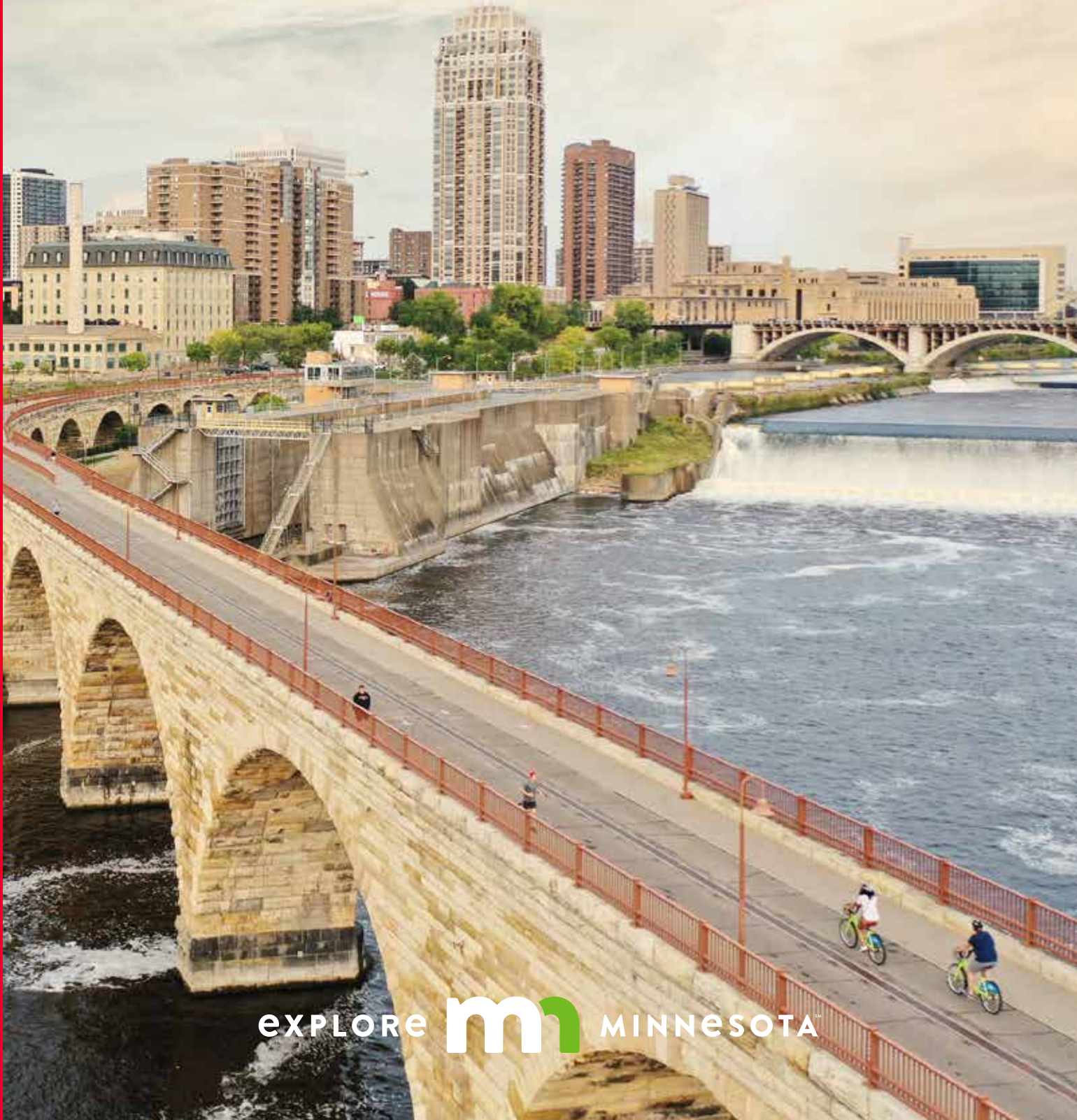
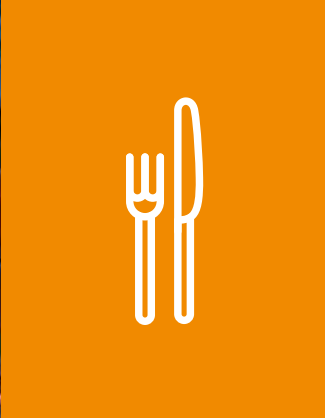


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2020 ANNUAL REPORT



EXPLORE **m** MINNESOTA™



A MESSAGE FROM THE DIRECTOR



Greetings,

As we reflect on 2019's annual report, it was filled with optimism and plans for continued growth for the Minnesota hospitality industry. The industry was riding on a very successful year reporting over \$16 billion in sales, and was poised to build on that success.

However, very shortly after the report was finished, the COVID-19 crisis began. We did not know the long-term impact and how the changing situation would continue to influence our programs and strategies. It challenged us to think differently about what we could do to help during the difficult days ahead.

Looking back, it's important to acknowledge all that happened in the last year. The impact to our industry is astonishingly large. The estimated loss in travel spending reached an incomprehensible \$8.2 billion since the start of the pandemic. Job losses from the leisure and hospitality industry fell by 27% -- the single most impacted business sector for employment losses in the state. Hotel and lodging occupancy plummeted to just 42% statewide, with the metro area experiencing an even sharper decline. The U.S. borders were

closed, flights were suspended and international travel ground to an abrupt halt.

In our survey conducted with tourism businesses in the fall of 2020, 34% of attractions, 43% of accommodations and 66% of food and drink establishments reported declining financial health. As bad as these markers were, we also witnessed signs of hope for the future. The Minnesota tourism industry banded together to help communities across the state provide essential services, and promote local businesses in new and unique ways.

Explore Minnesota also redirected efforts. Our first purpose was to help boost local spending and support hometown hospitality businesses. The objective of our first crisis campaign was to gently encourage people to start dreaming about traveling again through messages specifically targeted to Minnesota audiences.

As the weather warmed up and people began to discover "safe" travel and wide open spaces, some areas of the state fared better than others. Many communities were still deep in crisis and the lack of tourism dollars had direct impact on funding streams of our state's destination marketing organizations (DMOs). To aid our DMO community, in June 2020 we rolled out the first of our two-phased Crisis Marketing Grant Program which provided hundreds of grants to non-profit primary tourism organizations. The second phase was launched in January 2021 and together these programs awarded over \$2.3 million to help market Minnesota communities. We also doubled our cooperative marketing program budget and developed a two-phase program to help tourism organizations and businesses in a more aggressive way than ever before.

And after years of planning and research we launched a brand-new [exploreminnesota.com](https://www.exploreminnesota.com) consumer website in 2020. While the timing may not have been ideal, the new site is more robust and content-driven than ever before. As consumers were dreaming of future vacations, we prioritized connecting consumers with communities across Minnesota by removing participation fees and costs for things like consumer leads to primary DMOs.

As the summer progressed into fall and the pandemic continued to worsen, we focused our marketing on safe outdoor activities and niches like family road trips, pet-friendly travel, hiking and biking. Heading into the holiday season, the timing was perfect for a message of thanks, both to the people of Minnesota and the hospitality industry. We also elevated media relations through a contract with a new public relations firm, Weber Shandwick.

It's not an understatement to say 2020 was a deeply difficult year for all of us. While the timeline for recovery may be long and uncertain, I am proud of what our industry along with Explore Minnesota's staff accomplished during this past year. As you review the pages of this report and reflect on the year that was 2020, please know that our agency is poised to support and serve Minnesota's travel and tourism industry on our road to recovery.

Thank you for your support of Explore Minnesota and our mission. We look forward to working together with you to rebuild travel and tourism for the benefit of communities statewide, the people of Minnesota, our stakeholders and future visitors.

Sincerely,

A handwritten signature in black ink that reads "John F. Edman". The signature is stylized and cursive.

John F. Edman, Director



PRE-PANDEMIC ECONOMIC GROWTH

SALES



Leisure & hospitality

\$16.6 BILLION

in gross sales annually

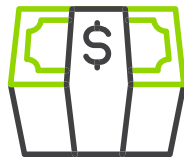


Spending

\$45.5 MILLION

per day

REVENUE



Generating

\$1.07 BILLION

in state sales tax



Representing

18%

of total state sales tax revenue

JOBS



275,000+

full- and part-time jobs



11%

of total private sector employment



\$6.4 BILLION

Billion in wages

75 MILLION

Visitors in 2019*

TOURISM INDUSTRY GROWTH IN BILLIONS

Sales at leisure and hospitality businesses grew nearly 23.5% from 2012 to 2019

2012

\$12.5

2015

\$14.4

2019

\$16.6

*Note: Sales, revenue and jobs data is for the leisure and hospitality sector, 2019. Data not available yet for 2020.

GENERAL FUND OPERATING BUDGET FOR FISCAL YEARS 2019-20:

\$14.2 MILLION

Annually*

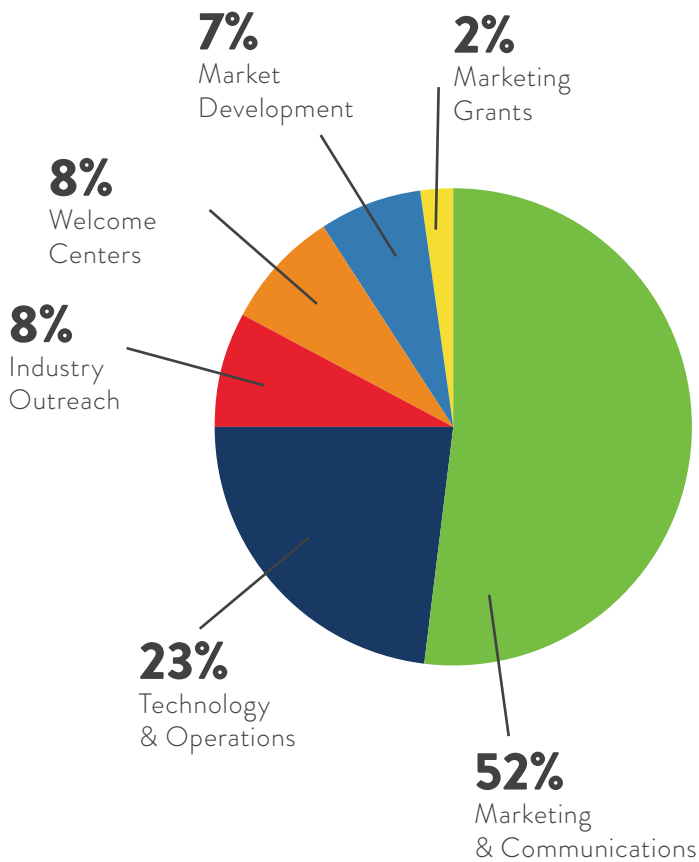
PRIVATE INDUSTRY MATCH

Cash: **\$3 million**

In Kind: **\$5.3 million**

Total: **\$8.3 million**

ALLOCATION OF BUDGET



*Includes \$500,000 in supplemental state funding available when private sector support generated by Explore Minnesota is at least \$3 million.



BRAND CAMPAIGN EVOLUTION

ADVERTISING MEDIA



Spring/Summer
31%

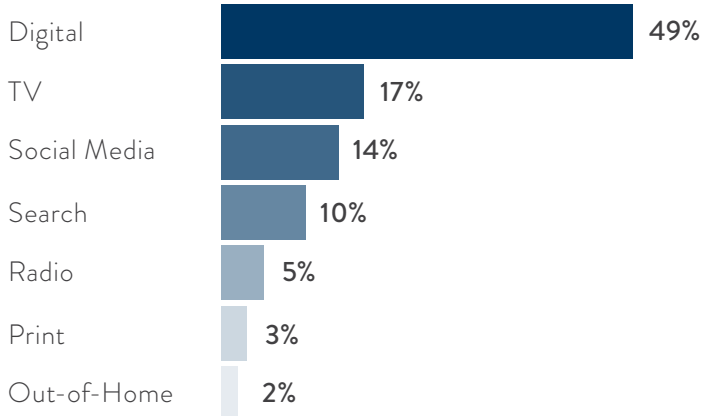


Fall
38%



Winter
31%

*Due to COVID-19, S/S budget was greatly reduced overall, leading to a larger share of dollars shifted to fall and winter



GEOGRAPHIC REACH



Niches for 2020: Fishing; Golf; Family Road Trippers; Dog Lover's; Winter Rec; and Performing Arts.

MARKETING COLLABORATIONS



WEBSITE VISITS

4.4 MILLION

BEHAVIOR

+13%

Session duration

+8%

Pages/session

ACQUISITION

-20%

Visits

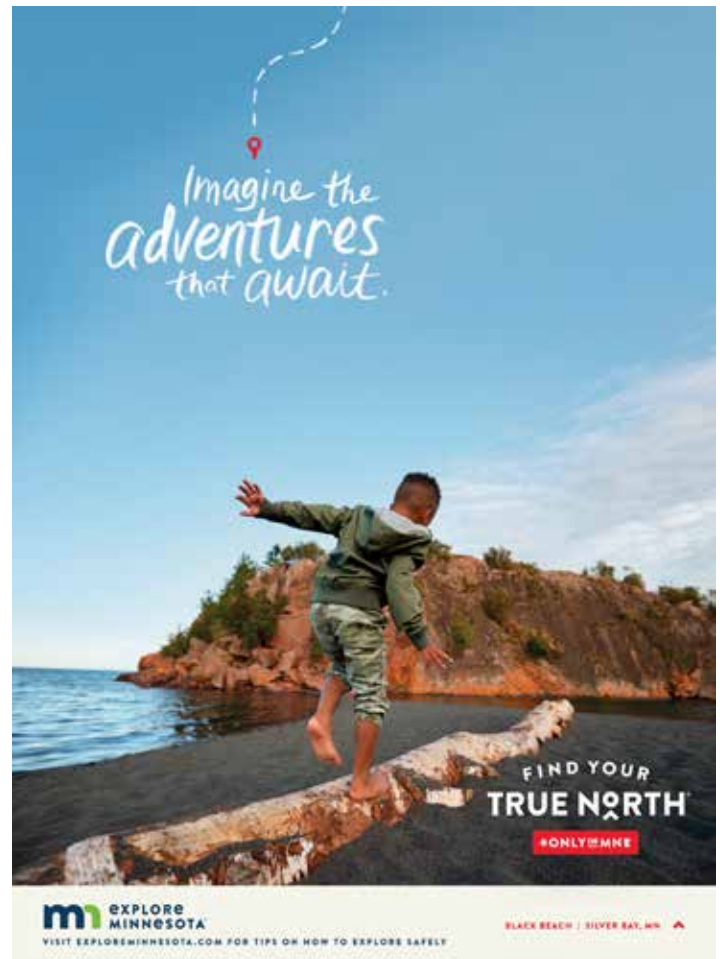
-15%

Users

FIND YOUR TRUE NORTH®

#ONLYINMN

The True North campaign continued into 2020, but the unpredictable year called for several ad-hoc campaigns. Recovery (See You Soon), Support Local (A State of Gratitude) and Transitional (Worth the Wait) campaigns were developed to meet the changing landscape of travel.



CONTENT PARTNERSHIPS

AFAR Golfweek

TRIPS DISCOVER trip savvy

DAILY BEAST

Native advertising was the fastest growing source medium in 2020. Rise in interest from food and dining, cooking enthusiast and 30-minute chef profiles.



CONSUMER REACH AND ENGAGEMENT

SOCIAL MEDIA



DIGITAL REACH

SOCIAL ENGAGEMENTS

1,026,144

TOTAL DIGITAL IMPRESSIONS

81,597,893

(-31% YOY)

SOCIAL FOLLOWERS

567,739

(+7% YOY)

VISITS TO THE WEBSITE VIA SOCIAL

329,202

EMAIL SUBSCRIBERS (+12.5%)*

212,910

*Biking and Deals emails were discontinued in 2020 and not included in factoring net gain.

PUBLIC RELATIONS



1.8 BILLION

estimated audience reach



1,208

story placements



**MINNESOTA'S
UNIQUE
REGIONS**

**ALL FOUR
SEASONS**



**INDOOR AND OUTDOOR
ACTIVITIES**



**TRAVEL & LEISURE
TOURISM & ECONOMY**



**RESULTS INCLUDE A VARIETY OF MINNESOTA
LEISURE TRAVEL TOPICS & TOURISM BUSINESS COVERAGE**

FAMILY TRAVEL SUMMER GETAWAYS WINTER ACTIVITIES
FOOD & BEVERAGE FESTIVALS & EVENTS NORTHERN LIGHTS MUSEUMS
COVID-19 PANDEMIC IMPACT HIKING TRAILS
SHOPPING MALLS BIKING SPORTS ADVENTURE ROAD TRIPS
STATE AND NATIONAL PARKS NEW WEBSITE TOURISM TRENDS
HOLIDAY ACTIVITIES MN TOURISM TAKES A HIT UNIQUE LODGING
HERITAGE SCENIC FALL DRIVES GOVERNOR'S OPENERS
'BEST OF' LISTS MINNESOTA LAKES NEW MARKETING CAMPAIGN
TOURISM SURVEY WINTER VACATIONS ECONOMIC IMPACT

COVID-19 MEDIA COVERAGE SNAPSHOT

Explore Minnesota provides "Virtual Tours" for people stuck inside



Exploring from a safe distance: Minnesotans invited to enjoy the outdoors from inside and out



Gov. Tim Walz calls off Governor's Fishing Opener; season still set to open as scheduled

Despite this year's Minnesota Governor's Fishing Opener being postponed until 2021, the 2020 fishing season will still open on May 9.



Coronavirus In MN: Survey Shows 70% Of Resorts, Campgrounds Suffering Dangerous Revenue Drop



Coronavirus In Minnesota: Explore Minnesota Offers Virtual Tours Of Iconic Minnesota Destinations



Minnesota resort owners seeing more business than expected this summer

Explore Minnesota says resorts have been the silver lining for the tourism industry.



How to get out and save summer in Minnesota



NOTABLE COVERAGE

Incredible places to celebrate Native American heritage



22 Best Places To See The Northern Lights In 2020



This Midwest State Is a Biking Paradise. Here Are the Best Trails to Hit.



Best of the Midwest: 10 places to go in 2020



This Is the Summer of the Drive-In Theater

From longtime establishments to pop-up venues, this 20th-century attraction is providing a safe, socially distanced activity



Long Drive-In Theater

Michelle and Dan Clausman operate the only drive-in left in Central Minnesota — Long Drive-In Theater, in Long Prairie, attracting visitors who come from great distances. With movie showings sometimes ending at one or two o'clock in the morning, the couple started offering overnight tent and RV camping as a courtesy to allow movie-goers to stay over and sleep until morning.

As summer gets underway, a look at this year's 10 best U.S. cities for parks



Report: Minnesota tourism made \$168 in 2018



Explore Minnesota launches new website



HIGH-PROFILE STORY PLACEMENTS



INTERNATIONAL PUBLIC RELATIONS

Estimated audience reach



100 MILLION

estimated value \$10 million



160

story placements from five countries



TWIN CITIES Embrace the American Dream on a weekend away exploring twin cities Minneapolis and Saint Paul

By Rosie Gizauskas
16 Feb 2020, 0:01 | Updated: 24 Feb 2020, 13:11



ARE you looking for a truly "American" experience?

Head to the neighbouring cities of Minneapolis and Saint Paul for music history, fab shopping and delicious food, says writer Rosie Gizauskas.

Already bought this
Not interested in this ad
This is offensive
Something else



Visitors can rejoice at the Mall of America that has a theme park inside Minneapolis

Go to a ball game

Minneapolis says "America" more than a baseball game. Watch the Minnesota Twins at Target Field in Minneapolis, tickets cost from £9 ([MLB.com](#)).

If you're there, make sure you grab a footlong hot dog, £5.60, and see if you can make an appearance on the legendary Kiss Cam – as long as you're not kissing the person you're sitting next to, that is...

Honour pop royalty

Minneapolis is home of the world-renowned "Minneapolis sound", a type of funk-rock pioneered by music icon Prince in the '70s. Prince devotees should book a tour of his home, Paisley Park, which became a museum after his death in 2016 – and yes, most of it is purple.

Explore where he lived and recorded music, check out his fabulously eccentric costumes and even play on his ping-pong table.

Entry costs £34 ([Paisleypark.com](#)). Music fans can also strike a pose for a Insta-perfect photo by the wall of stars at the iconic First Avenue nightclub, where Prince filmed the movie Purple Rain ([First-avenue.com](#)).



HIGH-PROFILE STORY PLACEMENTS





STAKEHOLDER COLLABORATION

RESEARCH RECAP

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



In early 2020, we instituted in a new partnership with the **Federal Reserve Bank of Minneapolis** and **Hospitality Minnesota** to regularly survey the tourism industry. This partnership continues to be critical to documenting and reporting the economic impacts of COVID-19 on Minnesota's hospitality businesses.

We continue to closely track national data regarding the impacts of COVID-19 related to job and spending losses, consumer sentiment, changes related to travel planning and tracking emerging trends which we regularly share with the industry, our stakeholders and media.

INDUSTRY RELATIONS

With the start of a COVID-19 pandemic in March 2020, industry communications and outreach were tested in new ways. We were tasked to deliver the most accurate information on industry relief programs, public health, safety, business operations guidance and protocol to both industry and consumers.

In response, we created the COVID-19 hub on our industry website to be a singular resource for timely industry-specific information. We also began to deploy the EMT Express industry e-newsletter on a weekly basis.

We launched the COVID-19 web alert ribbon and landing page on exploreminnesota.com to share updated travel impact information with consumers. As a trusted source, it quickly rose to become the most visited page on the website with 273,000 visits in 2020.

Destination Marketing Organizations (DMOs) which rely on lodging tax dollars as their primary source of funding were deeply impacted. We responded with agency-funded programs of support utilizing our current budget and repurposing dollars from programs that were paused or canceled.

The 2020 Marketing Grant Program, which was mid-cycle at the onset of the pandemic, was canceled in response to the growing crisis. Any participants who had expenditures under this program were paid out and the remaining funds were recalled. These funds, combined with repurposed program funds, came together to create the Tourism Crisis Marketing Grant Phase I.

\$3.3 MILLION

The largest budget ever dedicated to industry programs



Destination Marketing Grant Program

\$640K

\$182K consumed

- Recalled April 2020
- \$7,000 max grant award
- Dollar match of 1, 2 or 3:1 to unlock grant dollars



Industry Co-Op Marketing Programs

\$540K

- Launched July 1 and expanded program known as Phase I
- 400+ marketing opportunities offered at a 75-90% discount
- 150 participating organizations



New Events Grant Program (legislative appropriation)

\$60K

- Six events awarded*



Meetings, Conventions & Sports Co-Op Grants

\$100K

Regional Marketing Co-op

\$50K



Crisis Marketing Grant Phase II: Dec. 1, 2020-Dec. 31, 2021

\$1.29 MILLION

- 125 eligible organizations
- No match money required to unlock the grant dollars
- Grant dollars could be paid in advance
- Permitted to market close to home
 - » Key change: \$17,500 max award



Tourism Crisis Marketing Grant Phase I: July 1-Dec. 31, 2020

\$1.1 MILLION

- 120 organizations received grants
 - » Key changes:
 - \$14,000 max award
 - No match money required to unlock the grant dollars
 - Grant dollars could be paid in advance
 - Permitted to market close to home

#ONLYINMN MONUMENT INSTALLATIONS



- Kiwanis Holiday Lights, Mankato
- Sleepy Eye Holiday Lights in Motion
- Waseca Sleigh & Cutter Festival
- Explore Minnesota Tourism Conference, Alexandria
- Minnesota State Fair Fall Food Parade, St. Paul
- Bacon and Beer Oktoberfest at CHS Field, St. Paul
- Film North/documentary-film “Way of the Warriors” Camp Warren, Eveleth

*2020 cycle (July 2019-June 2020)



MARKET DEVELOPMENT

TRADE SHOWS

American Bus Association (ABA) Annual Convention, Omaha, NE; Jan 10-14, 2020

42

appointments conducted

11

Minnesota industry participants

MEDIA

Prior to the suspension of international flights and U.S. borders closing in March 2020, we hosted the following international publications:

Chinese Car Trends Magazine in cooperation with Great Lakes of North America

Lufthansa In-Flight Magazine, featuring Brainerd Jaycees Ice Fishing Extravaganza (yet to be published)

MARKETING ACTIVITIES

With Brand USA

January-Spring 2020:

- U.K. multi-channel marketing program
- France multi-channel marketing program
- South Korea multi-channel marketing program (paused mobile execution before delivery was completed)

Mid-year:

Launched Global Marketplace Minnesota virtual trade show booth

- » Minnesota industry also participated in seven events including one-on-one appointments with international tour operators

Ongoing:

Global Inspiration Program: Independent learning for the global travel trade

Representation:

Mississippi River Country launched website for Canadian consumer marketing featuring Minnesota

Minnesota Chinese Representation by East/West Marketing

134,126 followers



STRATEGIC MEMBERSHIPS





PERSONALIZED SERVICE

- Welcome Center information counters closed for in-person service March 28 - July 21, 2020 and Nov. 21, 2020 - May 2021. Minnesota Department of Transportation (MNDOT) rest stops remained open.
- Staff prepared grab and go packets with travel information for self-service at Welcome Centers.
- QR code ordering system was developed for Mall of America and Welcome Center locations.
- Mall of America partner brochure program was paused; replaced by QR code touchless brochure download and ordering.
- MSP airport distribution program was impacted due to travel restrictions but physical distribution continued.
- Due to new consumer website, brochure request processing was changed from Barkley REI to SalesOrder.
- Primary distribution fulfillment was outsourced with services provided by Access Ability Inc.
- Terminated the community brochure mailing program on Jan. 1, 2020.

PROVIDED PERSONALIZED
CUSTOMER SERVICE TO

3,421,604

consumers

WELCOMED

2,190,938

visitors to Welcome Centers

DISTRIBUTED

636,307

printed Minnesota travel publications and maps



WELCOME
CENTERS



MALL OF
AMERICA



Explore Minnesota
121 7th Place East, Suite 360
St. Paul, Minnesota 55101, USA

exploreminnesota.com/industry