The purpose of this research was to provide an evaluation of Minnesota’s Spring/Summer 2016 “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

This report also includes the “Halo Effect” results from the Minnesota Spring/Summer 2015 campaign.
Minnesota’s advertising markets in 2016 were:

- **Traditional Markets**: Minnesota, North Dakota, South Dakota, Northern Illinois, Iowa, Wisconsin, and Winnipeg, Manitoba, Canada
- **Expansion Markets**: Colorado, Western Missouri, Nebraska, Eastern Kansas and Thunder Bay, Ontario, Canada

- Total advertising investment was $4 million
- Media employed included TV, Radio, Digital, Print and Out-of-Home.
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.

- 1,410 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 2016 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
Main Findings
60% 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 digital (45%) and television ads (41%). Among those who only saw ads in one medium, digital ads had the highest recall (13%), followed by television (7%).

The campaign generated 3.5 million incremental trips that would not otherwise have taken place, which brought $388.8 million in incremental visitor spending and $37.3 million in state and local taxes.

1.8 million incremental trips were overnight trips and 1.7 million were day trips.

It cost $1.13 in advertising to generate each incremental trip.

Every $1 invested in the Minnesota ad campaign in the evaluated markets generated $98 in visitor spending and $9 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 2.85 million trips to Minnesota in 2017. 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.
Minnesota Sample Markets

- Traditional Markets
- Expansion Markets

Locations:
- Winnipeg, Manitoba
- Thunder Bay, Ontario
Awareness of Minnesota’s Advertising

- Aware of Any Ad: 60%
- Unaware
Awareness by Media

- Any Ad: 60%
- Digital: 45% + Other Media, 13% Only
- TV: 41% + Other Media, 13% Only
- Out-of-Home: 0% + Other Media, 13% Only
- Radio: 0% + Other Media, 5% Only
- Print: 0% + Other Media, 4% Only

+ Other Media  Only
# Incremental Trips, Spending and Taxes Due to Advertising

<table>
<thead>
<tr>
<th></th>
<th>2016 Ad Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Investment</td>
<td>$ 4.0M</td>
</tr>
<tr>
<td>Incremental Trips</td>
<td>3.5M</td>
</tr>
<tr>
<td>Incremental Visitor Spending</td>
<td>$ 388.8M</td>
</tr>
<tr>
<td>Incremental Taxes</td>
<td>$ 37.3M</td>
</tr>
<tr>
<td>Incremental Jobs</td>
<td>3,925</td>
</tr>
<tr>
<td>Incremental Employee Income</td>
<td>$103M</td>
</tr>
</tbody>
</table>

- Ad Investment includes Production/Fulfillment/Other Costs
- Effective tax rate developed from 2015 MN Adv. Impact Analysis: State tax (6.2%) + Local tax (3.4%) = 9.6%
- All incremental impacts are direct only
## Incremental Trips Due to Advertising

<table>
<thead>
<tr>
<th></th>
<th>2016 Ad Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight Trips</td>
<td>1,825,933</td>
</tr>
<tr>
<td>Day Trips</td>
<td>1,677,320</td>
</tr>
<tr>
<td>Total</td>
<td>3,503,253</td>
</tr>
</tbody>
</table>
### 2016 Campaign Efficiency

<table>
<thead>
<tr>
<th></th>
<th>2016 Ad Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad $’s per Trip</td>
<td>$1.13</td>
</tr>
<tr>
<td>Trips per Ad $</td>
<td>0.9</td>
</tr>
</tbody>
</table>
## The Bottom Line in 2016

<table>
<thead>
<tr>
<th></th>
<th>2016 Ad Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending ROI</td>
<td>$98</td>
</tr>
<tr>
<td>Tax ROI</td>
<td>$9</td>
</tr>
<tr>
<td>Income ROI</td>
<td>$26</td>
</tr>
<tr>
<td>Jobs per $1000 invested</td>
<td>1</td>
</tr>
</tbody>
</table>
## Longer-term Impact of Advertising – Intent to Visit Minnesota

<table>
<thead>
<tr>
<th>Intend to Visit Minnesota in Next 12 Months*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight Trip Intenders</td>
<td>1,527,487</td>
</tr>
<tr>
<td>Day Trip Intenders</td>
<td>1,327,327</td>
</tr>
<tr>
<td>Total Intenders</td>
<td>2,854,814</td>
</tr>
</tbody>
</table>

* Among those who did not visit Minnesota in 2016
The “Halo Effect” of Minnesota’s 2015 tourism advertising on the state’s economic development image
The following analysis takes the psychological concept of the “halo effect”, which posits that “our judgments of a person’s character can be influenced by our overall impression of them” and applies it to tourism promotion advertising.

There is significant evidence that the gains in image from Minnesota’s tourism advertising extend beyond Minnesota’s image as a place to visit to other areas, such as a place to live, do business, attend college and retire.

Minnesota’s success in attracting visitors to the state has a direct benefit for the state’s economic development objectives.

This analysis is based on Minnesota’s 2015 tourism campaign.
Impact of Minnesota’s 2015 Tourism Campaign on State’s Economic Development Image

A good place to live
A good place to start a career
A good place to start a business
A good place to attend college
A good place to purchase a vacation home
A good place to retire

Percent Who Strongly Agree

<table>
<thead>
<tr>
<th></th>
<th>Aware</th>
<th>Unaware</th>
</tr>
</thead>
<tbody>
<tr>
<td>A good place to live</td>
<td>+46%</td>
<td>+60%</td>
</tr>
<tr>
<td>A good place to start a career</td>
<td>+49%</td>
<td>+64%</td>
</tr>
<tr>
<td>A good place to start a business</td>
<td>+60%</td>
<td>+70%</td>
</tr>
<tr>
<td>A good place to attend college</td>
<td>+41%</td>
<td></td>
</tr>
<tr>
<td>A good place to purchase a vacation home</td>
<td>+41%</td>
<td></td>
</tr>
<tr>
<td>A good place to retire</td>
<td>+70%</td>
<td></td>
</tr>
</tbody>
</table>
Impact of *Visitation* on Minnesota’s Economic Development Image

Results based on the 2015 tourism campaign
“A Good Place to Live”

% Image Lift for Minnesota

- Advertising: 46%
- Visitation: 87%
- Advertising Plus Visitation: 134%

Results based on the 2015 tourism campaign
“A Good Place to Start a Career”

% Image Lift for Minnesota

- Advertising: 49%
- Visitation: 95%
- Advertising Plus Visitation: 148%

Results based on the 2015 tourism campaign
“A Good Place to Start a Business”

% Image Lift for Minnesota

Advertising: 60
Visitation: 110
Advertising Plus Visitation: 183

Results based on the 2015 tourism campaign
“A Good Place to Attend College”

Results based on the 2015 tourism campaign
“A Good Place to Purchase a Vacation Home”

Results based on the 2015 tourism campaign
“A Good Place to Retire”

% Image Lift for Minnesota

- Advertising: 70%
- Visitation: 75%
- Advertising Plus Visitation: 156%

Results based on the 2015 tourism campaign