

EXPLORE MINNESOTA TOURISM
ANNUAL REPORT
2013

To promote and facilitate travel to and within the state of Minnesota

A MESSAGE FROM THE DIRECTOR

THE YEAR 2013 was a significant one for Explore Minnesota and the Minnesota Tourism industry, leading into a bright future for the travel business.

The economy continued to improve, and consumer confidence grew. This encouraged more people to travel, resulting in another year of growth for the tourism industry and **increases in lodging business here that exceeded that of the U.S. overall.** In fact, **four years of moderate growth has now finally brought us back to pre-recession levels.**

With consumers now expanding their travel, it's a key time to be competitive in today's travel landscape. Minnesota's tourism promotion budget had declined in recent years, both in real dollars and in relation to other states. But due to the efforts of our industry, the Legislature and the Governor, **2013 brought a historic, 66% increase in our budget!**

This increase will allow us to invest more in promoting tourism, which has an economic impact across the state. In fact, an independent study last year confirmed that Minnesota's tourism **marketing expenditures generate an 8 to 1 return on investment.**

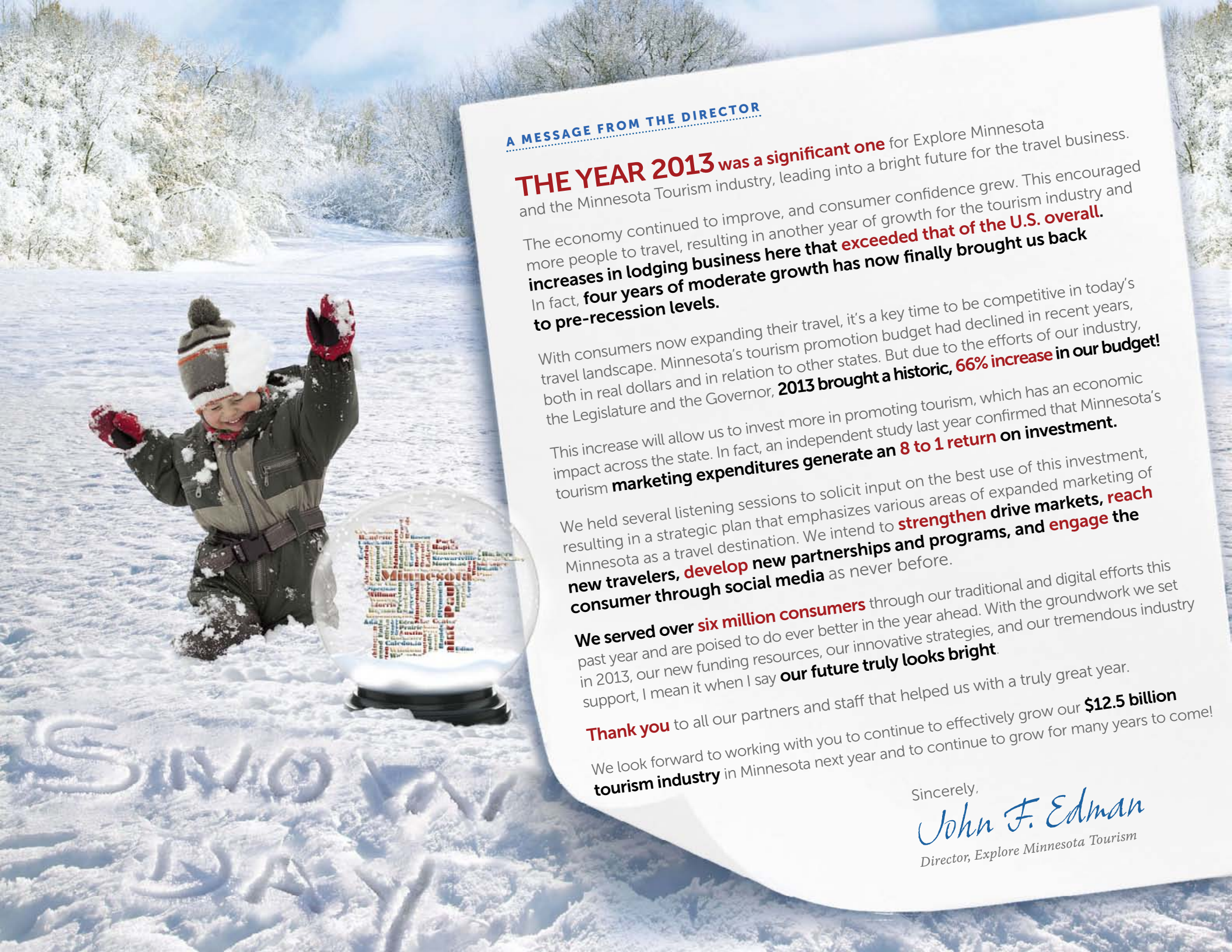
We held several listening sessions to solicit input on the best use of this investment, resulting in a strategic plan that emphasizes various areas of expanded marketing of Minnesota as a travel destination. We intend to **strengthen drive markets, reach new travelers, develop new partnerships and programs, and engage the consumer through social media** as never before.

We served over **six million consumers** through our traditional and digital efforts this past year and are poised to do ever better in the year ahead. With the groundwork we set in 2013, our new funding resources, our innovative strategies, and our tremendous industry support, I mean it when I say **our future truly looks bright.**

Thank you to all our partners and staff that helped us with a truly great year. We look forward to working with you to continue to effectively grow our **\$12.5 billion tourism industry** in Minnesota next year and to continue to grow for many years to come!

Sincerely,

John F. Edman
Director, Explore Minnesota Tourism



ECONOMIC IMPACT

goals

Grow gross receipts/sales of tourism in Minnesota.

\$12.5 billion

Annual leisure & hospitality gross sales. More than \$34 million a day.

Generate increased state and local sales tax revenue from tourism.

\$811 million

State sales tax generated annually. This is 17% of all state sales tax revenues.

Increase leisure & hospitality employment in Minnesota.

245,000 jobs

Total payroll: \$4.3 billion
Size of employment: 11% of total private sector employment.
(Note: Data for leisure & hospitality sector, 2012)

67% Marketing & Communications

17% Technology & Operations

6% Industry Relations

5% Partnership Grants

5% Travel Information Centers

budget

The general fund operating budget for Fiscal Years 2013-14:

FY '13	\$8.392 million*
FY '14	\$13.888 million*

*Includes \$500,000 in supplemental state funding available when private sector support generated by Explore Minnesota Tourism is at least \$1.5 million. **Explore Minnesota Tourism greatly exceeded this annual match requirement.**

Private Industry Match (FY13)

Cash	\$2.057 million
In-kind	\$3.465 million
Total	\$5.522 million

\$12.5 2012

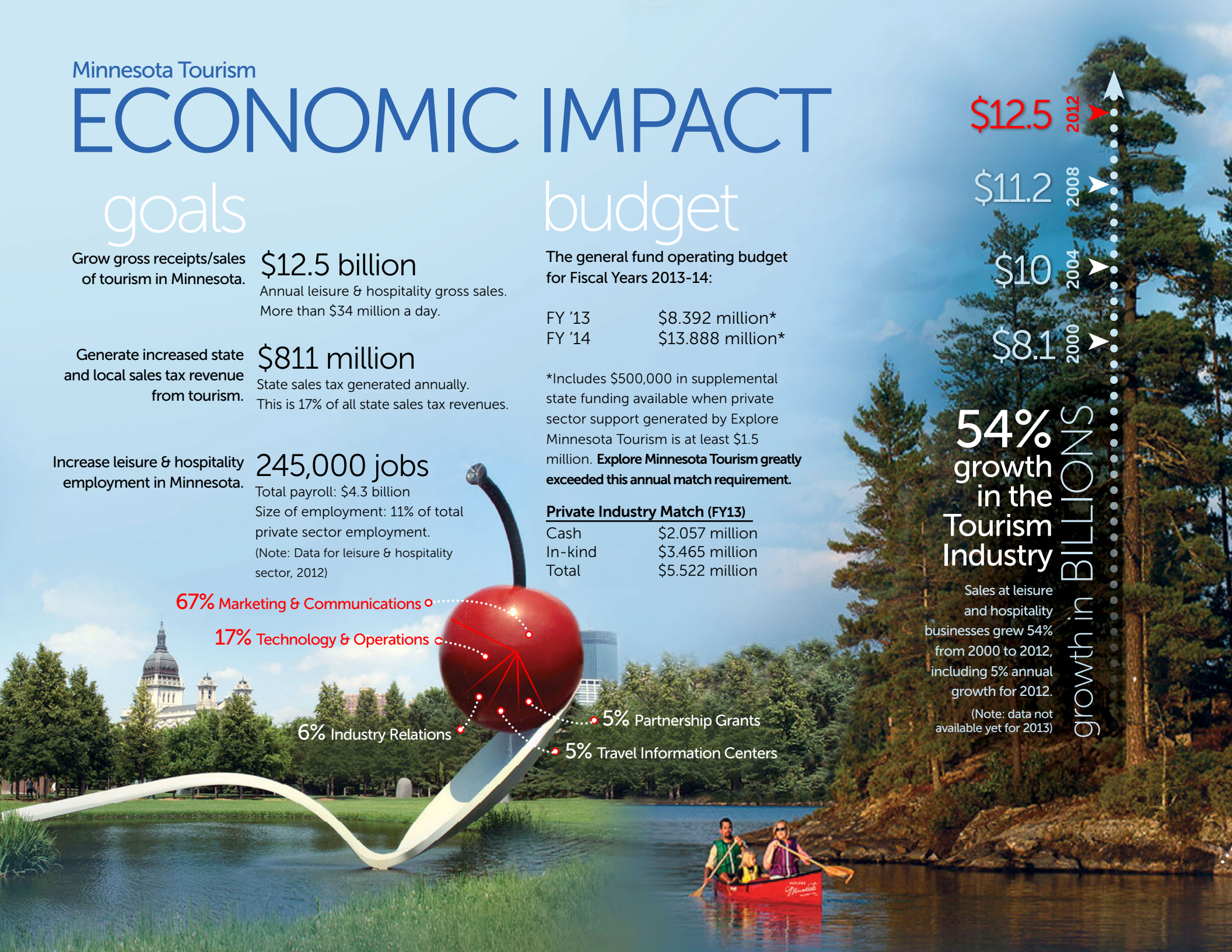
\$11.2 2008

\$10 2004

\$8.1 2000

54% growth in the Tourism Industry
growth in BILLIONS

Sales at leisure and hospitality businesses grew 54% from 2000 to 2012, including 5% annual growth for 2012.
(Note: data not available yet for 2013)



Results
Driven

ADVERTISING & Marketing PARTNERSHIPS



"More to Explore" spring/summer TV ads aired in 5 Midwest markets, supplemented by online ads and a "Vacation Mixer" sweepstakes

Doubled investment in fall and winter advertising, with "More Fall Colors" and "More Cool Moments" TV and online campaigns; used Instagram to engage consumers during these campaigns

Extended media reach through partnerships with WCCO-TV, KARE-11, Minnesota Twins FSN-TV broadcasts, Bring Me the News, Minnesota Broadcasters Association, and MPR's The Current radio station

Promoted resort stays in partnership with the Congress of Minnesota Resorts and the Minnesota Resort and Campground Association, with online and TV ads through Comcast

A partnership with the Minnesota Association of Museums, Minnesota Museums Month included a special Star Tribune editorial section, a museums microsite and MPR promotions

Partnered with the Minnesota Lynx, WNBA champions, with TV and radio ads and "More to Explore" web posts by team players

Promoted winter travel through a Checkpoint Minnesota contest featuring destinations around the state and the Explore Minnesota Slopes sweepstakes, in partnership with the Minnesota Ski Areas Association

Cooperative advertising **distinguished Minnesota's tourism regions** as unique destinations

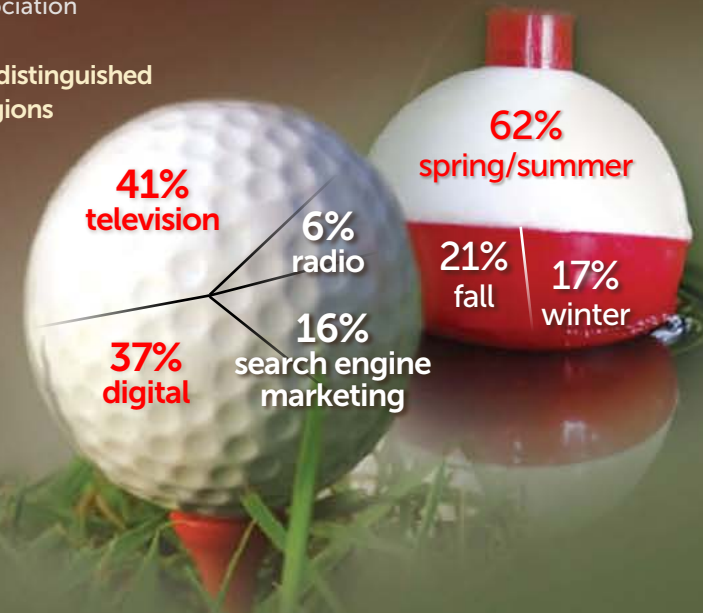
Pedal Minnesota, a multi-agency partnership with Health Partners as a major sponsor, featured mobile tune-up stations and publication of the Minnesota Biking guide, supplementing a cycling website; Pedal Minnesota won a national travel marketing award

Launched a **microsite on scenic motorcycling** in Minnesota

Expanded co-op advertising opportunities for the tourism industry at reduced rates, increasing Explore Minnesota investment to underwrite this program



\$1 invested = \$84 in traveler spending
in state tourism marketing



Quality TRAVELER INFO

Added **TripAdvisor reviews** to exploreminnesota.com, plus a new dining section; visits to the website continued to increase

Issued **monthly travel e-newsletters** and **weekly e-mail reports** on events, fishing, fall color, winter trails and more to spur getaways

Served on-the-road travelers at **Travel Information Centers (TIC)** and wide network of affiliated centers, and provided travel brochures at Mall of America and the MSP Airport

Promoted Minnesota activities and destinations through the **Minnesota Travel Guide** (300,000 distributed)

Offered seasonal trip ideas through **Minnesota Explorer travel newspaper** (total circulation of 3 issues: 1.5 million), published in partnership with Star Tribune

Provided customized, **person-to-person travel planning service** through phone center



Expanded MARKET REACH

Promoted Minnesota travel through **interviews on radio and TV shows**

Expanded media relations program, providing story ideas, information and photos to travel media, generating extensive coverage of Minnesota as a destination

Greatly expanded social media outreach, adding Instagram and Pinterest and increasing Facebook and Twitter contacts, for a total of 95,000 followers via social media

5,000
Telephone Inquiries

30,000
Website Brochure Requests

55,000
Mail & Digital Inquiries

201,000
E-newsletter
Subscribers

2,750,000
At Travel Info Centers

3,800,000
Website Visits

customers served



International & Group

TOUR



Leveraging the **Minnesota Vikings game in London**, led a sales mission to the United Kingdom, resulting in extensive media coverage and new tour products



Hired a French company to promote travel to Minnesota, taking advantage of new daily flights in the summer from Paris to the Twin Cities; the Mississippi River headwaters were featured in a top French magazine



Annual travel spending by **Canadians in Minnesota grew 6%** in 2012, including a 12% increase in spending on overnight trips



Co-hosted the National Tour Association (NTA) Owners Network annual meeting, highlighting the metro region to 15 top national tour operators



More than **300 domestic tour operators** offer Minnesota trips, ranging from day trips to multi-day tours of the state



2013 Minnesota Group & Packaged Travel Planner highlighted Mississippi River itineraries in honor of the 75th anniversary of Great River Road



EXPLORE *Minnesota*

INDUSTRY Relations

Held listening sessions in four locations in the state to **generate input and feedback from the tourism industry** on Explore Minnesota priorities and strategies

Through the Organizational Partnership and Scenic Byway Grant program, awarded **95 grants**, a total of about **\$589,200**, to communities and organizations for tourism marketing

Tourism businesses and organizations received more than **1.5 million direct referrals** from the Explore Minnesota website

With Pedal Minnesota partners, held a **Bicycle Summit** for communities and organizations interested in developing and promoting cycling

Promoted Minnesota as a destination for **sporting events** at three national trade shows, and held an event in Minnesota to increase awareness of Minnesota sports facilities and marketing

Increased visibility of Minnesota in the marketplace for **meetings and conventions**, including two major trade shows for meeting planners

With DNR, host communities, and other partners, conducted **Governor's Opener events** for fishing, pheasant hunting and deer hunting

Annual Tourism Conference drew a large attendance

Represented tourism industry interests in addressing concerns regarding **invasive species**

RESEARCH

Conducted study on **Minnesota's image** as a travel destination compared to those of major competitors

Conducted study on **investment generated** by tourism marketing

Surveyed lodging businesses and campgrounds on expectations and results of **summer tourism business**

Tracked lodging industry performance through Smith Travel Research

Collaborated with Dept. of Revenue on reporting of leisure and hospitality **sales tax data** used to track industry performance

Explore Minnesota Tourism

121 Seventh Place East, Suite 100
St. Paul, MN 55101-2146
651-757-1848 800-657-3637

For more details on Explore Minnesota Tourism marketing and programs, go to:
www.industry.exploreminnesota.com

EXPLORE
Minnesota
® EMT