



Explore Minnesota

Overview and FY 22/23 Budget Presentation

House Environment and Natural Resources Finance and Policy Committee

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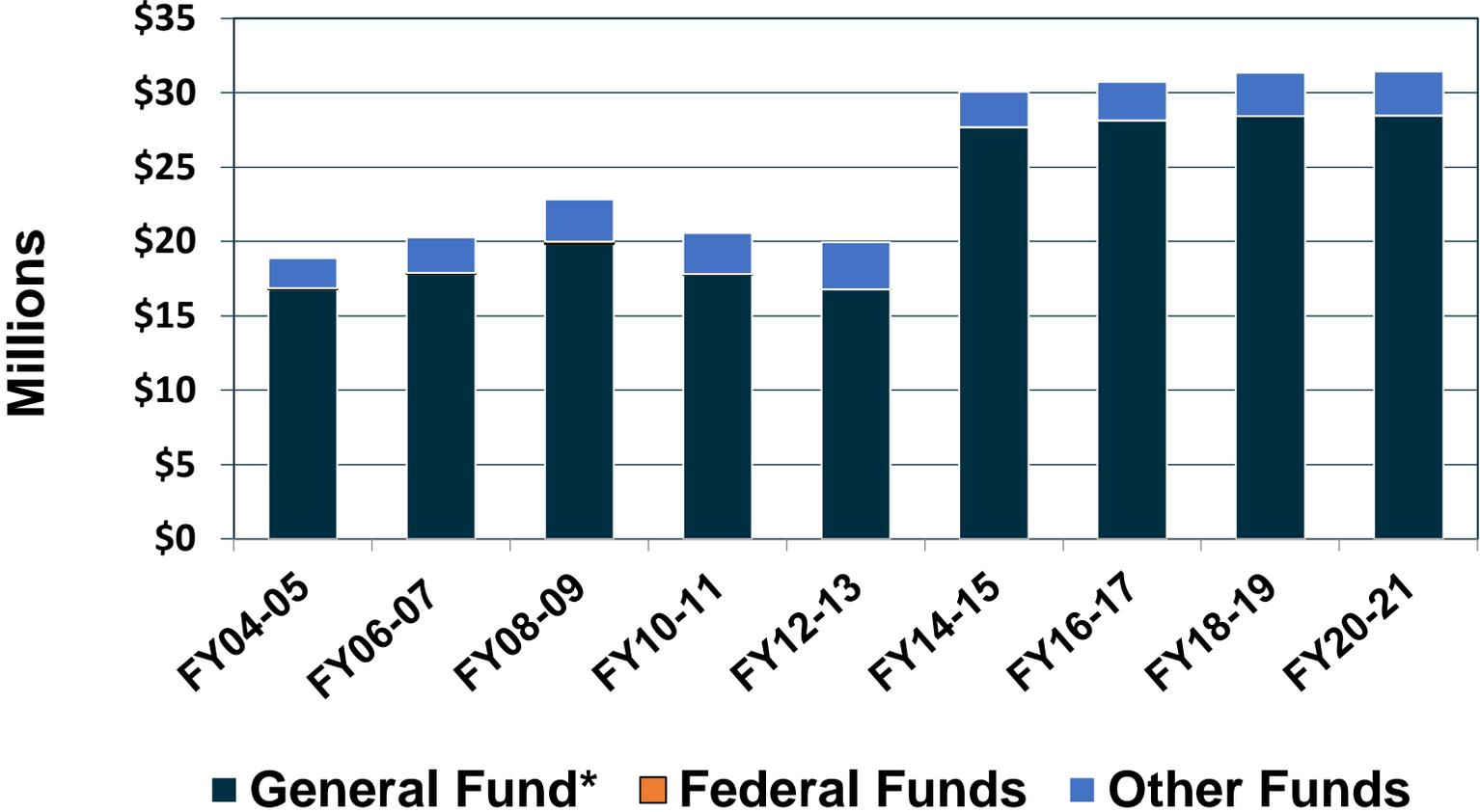
Governor's FY 22/23 Budget Recommendation

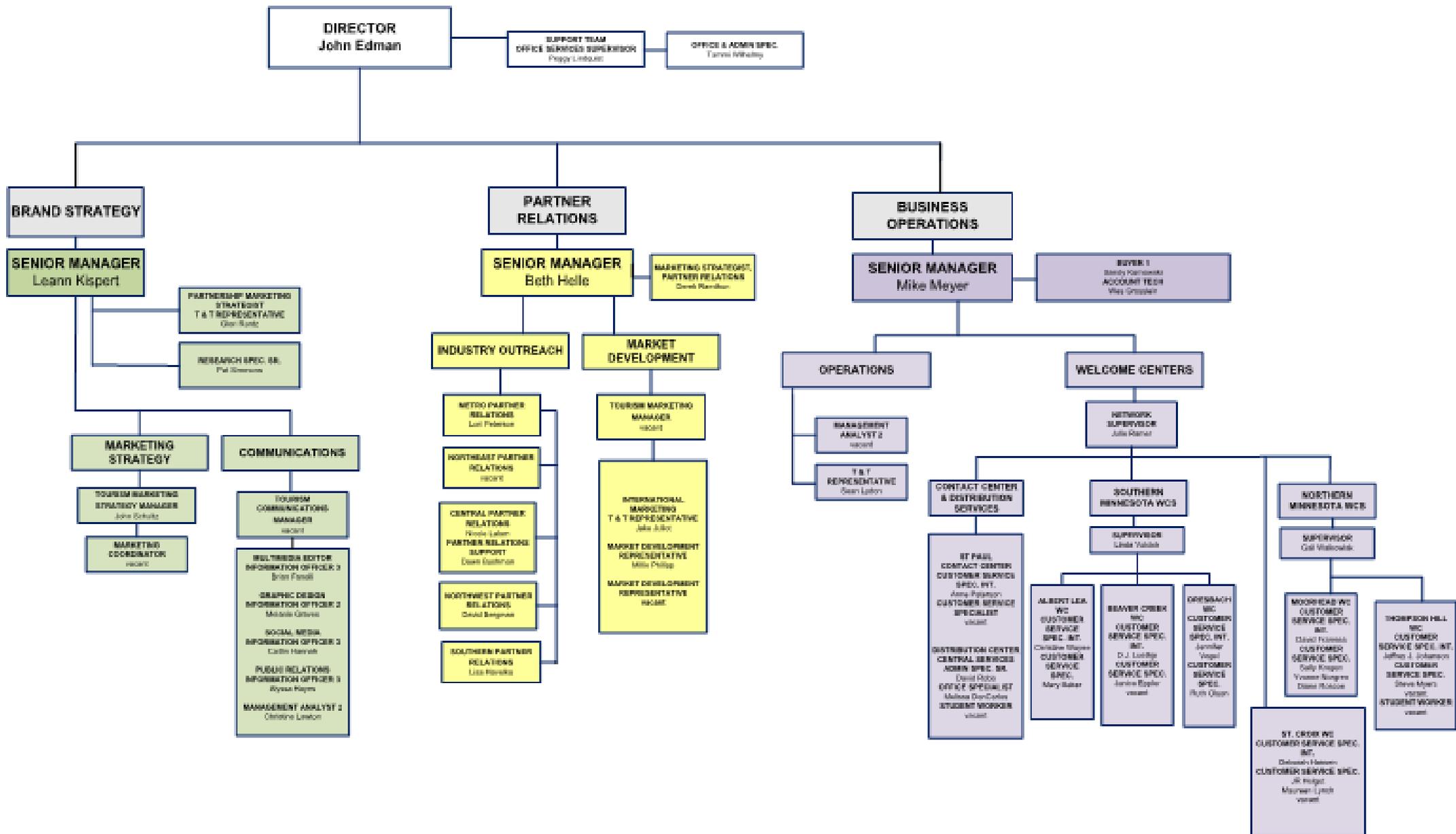
Explore Minnesota Agency Overview

Explore Minnesota

- **WHO WE ARE** As the state's tourism promotion office, Explore Minnesota pursues an entrepreneurial approach, leveraging the state's tourism investment with increased involvement by the private sector. A council of representatives from the state's tourism industry strongly connects Explore Minnesota with tourism businesses and organizations.
- **VISION** To elevate Minnesota as a premier travel destination through results-driven, innovative destination marketing.
- **MISSION** To inspire consumers and facilitate their travel to and within the state of Minnesota.
- **EQUITY STATEMENT** Explore Minnesota is committed to honoring the value and dignity of all individuals. Through our work, we pledge to foster an environment that respects diversity, inclusion and accessibility, so that all who travel here feel welcome.

EMT Budget





Strategic Direction



#ONLYINMNE



75 MILLION
VISITORS



\$18.1 BILLION
IN SALES



\$1.17 BILLION
IN STATE SALES TAX



281,000
JOBS



- Incremental visitation of **2.2 million** trips from visitors who saw our advertising
- Incremental traveler spending of **\$745 million** from visitors who saw our advertising
- **\$73 million** in incremental state and local taxes collected from visitors who saw our advertising

BRAND AWARENESS



- **5 million** visits to exploreminnesota.com
- **4 million** travelers served by travel counselors
- **5 million** engagements on social media
- **3 billion** in estimated audience reach through public relations

CONSUMER ENGAGEMENT



- **\$10 million** in match value from public/private partnerships
- **\$2.2 million** in funding to communities through grants and co-op programs

PARTNER COLLABORATION

Spring Summer 2020 Original Plan

Strategy / Audience

Strategy:

Increase travel to & within the State of Minnesota.

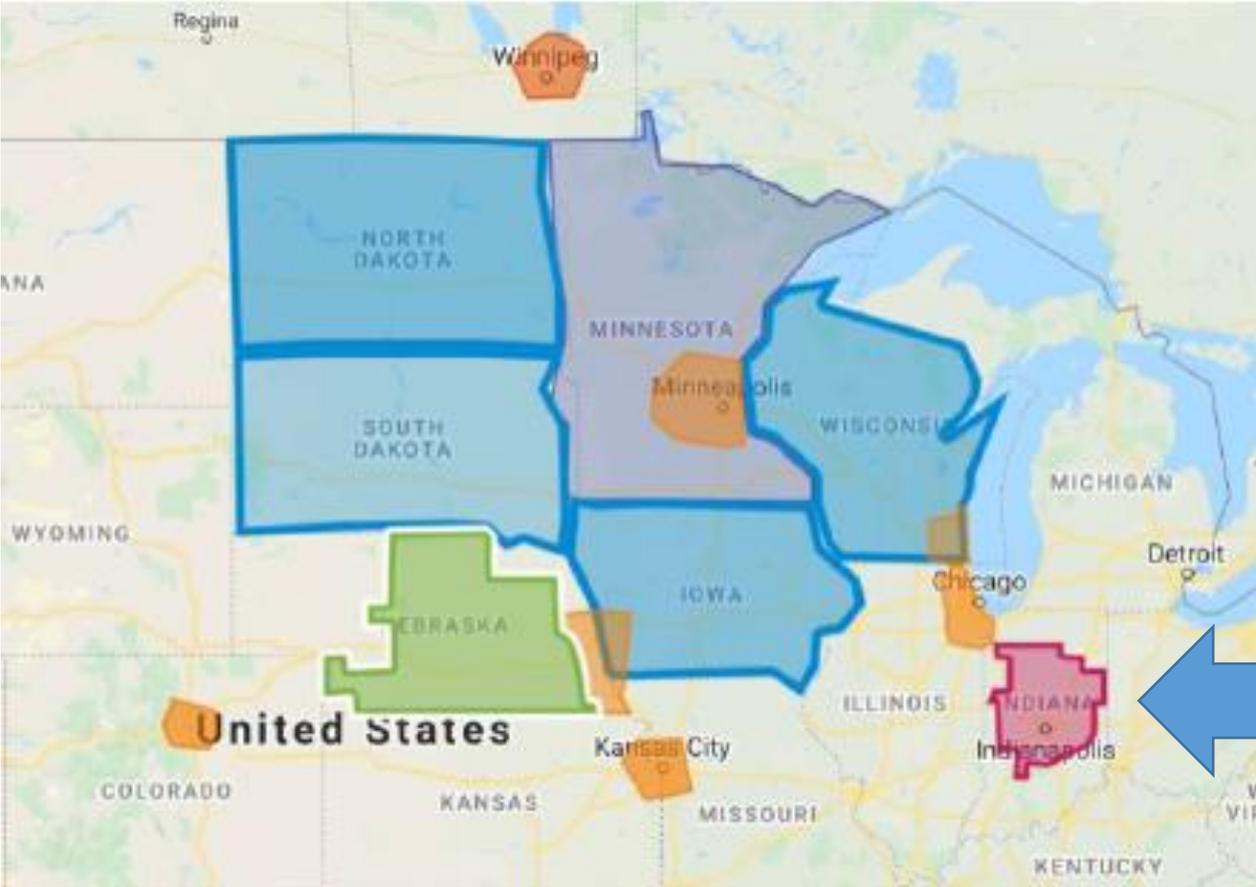
How:

- Build on the success of #OnlyinMN – allowing it to punctuate “True North”
- Display a balance of signature tourism offerings, new attractions, and hidden gems.

Audiences

- Cultural Explorers & Spontaneous Adventurers
 - Looking for unique and diverse experiences
 - (culture, outdoors, sports, retail, dining, entertainment)
 - Live life to the fullest
 - Educated, health oriented
- Key Characteristics
 - Adults 25+ (average age 49)
 - Families with two kids under 18 YO
 - HHI \$106K

TARGET MARKETS - 2020

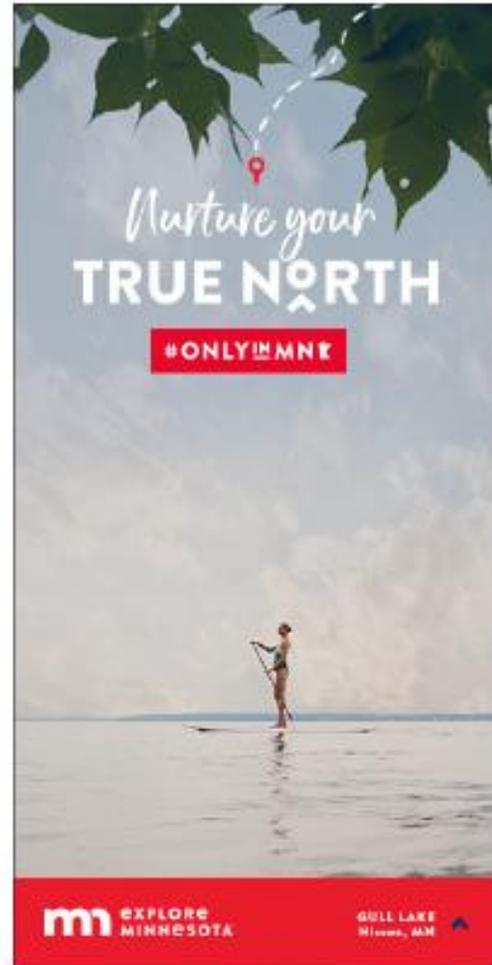


ADDING:

- Lincoln, NE
- Indianapolis, IN



Display Ads / Find Your True North



COVID-19 Strikes



Recovery Strategy

We don't yet know how long it will be before travel will be advisable or palatable for most travelers - the objective of this campaign is to help kickstart our local economy at a time when people will be aching to get out and be active.

OBJECTIVE: Convey gentle optimism and get people to consider traveling again.

This campaign will harness the idea of “Minnesota spirit” – our determined nature, our pride in being part of the solution, and our collective belief that we can get through anything together. Minnesota’s bounty of open spaces and outdoor experiences can help restore a sense of comfort to our lives – and we don’t have to travel very far.

KEY IDEAS:

We’ll get through this together.

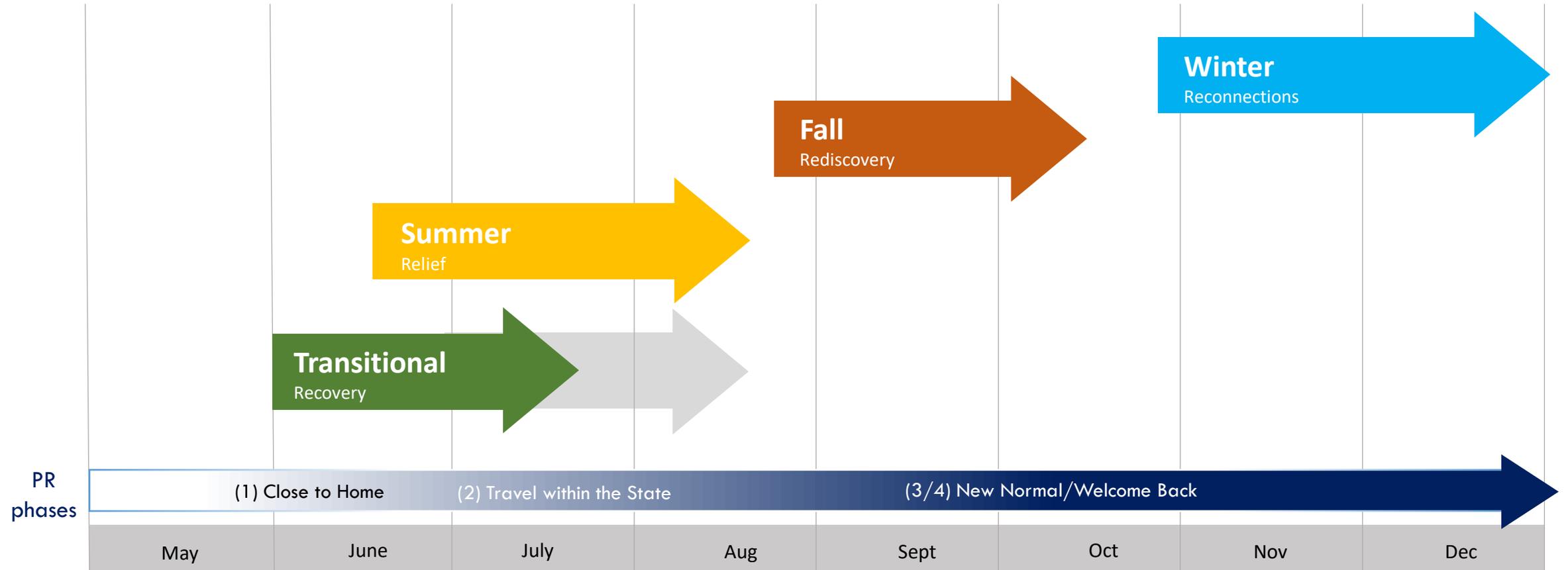
We’re ready when you’re ready.

AUDIENCE: MASS AWARENESS

Adults 25+, 500 Mile Radius of MN

Message Map

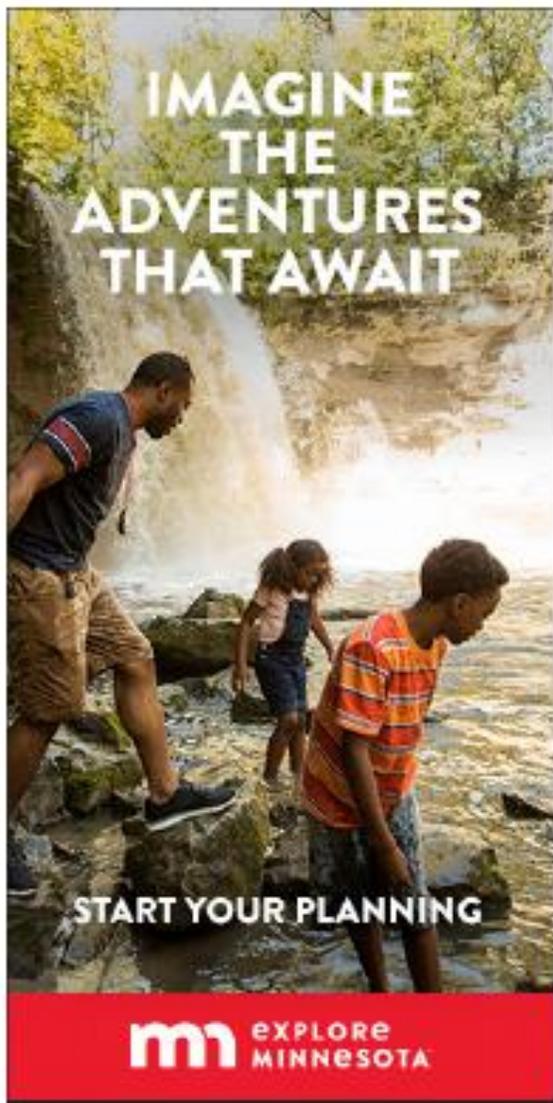
WHAT EMOTIONAL NEED ARE WE MEETING?



Themes

Recovery: We will overcome. **Relief:** Find comfort outside. **Rediscovery:** Return to all the activities you love. **Reconnection:** We're better together.





**IMAGINE
THE
ADVENTURES
THAT AWAIT**

START YOUR PLANNING

mi EXPLORE
MINNESOTA



**WHEN THE
TIME IS RIGHT
WE'LL BE
RIGHT HERE**

SEE YOU SOON

mi EXPLORE
MINNESOTA

#ExploreMNAgain

EMT Grants, Coops and Website Opportunities

Impact of COVID-19 on Minnesota Leisure and Hospitality

- Travel spending in Minnesota decreased \$7.1 billion in 2020.
- Leisure and hospitality employment down 27% in 2020, to an estimated 202,000 jobs.
- 2020 leisure and hospitality employment losses by sector:
 - Food & drink -23%
 - Accommodations -37%
 - Arts, entertainment and recreation -36%
- Minnesota's 2020 statewide lodging occupancy rate was down 42% year over
 - The Minneapolis-St. Paul market was hit especially hard, with a 2020 occupancy decrease of 52%
 - The latest forecast of 2020 international travel to Minnesota shows an 80% year over year decrease, with a return to pre-pandemic levels forecast for 2024 or later.

Sources: Tourism Economics, Weekly Covid Impacts - MN - Jan 20; Minnesota Department of Employment and Economic Development, Current Employment Statistics (CES) as of 1/24/2021; Tourism Economics, International State Travel (IST)

Tourism Crisis Grants

EMT provided \$2.3 Million in Crisis Grants to Minnesota

Phase I (Jul.-Dec. 2020):
\$1,031,000

Phase II (Jan.-Dec. 2021):
\$1,288,750

Repurposed dollars from traditional Tourism Marketing Grant program and paused/suspended programs to create program with immediate dollars available to aid communities during revenue shortfall

Both programs aiding 150 destination marketing organizations/communities statewide

EMT Cooperative Marketing

- EMT provided \$766K to communities in co-op program
 - Phase I (Jul.-Dec. 2020): \$431,800
 - Phase II (Jan.-Jun. 2021): \$335,000
- Explore Minnesota creates cooperative advertising and marketing opportunities with vendors for Minnesota tourism businesses and communities by buying down participation fees
- Deeper discounts and wider variety of programs available
- Programs serving hundreds of businesses statewide

Website Opportunities

FREE enhanced business listings on exploreminnesota.com

Available to all tourism related businesses statewide

6,685 businesses participating

Over 466,000 referrals from exploreminnesota.com to tourism business websites (since Feb. 2020)

FREE consumer leads for eligible destination marketing organizations/communities (since Apr. 2020)

56 participating communities

56,000 consumer leads generated requesting travel information from partners



Tourism Conference

- Traditionally held in late winter as an in-person conference with attendance around 350 people
- 2021 Tourism Conference will be held virtually, Mar. 2-3
- Agency investment of \$75K allows this conference to be FREE and open to all tourism businesses and organizations statewide
- Providing educational presentations by industry leaders in the areas of tourism marketing, research, diversity and destination development
- Focused on actionable steps you can take now and planning to rebuild the tourism economy for Minnesota

Fall Campaigns

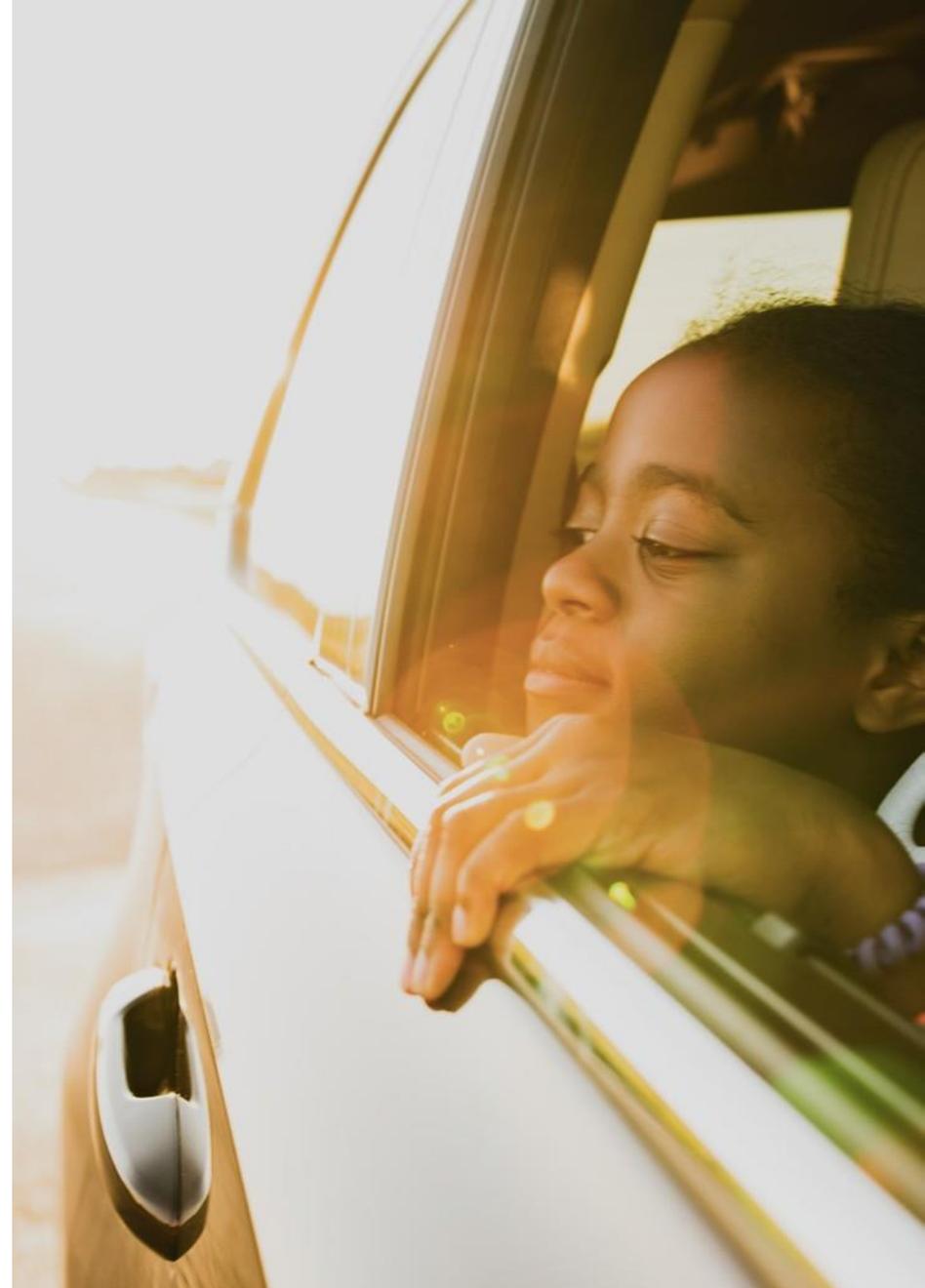
Fall Niche – Dog Lovers

- 9/1 – 11/1
- 500-mile radius of MN (excluding Canada)
- New :06 video
- Display, social, native, SEM
- Engagement through dog influencers on Instagram



Fall Niche – Family Road Trippers

- 9/1- 11/1
- 500-mile radius of MN (excluding Canada)
- New :06 video
- Display, social, native, SEM
- Road-Trip'n Bingo
 - Bingo cards for all 5 regions
 - Featured items can be viewed from the car or from a safe distance of others
 - Printed cards will be available at EMT Welcome Centers and affiliate Welcome Centers – digital cards at exploreminnesota.com/bingo





Gratitude Messaging

Gratitude Messaging

Idea: To offer thanks to Minnesota residents for stepping up to the plate to support local tourism businesses during the pandemic.

Execution: Create a variety of assets showing travelers safely exploring Minnesota. Activate within existing media buy, in addition to any incremental placements necessary to support campaign.

Geo: In-state only + brand loyalists

Mediums: TV, OTT/CTV, Social, Script for live reads, Email

Other: Star Trib digital, MPR live reads, script for on-air placement during MN United games

Industry engagement piece: Ask industry to tag #ExploreMNAgain to tie everything together & leverage.

A State of Gratitude

 bethdooleyskitchen
Midtown Global Market



 akuznia11
CHS Field



▶ ⏪ 🔊 0:15 / 0:30

Scroll for details

⏮ ⏭ ⏪ ⏩ ⏸ ⚙

Winter 2020/2021

Winter Considerations

We know not everyone is ready to travel, but those who plan to travel are prioritizing spending time with loved ones and getting away from crowds.

TRIP EXPERIENCES TRAVELING AMERICANS WILL PRIORITIZE THIS YEAR *AS OF AUGUST 16TH, 2020*



SPENDING TIME WITH
LOVED ONES
(68.1%)



GETTING AWAY FROM
CROWDS
(57.6%)



ENJOYING
NATURE
(53.1%)

Given the uncertain COVID situation, we are seeking the right balance in being inspirational vs. promotional this winter.

MN Winter Plan

- Campaign dates: 12/14/20 – 2/28/21
- Geographies: MN Only
- Creative will focus on safe winter activities that can be done locally or nearby that create family memories.

General



Winter Recreation



1



Unleash your
TRUE NORTH

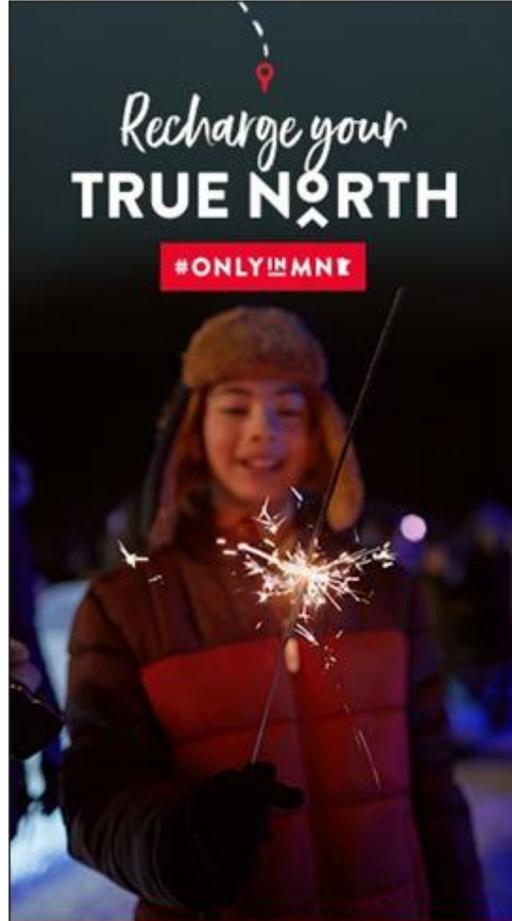
#ONLYINMNE

m EXPLORE MINNESOTA

DETROIT MOUNTAIN
Detroit Lakes, MN

This advertisement features a woman in a bright green and grey ski jacket, a pink knit hat, and black ski pants, holding a pair of green skis. She is standing in a snowy field in front of a large, rustic wooden cabin with a gabled roof. The sky is a clear, pale blue. A red location pin icon is positioned above the text, with a dashed white line leading to the cabin. The bottom of the ad is a solid red bar containing the Explore Minnesota logo and the event name and location.

2



Recharge your
TRUE NORTH

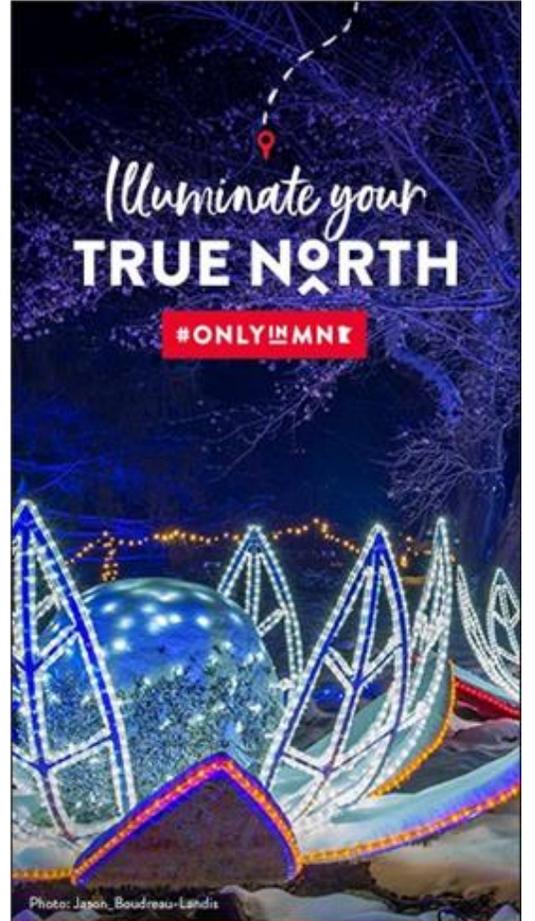
#ONLYINMNE

m EXPLORE MINNESOTA

POLAR FEST
Detroit Lakes, MN

This advertisement shows a woman wearing a brown winter jacket and a matching fur-lined hat, holding a lit sparkler that is emitting bright sparks. The background is dark and out of focus, suggesting an outdoor winter event at night. A red location pin icon is positioned above the text, with a dashed white line leading to the woman. The bottom of the ad is a solid red bar containing the Explore Minnesota logo and the event name and location.

3



Illuminate your
TRUE NORTH

#ONLYINMNE

Photo: Jason Boudreau-Landis

m EXPLORE MINNESOTA

MINNESOTA LANDSCAPE ARBORETUM
Chaska, MN

This advertisement depicts a winter scene at night, featuring large, illuminated structures made of white lights, including a large blue and white globe and several pointed, tree-like structures. The background is dark with some blue light filtering through the trees. A red location pin icon is positioned above the text, with a dashed white line leading to the illuminated structures. The bottom of the ad is a solid red bar containing the Explore Minnesota logo and the event name and location. A small credit line for the photo is visible above the red bar.

Midwest Regional Winter Plan BRIDGE CAMPAIGN

Campaign dates: 1/11/21 – time when we can confidently promote travel (mid-spring?)

Geographies: WI, IA, ND, SD, Omaha, NE, & IL (not including Chicago)

Creative reinforces that Minnesota is “Worth the Wait” by maintaining awareness of Minnesota as a future travel destination and prioritizes planning for a spring/summer vacation.



Imagine the adventures that await.

EXPLORE **m** MINNESOTA

This advertisement features a family walking across a bridge. A man is carrying a young child on his shoulders, and a woman is walking beside them. In the background, a large steel truss bridge spans across a river. The sky is clear and blue.

WORTH THE WAIT

START PLANNING A VACATION TO REMEMBER

EXPLORE **m** MINNESOTA

This advertisement shows a city skyline in the background, with a bridge in the foreground. Two people are riding bicycles on the bridge. The scene is bright and sunny.

Imagine the adventures that await.

START PLANNING

m EXPLORE MINNESOTA

This advertisement depicts a child jumping joyfully on a sandy beach. The child is wearing a blue shirt and shorts. The background shows a clear blue sky and some beach vegetation.

WORTH THE WAIT

START PLANNING

m EXPLORE MINNESOTA

This advertisement shows a man carrying a child on his shoulders on a bridge. The man is wearing a light blue shirt. In the background, a large steel truss bridge is visible over a river.

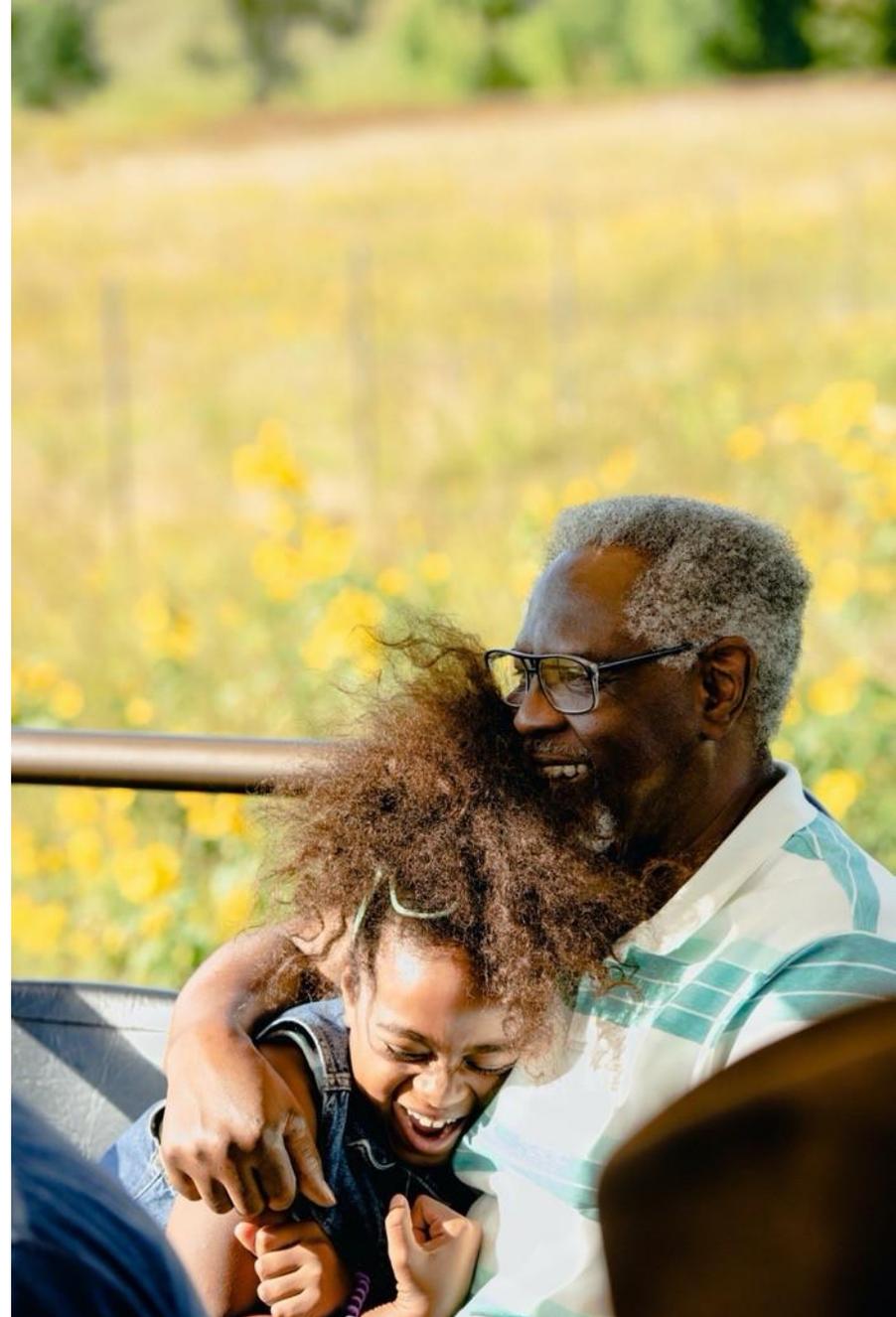
Diversity and Inclusion

Diversity Objectives

- EMT identified an opportunity to attract more people of color to travel to and within Minnesota – and to ensure that our state is seen as welcoming and inclusive to all ethnicities.
- Although tourism marketing is not the singular solution to this challenge, we know that our marketing strategies and campaign creative must support these objectives.
- In July, Adventure engaged multicultural research firm Ebony Marketing Systems to conduct consumer focus groups with Black and Latino travelers to better understand perceptions of Minnesota, travel motivations, and capture feedback on existing and future advertising creative.

Key Findings

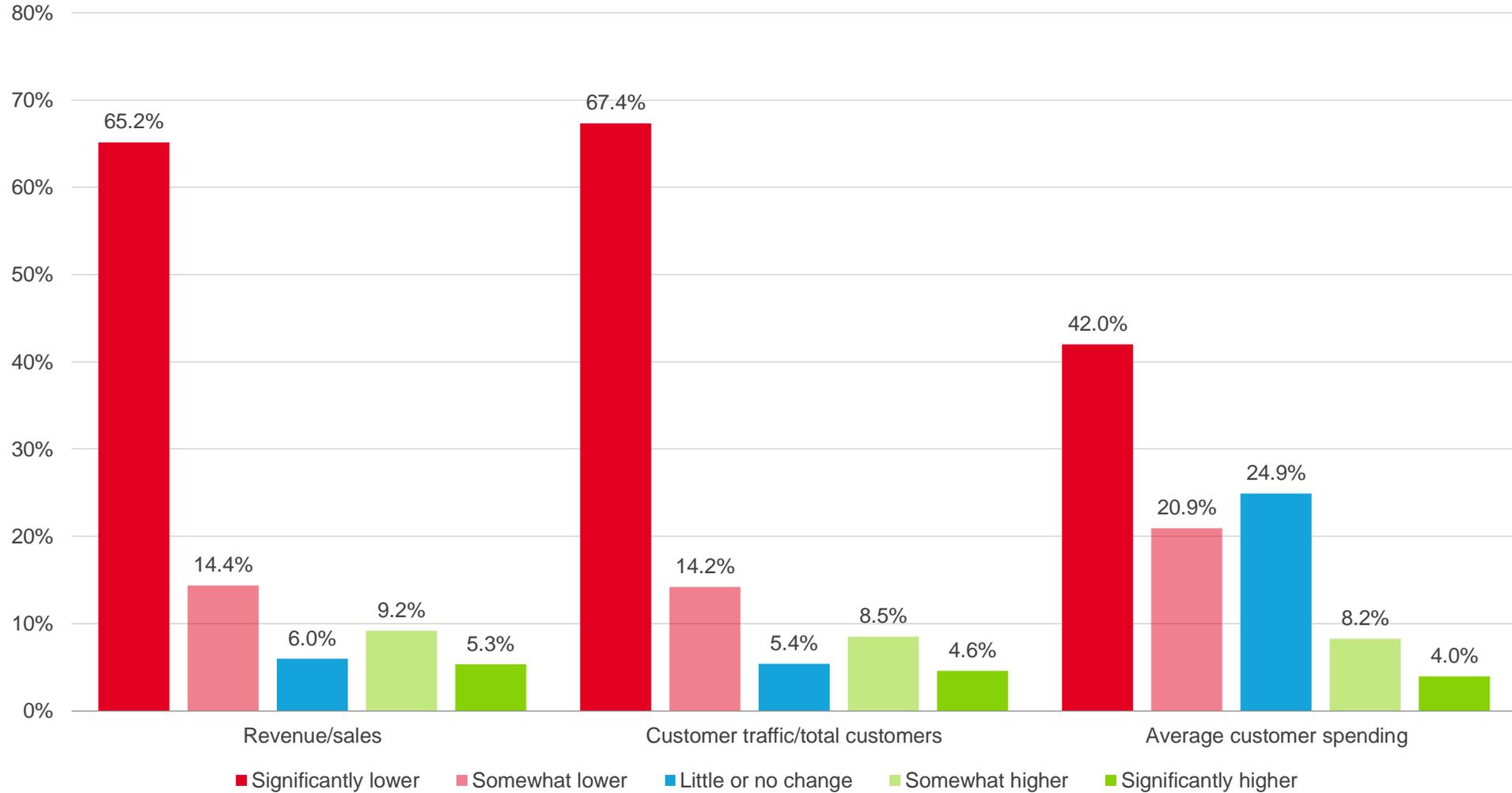
- Representation is very important, but no group wants to be “tokenized” – marketing should include multiple ethnicities.
- Both groups said food is a powerful indicator of culture and signifies diversity.
- The presence of children was a strong positive, as well as depictions of multigenerational travel (e.g. grandparents).
- Safety was a key factor for Black respondents in deciding where to go (i.e., racism) and how they would travel there (e.g., rest stops), so the destinations need to be worth the trip.
- Both groups expressed interest in trying new things on vacation. However, Black respondents were less likely to embrace only outdoor recreation and want to see a range of indoor and/or more “relaxing” activities as well. This was also true for some Latino respondents.
- Fall and winter depictions were least motivating to Black respondents.



Year End 2020 Survey

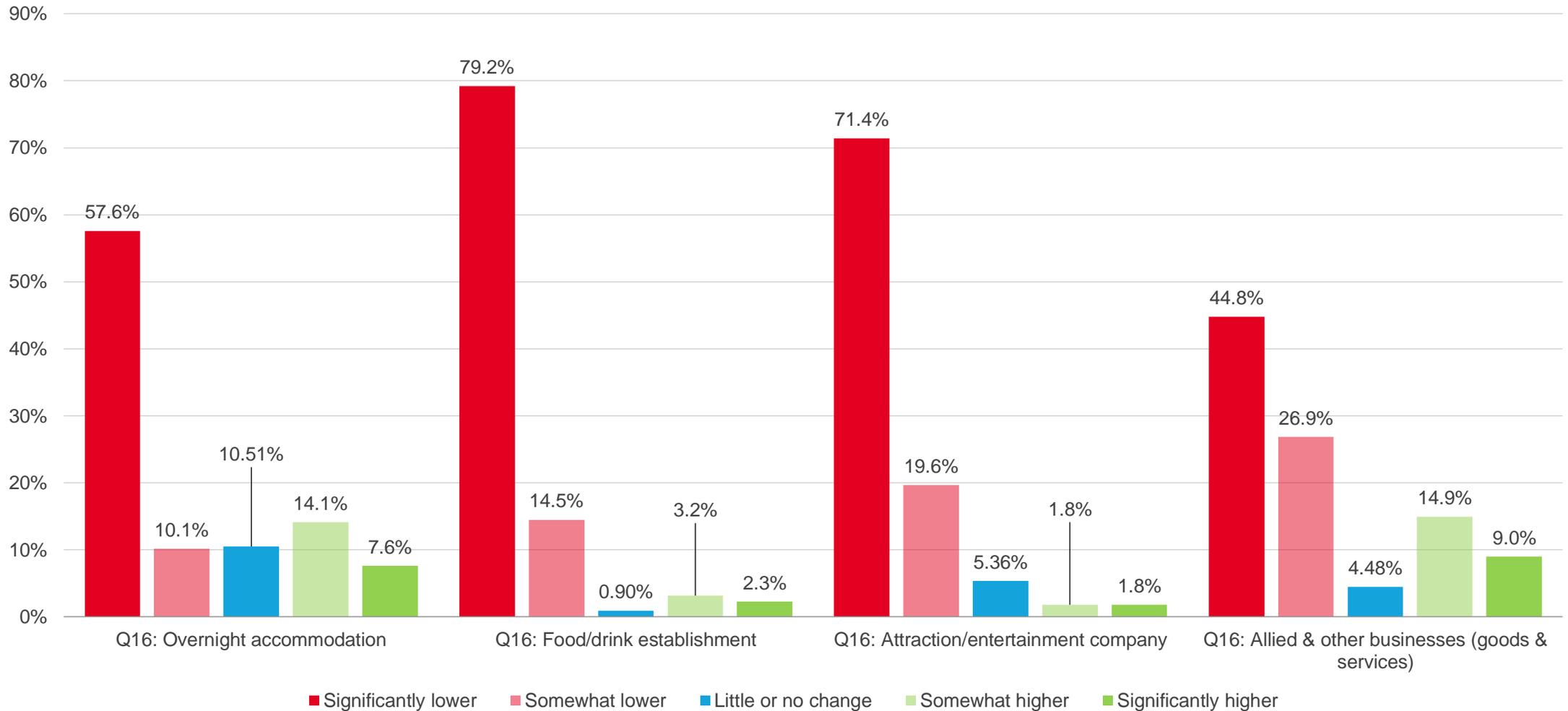
**Explore Minnesota
Federal Reserve
Hospitality MN**

Recent business activity: How was business activity at your firm during the Fall season (Sept-Oct-Nov) compared with last year?



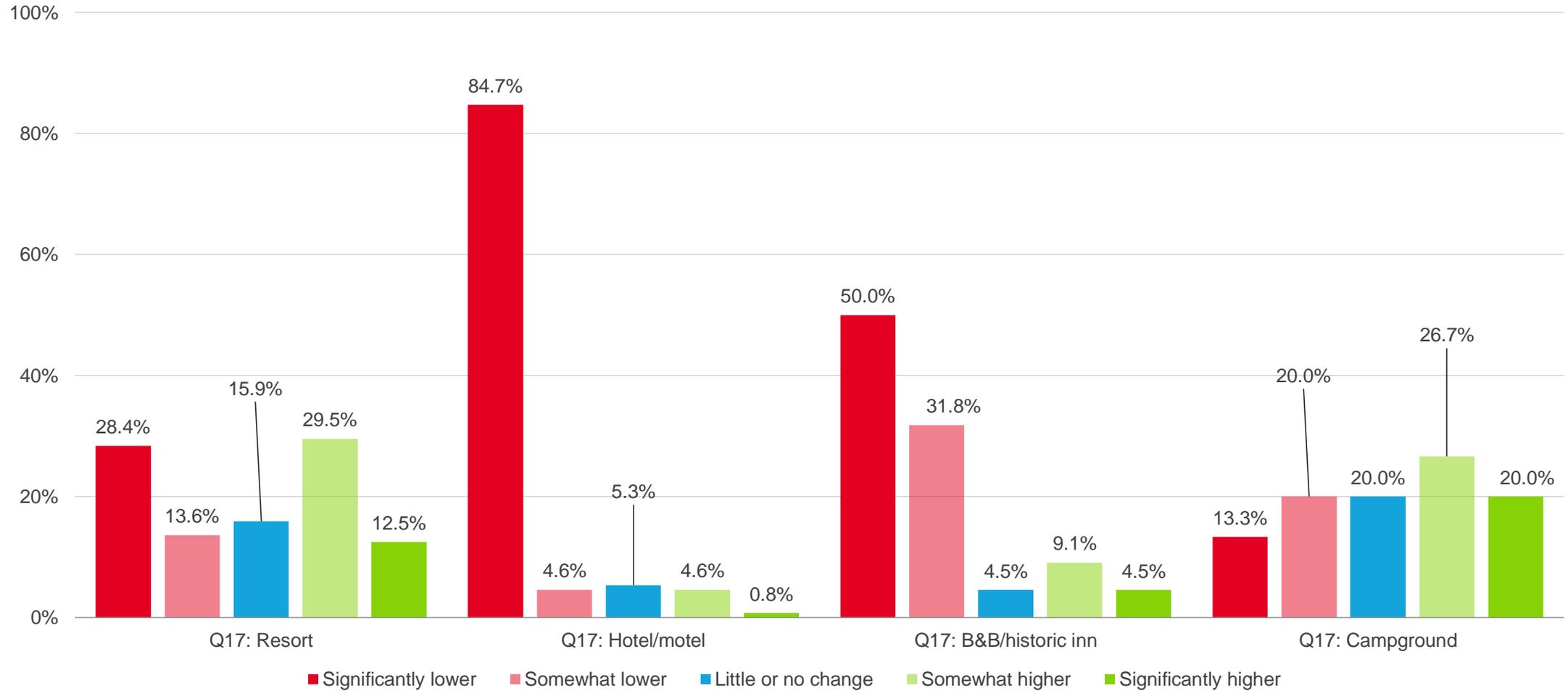
Note: “Don’t know/not applicable” (DK/NA) responses were treated as missing values. DK/NA constituted 2.1%, 2.0% and 3.8% of all fall revenue, customers and spending responses, respectively.

Fall Revenue/Sales, by Primary Business Activity



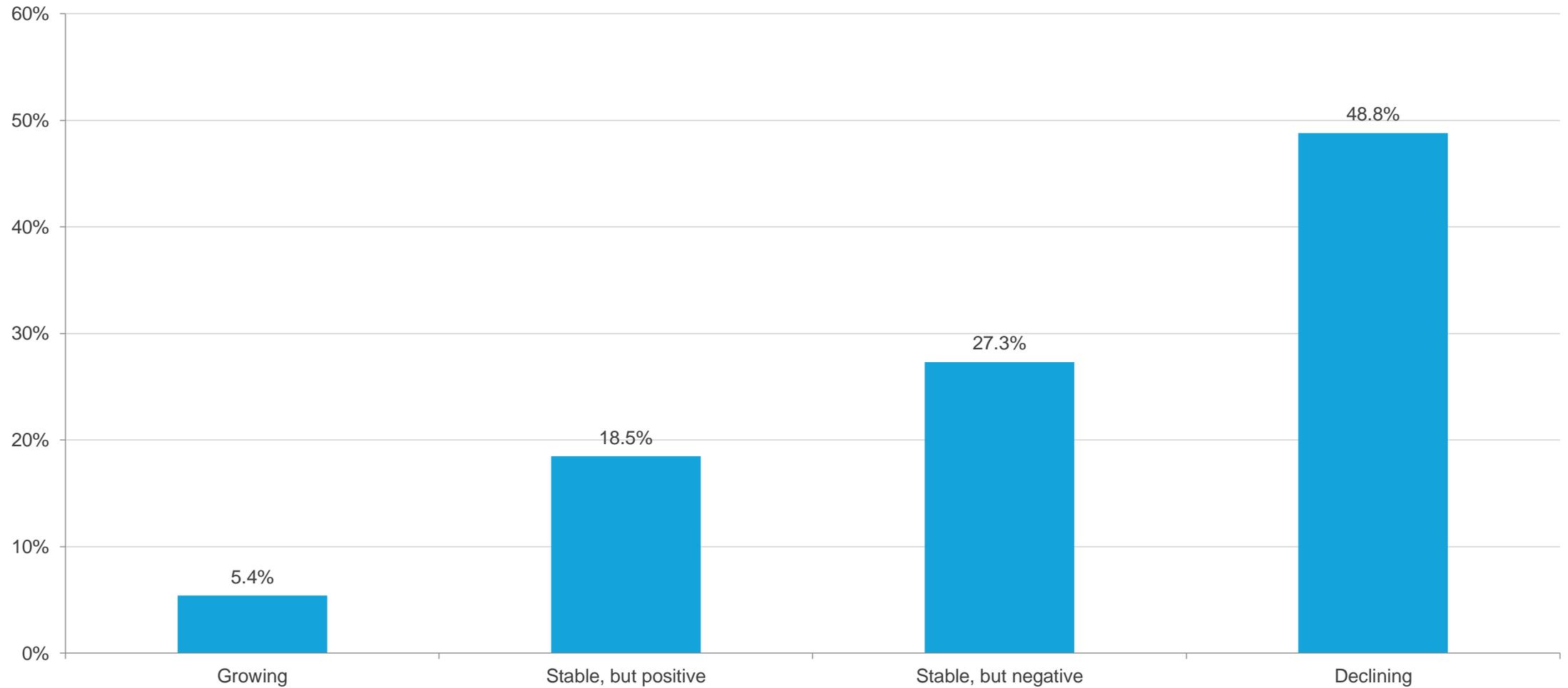
Note: "Don't know/not applicable" (DK/NA) responses were treated as missing values. DK/NA constituted no more than 4.2% of responses for any business category.

Fall Revenue/Sales – Accommodations



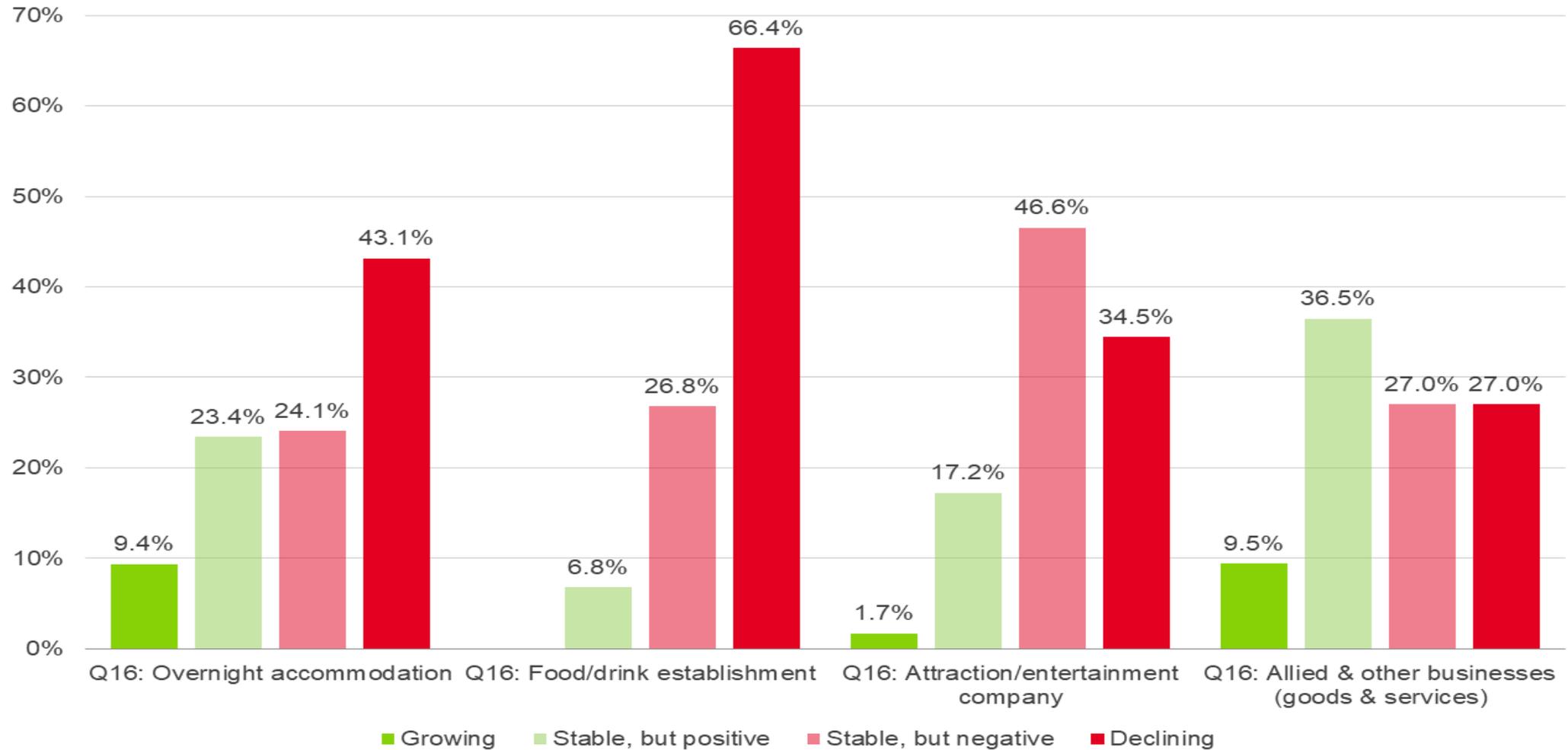
Note: “Don’t know/not applicable” (DK/NA) responses were treated as missing values. DK/NA constituted 6.4% of resort responses, 1.5% of hotel/motel responses and 11.8% of campground responses.

Financial health: How would you rate your business' current financial health?

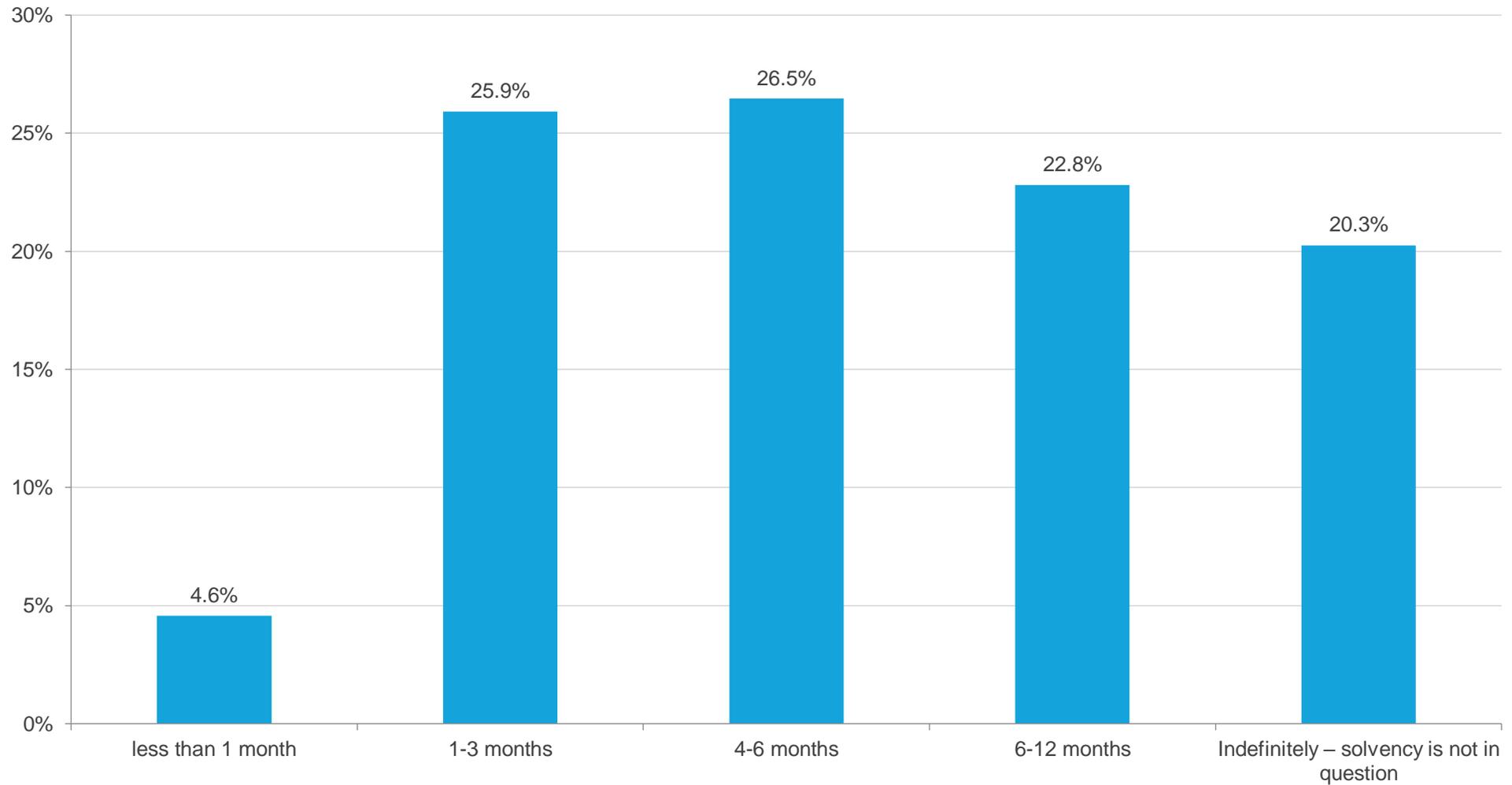


Note: "Don't know" responses (1.3% of all responses) were treated as missing values.

Financial health: How would you rate your business' current financial health? (by Primary Business Activity)

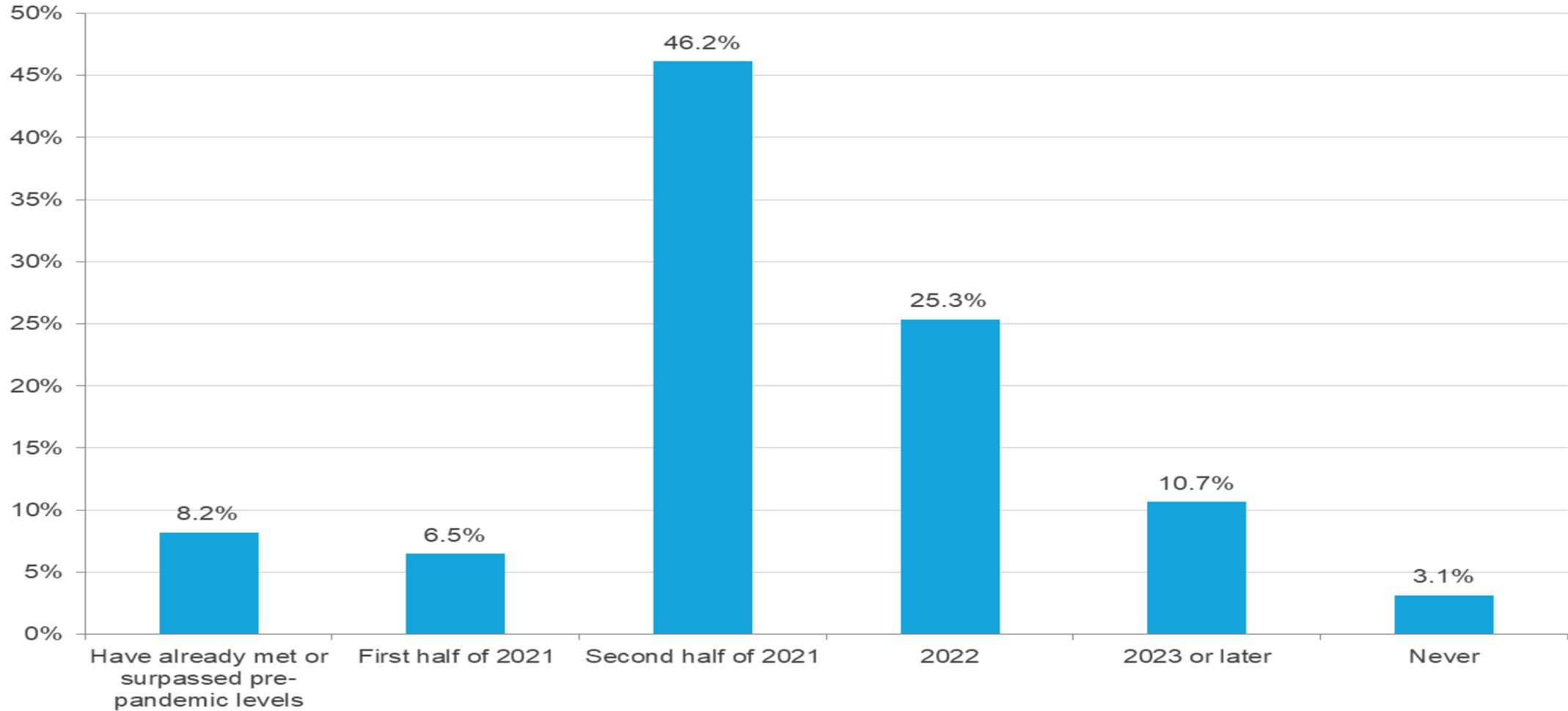


Solvency: Under current business conditions, how long could your firm remain solvent?



Note: “Don’t know/not applicable” responses (18.6% of all responses) were treated as missing values.

When do you expect business at your firm to return to something close to pre-pandemic levels?

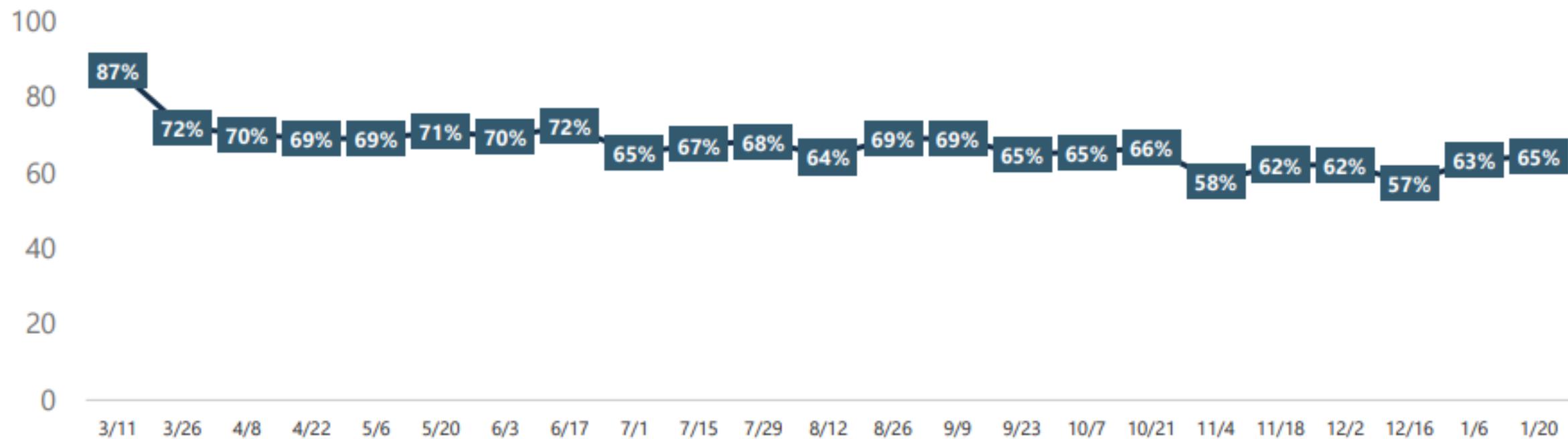


Note: "Don't know/not applicable" responses (14.6% of all responses) were treated as missing values.

Consumer Sentiment

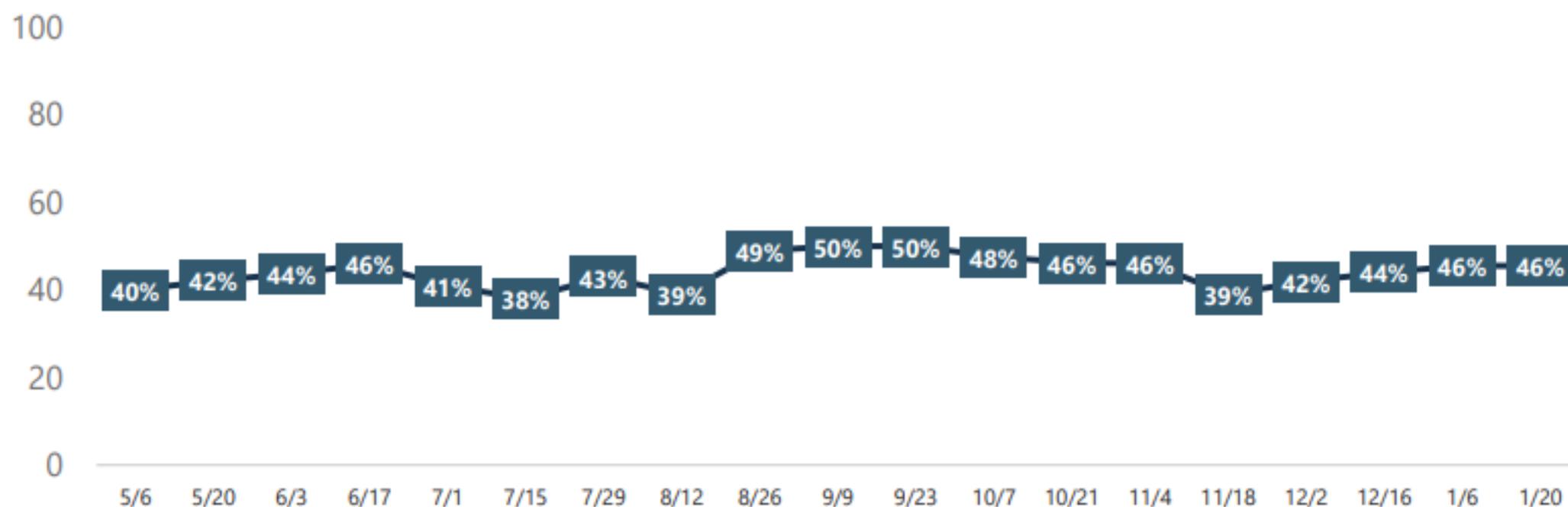
IMPACT ON TRAVEL PLANS

Travelers with Travel Plans in the Next Six Months Comparison



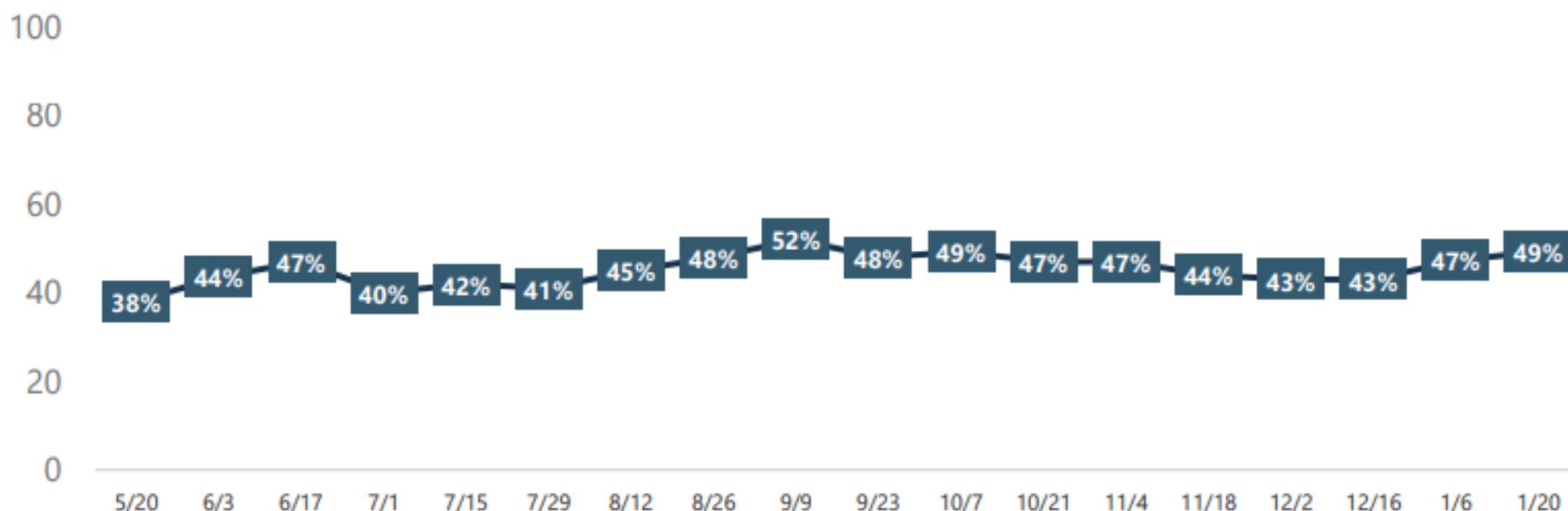
TRAVEL PERCEPTIONS

I Feel Safe Traveling Outside My Community Comparison of Travelers Who Strongly Agree or Agree

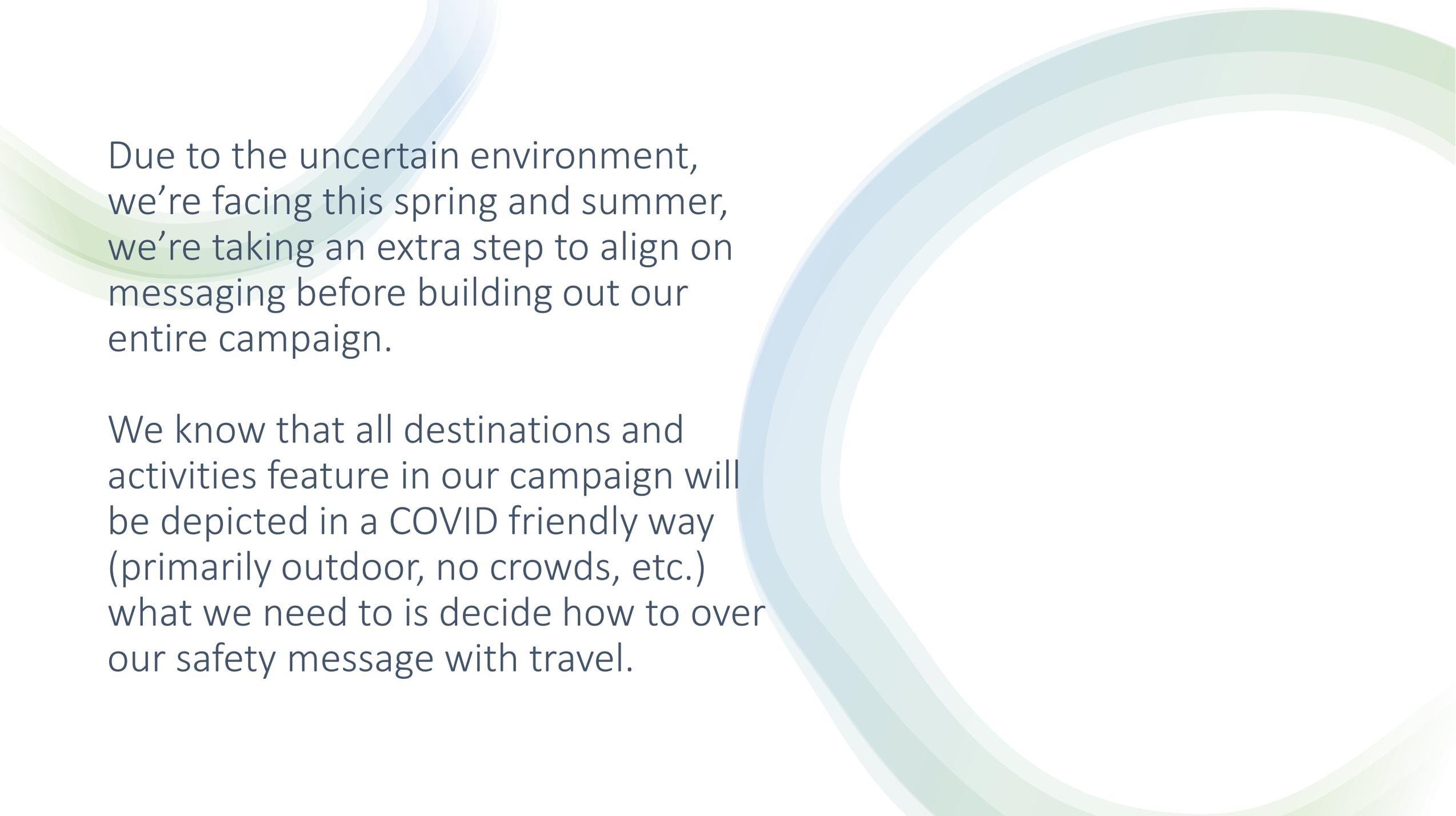


TRAVEL PERCEPTIONS

I Would Feel Safe Dining in Local Restaurants and Shopping in Retail Stores Within My Community Comparison of Travelers Who Strongly Agree or Agree



Spring Summer 2021



Due to the uncertain environment, we're facing this spring and summer, we're taking an extra step to align on messaging before building out our entire campaign.

We know that all destinations and activities feature in our campaign will be depicted in a COVID friendly way (primarily outdoor, no crowds, etc.) what we need to is decide how to over our safety message with travel.

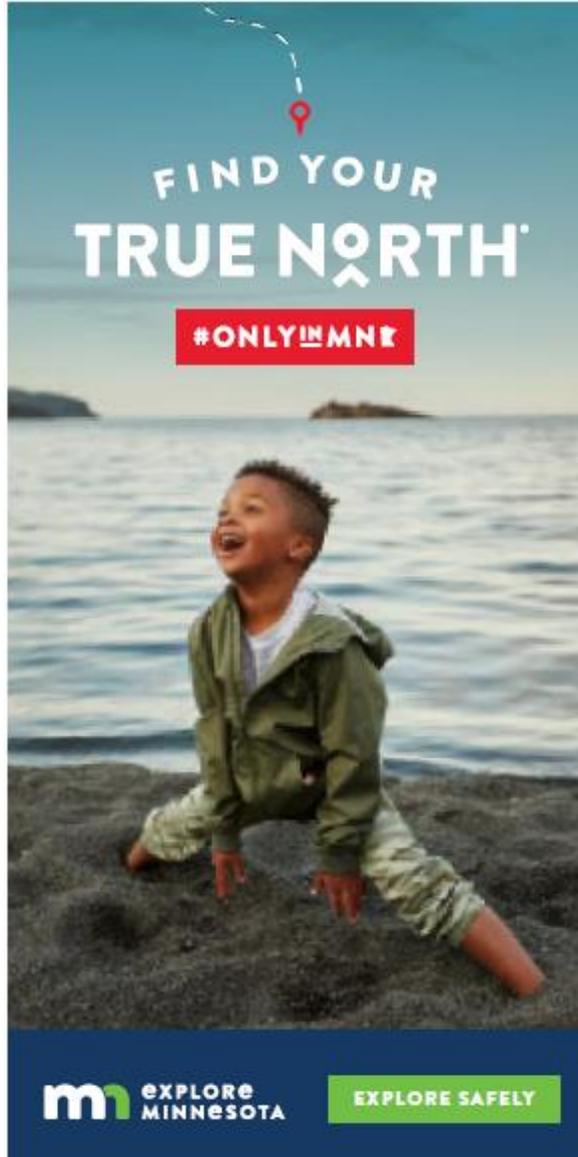
Spring/Summer Strategy

- Focus on Midwestern drive markets.
- Continue “Bridge Campaign” creative for as long as necessary as dictated by the pandemic.
- Rotate in “Find Your True North” creative as restrictions lift, vaccination rates and consumer confidence increase.
- “Find Your True North” will use “Explore Safely” as a call to action and reminder that there may still be a level of risk.
- Niche campaigns will include: camping, family road trips and food & beverage.





VISIT EXPLOREMINNESOTA.COM FOR TIPS ON HOW TO EXPLORE SAFELY

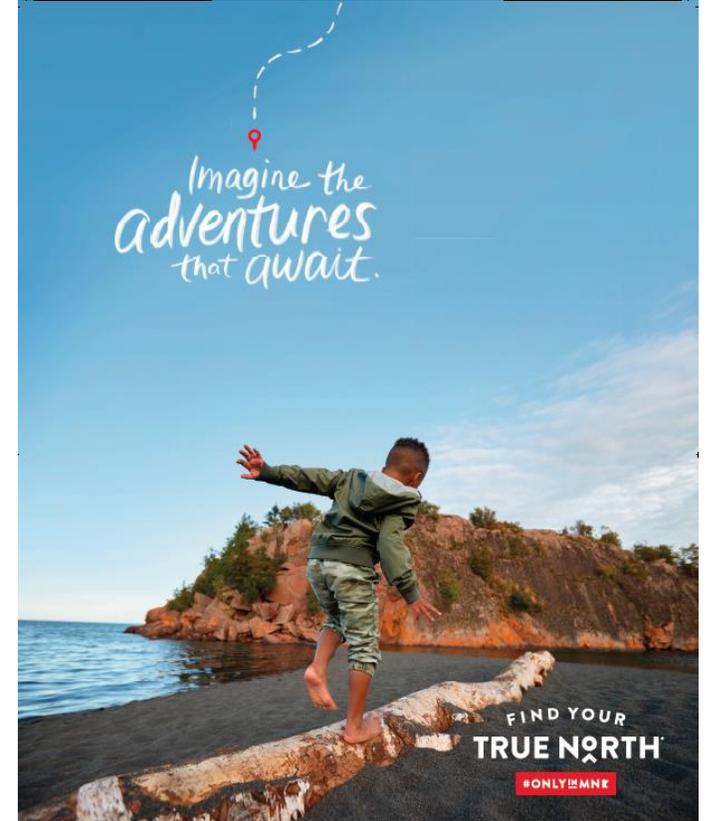


FIND YOUR TRUE NORTH

#ONLYINMNE



EXPLORE SAFELY



Imagine the adventures that await.

FIND YOUR TRUE NORTH

#ONLYINMNE



VISIT EXPLOREMINNESOTA.COM FOR TIPS ON HOW TO EXPLORE SAFELY

BLACK BEACH | SILVER BAY, MN



FIND YOUR TRUE NORTH

#ONLYINMNE



EXPLORE SAFELY

Governor's FY 22/23 Budget Recommendation for Explore Minnesota

Governor's FY 22/23 Budget Recommendation for Explore Minnesota

FY 22/23 Explore Minnesota Budget

- \$14.2 million in FY 22
- \$14.4 million in FY 23

Change Items

- The Governor recommends additional funding of \$90,000 in FY 2022 and \$179,000 in each subsequent year from the general fund to maintain the current level of service delivery
- This represents a 1 percent change to Explore Minnesota Tourism's overall general fund appropriation.

Rationale/Background

- Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs.
- Other operating costs, like rent and lease, fuel and utilities, IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year without enacted increases.
- To manage costs, Explore Minnesota must find ways to become more efficient with existing resources.



Thank You

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