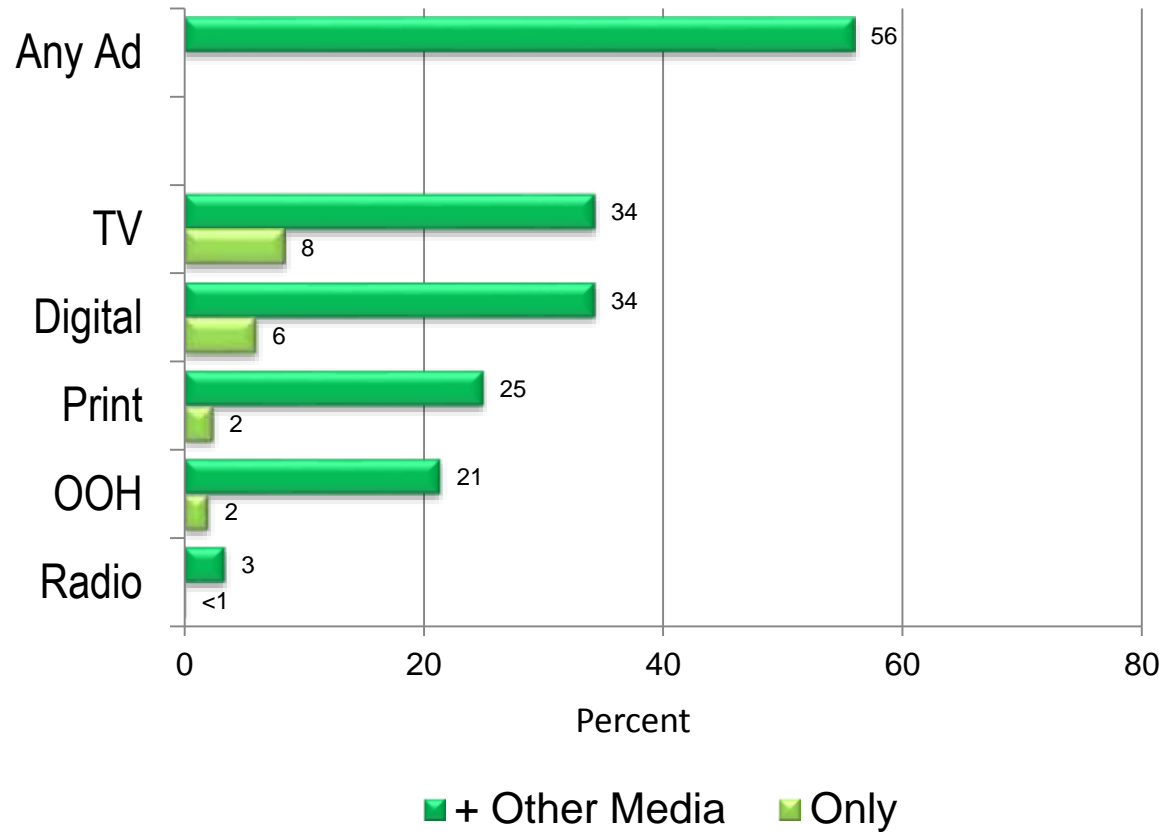


- 56% of all respondents were aware of at least one of Explore Minnesota Tourism's ads.
- Among those who saw Minnesota ads in several types of media, ad recall was highest for television and digital ads (34% each). Among those who only saw ads in one medium, TV ads had the highest recall (8%), followed by digital (6%).
- The campaign generated 3.1 million incremental trips that would not otherwise have taken place, which brought \$320.2 million in incremental visitor spending and \$29.7 million in state and local taxes.
- 1.7 million incremental trips were overnight trips and 1.4 million were day trips.
- It cost \$1 in advertising to generate each incremental trip.
- Every \$1 invested in the Minnesota ad campaign in the evaluated markets generated \$68 in visitor spending and \$6 in tax revenue for the benefit of Minnesota residents.
- In addition to the short-term impacts, we estimate that the advertising has influenced the planning of a further 1.97 million trips to Minnesota in 2015. Although not all of these trips will happen, we expect that a sizeable proportion will convert, adding significantly to the return on Minnesota's investment in tourism marketing.

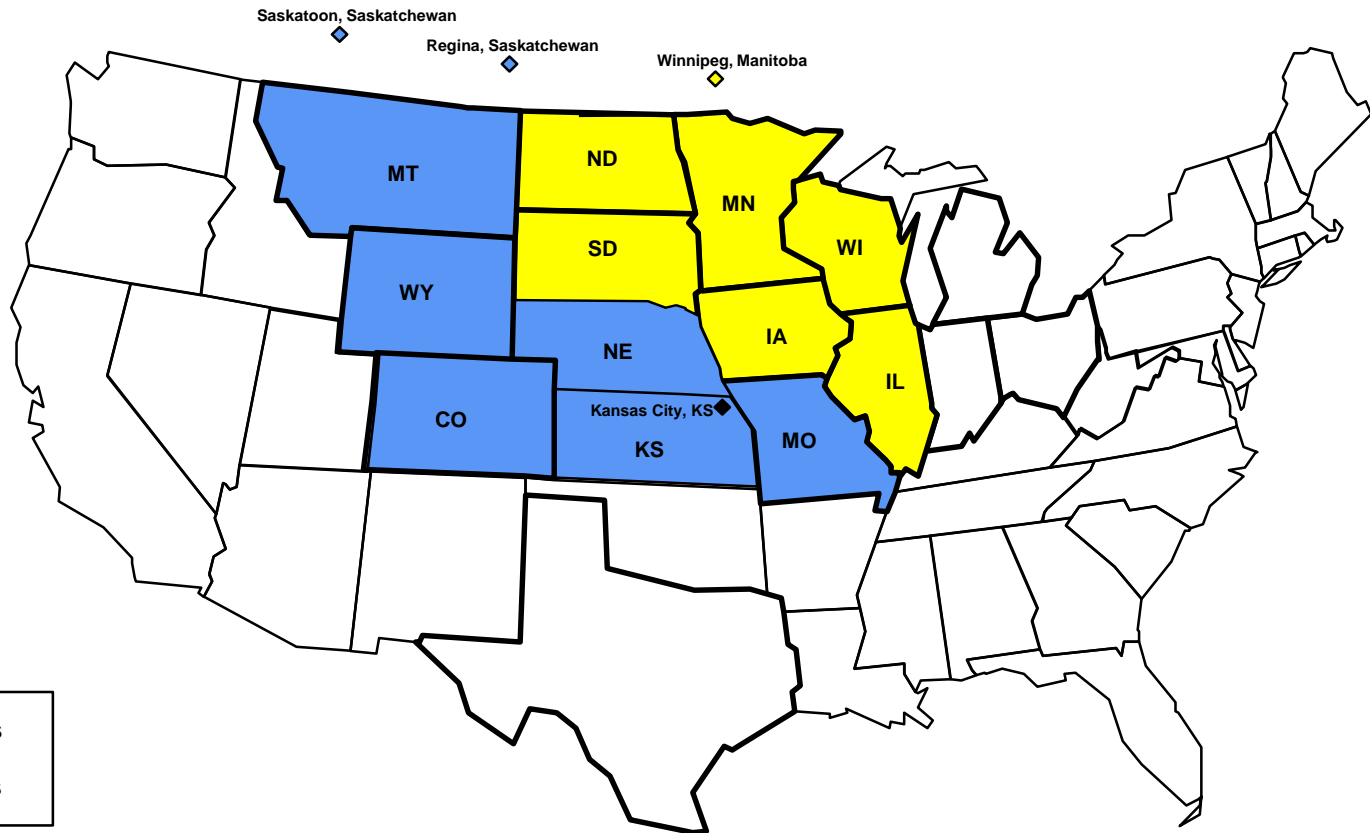
Awareness of Minnesota's Advertising



Awareness by Media



Minnesota Sample Markets



Incremental Trips, Spending and Taxes Due to Advertising



	2014 Ad Campaign
Ad Investment	\$ 4.7M
Incremental Trips	3.12M
Incremental Visitor Spending	\$ 320.2M
Incremental Taxes	\$ 29.7M
Incremental Jobs	3,550
Incremental Employee Income	\$80M

- Ad Investment includes Production/Fulfillment/Other Costs
- Effective tax rates developed from 2014 MN Adv. Impact Analysis: State (5.9%)+Local (3.3%) = 9.3%
- All incremental impacts are direct only

Incremental Trips Due to Advertising



	2014 Ad Campaign
Overnight Trips	1,663,690
Day Trips	1,461,217
Total	3,124,907

2014 Campaign Efficiency



	2014 Ad Campaign
Ad \$'s per Trip	\$1.50
Trips per Ad \$	0.7

The Bottom Line in 2014



	2014 Ad Campaign
Spending ROI	\$68
Tax ROI	\$6
Income ROI	\$17
Jobs per \$1000 invested	.76

Longer-term Impact of Advertising – Intent to Visit Minnesota



Intend to Visit Minnesota in Next 12 Months*	
Overnight Trip Intenders	982,935
Day Trip Intenders	983,468
Total Intenders	1,966,403

* Among those who did not visit Minnesota in 2014