Greetings,

I am honored to be the new director of Explore Minnesota Tourism, and I am thankful to John Edman for his decades of service to the industry. I would also like to recognize the staff at Explore Minnesota who have worked diligently to support the industry over the last two years despite the nonstop challenges.

In this report, you will see the story of 2021 and the growth and changes we’ve seen since the start of the pandemic. Although some parts of the state have bounced back faster than others, this report will show you that we are beginning to see the light at the end of the tunnel. As business travel and major events ramp back up this year, the path to a brighter tomorrow will appear.

Unfortunately, the industry continued to see significant losses, ending 2021 nearly $12 billion down since January 2020. Labor shortages and supply-chain issues continue to plague the industry. In 2021 leisure and hospitality employment in Minnesota was down 16% relative to 2019. Spring and summer, however, saw noticeable upswings in visitor traffic. Our 1,420 media placements pushed interested adventurers to checkout our limitless options of family travel, summer getaways and other niche experiences that you can find #OnlyinMN.

Optimism and thirst for adventure were higher than ever, which we saw reflected in our website traffic. With the new exploreminnesota.com we hit six million visitors for the first time—a statistic worth celebrating. We also saw an increase in pages viewed per session and in acquisition of visitors and users.

Explore Minnesota continued to find ways to support our tourism industry. We provided more than $3 million in grant funding to hundreds of communities across the state, all without a match requirement, ensuring that your dollars went as far as possible. We also launched several social engagement campaigns like The Minnesota Scoop and The Culinary Campfire with Yia Vang to get people back on the road and into your communities.

Explore Minnesota also took pride in seeing some of its work this past year recognized with awards. We received a Mercury Award from the U.S. Travel Association for how our team used CDC data on COVID-19 cases to help plan our media strategy in key markets. We also won an Adrian Award from the Hospitality Sales and Marketing Association for our 2022 Travel Guide.

In the report you’ll see a lot of the good that came out of 2021—hope, excitement and a team at Explore Minnesota ready to take it all on and promote your favorite state. As we move out of the pandemic, you’ll see more of our hard work as we take on the challenge of a new beginning. We look forward to what 2022 brings and can’t wait to be bigger, better and bolder than ever.

Sincerely,

Lauren Bennett McGinty, Director
PANDEMIC ECONOMIC IMPACT

SALES

Leisure & hospitality

$11.7 BILLION in gross sales annually

Spending

$32 MILLION per day

REVENUE

Generating

$731 MILLION in state sales tax

Representing

12.1% of total state sales tax revenue

JOBS

205,000+

full- and part-time jobs

9%

of total private sector employment

$4.9 BILLION in wages

*Note: Sales, revenue and jobs data is for the leisure and hospitality sector, 2020. Data not available yet for 2021.

MINNESOTA’S TOURISM INDUSTRY HAS SUFFERED

$11.7 BILLION

in travel spending losses as of Jan. 27, 2022

25 MILLION

Visitors to MSP airport in 2021

STR MINNESOTA HOTEL PERFORMANCE METRICS

2019-2021 Annual Average Comparison

<table>
<thead>
<tr>
<th>Monthly ADR &amp; RevPAR</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADR</td>
<td>$114.57</td>
<td>$83.13</td>
<td>$101.33</td>
</tr>
<tr>
<td>RevPAR</td>
<td>$71.64</td>
<td>$33.39</td>
<td>$49.93</td>
</tr>
<tr>
<td>Occupancy %</td>
<td>61.8%</td>
<td>36.3%</td>
<td>48.1%</td>
</tr>
</tbody>
</table>

$11.7 BILLION in gross sales annually

$32 MILLION per day

$4.9 BILLION in wages

*Note: Sales, revenue and jobs data is for the leisure and hospitality sector, 2020. Data not available yet for 2021.

EXPLORE MINNESOTA
Notes: The Leisure and Hospitality industry consists of Accommodations; Food Services and Drinking Places; and Arts, Entertainment and Recreation.
Source: Minnesota Department of Revenue
GENERAL FUND OPERATING BUDGET FOR FISCAL YEARS 2020-21:

$14.2 MILLION

Annually*

PRIVATE INDUSTRY MATCH

Cash: $1.7 million
In Kind: $6.7 million
Total: $8.4 million

ALLOCATION OF BUDGET

62% Marketing & Communications
12% Marketing Grants & Co-Ops
7% Welcome Centers
6% Industry Outreach & Education
11% Technology and Operations
2% Market Development

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

ACQUISITION
+36%
Visits
+37%
Users

BEHAVIOR
+6%
Session duration
+7%
Pages/session

BRAND CAMPAIGN EVOLUTION

ADVERTISING MEDIA

<table>
<thead>
<tr>
<th></th>
<th>Spring/Summer</th>
<th>Fall</th>
<th>Winter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>63%</td>
<td>13%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Digital: 49%
Broadcast: 27%
Paid Social: 13%
Paid Search: 9%
Print: 2%
Out-of-Home: <1%

GEOGRAPHIC REACH

Niches for 2021: Road Trips, Camping, Winter Recreation, Museums, Food and Drink, and Hiking

MARKETING COLLABORATIONS
Despite the ongoing challenges for travel and tourism in 2021, our Find Your True North campaign continued to support Minnesota and meaningfully connect with our potential travelers. We are always adapting to the changing landscape of travel to ensure Minnesota is a top-of-mind destination as the recovery continues.

Our MN Scoops summer promo brought together 100 businesses from around the state, and although it lasted just a few weeks, it ended up in the top 5 for most visited web pages.
CONSUMER REACH AND ENGAGEMENT

SOCIAL MEDIA

DIGITAL REACH

SOCIAL ENGAGEMENTS

8,073,879

SOCIAL IMPRESSIONS

155,868,054

VISITS TO THE WEBSITE VIA SOCIAL

388,345

EMAIL SUBSCRIBERS

277,532
### PUBLIC RELATIONS

#### CY21 TOTAL MEDIA RESULTS

<table>
<thead>
<tr>
<th>5 BILLION</th>
<th>1,420</th>
</tr>
</thead>
<tbody>
<tr>
<td>estimated audience reach</td>
<td>story placements</td>
</tr>
</tbody>
</table>

#### MINNESOTA’S UNIQUE REGIONS

- All Four Seasons
- Indoor and Outdoor Activities
- COVID-19 Crisis & Recovery
- Travel & Leisure

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#### RESULTS INCLUDE A VARIETY OF MINNESOTA LEISURE TRAVEL TOPICS AND TOURISM BUSINESS COVERAGE

<table>
<thead>
<tr>
<th>FAMILY TRAVEL</th>
<th>SUMMER GETAWAYS</th>
<th>FESTIVALS &amp; EVENTS</th>
<th>VIRTUAL HAPPENINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD &amp; BEVERAGE</td>
<td>SUPPORT LOCAL</td>
<td>SPORTS BORDER REOPENING</td>
<td>ECONOMIC IMPACT</td>
</tr>
<tr>
<td>TOURISM RECOVERY</td>
<td>HERITAGE</td>
<td>HOLIDAY ACTIVITIES</td>
<td>SPOTY SITES</td>
</tr>
<tr>
<td>UNIQUE LODGING</td>
<td>COVID-19 PANDEMIC IMPACT</td>
<td>MARKETING</td>
<td>BIKING</td>
</tr>
<tr>
<td>FALL CAMPING</td>
<td>TOURISM TRENDS</td>
<td>MINNESOTA LAKES</td>
<td>ROAD TRIPS</td>
</tr>
<tr>
<td>COLORS</td>
<td>SCENIC FALL DRIVES</td>
<td>ADVENTURE</td>
<td>HIKING TRAILS</td>
</tr>
<tr>
<td>WINTER ACTIVITIES</td>
<td>‘BEST OF’ LISTS</td>
<td>BUCKET-LIST TRIPS</td>
<td>DARK SKIES</td>
</tr>
<tr>
<td>HOSPITALITY INDUSTRY</td>
<td>GOVERNOR’S OPENERS</td>
<td>TRAVEL RESTRICTIONS</td>
<td>TOURISM TRENDS</td>
</tr>
</tbody>
</table>

#### HIGH-PROFILE STORY PLACEMENTS

- USA Today
- Thrillist
- Forbes
- Smithsonian Magazine
- msn
- KARE 11
- Esquire
- AFAR
- Parade
- The Washington Post
- Star Tribune
- Mpls St Paul
- FOX 9
- FOX News
- FNS Press
- Tribune
- Midwest Living
- WCCO News Team
- Twin Cities Business
- Minnesota Public Radio
- GMA
- WJON
- G News
- Outside
- KVRR
- REAL SIMPLE
- The Wall Street Journal

Note: Media coverage is a result of many initiatives including: Explore Minnesota and PR agency media outreach, tourism and hospitality industry surveys, virtual media desk side meetings, travel marketing and promotion activity, seasonal pushes, several inbound media requests and more.

*Estimated audience reach totals may include some of the same people seeing multiple stories.
### Parade

*See America's Top Don't-Miss Destinations for Your Summer Travel Bucket List*

Duluth, MN

Thousands of feet below the city of Duluth during the summer season, a试着 Light Display. The event is open to the public and runs through November and December. There's also a water tower located in Duluth that's aoba. The light display is great for people visiting from the historic Grand View mansion.

### Food & Wine

*11 Distillery Hotels Worth Planning a Trip Around*

Hone your drink and learn too. By Brian Ross | November 30, 2021

### Forbes

*These Halloween Parades Across The U.S. Remain Beloved Traditions*

Reader's Digest

The Best Christmas Towns in America You Should Visit At Least Once

Stillwater, Minnesota

Best for: A white Christmas

### Travel + Leisure

*10 Mountains You've Never Heard Of But Need To Ski This Winter*

Lutsen Mountains, Minnesota

### Outside

*These 7 Cities Embrace Winter Like Nowhere Else*

St. Paul, Minn., has the best of the best for winter enthusiasts. From skiing and snowboarding to ice fishing and sledding, there’s something for everyone in this Northern Minnesota town.

### The 15 Best Small Towns to Visit in 2021

*Smithsonian Magazine*

**The Midwest**

Ely, Minnesota (pop. 3,390)

**Northern Minnesota**

Once known for its mining boomtowns, the Iron Range has gotten a mighty makeover.

### Destinations Coverage – National

**Where to Go in 2022**

Northern Minnesota

- For a winter wonderland, visit the Lutsen Mountains, which offer world-class skiing and snowboarding. The resort features the longest snow tubing hill in the U.S. and a variety of dining options.
- For outdoor enthusiasts, the Boundary Waters Canoe Area Wilderness is a must-visit destination. The area is known for its beautiful lakes, rivers, and願意 to hike.
- The Iron Range Heritage Museum is a great place to learn about the history of mining in the region.

### The 32 Best State Parks in America

The Mississippi River Valley, Southern Minnesota

- The Mississippi River Valley State Park is a beautiful park that offers hiking, biking, and kayaking opportunities. The park is home to a variety of wildlife, including eagles and ospreys.
- The Upper Mississippi River National Wildlife and Fish Refuge is a great place to see a variety of birds and other wildlife. The refuge is also home to a variety of hiking trails.
- The Apostle Islands National Lakeshore is a great place to go kayaking and to see a variety of wildlife. The islands are home to a variety of bird species, including bald eagles.

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Minneapolis

Stop for These Unique Eats On Your Next Minnesota Road Trip
There are so many, one a county and maybe that's why you stop right now.
By Mike Heideman | April 2023

Focus

Otter Tail County touts historical significance of its Phelps Museum

EAT ICE CREAM, GET Rewarded - THE MINNESOTA SCOOP

Midwest Living

15 of the Best Outdoor Winter Activities and Festivals Around the Midwest

Fall from great heights

MN State Parks sampler: Hayes Lake State Park offers quiet recreation near northern border

EXPLORE MINNESOTA

SOUTHERN MINNESOTA HAS SOME GREAT TRAVEL DESTINATIONS [PODCAST]

MINNESOTA GOVERNOR'S BIG OPEN

MINNESOTA GOVERNOR'S FISHING OPENER

DESTINATION COVERAGE – LOCAL & REGIONAL

FOX9

EMBRACING THE BOLD NORTH

WJON

MINNESOTA HAS TWO NATIONAL NATIVE AMERICAN MONUMENTS

MPLUS

What's New in the Midwest This Year

Holiday Markets 2021: Seasonal Shopping Around Minnesota

Midwest Living

CHICAGO PARENT

10 Active Minnesota Adventures

EXPLORE MINNESOTA

EXPERIENCE HOLIDAY TRAINS AND CHRISTMAS MARKETS IN MINNESOTA

CHICAGO PARENT

EXPLORE MINNESOTA

EXPERIENCE HOLIDAY TRAINS AND CHRISTMAS MARKETS IN MINNESOTA

The RV craze continues to soar during the pandemic

Vacationers are looking to travel while at the same time have more control of their environment.
EXPLORE MINNESOTA

STAKEHOLDER COLLABORATION

RESEARCH RECAP

Explore Minnesota continues to closely monitor national and state consumer sentiment toward travel and the economic impacts of COVID-19 on the tourism industry. We regularly share information and trends with the industry, our stakeholders and media.

Through a partnership with the Federal Reserve Bank of Minneapolis and Hospitality Minnesota, we collect input about business conditions from Minnesota’s hospitality industry on a quarterly basis. We also survey people with an interest in Minnesota travel twice a year to gain insight into their trip plans and travel expectations.

Explore Minnesota collaborated with the Department of Revenue on reporting leisure and hospitality industry sales tax and Minnesota resorts data and trends. We began receiving AirDNA short-term rental data to supplement STR hotel data and provide a wider view into lodging performance for the state and areas of Minnesota.

INDUSTRY RELATIONS

As the COVID-19 pandemic remained through 2021, industry communications and outreach continued to be a vital, yet challenging, aspect of Explore Minnesota’s mission. Industry relations staff persisted through remote-work status to hold numerous virtual meetings and presentations with stakeholders across the state.

The agency’s e-newsletter, EMT Express, remained a weekly deployment for the nearly 8,000 subscribers interested in our programs and the fluctuations of the tourism industry.

Destination Marketing Organizations (DMOs) continued to be impacted in their capacity to achieve their missions of inviting consumers to visit. Explore Minnesota responded with another crisis marketing grant program requiring no matching dollars. Funding came from the current budget and funds repurposed from programs that were paused or canceled. Grants were made to 125 recipients.

The appropriation to Explore Minnesota of $750,000 through the 2021 legislative session led to the formation of a recovery grant program for 50 grantees that will continue through the first half of 2022. This funding was awarded within 8 hours of the opening of the grant application.
GRANTS & CO-OP MARKETING

$3.5 MILLION
The largest combined program ever ($2.8 million general fund budget + $750,000 appropriation)

GRANTS

Crisis Marketing Grant Phase I:
$1 MILLION
- 121 recipients
- $14,000 maximum award
- No matching funds or out-state requirement
- July 1, 2020 through April 30, 2021

Crisis Marketing Grant Phase II:
$1.29 MILLION
- 125 recipients
- $17,500 maximum award
- No matching funds or out-state requirement
- Dec. 1, 2020 through Dec. 31, 2021

Recovery Grant:
$750,000
- 50 recipients
  » 23 additional grant applications not funded due to grant funds being exhausted
- $20,000 maximum award
- No matching funds or out-state requirement
- Sept. 15, 2021 through June 30, 2022

INDUSTRY CO-OP MARKETING PROGRAMS

MORE THAN $500,000
- Explore Minnesota offset costs to offer the industry a 50% to 85% discount
- Launched July 1 with new programs added throughout the year
- Provided more than 400 marketing opportunities
- Benefited more than 160 participating organizations

#ONLYINMN Monument Installations
- Minnesota State Fair Drive-through Fall Food Parade
- St. Paul Winter Carnival Drive-through Ice and Snow Sculpture Park
- Twin Cities Pride Festival
- St. Paul Saints at CHS Field
- Minnesota State Fair
- Small monument permanently installed at Mall of America

MORE THAN $500,000

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INDUSTRY OUTREACH
In October 2021, five virtual industry listening sessions were conducted with over 250 participants. An industry engagement survey also was released, and it received over 200 responses.

A summary of participants:

- 31% Overnight accommodation
- 20% DMO
- 15% Other
- 10% Food and/or drink establishment
- 9% Attraction or museum
- 5% Retail
- 8% Performing arts and events
- 2% Allied and other goods and services businesses

2021 MINNESOTA GOVERNOR’S FISHING OPENER
With the postponement of the 2020 Governor’s Fishing Opener, the 2021 event was held in Otter Tail County and was unlike any Governor’s Fishing Opener event before – safely and successfully executed during a global pandemic. The event generated 773 media hits and mentions and an estimated audience reach of nearly 517 million.

In tandem with the official events, Otter Tail County executed the first-ever public fishing challenge, #OnlyinMN Cup, with more than 500 participants.

INDUSTRY EDUCATIONAL OPPORTUNITIES
Taking a low-barrier approach – meeting people where they are geographically, financially and within their own career – Explore Minnesota focused on providing unique and accessible educational programming for the state’s tourism industry.

The first-ever virtual Explore Minnesota Tourism Conference was broadcast on Tuesday, March 2, and Wednesday, March 3, 2021. This entirely free event reached nearly 700 registered participants – a record-setting number of attendees for any educational opportunity presented by the agency!

Explore Minnesota also launched its first Speaker Series, featuring top industry leaders presenting on timely subjects such as reputation management, research, cultural sensitivity and professional development. Hundreds of industry professionals have attended or accessed these webinars, which were recorded and posted on Explore Minnesota’s industry website.
MARKET DEVELOPMENT

TRADE EDUCATION

Brand USA Global Inspiration Program
This program consists of a targeted media campaign in the UK, Germany and France; a print campaign in English, German, Spanish, Japanese, Korean and Simplified Chinese; and a digital campaign in English, Portuguese, Simplified Chinese, German, French, Japanese, Spanish and Korean.

PRODUCT DEVELOPMENT

New Minnesota and North Dakota Cooperative Itinerary
In cooperation with North Dakota Tourism and Great American West/Rocky Mountain International, a Minnesota-North Dakota itinerary was created through two selected receptive operators and promoted consumers through Scandinavian tour operators.

SOCIAL MEDIA

Maintained presence on Chinese social media channels through representation contract with East West

- Weibo Followers: 141,974
- WeChat Followers: 3,506

Memberships: Remain the same but we might want to take out Great Lakes of North America.

STRATEGIC MEMBERSHIPS

TRADE SHOWS AND TRAVEL

TRADE MEETINGS

Brand USA Travel Trade Meetings
March 15 to March 18, 2021 (Virtual)

- 20 appointments with tour operators from the UK, Germany, Norway, Italy, The Netherlands, Spain, Belgium and Mexico.
- Participating destination marketing partners: Visit Duluth, Meet Minneapolis and Enjoy Eagan

Mississippi River Country Canadian Presentation
April 22, 2021 (Virtual)

- Along with 5 other states, Explore Minnesota presented to 53 members of the Canadian media

Visit USA UK Media Event
May 5, 2021 (Virtual)

- 6 media appointments from the UK with magazines, newspapers and freelance writers

American Bus Association
May 27, 2021 (Virtual)

- 26 appointments with motorcoach and group tour operators
PERSONALIZED SERVICE

FACTORS WHICH AFFECTED CUSTOMER SERVICE IN 2021:

• COVID-19 pandemic continues.
• Visitors concerned for their personal safety due to increased crime and the trial of Minneapolis police officer Derek Chauvin.
• Welcome Centers information counters were closed for direct customer service Nov. 21, 2020 through May 26, 2021.
• Welcome Centers reopened Thursdays through Sundays on May 27, 2021.
• Canada/USA border reopened Nov. 8, 2021.
• Fulfilled travel counselor speaking engagement requests by conducting presentations via Zoom.
• Peak customer inquires: April through Labor Day