Minnesota 2018 Advertising ROI Research
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In the Spring and Summer of 2018, Minnesota launched an advertising campaign in key instate and out-of-state markets.

- The campaign consisted of both traditional and online media including:
  - Broadcast and digital video.
  - Broadcast and digital radio.
  - Out-Of-Home, including ads in malls, outdoor digital screens, billboards and event installations.
  - Print ads.
  - Online banner ads, Facebook/social media ads and e-newsletters.

Longwoods was engaged to conduct a program of research designed to:

- Measure the effectiveness of the advertising campaign in bringing visitors to Minnesota during the campaign period and shortly thereafter, and increasing intentions to visit in the future.
- Estimate the return on advertising investment yielded by the campaign, in terms of incremental spending in Minnesota by those visitors, and incremental taxes generated by that spending.

*Existing markets: MN, ND, SD, IA, WI, Northern IL, Winnipeg Canada
Expansion markets: CO, NE, Eastern KS, Western MO, Thunder Bay Canada
A benchmark study was conducted after the conclusion of the advertising period to measure awareness of specific ads, estimate the impact of advertising awareness on intentions to visit and image, and measure short-term conversion that occurred during and shortly after the campaign period.

A national self-completion survey of 1,400 respondents in the advertising markets, distributed as follows:

- Minnesota: 135
- North Dakota: 30
- South Dakota: 30
- Iowa: 80
- Wisconsin: 150
- Winnipeg Canada: 30
- Northern Illinois: 245
- Colorado: 280
- Eastern Kansas: 100
- Western Missouri: 195
- Nebraska: 115
- Thunder Bay Canada: 10

Respondents are members of a major online consumer research panel.

Adults 18 years of age and older were randomly selected from the panel, so as to ensure a representative sample.

Sample was drawn to be proportionate to population by specific cities/regions, age, sex and income.
The survey took an average of 25 minutes to complete.

During the survey respondents were shown copies of the advertising materials, including video files of media-rich ads. This was done at the end of the survey so as not to bias earlier questions on attitudes towards Minnesota and other behavioral measures.

The fieldwork was conducted in October 2018.

Data were weighted on key demographic variables (region, age, sex, household income) prior to analysis to ensure that results are representative of and projectable to the traveler population in specific DMAs.

For a sample of this size, the confidence level is + / – 2.5%, 19 times out of 20.
Method (Cont’d)

✓ The estimates of the campaign’s impacts on visits and intentions to visit Minnesota are conservative in that:

✓ Trips taken/intended by people in the absence of advertising are backed out.

✓ Conservative control procedures help ensure that only advertising-influenced trips are included.

✓ Unless otherwise noted, results shown are representative of all respondents surveyed (n=1,400 travelers).

✓ “Travelers” means 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.
Conclusions and Recommendations
Minnesota’s spring/summer campaign in core markets generated considerable awareness:
- Reaching 57% of the intended target audience of travelers.
- The advertising had a positive effect on actual travel to Minnesota in the period we measured from campaign launch:
  - Yielding 3.5 million incremental trips over and above the travel that would have occurred in the absence of advertising.
- This incremental travel translates into additional visitor expenditures of $415 million and $40.7 million in incremental taxes collected while those travelers were in Minnesota.
- In the short-term, the $4.1 million in media costs have generated an ROI of $101 in visitor spending for each ad dollar spent.
- We would expect some additional carry-over impacts as well, since the advertising had a substantial impact on intended travel:
  - Producing 3.7 million incremental planned trips to Minnesota.

Conclusions and Recommendations
Main Findings: Advertising Impacts
57% 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 (46%) and television ads (33%). Among those who only saw ads in one medium, digital ads had the highest recall (6%).

The campaign generated 3.5 million incremental trips that would not otherwise have taken place, which brought $415 million in incremental visitor spending and $40.7 million in state and local taxes.

1.9 million incremental trips were overnight trips and 1.6 million were day trips.

It cost $1.18 in advertising to generate each incremental trip.

Every $1 invested in the Minnesota ad campaign in the evaluated markets generated $101 in visitor spending and $10 in state and local 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 3.76 million trips to Minnesota. 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 Advertising Markets

Existing Markets

Expansion Markets

Thunder Bay, Ontario

Winnipeg, Manitoba
Awareness of the Ad Campaign

Base: Residents of Minnesota’s Regional Advertising Markets

Aware* 57%
Unaware 43%

*Saw at least one ad
Advertising Awareness* by Medium

Base: Residents of Minnesota’s Regional Advertising Markets

<table>
<thead>
<tr>
<th>Medium</th>
<th>Percent of Residents</th>
<th>Other Media</th>
<th>Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware of any ad</td>
<td>57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital</td>
<td>46</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>TV</td>
<td>33</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Out-of-Home</td>
<td>28</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Social Media</td>
<td>26</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Print</td>
<td>12</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Radio</td>
<td>9</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

*Saw at least one ad
Awareness* by Market

Base: Residents of Minnesota's Regional Advertising Markets

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Existing Markets</th>
<th>Expansion Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>57</td>
<td>65</td>
<td>42</td>
</tr>
</tbody>
</table>

*Saw at least one ad
Awareness of Individual Ads* — Digital

*Based on markets where shown
Awareness of Individual Ads* — TV

- Lights Camera Action: 10
- Measure Your Moments: 7
- Events: 7
- She Is This Place: 6

*Based on markets where shown
Awareness of Individual Ads* — Out-of-Home

Percent

- OOH Compilation 2: 10
- OOH Compilation 3: 7
- OOH Compilation 1: 6
- #OnlyinMN Monument: 4
- Event 30 TV Spot at US Bank Stadium: 2

*Based on markets where shown
Awareness of Individual Ads* — Social Media

*Based on markets where shown

- Facebook/Instagram: 13%
- Social Media Compilation - X Games: 12%
- Event 30 TV Spot on Social Media: 10%
- #OnlyinMN Monument: 7%
Awareness of Individual Ads*
— Print

*Based on markets where shown
Awareness of Individual Ads*
— Radio

*Based on markets where shown
Short Term Conversion

Longwoods International
40 Years Together
The campaign also produced an additional 3.5 million trips to Minnesota that otherwise would not have materialized in the absence of advertising.

Using Minnesota’s estimates of average visitor expenditures, we estimate that these incremental Minnesota visitors spent $415 million while in Minnesota and $40.7 million in incremental taxes were collected.

When related to advertising costs of $4.1 million, this translates into a return on investment of $101 in visitor spending and a tax ROI of $10 for each ad dollar spent.
## Incremental Trips, Spending and Taxes Due to Advertising

<table>
<thead>
<tr>
<th></th>
<th>Existing Markets</th>
<th>Expansion Markets</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Investment</td>
<td>$3.1M</td>
<td>$1.1M</td>
<td>$4.1M</td>
</tr>
<tr>
<td>Incremental Trips</td>
<td>3.1M</td>
<td>0.4M</td>
<td>3.5M</td>
</tr>
<tr>
<td>Incremental Visitor Spending</td>
<td>$365.5M</td>
<td>$50.0M</td>
<td>$415.5M</td>
</tr>
<tr>
<td>Incremental Taxes</td>
<td>$35.8M</td>
<td>$4.9M</td>
<td>$40.7M</td>
</tr>
<tr>
<td>Incremental Jobs**</td>
<td></td>
<td></td>
<td>4,250</td>
</tr>
<tr>
<td>Incremental Employee Income**</td>
<td></td>
<td></td>
<td>$110M</td>
</tr>
</tbody>
</table>

- Spending is based on $168 per person for overnight trips and $60 per person for day trips in 2017
- Ad Investment includes Production/Fulfillment/Other Costs
- Effective tax rate developed from 2018 MN Adv. Impact Analysis 9.8%
- **Combined data only. Detailed spending data for markets not available to conduct additional analysis.
### Incremental Trips Due to Advertising

<table>
<thead>
<tr>
<th></th>
<th>Existing Markets</th>
<th>Expansion Markets</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight Trips</td>
<td>1,665,913</td>
<td>247,525</td>
<td>1,913,438</td>
</tr>
<tr>
<td>Day Trips</td>
<td>1,432,640</td>
<td>141,660</td>
<td>1,574,300</td>
</tr>
<tr>
<td>Total</td>
<td>3,098,553</td>
<td>389,185</td>
<td>3,487,738</td>
</tr>
</tbody>
</table>
### Incremental Spending and Taxes Due to Advertising – By Overnight and Day Trips

<table>
<thead>
<tr>
<th></th>
<th>Existing Markets</th>
<th>Expansion Markets</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight Incremental Visitor Spending</td>
<td>$279.2M</td>
<td>$41.5M</td>
<td>$320.7M</td>
</tr>
<tr>
<td>Day Incremental Visitor Spending</td>
<td>$86.3M</td>
<td>$8.5M</td>
<td>$94.8M</td>
</tr>
<tr>
<td>Total Incremental Visitor Spending</td>
<td>$365.5M</td>
<td>$50.0M</td>
<td>$415.5M</td>
</tr>
<tr>
<td>Overnight Incremental Taxes</td>
<td>$27.4M</td>
<td>$4.1M</td>
<td>$31.4M</td>
</tr>
<tr>
<td>Day Incremental Taxes</td>
<td>$8.5M</td>
<td>$0.8M</td>
<td>$9.3M</td>
</tr>
<tr>
<td>Total Incremental Taxes</td>
<td>$35.8M</td>
<td>$4.9M</td>
<td>$40.7M</td>
</tr>
</tbody>
</table>
## 2018 Campaign Efficiency

<table>
<thead>
<tr>
<th></th>
<th>Existing Markets</th>
<th>Expansion Markets</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad $'s per Trip</td>
<td>$0.99</td>
<td>$2.72</td>
<td>$1.18</td>
</tr>
<tr>
<td>Trips per Ad $</td>
<td>1.0</td>
<td>0.4</td>
<td>0.8</td>
</tr>
</tbody>
</table>
## The Bottom Line in 2018

<table>
<thead>
<tr>
<th></th>
<th>Existing Markets</th>
<th>Expansion Markets</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending ROI</td>
<td>$119</td>
<td>$47</td>
<td>$101</td>
</tr>
<tr>
<td>Tax ROI</td>
<td>$12</td>
<td>$5</td>
<td>$10</td>
</tr>
<tr>
<td>Income ROI**</td>
<td></td>
<td></td>
<td>$27</td>
</tr>
<tr>
<td>Jobs per $1000 invested**</td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

**Combined data only. Detailed spending data for markets not available to conduct additional analysis.**
**Intend to Visit Minnesota in Next 12 Months***

<table>
<thead>
<tr>
<th>Category</th>
<th>Intenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight Trip Intenders</td>
<td>1,953,885</td>
</tr>
<tr>
<td>Day Trip Intenders</td>
<td>1,803,911</td>
</tr>
<tr>
<td>Total Intenders</td>
<td>3,757,796</td>
</tr>
</tbody>
</table>

* Among those who did not visit Minnesota in 2018
Halo Effect on Economic Development Image - 2017*

* The most recent halo effect analysis was part of Explore Minnesota’s 2017 advertising evaluation study
Tourism marketing research has long demonstrated that tourism advertising and the visitation it inspires have a positive impact on consumers’ image of destinations as a place for leisure travel and recreation. Applying the psychological concept of the “halo effect” to tourism promotion advertising, Longwoods set out to determine if the gains in image for Minnesota from its tourism advertising would extend beyond the appeal as a place to visit. Could it be that economic objectives could be achieved such as viewing Minnesota more favorably as a place to live, work, start a business, attend college, purchase a vacation home and retire?

Longwoods International has conducted this research for multiple state and city destination across the U.S. For this study, 1,400 consumers were surveyed for Minnesota’s 2017 “#Only in MN” campaign.
In every case, Minnesota’s tourism advertising and subsequent visitation significantly improved the image of Minnesota not only as a place to visit, but also for a wide range of other economic development objectives.

The research compared the rankings by those who had not seen the “#OnlyinMN” campaign or visited Minnesota with those who did see the tourism ads and/or visited.

For each economic development objective, the most dramatic improvement in image was by those consumers who both were exposed to the advertising campaign message and visited Minnesota.
Specifically, the Minnesota “#OnlyinMN” advertising campaign created a strong image lift. For example, those who saw the Minnesota ad campaign were 34% more likely to view Minnesota as “a good place to start a business” than those who had not seen the ads. Those who had visited Minnesota were 54% more likely to view Minnesota as “a good place to start a business” than those who have not visited, and those who had both seen the campaign and visited were 77% more likely to view Minnesota as “a good place to start a business.” The same pattern holds true for all six economic development objectives in the study.
Tourism functions as the front door for economic development because if Minnesota is successful in attracting visitors to the state, those people view Minnesota more favorably as a place to live, work, start a business, attend college, purchase a vacation home and retire.

Tourism can play a very powerful role in helping Minnesota achieve its economic development objectives and this new data definitely will jumpstart that conversation.
Impact of Minnesota’s 2017 Tourism Campaign on State’s Economic Development Image

- A good place to live: +48%
- A good place to start a career: +73%
- A good place to start a business: +34%
- A good place to attend college: +37%
- A good place to purchase a vacation home: +26%
- A good place to retire: +96%

Percent Who Strongly Agree

Aware

Unaware

0 20 40 60

Percent Who Strongly Agree
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

Visited Past Year
Not Visited

+76%
+106%
+54%
+75%
+37%
+86%
% Image Lift for Minnesota

- Advertising: 48%
- Visitation: 75%
- Advertising Plus Visitation: 131%
“A Good Place to Start a Career” - 2017

% Image Lift for Minnesota

- Advertising: 73%
- Visitation: 106%
- Advertising Plus Visitation: 212%

Percent
"A Good Place to Start a Business" - 2017

% Image Lift for Minnesota

- Advertising: 34%
- Visitation: 54%
- Advertising Plus Visitation: 77%
“A Good Place to Attend College” - 2017

% Image Lift for Minnesota

- Advertising: 37%
- Visitation: 75%
- Advertising Plus Visitation: 114%
“A Good Place to Purchase a Vacation Home” - 2017

% Image Lift for Minnesota

- Advertising: 26%
- Visitation: 37%
- Advertising Plus Visitation: 61%
“A Good Place to Retire” - 2017

% Image Lift for Minnesota

- Advertising: 96%
- Visitation: 86%
- Advertising Plus Visitation: 213%

Percent
Information Sources and Social Media
Information Sources Used for Trip Planning After Seeing Ads

Base: Residents of Minnesota’s Regional Advertising Markets

- ExploreMinnesota.com: 9%
- A hotel or resort: 9%
- Advice from relatives or friends: 7%
- Social Media (e.g. Facebook, Twitter): 7%
- Hotel websites: 6%
- Travel guide books: 5%
- A travel agent: 5%
- A local visitors’ bureau/chamber of commerce: 4%
- Online booking engines (e.g. Expedia): 4%
- Travel articles in magazines: 4%
- Other online sources: 4%
- Television travel shows: 3%
<table>
<thead>
<tr>
<th>Information Source</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation rental websites</td>
<td>3</td>
</tr>
<tr>
<td>An airline/commercial carrier</td>
<td>3</td>
</tr>
<tr>
<td>Other destination websites</td>
<td>3</td>
</tr>
<tr>
<td>A government tourism office</td>
<td>2</td>
</tr>
<tr>
<td>A company that specializes in group tours</td>
<td>2</td>
</tr>
<tr>
<td>Airline websites</td>
<td>2</td>
</tr>
<tr>
<td>Newspaper travel section</td>
<td>2</td>
</tr>
<tr>
<td>An association/club</td>
<td>2</td>
</tr>
<tr>
<td>A toll-free number</td>
<td>2</td>
</tr>
<tr>
<td>Other information from television</td>
<td>2</td>
</tr>
<tr>
<td>An auto club</td>
<td>1</td>
</tr>
</tbody>
</table>

Base: Residents of Minnesota’s Regional Advertising Markets
Information Sources Used for Trip Planning After Seeing Ads (Cont’d)

Base: Residents of Minnesota’s Regional Advertising Markets

- Car rental websites: 1
- Advertorials: 1
- Radio travel shows: 1
- Other (Specify): 1
- Other books: 1
- Other newspaper articles: 1

Percent

0 2 4 6 8 10
Do you recall visiting the Travel Website www.exploreminnesota.com?

Base: Residents of Minnesota’s Regional Advertising Markets

- 90.5% Yes
- 9.5% No
At what point in your trip planning process did you visit www.exploreminnesota.com?

Base: Those who visited www.exploreminnesota.com

- To consider Minnesota as a travel destination: 61%
- To research my planned Minnesota trip: 39%
- Other: 9%
How many times did you visit www.exploreminnesota.com in 2018?

Base: Those who visited www.exploreminnesota.com

- 1 time: 35%
- 2 times: 32%
- 3 times: 9%
- 4+ times: 24%
What did you use the website www.exploreminnesota.com for?

Base: Those who visited www.exploreminnesota.com

- To find things to do while traveling in Minnesota: 54%
- General information on travel opportunities in MN: 50%
- Information on Minnesota festivals and events: 49%
- To find information on dining: 32%
- To look for travel deals: 30%
- To find lodging: 29%
- To enter a sweepstakes: 14%
- Other: 2%

Percent
How did you learn about the www.exploreminnesota.com website?

Base: Those who visited www.exploreminnesota.com

- Internet search engine (e.g. Google, Yahoo, Bing, etc.): 42%
- Social Media (e.g. Facebook, Twitter, Instagram): 37%
- Family/friends: 30%
- Internet advertising: 30%
- Newspaper/magazine articles and TV programs: 28%
- Advertisement/commercials about Minnesota: 25%
- Travel brochures/Guides: 21%
- Link from another website: 21%
- Travel agent: 11%
- Other: 1%
How did you use the internet to reach the www.exploreminnesota.com website?

Base: Those who used internet search to reach www.exploreminnesota.com

- Typed "Minnesota" or Minnesota travel-related term or phrase in the search field: 80%
- Typed www.exploreminnesota.com in the browser's address bar: 42%
- Don't recall: 5%

Percent
How useful was the $www.exploreminnesota.com$ website?

Base: Those who visited www.exploreminnesota.com

- Very useful: 60%
- Somewhat useful: 39%
- Not very useful: 1%
What actions did you take after seeing Minnesota Social Media Posts?

Base: Those aware of at least one EMT social media post

- Liked the FB fan page of EMT: 23%
- Liked, shared or commented on at least one FB post: 21%
- Liked/commented on at least one post on EMT Instagram page: 20%
- Followed EMT Twitter feed: 19%
- Followed the EMT Instagram page: 16%
- Retweeted, favorited or replied to at least one Twitter post: 9%
- Posted my own photos using #OnlyinMN: 6%
- Did not respond to any social media post: 41%
How much was your Minnesota travel influenced by posts of Minnesota travel photos, videos or comments on social media?

Base: Those who have visited MN on a day or overnight leisure trip

- **Greatly influenced**: 12%
- **Somewhat influenced**: 24%
- **Hardly influenced**: 21%
- **Not at all influenced**: 43%

Percent
How likely are you to recommend Minnesota as a travel destination to others?

Base: Those who have visited MN on a day or overnight leisure trip

- Very likely: 21%
- Somewhat likely: 32%
- Neither likely nor unlikely: 32%
- Not very likely: 9%
- Not at all likely: 6%