

**Minnesota**  
2016 Tourism Advertising  
Evaluation Study

*January 2017*

# Research Objective



- 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.

# Background



- 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.

# 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.
  - *1,410 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 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

# Longwoods INTERNATIONAL





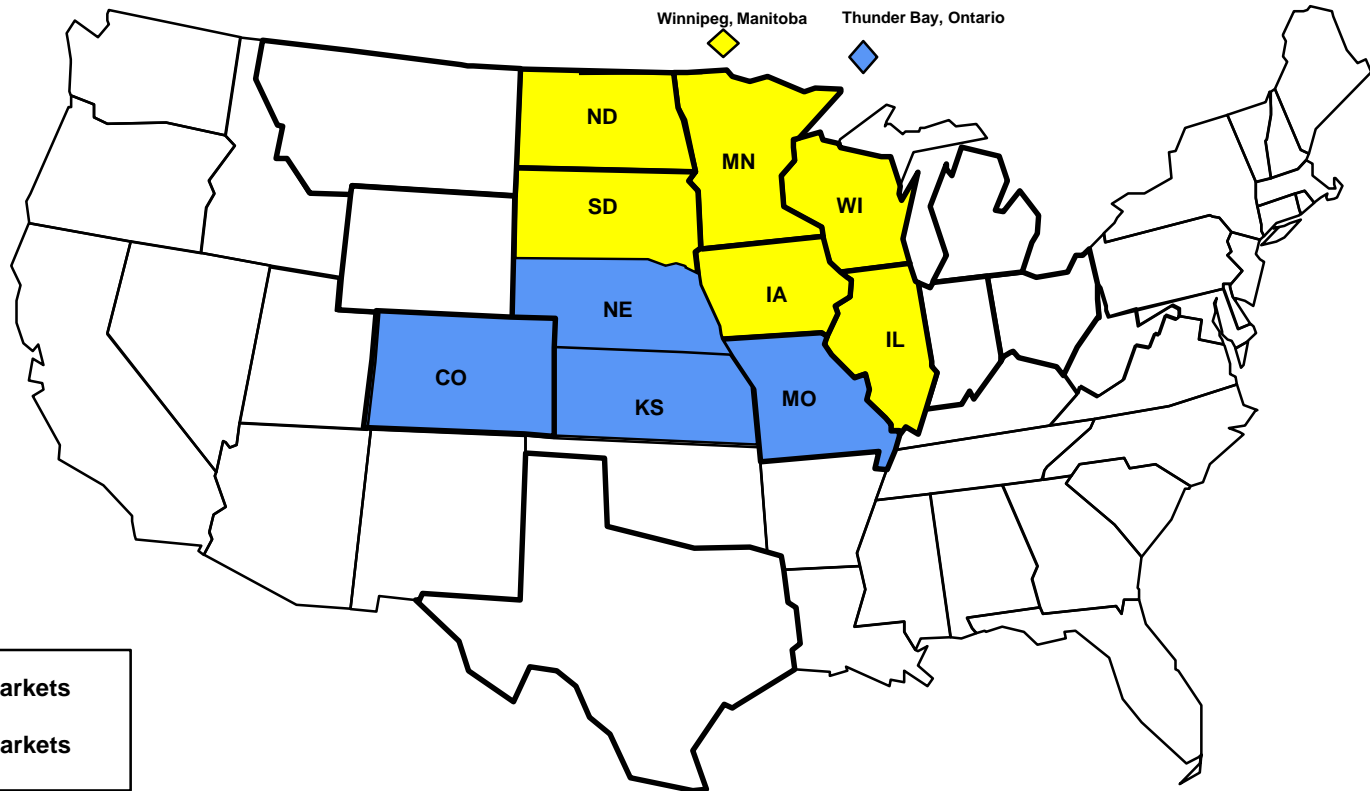
# Main Findings

# Advertising Impacts



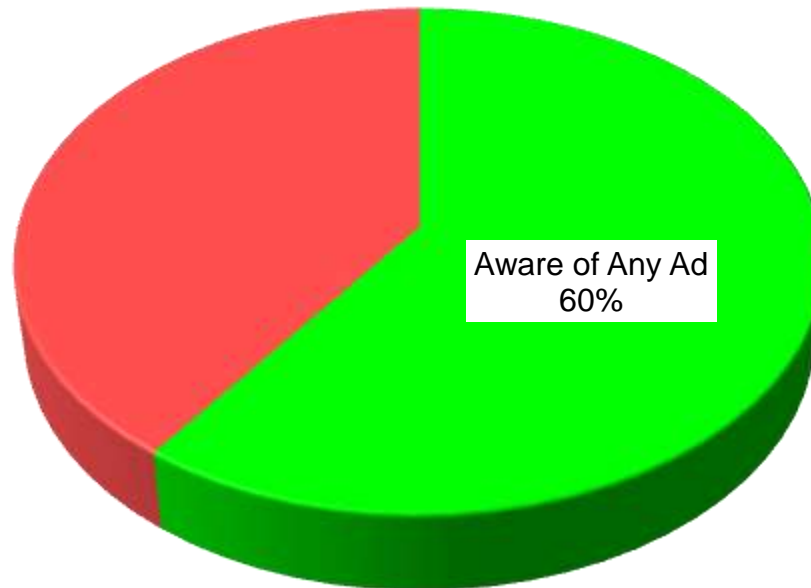
- 60% of all respondents were aware of at least one of Explore Minnesota Tourism's ads.
- Among those who saw Minnesota ads in several types of media, ad recall was highest for digital (45%) and television ads (41%). Among those who only saw ads in one medium, digital ads had the highest recall (13%), 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



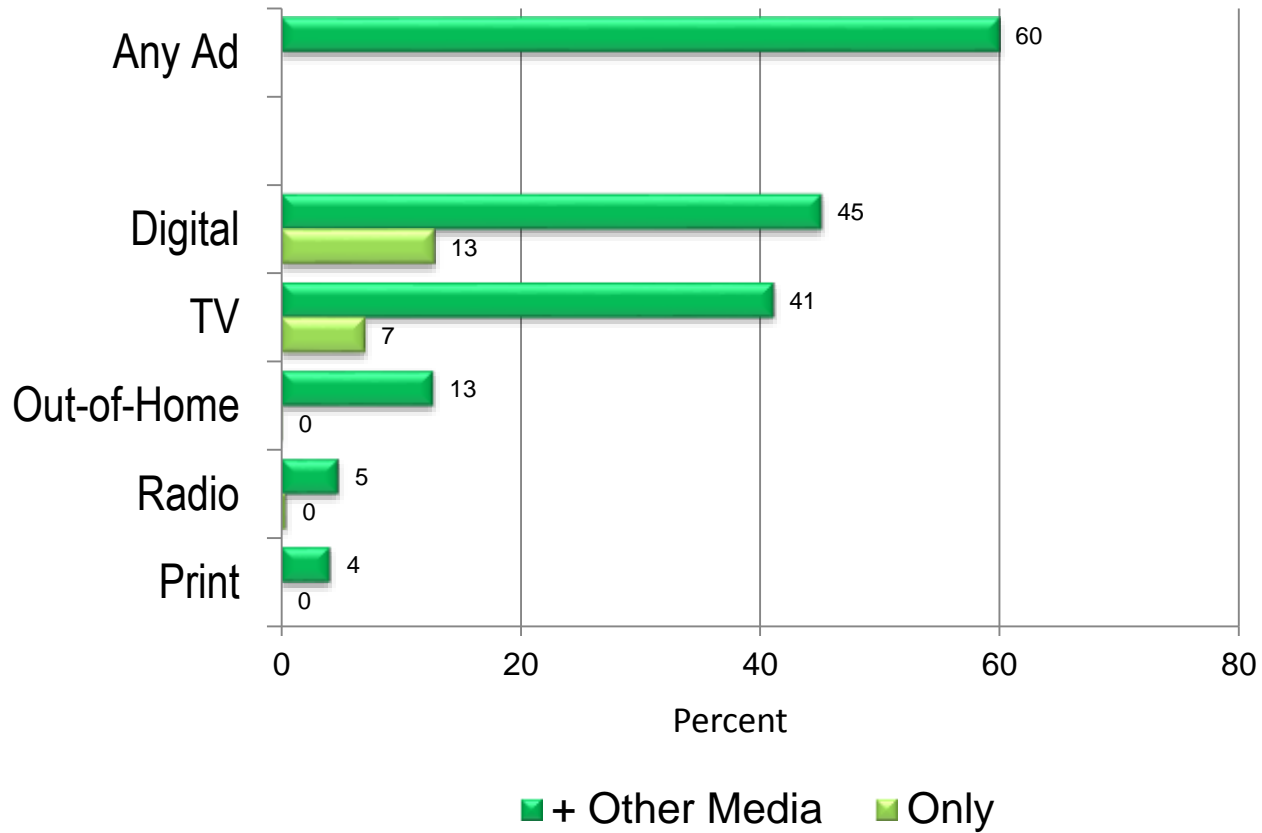
- Traditional Markets
- Expansion Markets

# Awareness of Minnesota's Advertising



■ Aware ■ Uaware

# Awareness by Media



# Incremental Trips, Spending and Taxes Due to Advertising



	2016 Ad Campaign
Ad Investment	\$ 4.0M
Incremental Trips	3.5M
Incremental Visitor Spending	\$ 388.8M
Incremental Taxes	\$ 37.3M
Incremental Jobs	3,925
Incremental Employee Income	\$103M

- 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



	<b>2016 Ad Campaign</b>
Overnight Trips	1,825,933
Day Trips	1,677,320
Total	3,503,253

# 2016 Campaign Efficiency



	2016 Ad Campaign
Ad \$'s per Trip	\$1.13
Trips per Ad \$	0.9



# The Bottom Line in 2016



	2016 Ad Campaign
Spending ROI	\$98
Tax ROI	\$9
Income ROI	\$26
Jobs per \$1000 invested	1

# Longer-term Impact of Advertising – Intent to Visit Minnesota



<b>Intend to Visit Minnesota in Next 12 Months*</b>	
Overnight Trip Intenders	1,527,487
Day Trip Intenders	1,327,327
Total Intenders	2,854,814

\* Among those who did not visit Minnesota in 2016

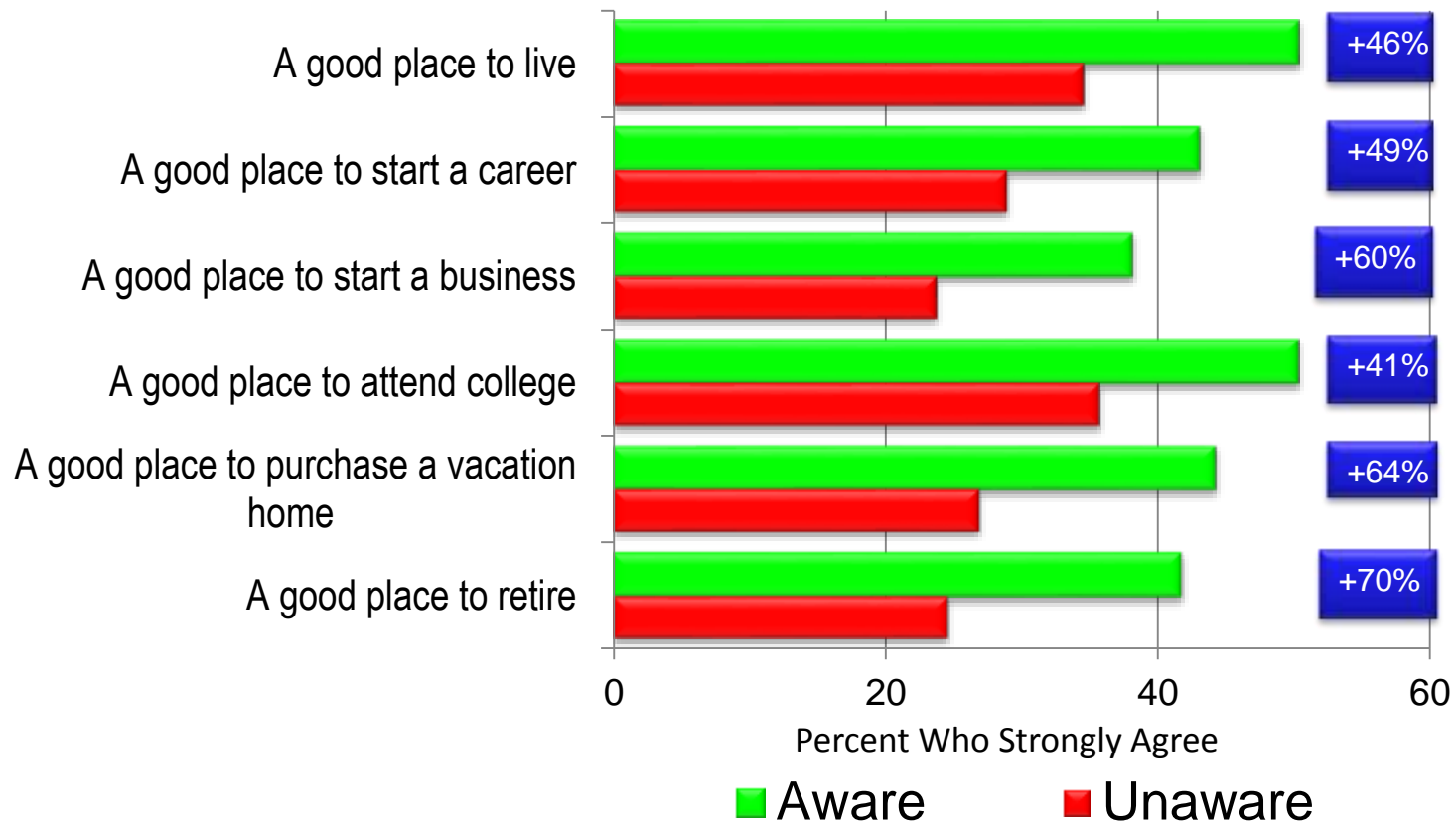
The “Halo Effect” of Minnesota’s 2015  
tourism advertising on the state’s  
economic development image

# Minnesota's "Halo Effect"

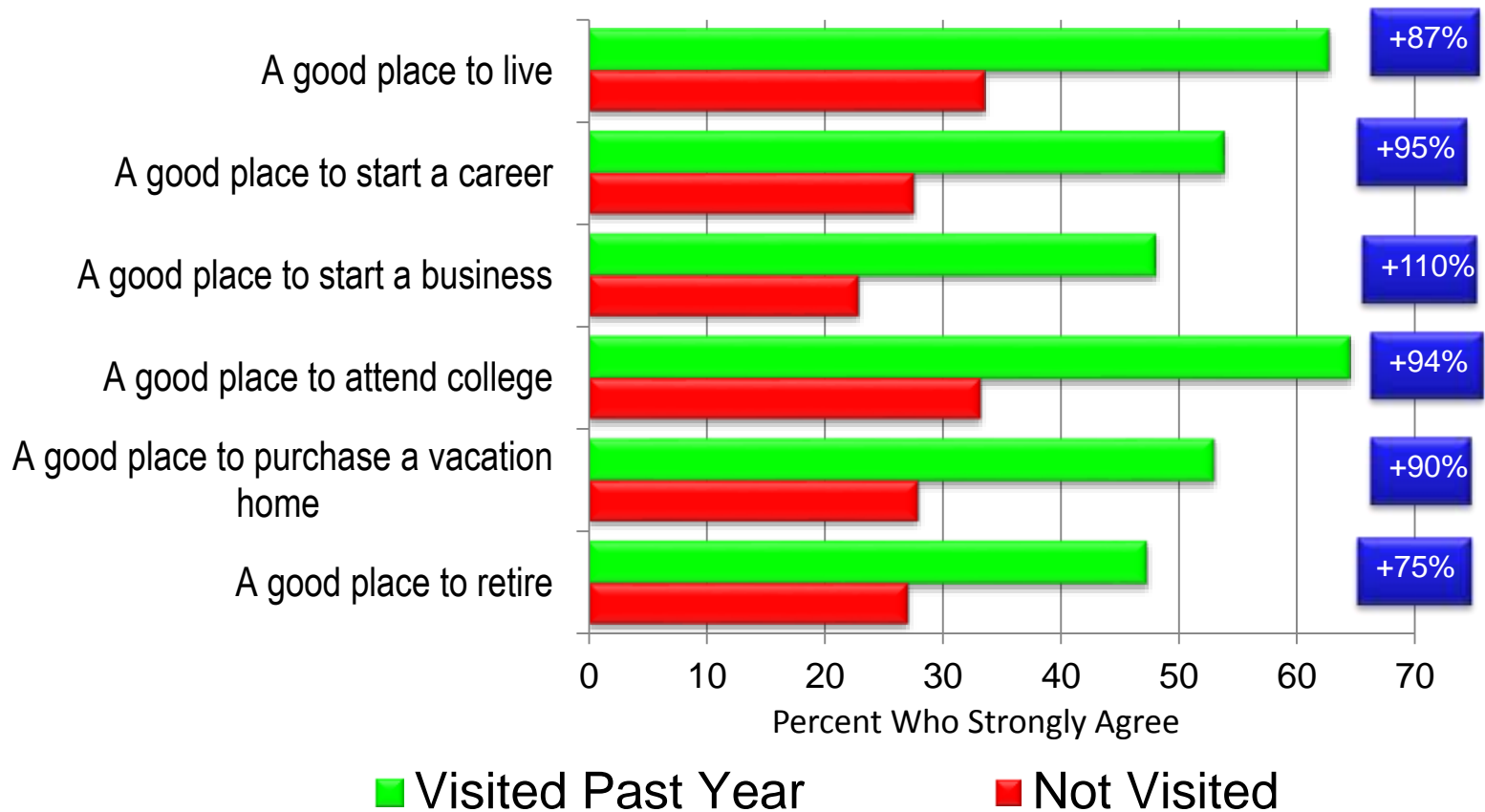


- The following analysis takes the psychological concept of the “halo effect”, which posits that “our judgments of a person’s character can be influenced by our overall impression of them” and applies it to tourism promotion advertising.
- There is significant evidence that the gains in image from Minnesota’s 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



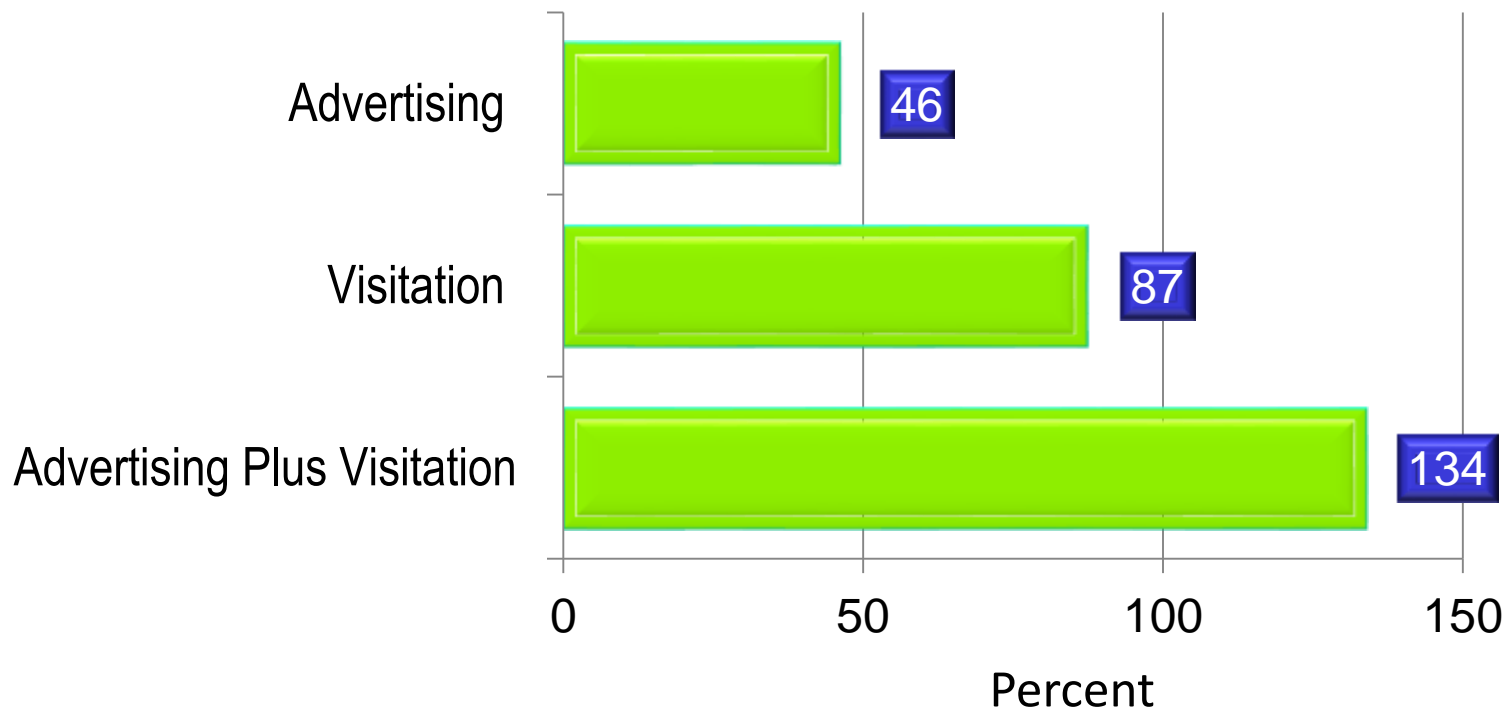
# Impact of *Visitation* on Minnesota's Economic Development Image



# "A Good Place to Live"



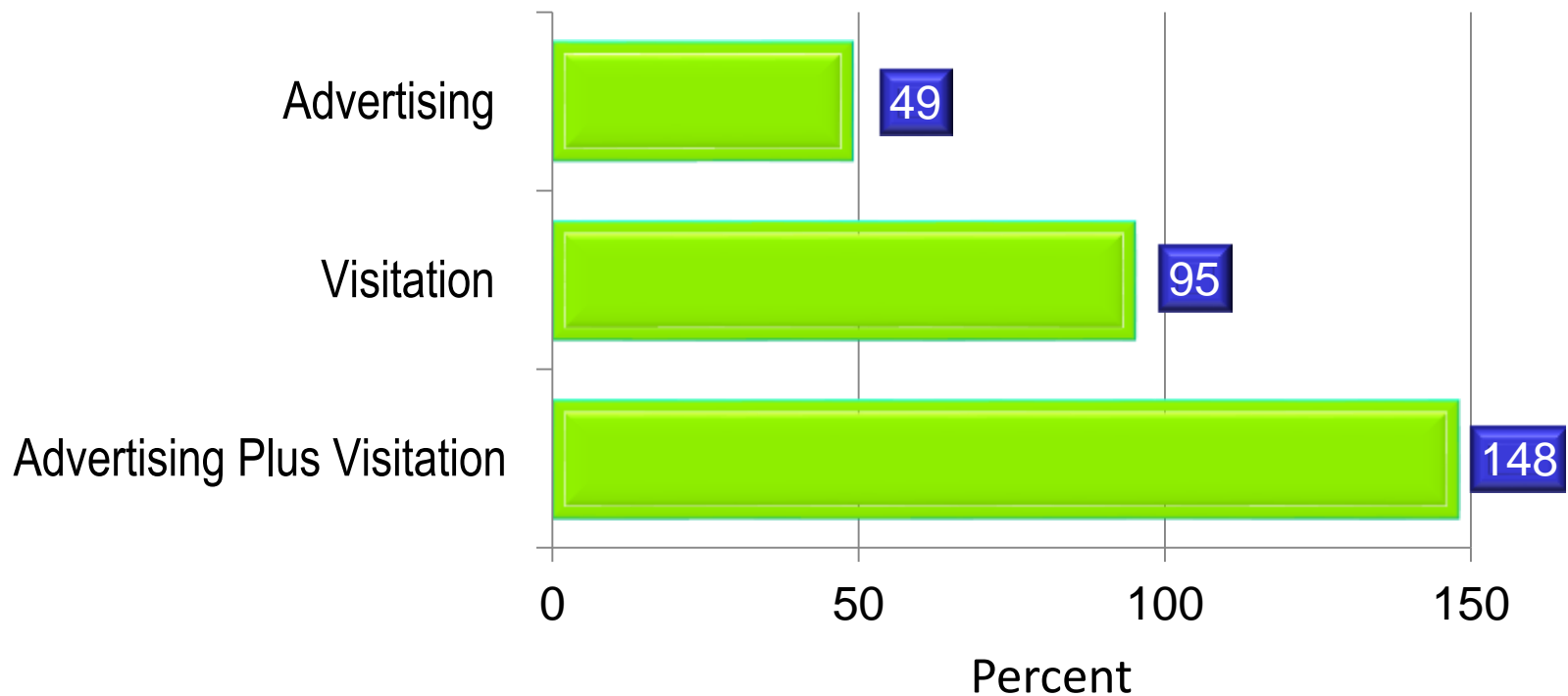
## % Image Lift for Minnesota



# “A Good Place to Start a Career”



## % Image Lift for Minnesota

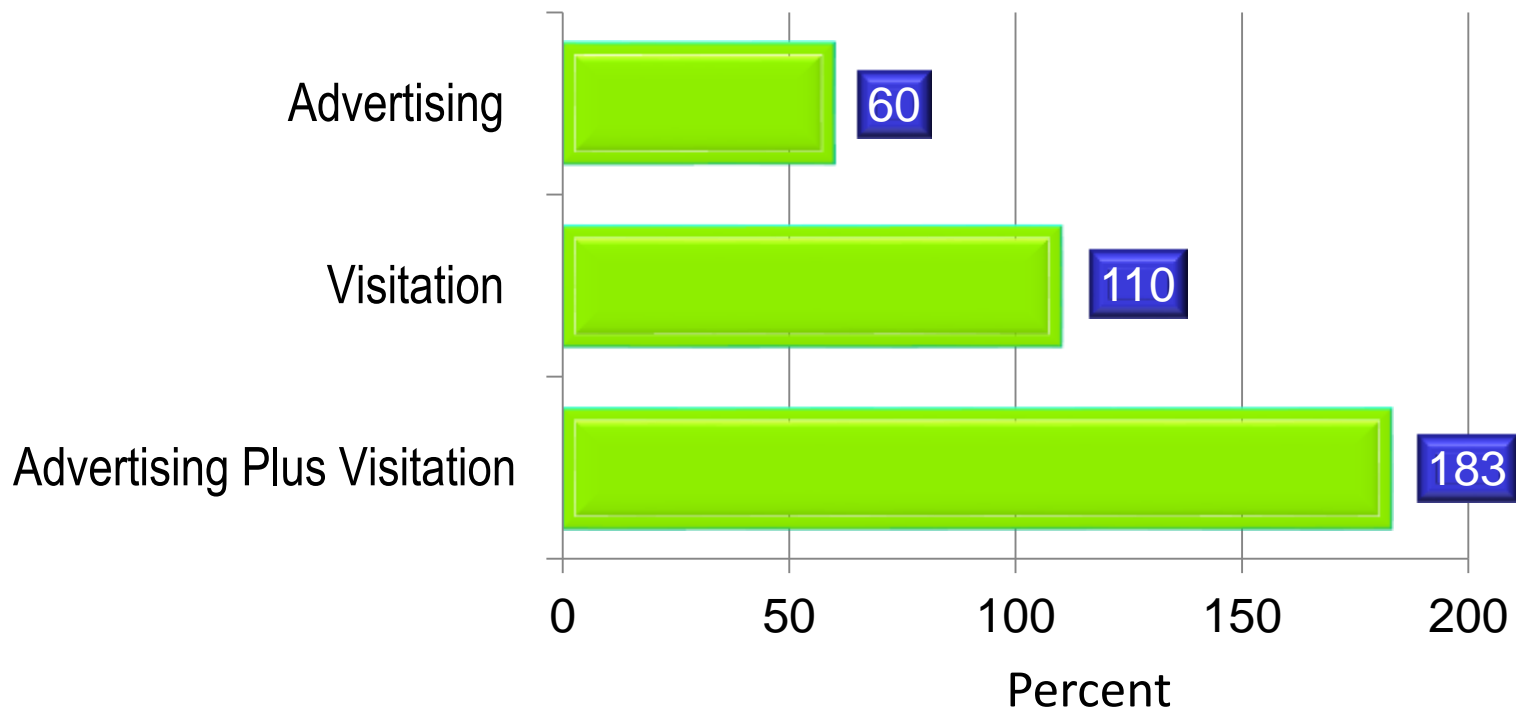




# “A Good Place to Start a Business”



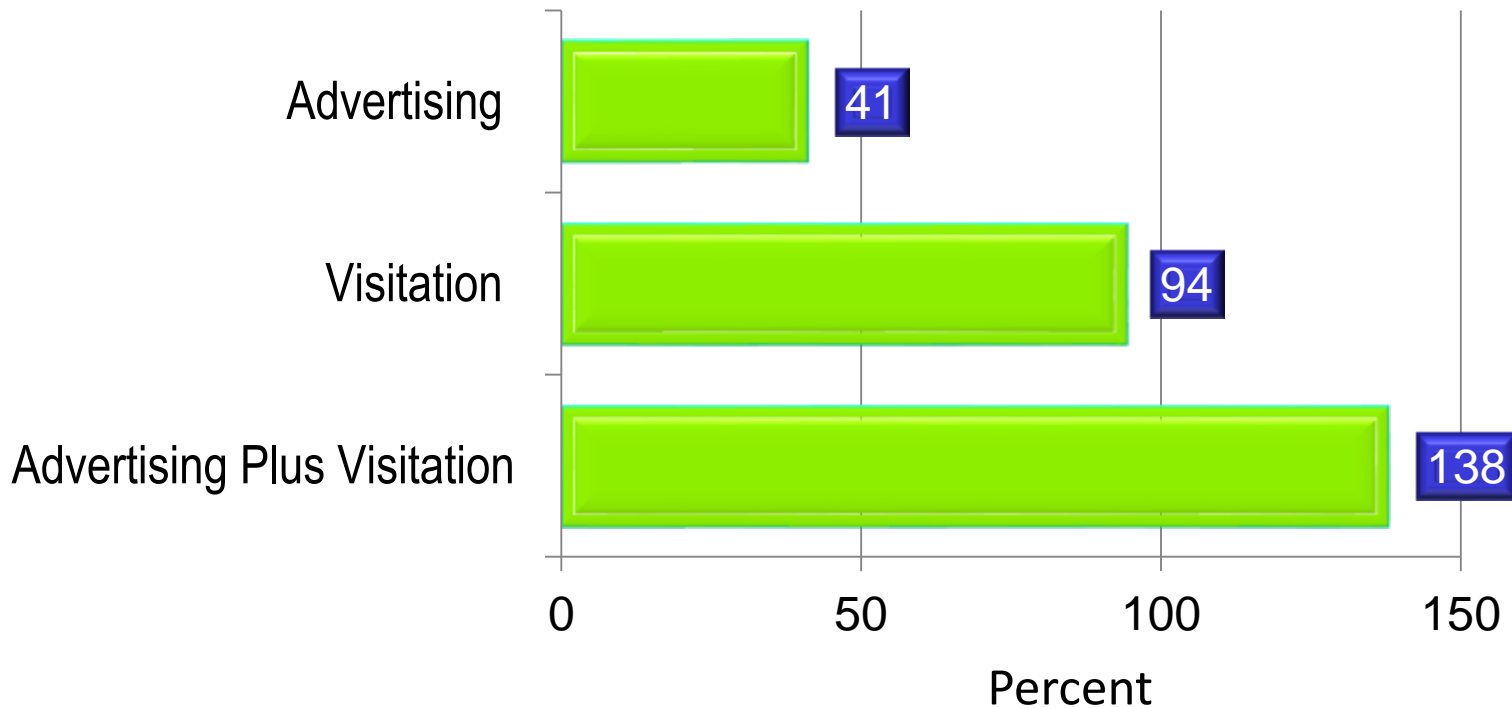
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# “A Good Place to Attend College”



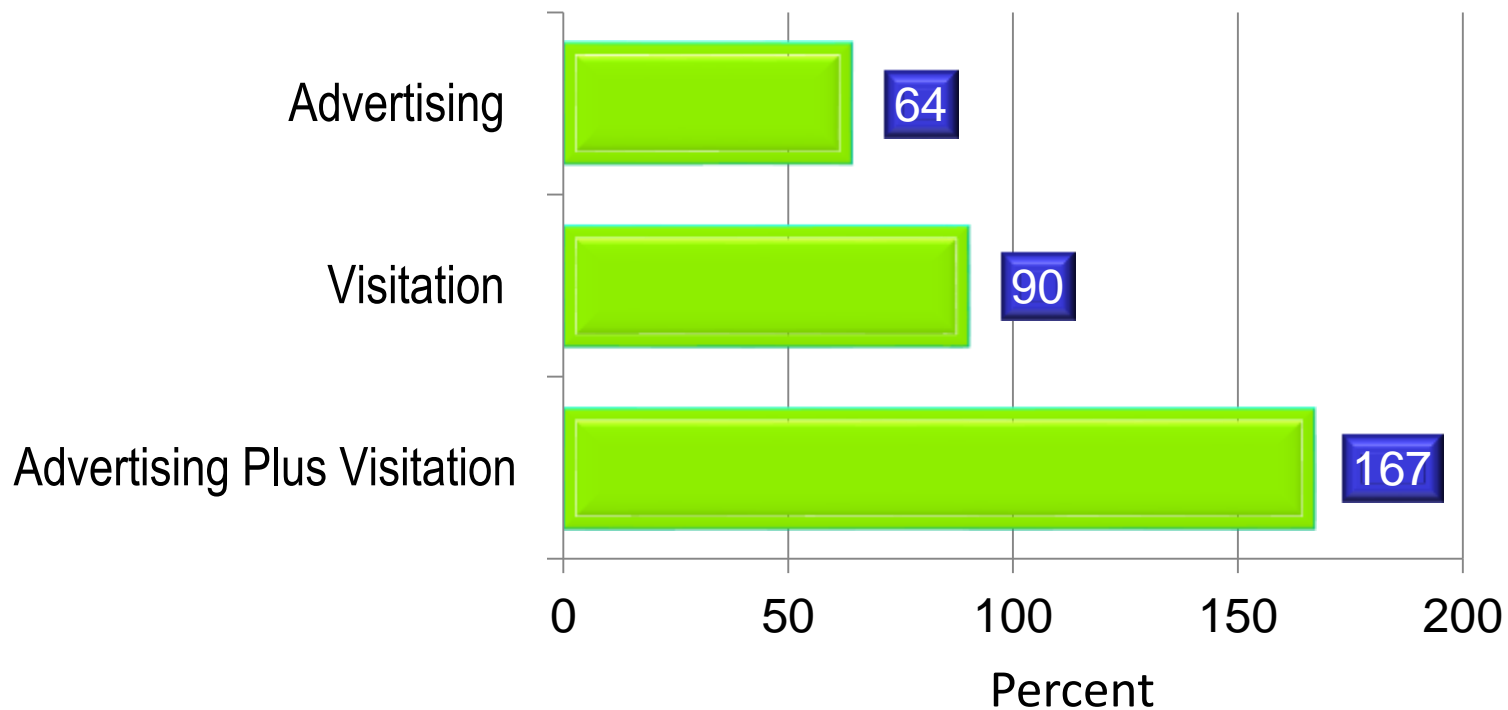
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# “A Good Place to Purchase a Vacation Home”



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# "A Good Place to Retire"



## % Image Lift for Minnesota

