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Explore Minnesota Tourism

http://www.industry.exploreminnesota.com

Small Agency Profile

Mission:

The mission of Explore Minnesota Tourism is to promote and facilitate travel to and within the state of Minnesota.

Statewide Outcome(s):

Explore Minnesota Tourism supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

Remaining competitive in state tourism marketing is critical, especially during this period when the tourism industry is still recovering from the recession. Attracting new visitors is important to growing tourism business once again in Minnesota. To promote and facilitate travel to and within the state of Minnesota, Tourism works to:

- maximize the impact of its marketing dollars, by extending its reach through public and private partnerships and by developing highly targeted, cost-efficient marketing programs;
- link potential travelers to the industry, providing thousands of tourism businesses and organizations with a presence on the state tourism website, and providing avenues for consumers to link to the business and organizations on our website; and
- ensure that the tourism industry evolves and adapts to take advantage of the latest consumer and marketing trends.

The travel industry in Minnesota and across the country was impacted by the recession as consumers cut back on travel and spending. The industry has now begun to slowly recover. Explore Minnesota Tourism has adjusted its marketing programs to address recent tourism trends, including closer-to-home vacations, last-minute trip planning, shorter getaways, and demand for deals. It has also adjusted its marketing to take advantage of the great increase of online travel planning and social marketing. In spite of this focused marketing, key indicators such as lodging performance suggest that Minnesota tourism may be growing at a slower pace this year than last.

The primary customers of Explore Minnesota Tourism are the traveling public (travelers and potential travelers) and the tourism industry that serves them. Current target markets are neighboring states and Minnesota residents. Travelers are reached through a variety of marketing programs, and are served by our staffed contact center, highway Travel Information Centers and affiliated centers across the state, and through our website. The travel industry includes tourism-related businesses, such as lodging and campgrounds; a wide range of attractions, from museums to amusement parks; community organizations such as chambers of commerce and visitors and convention bureaus; and travel trade businesses such as group tour operators.

Explore Minnesota Tourism receives $8.4 million annually from the state's general fund. This includes $500,000 in supplemental state funding available when private sector support generated by Explore Minnesota Tourism is at least $1.5 million. The agency routinely exceeds this level of cash and in-kind match. In FY12, this match included $2 million in cash and $3 million in in-kind services, for a total of $5 million. (Note: Explore Minnesota also manages $337,000 in pass-through funds for Minnesota's film industry.)

Strategies:

Explore Minnesota Tourism emphasizes several strategies to deliver its mission and purpose. The agency:

- Develops results-driven advertising and coordinate promotions that market Minnesota as a travel destination.
- Develops local, regional and statewide marketing partnerships to leverage resources and expand marketing reach.
- Provides quality travel information and services that meet consumers' needs and interests.
- Promotes Minnesota as a travel destination for international, group, package an sports travel markets.
- Provides timely tourism research on economic impact, customers, travel trends and marketing effectiveness.

- Provides leadership and unify the industry and state agencies on marketing and tourism initiatives in the state.

The complete strategic plan is available at http://www.exploreminnesota.com/download.aspx?id=3149.

The programs of Explore Minnesota Tourism are targeted at generating tourism business in the state, supporting jobs and generating sales in communities throughout Minnesota, both urban and rural. A key sector of Minnesota's economy, tourism in the state is an $11 billion industry, supporting 235,000 leisure and hospitality jobs, which represents 11 percent of private-sector employment. In addition, it generates more than $730 million in state sales tax revenues, which is 17 percent of Minnesota's sales tax revenues. From 2003 to 2010, state sales tax revenues from leisure and hospitality grow 34.7 percent, while those from all other industries grow just 10.7 percent. A snapshot of the most recent travel and tourism economic impact highlights for the state of Minnesota, and its tourism regions and counties, is available at http://www.exploreminnesota.com/download.aspx?id=2964.

Explore Minnesota Tourism works closely with tourism businesses and promotional organizations across the state to attract travelers to Minnesota communities, and leverages its resources by generating $5 million in cash and in-kind partnerships with tourism businesses and corporations. Explore Minnesota Tourism promotes an integrated approach to tourism marketing with other state agencies with a tourism interest, including the DNR, the Minnesota Historical Society, the Minnesota Department of Transportation, IRRRB, the Minnesota Zoo and others. One example of this approach is Pedal Minnesota, a collaborative effort to promote Minnesota bicycling developed by five state and federal agencies, two cycling-related community groups, and corporate sponsors.

Results:

Performance is tracked by both external and internal measures (see chart for examples). The slow economy and strong competition from destinations with large promotional budgets are two major factors impacting tourism growth in Minnesota. Employment, in particular, has been slower to grow as the economy slowly recovers. Explore Minnesota Tourism focuses on cost-efficient, strategic marketing, leveraging its resources to have more impact and link consumers with Minnesota's tourism businesses and destinations.

Another factor impacting Minnesota tourism is strong competition among states, and even globally, as consumers consider destinations around the world. Currently, Minnesota's tourism office budget of $8.4 million ranks 30th nationally. Results show that every $1 invested in state tourism marketing generates $53 in gross sales.

Explore Minnesota's most recent annual report is available online.
http://www.exploreminnesota.com/download.aspx?id=3148

Performance Measures	Previous	Current	Trend
Gross sales, leisure and hospitality sector	$11.0 billion	$11.3 billion	Increasing
State sales tax generated, leisure and hospitality sector	$699 million	$732 million	Increasing
Jobs, leisure and hospitality sector	235,000	240,000	Increasing
# of users of ExploreMinnesota.com website	2.3 million	2.9 million	Increasing

Performance Measures Notes:

Data on the leisure and hospitality sector is the latest available; the "current" sales and tax figures are for 2010, and "previous" is for 2009. Jobs data is for 2010 and preliminary for 2011. Graphs with more complete historical data are available at http://www.exploreminnesota.com/download.aspx?id=3192.

The website numbers shown as "previous" are for FY 2011, "current" are for FY 2012.