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 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,

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

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

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
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

52% Marketing & Communications
23% Technology & Operations
8% Industry Outreach
8% Welcome Centers
7% Market Development
2% Marketing Grants

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

4.4 MILLION

BEHAVIOR

+13%
Session duration

+8%
Pages/session

ACQUISITION

-20%
Visits

-15%
Users

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

Digital 49%
TV 17%
Social Media 14%
Search 10%
Radio 5%
Print 3%
Out-of-Home 2%

GEOGRAPHIC REACH

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

MARKETING COLLABORATIONS
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.

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

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 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

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

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

‘Ways To Support Minnesota While At Home’ Podcast

How to get out and save summer in Minnesota

Angela Dumas and Kate Murphy

WCCO, KARE

2020 ANNUAL REPORT 7
Incredible places to celebrate Native American heritage

22 Best Places To See The Northern Lights In 2020

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

EXPLORE MINNESOTA

HIGH-PROFILE STORY PLACEMENTS

USATODAY  AFAR  THRILLIST  Forbes  Smithsonian  msn  MidwestLiving

Chicago Tribune  The Washington Post  StarTribune

Minneapolis  Minnesota Public Radio  5evntimesnews

Twincitiesbusiness  FOX19

KARE11
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

ARE you looking for a truly "American" experience?

Head to the neighboring cities of Minneapolis and Saint Paul for music history, fantastic shopping and delicious food, says the Sun (Australia).

Go to a ball game

"As "America" more than a baseball game. Watch the Minnesota Twins at the Target Field in Minneapolis, alone cost from $10 to $1,000.

Are there, make sure you grab a famous hot dog, Eddo, and see it make an appearance on the legendary Dick's Corner - as long as you know where to find 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 '80s. Prince devotees should visit 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 $14 (paisleypark.com). Music fans can also take a bus for a time-warped photo by the well of tears at the iconic First Avenue nightclub, where Prince filmed the movie Purple Rain (firstavenue.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

- 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