



Explore Minnesota FY 20/21 Budget Overview

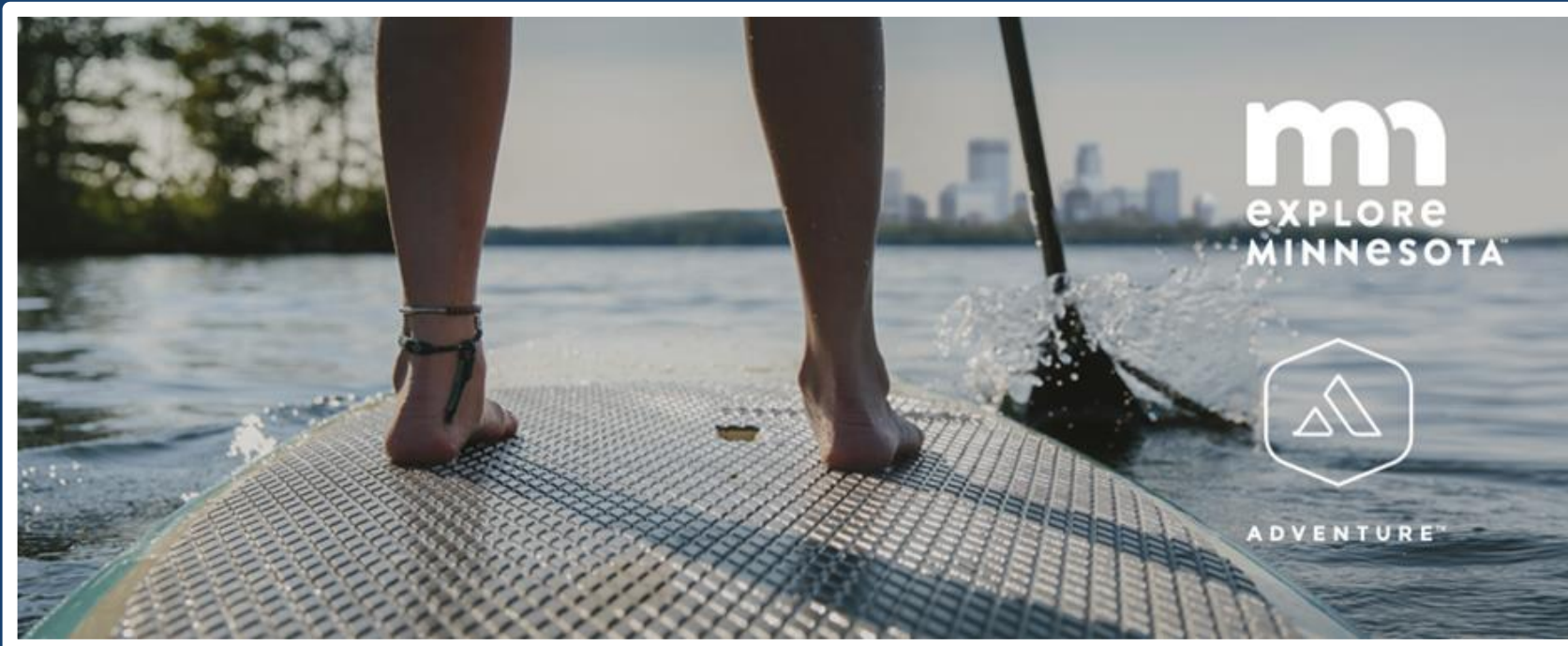
House Natural Resources Finance Division

John Edman

February 21, 2019

EXPLORE MINNESOTA MISSION

To inspire consumers and facilitate their travel to and within Minnesota



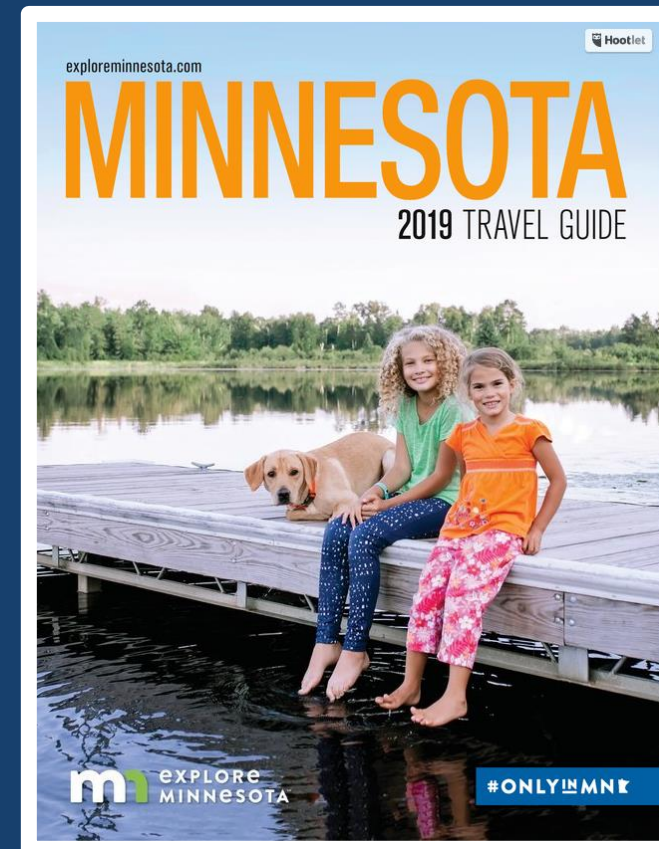
STRATEGIC IMPERATIVES

- Drive sustainable economic growth
- Create innovative marketing & brand awareness
- Increase consumer reach & engagement
- Provide personalized service
- Enhance stakeholder collaboration



AGENCY OVERVIEW

- Separate non-cabinet agency
- Public/private partnerships our core
- Approximately 45.5 full-time equivalents
- Offices in Brainerd, Duluth, Thief River Falls, Medford and St. Paul
- Six staffed Welcome Centers
- Guided by 28-member Advisory Council

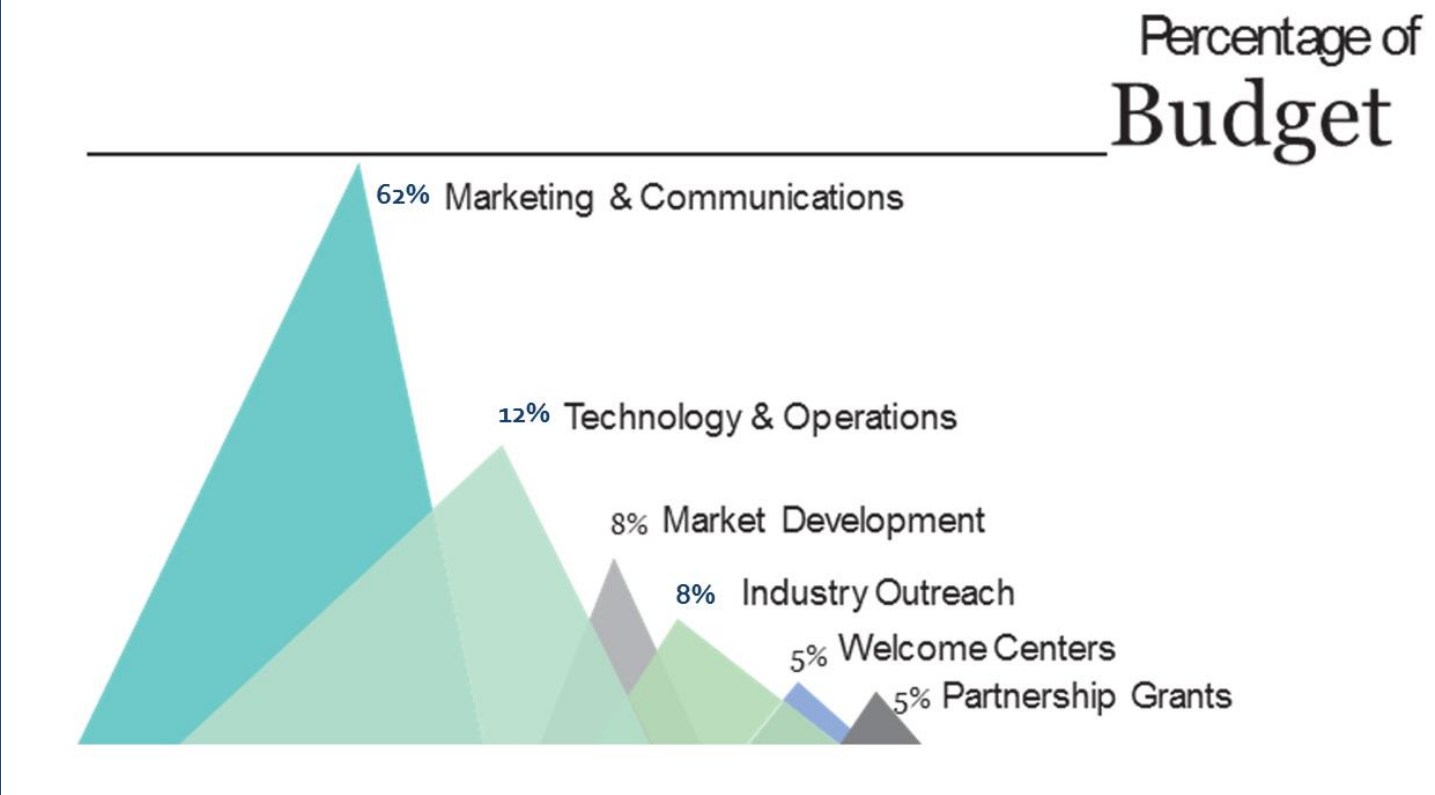


FY 18/19 BUDGET

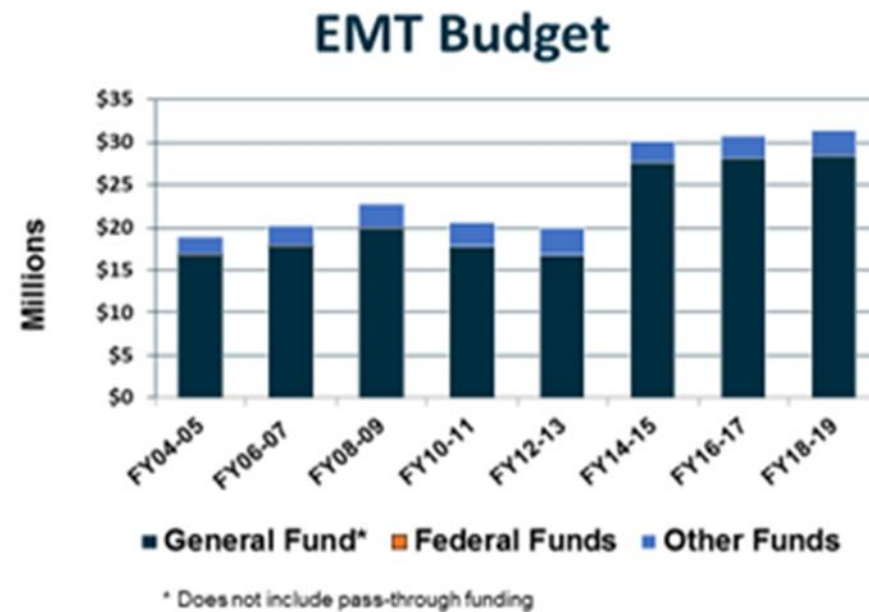


- Base budget
 - FY18-\$13,668,000
 - FY19 -\$13,732,000
 - \$27,400,000
- Incentive funding of \$500,000 per FY if we hit our match requirement.
 - \$6 private sector match - \$1 general fund
- Event grant program
 - \$900,000 for FY 18-19
- Website/technology enhancement
 - \$500,000 for FY 18-19

BUDGET BREAKDOWN



EXPLORE MINNESOTA BUDGET HISTORY



STATE RANK/MARKET SHARE

- Minnesota's Tourism budget ranks 22nd nationally
- Nationwide, the average provisional tourism budget is \$18.9 million
- 28 states saw an increase in their tourism budgets in last biennium, compared to 2016/2017
 - 6 states saw no change, 13 states reported a decrease
- Funding needed to maintain market share as competitors with budgets larger than Minnesota's are targeting similar audiences

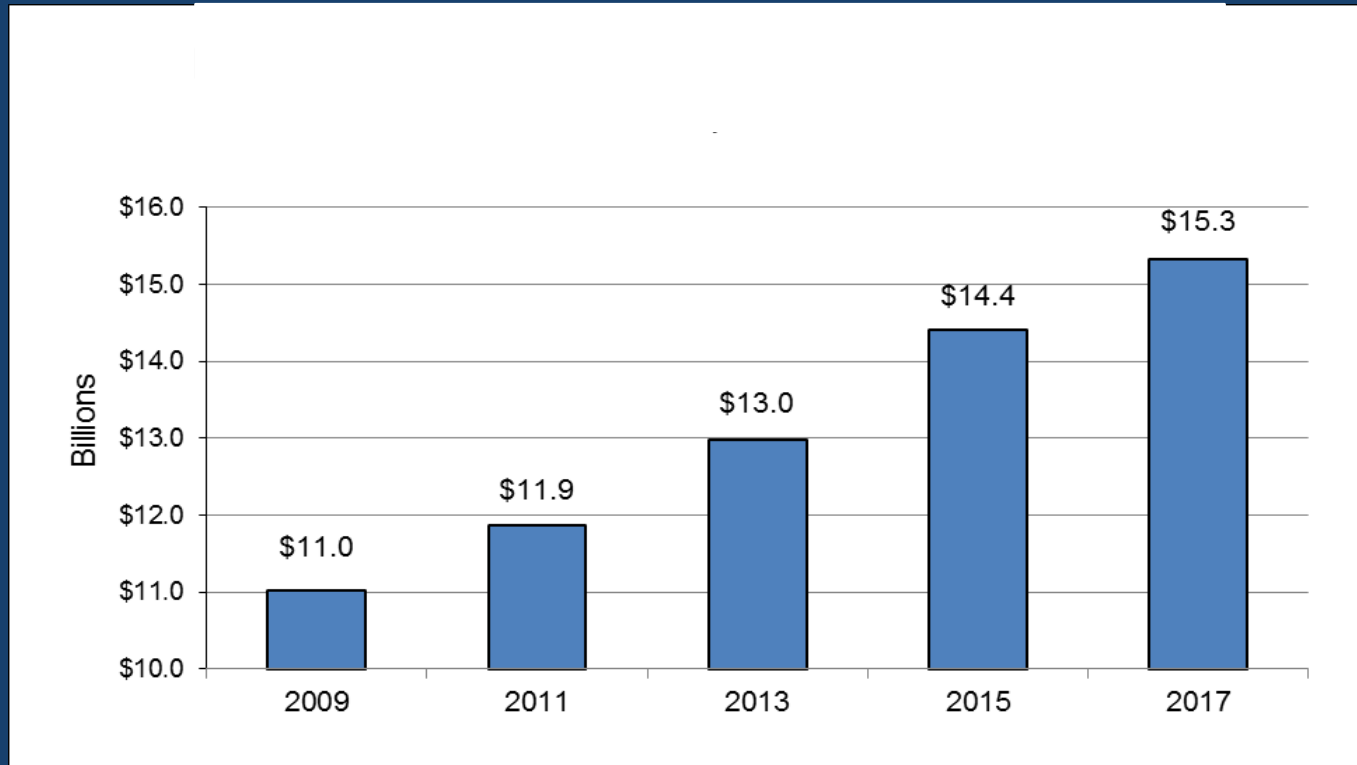
GOVERNOR'S RECOMMENDATION

- \$1 million each year of the biennium to secure new events in Minnesota
 - This is an ongoing request from major events to community events in Minnesota
 - None of the events funds are to be used for administrative purposes
- Same base budget each year
 - Funding to be used for marketing and promotion, domestically and internationally

RATIONALE

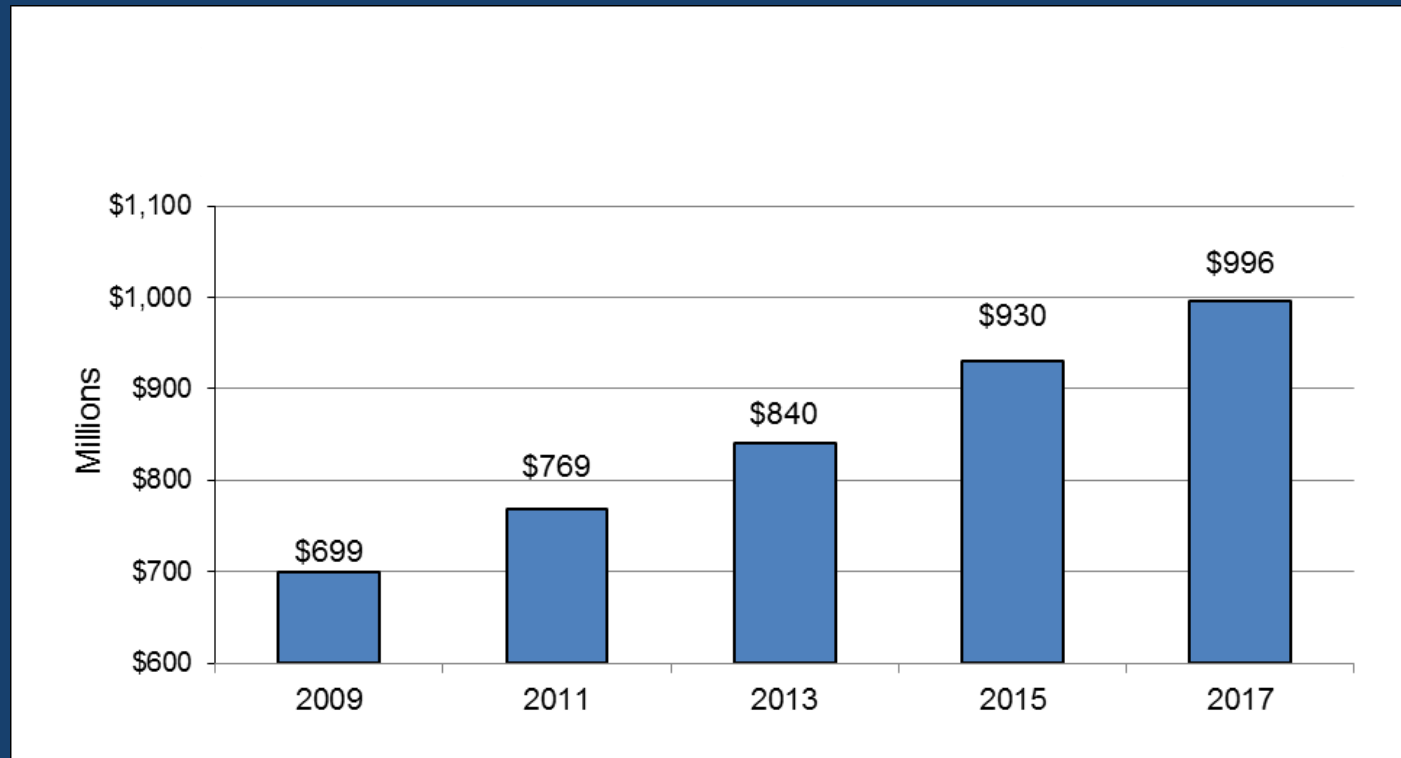
- Leisure and hospitality contributes \$15.3 billion in gross sales
- Supports more than 270,000 full- and part-time jobs
- Generates \$996 million in state sales taxes each year
 - Saving every Minnesota household \$625 in state taxes
- A total of 11% of all private sector employment and 18% of all state taxes are generated from this industry

LEISURE AND HOSPITALITY GROSS SALES*



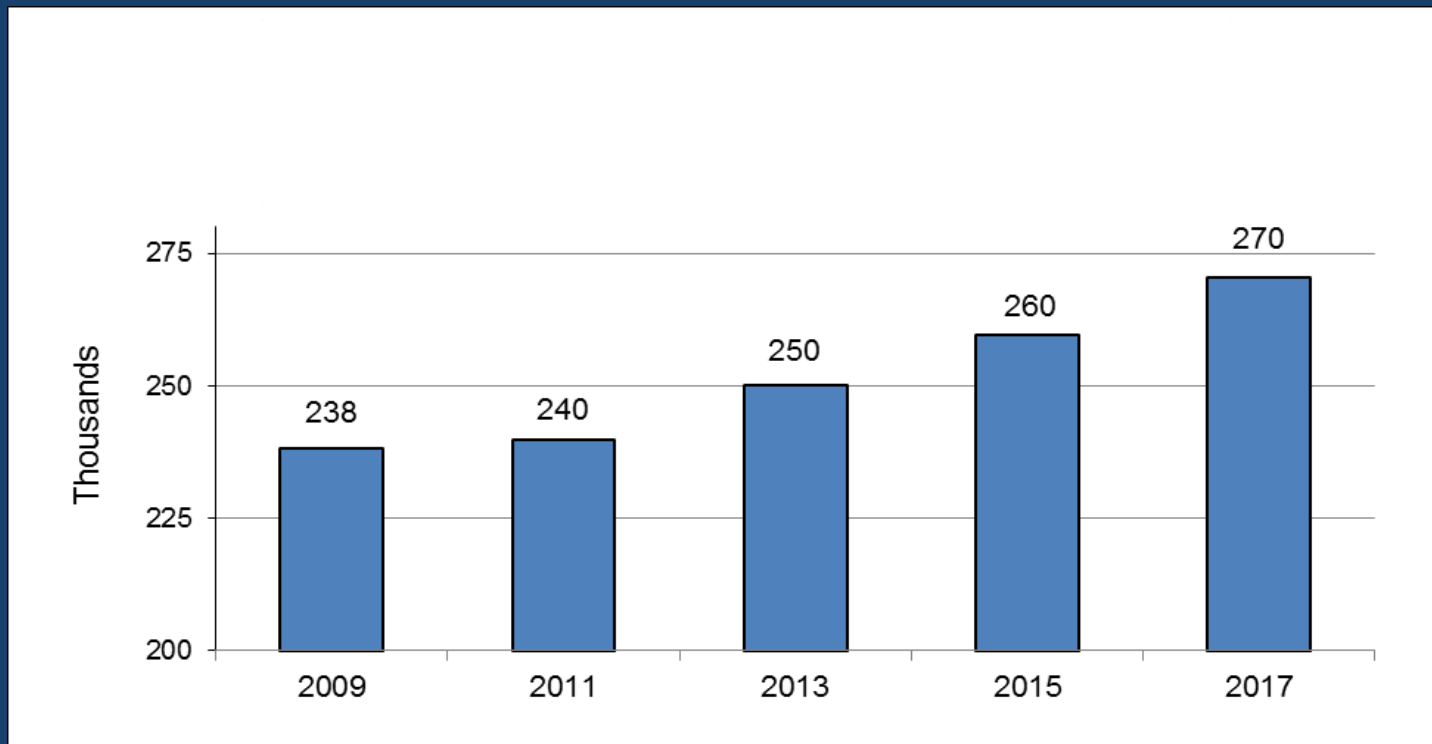
*Minnesota Department of Revenue

LEISURE AND HOSPITALITY STATE SALES TAX*



*Minnesota Department of Revenue

LEISURE AND HOSPITALITY JOBS*



*Bureau of Labor Statistics

DOMESTIC MARKETING

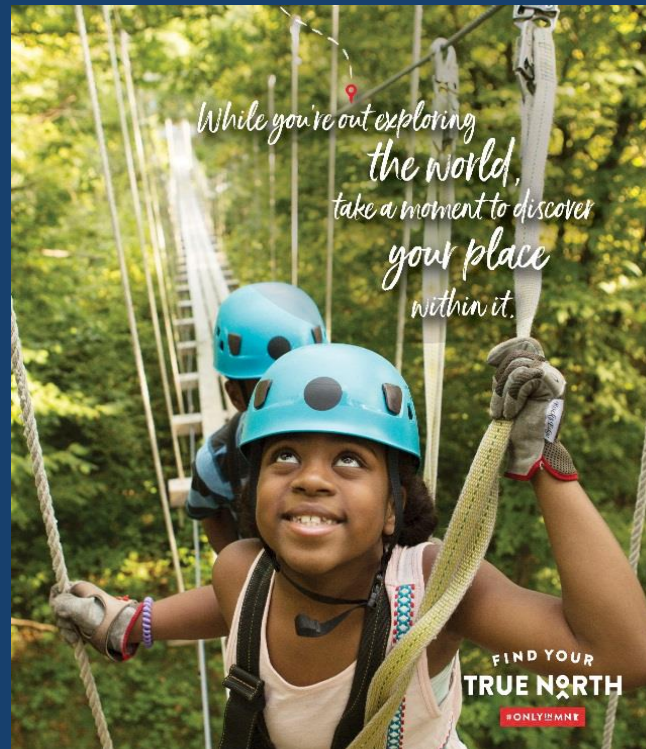
- New creative and media strategy in 2019
- “Find Your True North” campaign designed to capture “North” as unique selling proposition and separate us from neighbors
- Continue to building upon success of #OnlyinMN
- Rely on traditional media in core markets supplemented by a national digital plan
 - Leverage audiences with personal connections no matter where they live
- Explore niche audiences including ethnic minority groups
- Grow partnerships with private sector to support cooperative advertising, grants and public/private promotions

SAMPLE SPRING SUMMMER ADS



FIND YOUR
TRUE NORTH
#ONLYINMNE

m EXPLORE MINNESOTA
EXPLOREMINNESOTA.COM

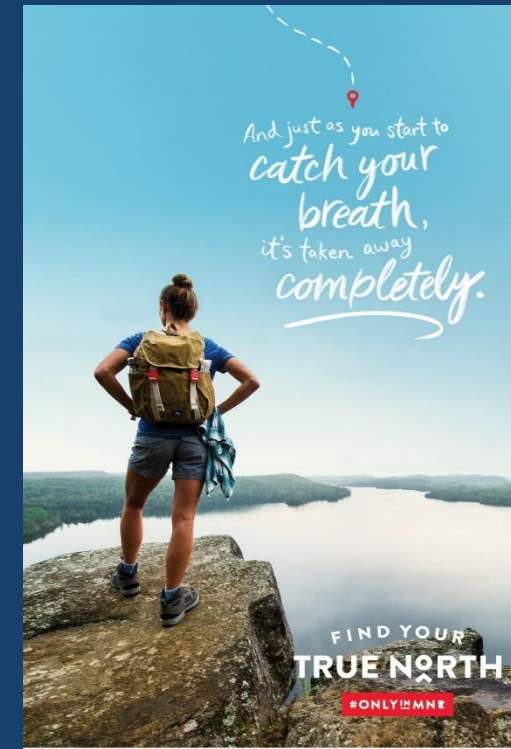


*While you're out exploring
the world,
take a moment to discover
your place
within it.*

FIND YOUR
TRUE NORTH
#ONLYINMNE

m EXPLORE MINNESOTA
EXPLOREMINNESOTA.COM

KERFOOT CANOPY TOUR | HENDERSON, MN



*And just as you start to
catch your
breath,
it's taken away
completely.*

FIND YOUR
TRUE NORTH
#ONLYINMNE

m EXPLORE MINNESOTA
EXPLOREMINNESOTA.COM

HONEYMOON BLUFF
Grand Marais, MN

INTERNATIONAL TRENDS

- 2017 MSP international arrivals passengers 1,112,488
- International travel expected to grow to 21% from 2015 to 2021
- Three new international flights in 2019 – Seoul, Dublin, Mexico City
- Minnesota interest in international markets increasing – sales missions and trade shows



EXPAND GLOBAL REACH

- Consumer-focused strategy to complement trade and media efforts in mature markets like UK, Germany, France, Benelux and Nordic countries
- Leverage new routes from South Korea, Ireland and Mexico through increased digital, social and media efforts
- Increase efforts to leverage Minnesota as a global destination through partnerships with Brand USA

AMPLIFY PUBLIC RELATIONS

- Pitch stories to international, national and regional outlets, bloggers, freelance journalists and social influencers
- Leverage the new marketing strategy to promote diverse activities, cultural attractions and trip ideas
- Secure influencers and opinion leaders to author content about Minnesota and leverage via social media
- Conduct media missions in key markets to develop and deepen relationships with editors and writers

FY18 MEDIA RESULTS

TOTAL PLACEMENTS

4,868

ESTIMATED AUDIENCE REACH

nearly **6 BILLION**

INCREASE OVER FY17



4 BILLION

ESTIMATED AUDIENCE REACH

**MINNESOTA
SUPER BOWL 52
COVERAGE**



1.56 BILLION

ESTIMATED AUDIENCE REACH

FY18 Media Results Source	Estimated Audience Reach	Total Media Placements
Explore Minnesota	4.9 billion	4,374
Bellmont Partners	880,873,531	494

COVERAGE OF

5 MINNESOTA'S
**UNIQUE
REGIONS**

INDOOR & OUTDOOR
ACTIVITIES



BUSINESS & TRADE

TRAVEL & LEISURE



SUPPORT GRANTS AND CO-OPS

- Continue marketing, events grants and co-ops
- Over \$1.6 million in grants awarded in 2018 for marketing, events, sports and meetings program to over 120 different organizations
- 48% of awards were for greater Minnesota
- Events grants program provided support for 9 events in greater Minnesota and 10 events in metro area in 2018
- Over \$1 million invested in co-ops and partnerships in 2018, supporting more than 150 non-profit and for-profit businesses

2018 EVENTS GRANTS AWARDS

METRO AREA			
Name of Grantee	Name of Event	Date of Event	Amount Awarded
AUSC	AUSA ROTC Sole Challenge	May 4-5, 2018	\$ 9,500.00
Roseville Visitor Assoc.	RoVival - Summer Festival	July 12-21, 2018	\$ 34,373.00
United States Handball Assoc.	2018 World Handball Championships	August 9-19, 2018	\$ 53,084.00
USA Racquetball	National Intercollegiate Championship	March 14-17, 2018	\$ 7,570.00
University of Minnesota	2018 NCAA Div. 1 Womens Volleyball	Dec. 13-15, 2018	\$ 100,000.00
MN Sports Corp.	NCAA Final Four	April 5-8, 2019	\$ 200,000.00
Ice Sports Industry	ISI Synchronized Skating Champ.	April 6-8, 2019	\$ 8,600.00
Adaptive Sports USA	Adaptive Sports USA Jr. Nationals	July 12-21, 2019	\$ 62,227.00
Loppet Foundation	2020 World Cup	March 14-15, 2020	\$ 150,000.00
Worlds Fair Bid Committee	MN USA Expo	May 13-Aug. 31, 2027	\$ 24,000.00
			\$ 649,354.00

2018 EVENTS GRANTS AWARDS

GREATER MINNESOTA			
Name of Grantee	Name of Event	Date of Event	Amount Awarded
Otter Tail Lakes Country Assoc.	Otter Tail Co. - ON ICE!	Feb. 2-4, 2018	\$ 33,078.00
Iron Range Tourism Bureau	Superior International Junior Hockey League Hippodrome, Eveleth	Nov. 28-29, 2017	\$ 7,525.00
DLCCC, Inc.	Ice Harvest	Jan. 11-12 and Feb. 8-19, 2018	\$ 16,833.00
Rochester Amateur Sports Commission	2018 14A USA Softball Northern Natinal	Aug. 1-5, 2018	\$ 19,800.00
USA Wrestling - Rochester	UWW World Teams Trials	May 18-20, 2018	\$ 8,910.00
Glenwood Lakes Area Welcome Center	Glenwood Lakes Area Disc Golf Tournament	Sept. 8-9, 2018	\$ 5,000.00
YMCA - Grand Rapids, MN	Running the Rapids	8/25/2018	\$ 7,000.00
Visit Winona	Live at the Levee	23-Jun-18	\$ 50,000.00
Lake of the Woods	2019 World Plowing Championships	Aug. 30-Sept 1, 2019	\$ 100,000.00
			\$ 248,146.00

EQUITY AND INCLUSION

- Marketing, public relations and media efforts will include content to represent all aspects of Minnesota
- Promotions will include communities and people of color, people with disabilities, LGBTQ audiences and all geographic areas of the state
- Will reach diverse communities through culturally specific niche media outlets
- Ads will be created with diverse talent to better represent Minnesota that welcomes people from all walks of life

INCREMENTAL IMPACTS DUE TO ADVERTISING*

Incremental Trips	3.5M
Incremental Visitor Spending	\$415.5M
Incremental Taxes	\$40.7M

*Longwoods International: Minnesota 2018 Advertising ROI Research

BOTTOM LINE

	Existing Markets	Expansion Markets	Combined
Spending ROI	\$119	\$47	\$101
Tax ROI	\$12	\$5	\$10

*Longwoods International: Minnesota 2018 Advertising ROI Research

IMPACT OF VISITATION ON ECONOMIC DEVELOPMENT





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