Minnesota
2014 Tourism Advertising Evaluation Study

January 2015
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
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.
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.
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
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

56%
Awareness by Media

- Any Ad: 56% + Other Media, 34% Only
- TV: 34% + Other Media, 8% Only
- Digital: 34% + Other Media, 6% Only
- Print: 25% + Other Media, 2% Only
- OOH: 21% + Other Media, 2% Only
- Radio: <1% + Other Media, 3% Only
Minnesota Sample Markets

- Winnipeg, Manitoba
- Regina, Saskatchewan
- Saskatoon, Saskatchewan
- Minnesota Sample Markets
- MN
- IA
- WI
- IL
- ND
- SD
- NE
- MO
- KS
- MT
- WY
- CO
- Kansas City, KS

Old Markets
New Markets
### Incremental Trips, Spending and Taxes Due to Advertising

<table>
<thead>
<tr>
<th></th>
<th>2014 Ad Campaign</th>
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<tbody>
<tr>
<td>Ad Investment</td>
<td>$4.7M</td>
</tr>
<tr>
<td>Incremental Trips</td>
<td>3.12M</td>
</tr>
<tr>
<td>Incremental Visitor Spending</td>
<td>$320.2M</td>
</tr>
<tr>
<td>Incremental Taxes</td>
<td>$29.7M</td>
</tr>
<tr>
<td>Incremental Jobs</td>
<td>3,550</td>
</tr>
<tr>
<td>Incremental Employee Income</td>
<td>$80M</td>
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</tbody>
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- 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

<table>
<thead>
<tr>
<th></th>
<th>2014 Ad Campaign</th>
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</thead>
<tbody>
<tr>
<td>Overnight Trips</td>
<td>1,663,690</td>
</tr>
<tr>
<td>Day Trips</td>
<td>1,461,217</td>
</tr>
<tr>
<td>Total</td>
<td>3,124,907</td>
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## 2014 Campaign Efficiency

<table>
<thead>
<tr>
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<th>2014 Ad Campaign</th>
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<tbody>
<tr>
<td>Ad $’s per Trip</td>
<td>$1.50</td>
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<tr>
<td>Trips per Ad $</td>
<td>0.7</td>
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The Bottom Line in 2014

<table>
<thead>
<tr>
<th></th>
<th>2014 Ad Campaign</th>
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<tbody>
<tr>
<td>Spending ROI</td>
<td>$68</td>
</tr>
<tr>
<td>Tax ROI</td>
<td>$6</td>
</tr>
<tr>
<td>Income ROI</td>
<td>$17</td>
</tr>
<tr>
<td>Jobs per $1000 invested</td>
<td>.76</td>
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</tbody>
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Longer-term Impact of Advertising – Intent to Visit Minnesota

<table>
<thead>
<tr>
<th>Intend to Visit Minnesota in Next 12 Months*</th>
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</thead>
<tbody>
<tr>
<td>Overnight Trip Intenders</td>
<td>982,935</td>
</tr>
<tr>
<td>Day Trip Intenders</td>
<td>983,468</td>
</tr>
<tr>
<td>Total Intenders</td>
<td>1,966,403</td>
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</tbody>
</table>

* Among those who did not visit Minnesota in 2014