

Results MINNEAPOLIS

Meet Minneapolis

June 12, 2012

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Meet Minneapolis

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What is Meet Minneapolis?

- Mission: To market, sell and maximize the visitor experience of Minneapolis for the economic benefit of our community.
- City of Minneapolis contractor for 25 years
- Only non-city entity participating in the *Results Minneapolis* program
- Booked 485,199 hotel room nights in 2011
- Hosted 767,421 convention delegates in 2011
- Generated \$900 million in delegate spending in 2011
- Increased the number of visitors to Minneapolis-St. Paul by 6.1 percent from 25.6 million to 26.8 million between 2010 and 2011.
- Supports 27,800 leisure and hospitality jobs in Minneapolis (*more than the manufacturing and construction industries combined*) with a \$1.3 billion annual payroll

<http://impact.minneapolis.org/>

The *Meet Minneapolis Impact* dashboard is an interactive tool that enables our partners to track the progress we are making in achieving our goals set forth by the City of Minneapolis. Identifying and reporting the 17 performance measures on a monthly basis is only part of Impact's functionality. It is also a great tool for our partners to get a sense of the current trends in the visitor and convention industry, such as hotel occupancy and revenue per available room, passenger counts at MSP airport and consumer confidence.

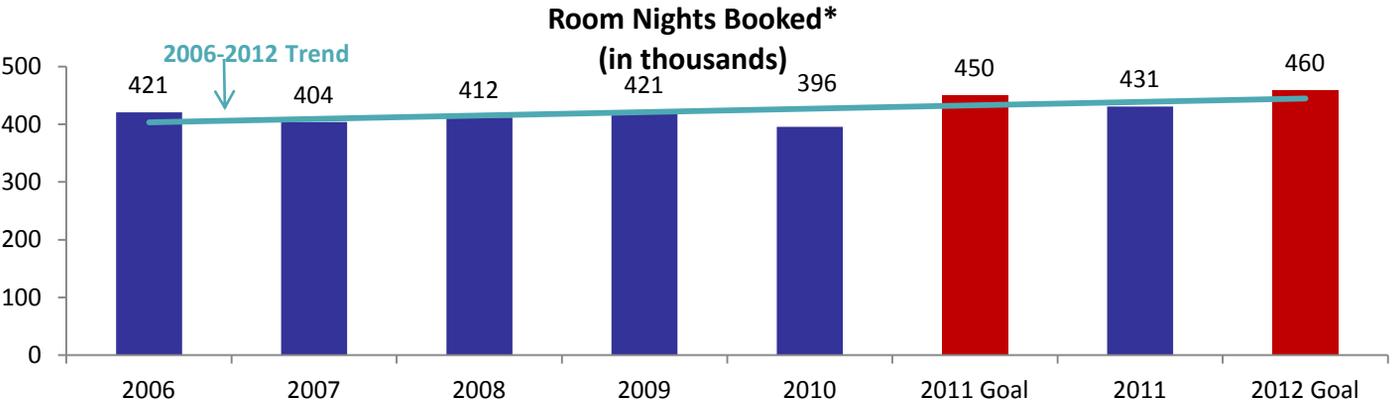
Our four key performance indicators, Room Nights Booked, Leisure Hotel Leads, MCC Revenue and Sponsorship Revenue, are prominently displayed and summarized on the landing page with an easy-to-understand graphical treatment. This page is where the industry metrics and executive summary reside as well.

For a more detailed report of all 17 performance measures, clicking on the "*Detail*" tab brings up a summary of each. With an additional click on the individual measures, a line graph of the respective measure by month appears to the right.

Enhancements, such as year-ago comparisons on the "*Detail*" line graphs, will be made to the dashboard this summer. We are excited about evolving the dashboard to maintain its vitality as we elevate it to version 2.0.

Below are some terms that may be helpful to reference throughout this report.

Term	Definition
ADR	Hotel Average Daily Rate (room revenue divided by rooms sold)
CVB	Convention Visitor Bureau
EMT	Executive Management Team
Occ %	Hotel Occupancy (rooms sold divided by rooms available multiplied by 100)
RevPAR	Hotel Revenue Per Available Room (room revenue divided by rooms available)
TAP	Trends Analysis Projections, LLC
Room Nights Booked	Future hotel room nights booked by Meet Minneapolis
Room Nights Consumed	Hotel room nights booked by Meet Minneapolis and subsequently consumed by hotel guests
Benchmark	Last 36 months' average number of definite room nights booked by Meet Minneapolis
Definite Room Nights	Number of definite room nights confirmed by Meet Minneapolis for future years
Tentative Room Nights	Number of tentative room nights pending for future years
Pace	Number of room nights that should be confirmed as of a particular point-in-time for future months or years based in the last three years definite room nights and all definite room nights pending for the future
Pace Percentage	The definite room nights to date as a percentage of the definite room nights that should be confirmed by a particular point-in-time based in three years of historical data
Leisure Hotel Leads	Leads for leisure group hotel stays provided by Meet Minneapolis to Minneapolis hotels
Events In the Year for the Year	Events booked in the same year as they are to be held
Sponsorship Revenue	The amount of revenue collected by Meet Minneapolis through membership fees and partner sponsorships
Media Impressions	A measure of the number of times an article or advertisement is seen by consumers



*The number of future meeting and convention room nights booked by Meet Minneapolis for member hotels.

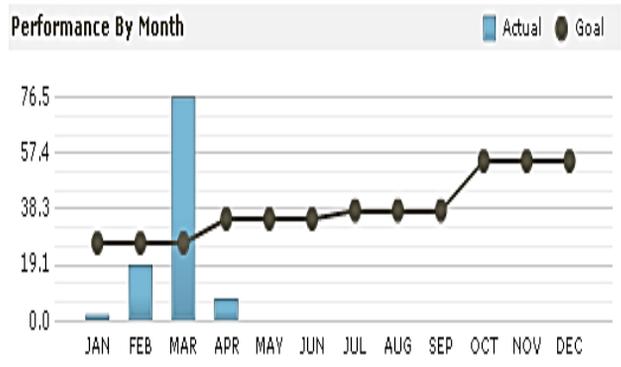
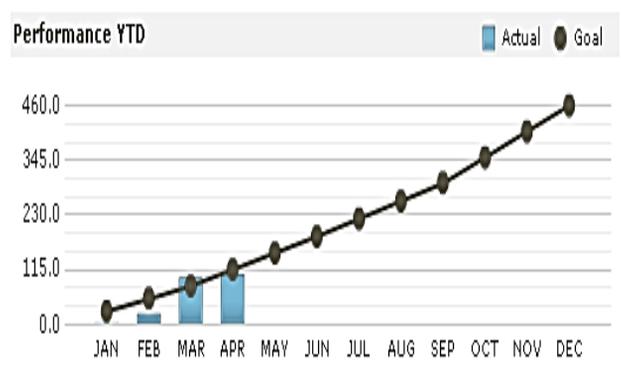
Why is it important?

Sold room nights are the primary source of revenue for a critically important member group – downtown hotels. Meeting and convention room nights benefit both short and long-term hotel occupancy. Additionally, sold room nights bring economic vitality to the downtown restaurant, entertainment and retail businesses, and tax receipts to the Minneapolis Convention Center (MCC) fund.

What will it take to achieve this goal?

The primary means to achieving this goal is to target the customer segments of greatest growth - medical, business-trade and engineering-science associations - for new business development. Secondly, we have retained a lead generation organization to assist our efforts in our two largest geographic markets, Washington, D.C. and Chicago. Additionally, we will continue to display the new City by Nature branding at major industry events. Finally, we will maintain a fully engaged staff, consistent proactive sales efforts and effective follow-through with our clients. For additional strategies please see Destination Sales Initiatives in 2012 in the Appendix, pp. 17.

Room Nights Booked by Month Year-to-Date 2012 (in thousands)

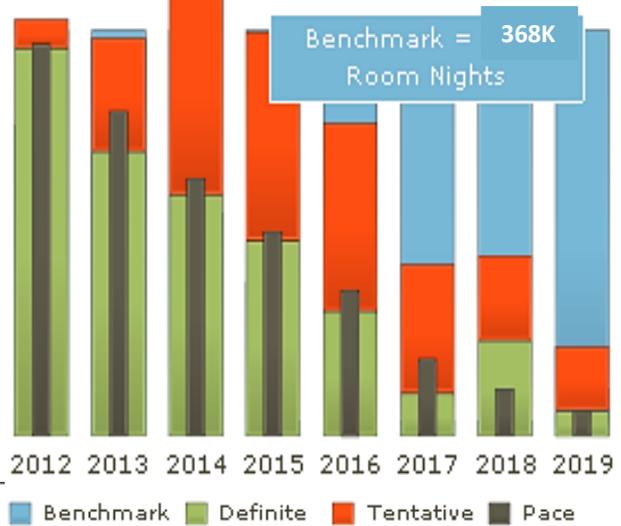


2012 Year-to-Date Summary

- First quarter room nights exceeded the goal by 23 percent: 97,400 versus 79,200.
- April was a soft month, however, 2012 year-to-date exceeds 2011 by 31 percent, 104,900 versus 80,300 room nights, respectively.
- Additionally, the commitments received in May strongly indicate that the second quarter goal of 104,525 room nights will be achieved.

Additional data on next page...

Room Nights Booked for Future Years as of April 30th 2012



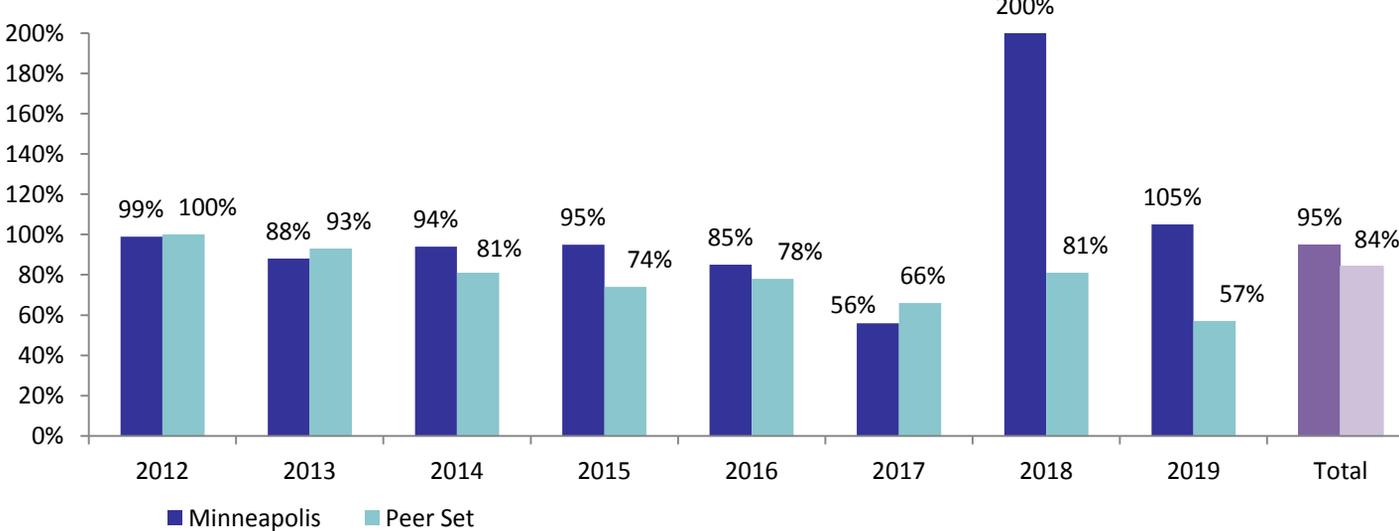
Definitions

- Benchmark : Last 36 months’ average number of definite room nights produced by Meet Minneapolis.
- Definite: Number of definite room nights confirmed by Meet Minneapolis for each future year.
- Tentative: Number of tentative room nights pending for each future year.
- Pace: Number of room nights that should be confirmed as of April 30th for each future year based in the last three years definite room nights and all definite room nights pending for the future.

Summary

The key measure of interest is the “definite room nights” (green bars) relative to the “pace” (black bars) as they indicate where room nights booked currently are relative to where they should be at this time. In 2012, definite room nights are equal to the pace, whereas they are lagging in 2013, 2016 and 2017.

Room Nights Booked Relative to the Peer Set:*
Pace Percentage as of April 30th**

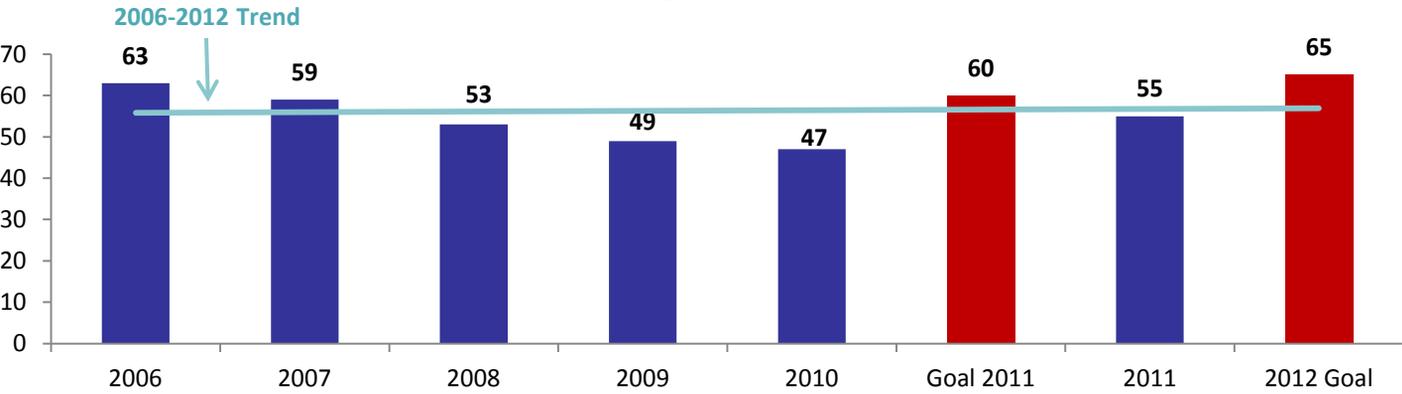


*Peer set includes data from Chicago, Dallas, Denver, Indianapolis, Kansas City, Milwaukee, Minneapolis, New Orleans and St. Louis
 **Pace Percentage: The definite room nights to date as a percentage of the definite room nights that should be confirmed by a particular point-in-time based in three years of historical data.

Summary

Between 2012 and 2019, Minneapolis is significantly out-performing its peer set on the measure of “pace percentage,” 95 percent versus 84 percent, respectively. That is, Minneapolis has booked room nights at a level equal to 95 percent of where it should be at this point-in-time based on its historical performance, whereas, the peer set is only at a level of 84 percent.

Leisure Room Nights Booked (in thousands)



*The number of leisure room nights booked in Minneapolis hotels. Please note this measure is not available on the *Impact Dashboard*.

Why is it important?

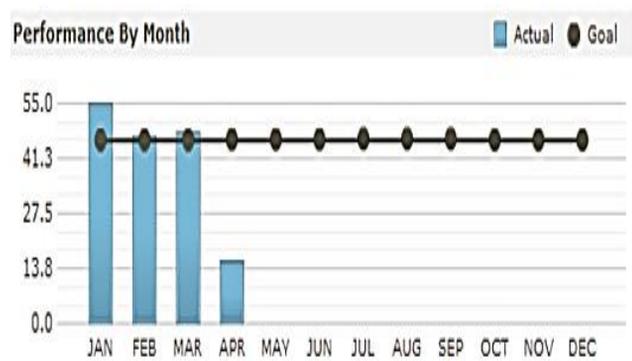
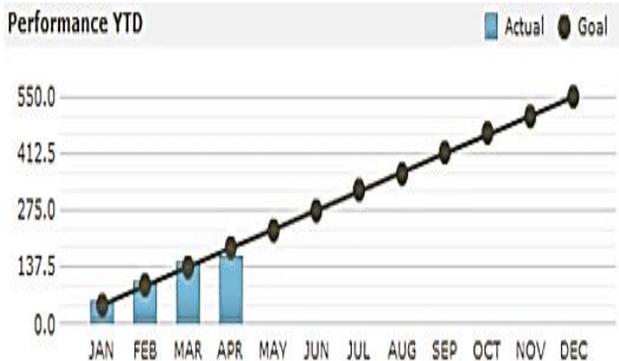
Leisure room nights are important to filling the gaps between meeting and convention room nights. They provide needed weekend business, and increase occupancy during off-peak periods, particularly the holiday season and first quarter. As a frame of reference, Visit Denver booked 56,700 leisure room nights in 2011.

The graphs below show leisure hotel leads. These are converted to leisure room nights booked and thus are critically important. On average, a single tour group lead converts to 23 room nights, one wedding lead converts to 60 room nights, and a reunion lead converts to 110 room nights.

What will it take to achieve this goal?

In order to attain our booking goals we are actively engaged in securing bookings from International Groups and Leisure, Weddings, Group Tours and Reunions, Leisure Packages, and International Meetings. For additional strategies see Tourist Sales Initiatives in 2012 in the Appendix, pp.19.

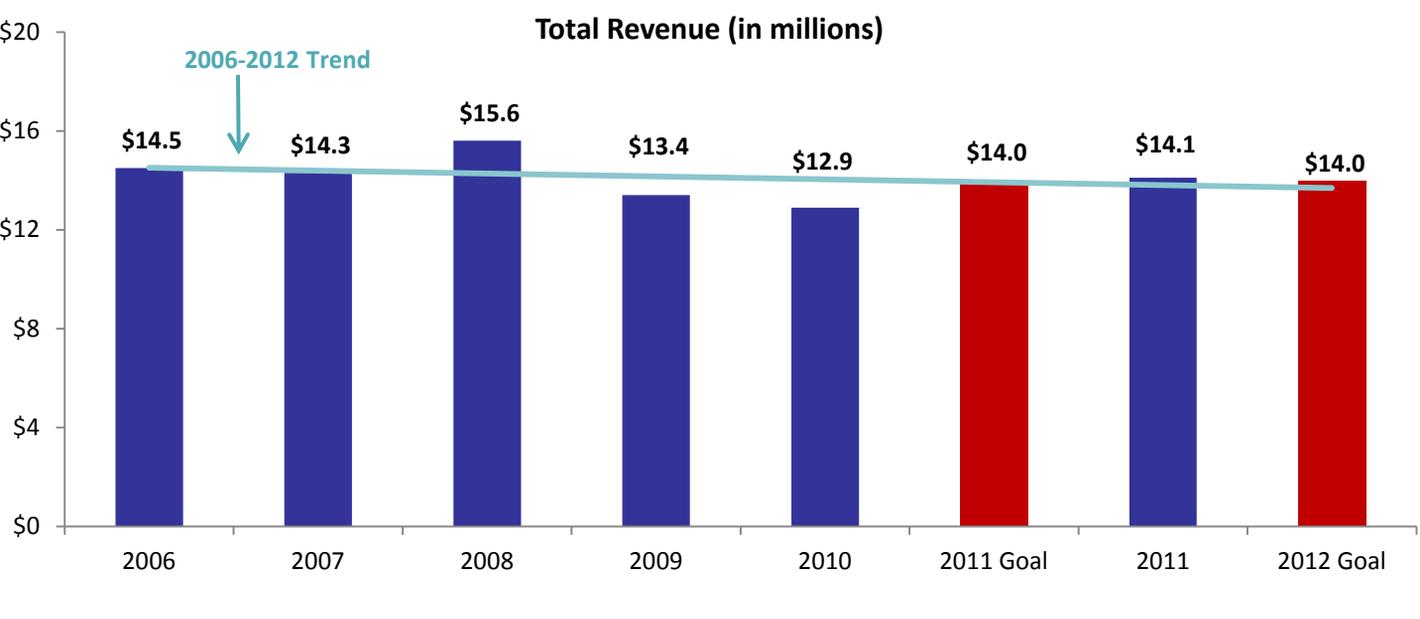
Leisure Hotel Leads* by Month Year-to-Date 2012 (in thousands)



*Leads for leisure group hotel stays provided by Meet Minneapolis to Minneapolis hotels.

Summary of Leisure Hotel Leads Year-to-Date by Month in 2012

First quarter leads exceeded the goal by 9 percent: 150 versus 137.5. April, however, was a soft month and prompted a set-back relative to the year-to-date goal.



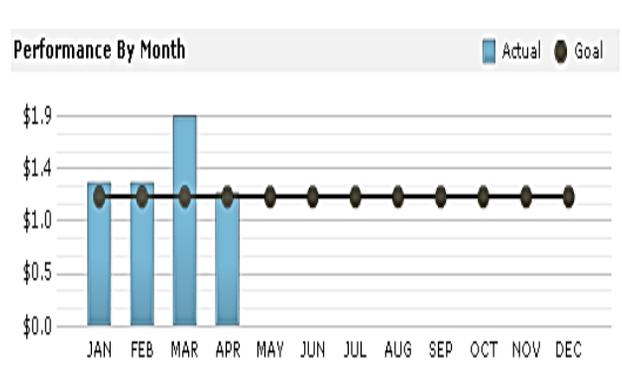
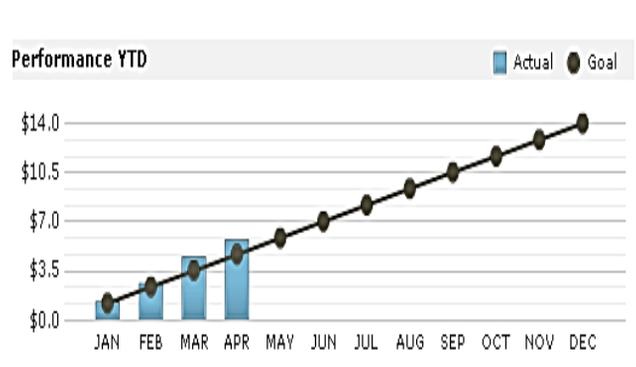
Why is it important?

More than 50 percent of the revenue required to operate the MCC is generated through space sales and ancillary revenues. This operating revenue off-sets withdrawals from the convention center fund for operations, thus it is critical that business activity is generated through sales efforts.

What will it take to achieve this goal?

It is critical to increase the business booked and held this year. Deeper penetration of local accounts and ensuring that more customers are exposed to the capabilities of the Convention Center will help to increase these bookings. Meet Minneapolis has goals for proactive efforts that have been implemented and will continue to be measured monthly.

MCC Revenue by Month in 2012 (in thousands)

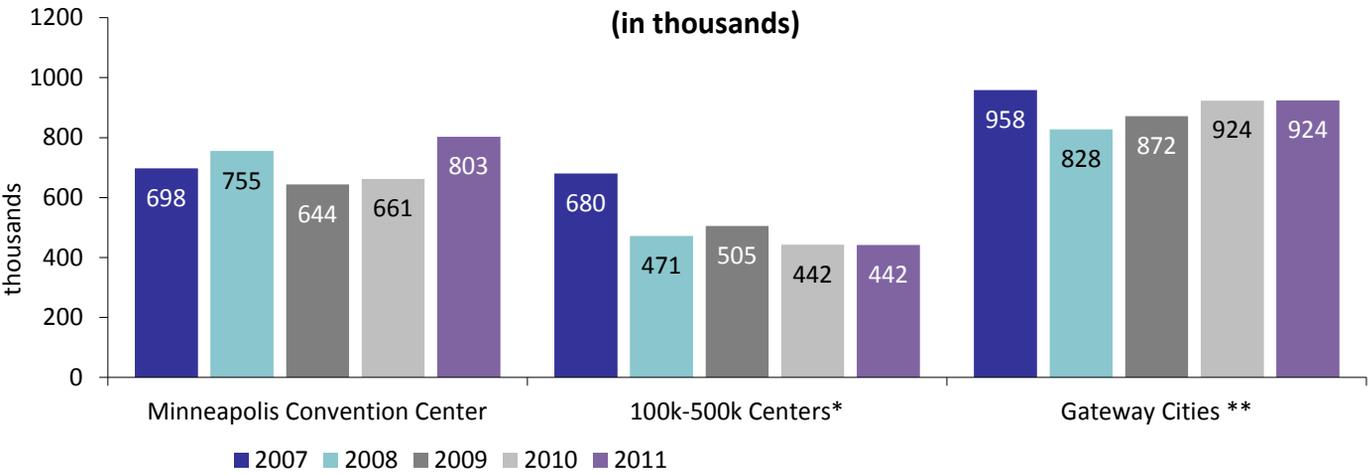


Summary

April year-to-date revenue is exceeding the goal by \$1.0 million.

Additional data on next page...

Total Attendance Comparison (in thousands)



Source: Price Waterhouse Coopers Convention Center Reports 2006 – 2011

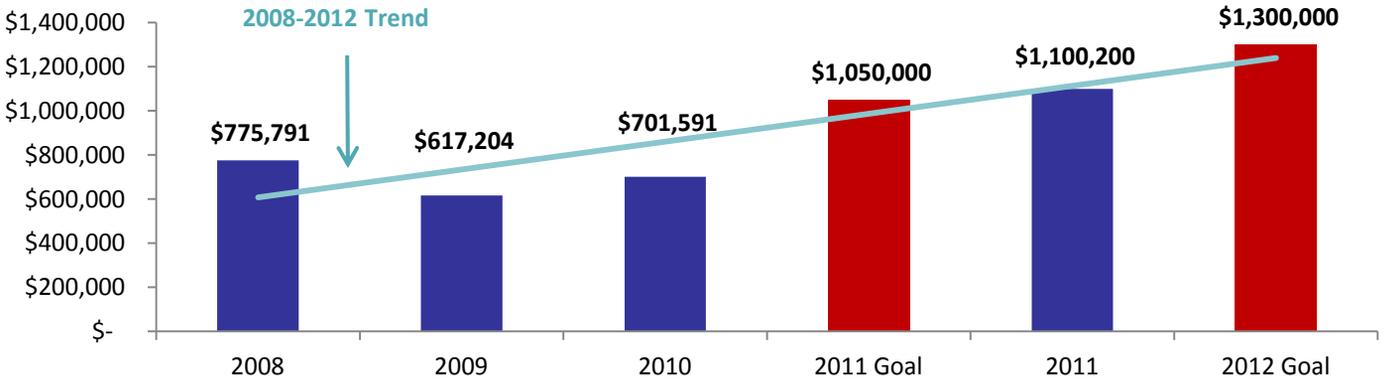
* Centers with 100,000 to 500,000 of sq. ft. of exhibit space

** Metropolitan areas with at least 30,000 hotel rooms

Summary

MCC significantly out-performs other convention centers of similar size on attendance.

Sponsorship Revenue*



*The amount of revenue collected through membership fees and partner sponsorships.

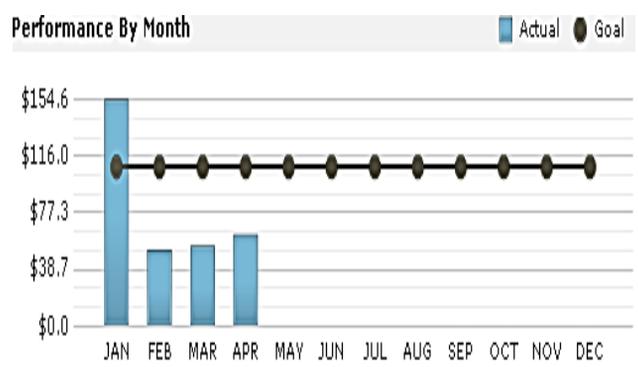
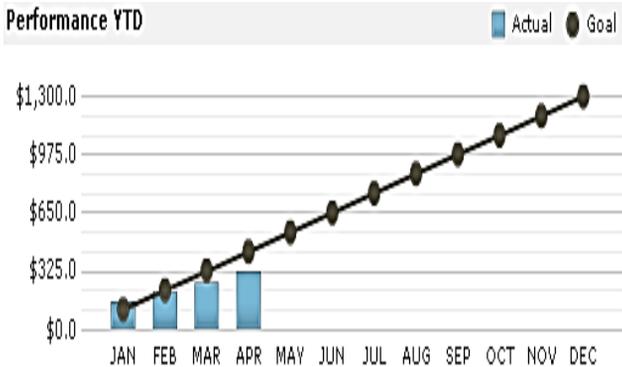
Why is it important?

This is a key source of revenue for Meet Minneapolis from its members - the Minneapolis hospitality community.

What will it take to achieve this goal?

To increase sponsorship revenue we must continue to align Meet Minneapolis and the MCC as we create an experience inside the center that will draw visitors out into the city. Additionally, we will focus on new and/or enhanced member categories including retail, plan B hotels and restaurants in Minneapolis. We are also exploring mobile solutions and other technology advances. Our long-term strategy is to fill the pipeline with larger sponsorships that will generate annual revenue.

Sponsorship Revenue* by Month in 2012 (in thousands)



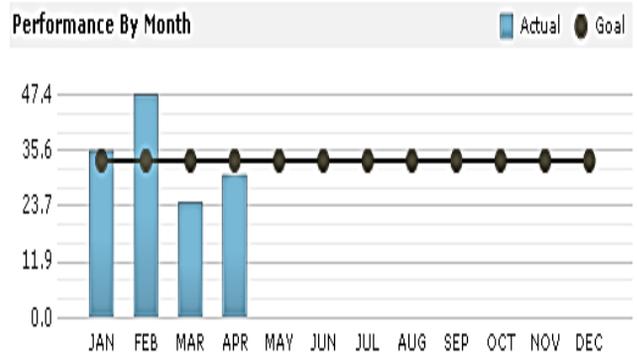
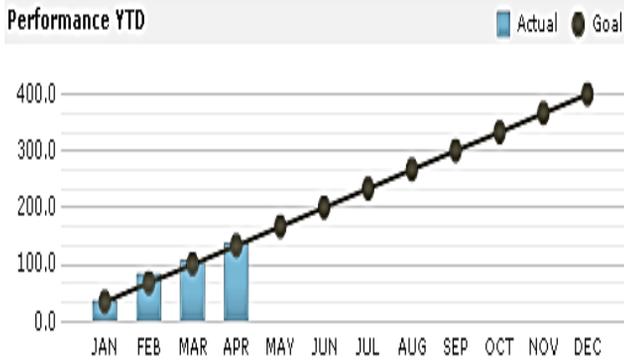
*The amount of revenue collected through membership fees and partner sponsorships.

Summary

- January is a heavy renewal month for the hotel community.
- March and April generated strong partner participation at the annual meeting and Meeting Planner Showcase, respectively.
- Thirty new partners have joined as of May 30th, equal to half of our annual goal.

Additional data on next page...

Media Impressions* in 2012 (in millions)



*The number of media impressions created globally by Meet Minneapolis initiatives.

Why is it important?

Media impressions are important because they are the primary means by which we measure the effectiveness of our public relations activities. "Media impressions" are an estimate of the number of people reached by a public relations communication.

What will it take to achieve this goal?

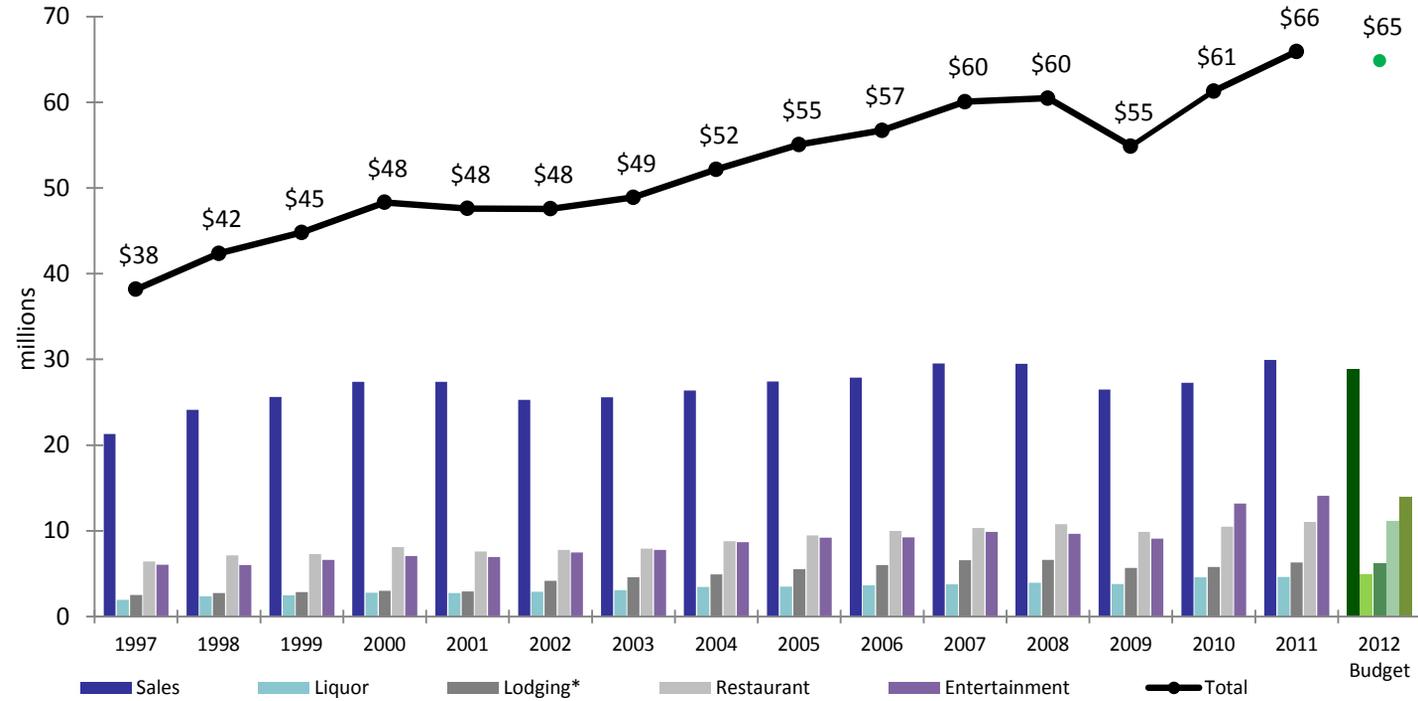
April year-to-date media impressions exceeded the goal: 137.8 versus 133.3 million, respectively. We anticipate that May will be another robust month due to the coverage of Museums Month and the USA Volleyball announcement. Media drivers for the rest of the year include: the anticipated 2014 MLB All Star Game announcement, Travel Channel of Canada, Air Tran GO feature, *The New York Times*, Fox News.com and *Martha Stewart Whole Living*.

Appendix

Meet Minneapolis Performance Measures

Measure	2011 Annual Goal	2011 Actual	2012 Annual Goal	April YTD Actual
Room Nights Booked (in thousands)	450.0	430.0	460.0	104.9
Economic Impact (in millions)	\$300.0	\$343.4	\$375.0	\$79.2
Lead to Definite Conversion	25%	25%	26%	23%
Survey – Destination Services	4.4	4.4	4.4	4.5
Leisure Hotel Leads	500	518	550.0	166.0
Non-Hotel Leisure Leads	600	613	650	223
Tour Programs Developed	100	87	100	27
MCC Revenue (in millions)	\$14.1	\$14.4	\$14.0	\$5.7
MCC Bookings	450	459	450	181
MCC Attendance (in thousands)	700	805	800	454
MCC Occupancy (% Full)	59%	57%	60%	72%
Survey – MCC Sales	4.4	4.3	4.4	4.3
Survey – MCC Meeting Planner	4.4	4.3	4.4	4.3
Sponsorship Revenue (in thousands)	\$1,050.0	\$1,100.2	\$1,300.0	\$322.6
Media Impressions (in millions)	150.0	429.4	400.0	137.8
Unique Web Users (in thousands)	1,500.0	1,420.4	1,500.0	390.6
Information Requests by Visitors (in thousands)	35.0	26.9	35.0	15.2

Hospitality Related Tax Revenue (in millions)



*Lodging reflects a statutory tax rate change from 3.0% to 2.625% in July 2009 due to an increase in the State's sales tax rate and the need to be in compliance with the law that any general sales tax joined with lodging taxes cannot exceed 13% as a combined rate.

Competitive Set Annual Budgets (in millions)



Sources: 2011 DMO Organizational & Financial Profile Study, Destination Marketing Association International (DMAI); 2011 Austin Competitive CVB Survey, Austin Convention & Visitors Bureau

Destination Sales Process: How Conventions Get Booked



Destination Sales Initiatives in 2012

- **Generate 460,000 room nights**
 - **Corporate**
 - High revenue in hotels and convention center
 - Short-term booking window for most events (*larger events book further out*)
 - **Sports**
 - Can cover some need time frames within the community
 - Utilize all levels of hotels and the Convention Center
 - **Religious**
 - High revenue in hotels and convention center
 - Short-term booking window for most events (*larger events book further out*)
 - **Medical**
 - High revenue in hotels and Convention Center
 - Good relationships with the University of Minnesota and Mayo Clinic
 - Good board affiliations locally
 - **Business/Trade**
 - Huge market with large potential due to size and geographic spread
 - Can cover both need times and peak times in the marketplace in hotels and the Convention Center
 - **Engineering/Scientific**
 - Good potential and can be higher rated
 - Great opportunity due to the large research capabilities at the University of Minnesota and Mayo Clinic
 - **Government**
 - Can fill some need times and book even during economic downturn
 - Hard to place due to lower rate
 - **Education**
 - Good market potential in the association market and can be rate conscious
 - Good partnership with the University of Minnesota and the reputation of the education system in Minnesota
 - **Manufacturing**
 - Good corridor of business in the city
 - Can be higher rated groups that could use the Convention Center and hotels
 - **Cultural**
 - Marketing to the diversity of the city and the good depth in Minneapolis
 - Heavy marketing needed due to lack of awareness
 - **Agricultural**
 - Good corridor of companies in the area and also heavy upper Midwest concentration
 - Hard to place due to times of year, however, good opportunities

Tourism Sales Process: How Leisure Groups Get Booked



Tourism Initiatives in 2012

- **Generate 65,000 room nights**
 - **Increase international meetings market share**
 - Dedicated sales force
 - Attend IMEX
 - **Increase domestic leisure market share with a focus on the 400-mile radius**
 - Increase leisure travel promotions via digital advertising
 - Connect with existing partner efforts
 - Participate in Twins Caravan
 - Increase hotel packages
 - Establish strategic booking engine relationship
 - **Increase wedding bookings**
 - Create CRM program
 - Create wedding partnership segment
 - Attend local wedding fairs and tradeshow
 - Local advertising
 - **Increase Canadian leisure market share**
 - Research Canadian market
 - Establish sales focus on Ontario and Manitoba
 - Create branding and advertising strategy
 - **Maintain group tour and reunion business**
 - Leverage digital assets
 - Reunion advertising
 - Group tour tradeshow attendance
 - **Maintain international leisure market share (Asia)**
 - Host *Active America China*
 - Leverage digital assets: blog, international website
 - Host media and trade familiarization tours
 - Attend international trade shows
 - Schedule receptive operative sales calls
 - Sales calls in key markets
 - **Maintain international leisure market share (Europe)**
 - Develop coop advertising with partners
 - Develop EMT group tour manual advertisement
 - Host media and trade familiarization tours
 - Attend international trade shows
 - Schedule receptive operative sales calls
 - Sales calls in key markets
 - **Create comprehensive leisure visitor tracking process**
 - Secure paid research
 - Research how other CVBs measure

Sales and Marketing Initiatives in 2012

- **Generate \$1.3 million in Meet Minneapolis revenue through membership and sponsorship**
 - **Increase membership by adding new tiers and increase segment targeting underserved segments**
 - Create Retail Strategy
 - Create Restaurant Listing Option
 - Create Wedding Segment
 - Create Plan B Hotel Strategy
 - Dedicated Sales Efforts to New Member Drive
 - **Increase membership pricing in existing tiers**
 - Research Competitor Pricing and Models
 - Increase Base Dues
 - **Restructure sponsorship opportunities**
 - Market & Sell MCC Assets
 - Increase Leisure Travel Promotions
 - Create Strategic Live Events
 - Targeted approach to Signature Sponsorships
 - Create Mobile Application
- **Generate \$12.9 - 14.1 million in revenue for the Minneapolis Convention Center**
 - **Implement “In-the-Year/For-the-Year” Sales Campaigns**
 - Resurrect Stay at Home Meetings Campaign
 - Increase Public Show Attendance
 - Showcase MCC to Orchestra Hall Audience
 - Increased Face to Face Meetings
 - Create Holiday Party Strategy
 - Local & Regional Advertising
 - Partner with U of M on Northrup Opportunities
 - Up-sell assets – Banquets, AV, Priority Networks
 - **Increase Future Revenue Driving Events**
 - Focus on Medical and other Large Spending segments
 - Host Local “Mini-Familiarization” Events
 - Host Spring Meeting Planner Workshop
 - Increase number of Meetings and Conferences
 - MCC Branding Efforts

Marketing Initiatives in 2012

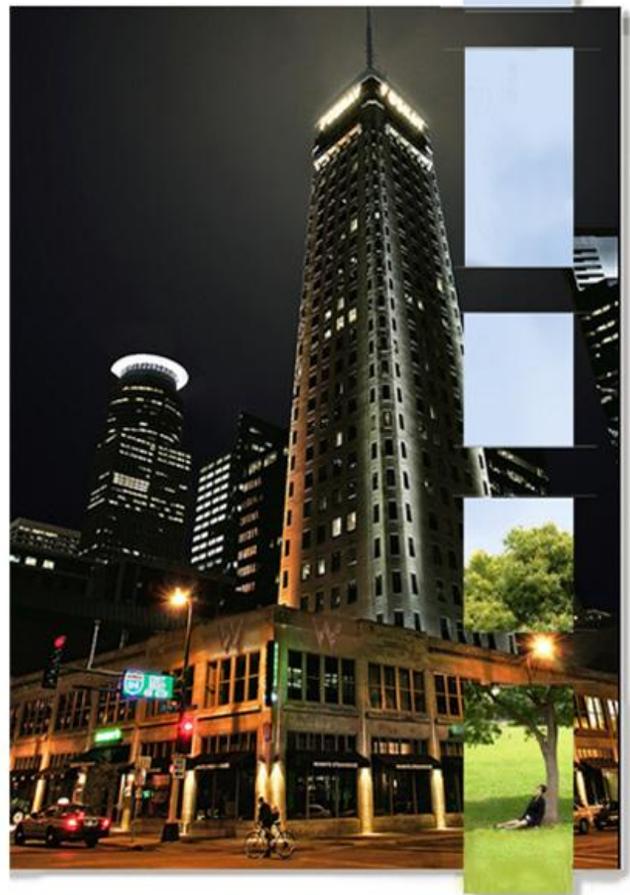
- **Generate 460,000 room nights for the Minneapolis market – Destination Sales**
 - **Increase Medical Association market share**
 - Create Backyard Marketing Strategy
 - Resurrect Stay at Home Meetings Campaign
 - Target Segment Tradeshow Audience(s)
 - Dedicated Sales Focus
 - **Increase Engineering / Science Association market share**
 - Attend tradeshow specific to market
 - Dedicated Sales Focus
 - **Increase Business/Trade Association market share**
 - Focused approach for each sales team member in this large segment
 - Target Specific Tradeshow Audience(s)
 - **Maintain Corporate Business Levels**
 - Targeted Sales Calls
 - Attend PCMA Tradeshow
 - Attend MPI Tradeshow
 - Begin Promoting MPI WEC in Minneapolis 2014
 - **Maintain Sports Segment Business Levels**
 - Leverage Digital Assets
 - Leverage Social Media Channels
 - Create Plan B Hotel Partnership Model
 - **Maintain Religious Segment Business Levels**
 - Promote RCMA 2013 in Minneapolis
 - Attend Rejuvenate
 - Leverage Collinson Advertising Opportunity

Sales and Marketing Initiatives in 2012

- **Generate 65,000 room nights for the Minneapolis market – International/Leisure**
 - **Create more comprehensive leisure visitor tracking process**
 - Secure Paid Research
 - Research How Other CVB's/Cities Measure
 - **Increase Domestic Leisure market share with a focus on the 400 Mile Radius**
 - Increased Leisure Travel Promotions – Digital Advertising
 - Connect with Existing Partner Efforts
 - Participate in Twins Caravan
 - Increased Hotel Packages
 - Establish Strategic Booking Engine Relationship
 - **Increase Wedding Bookings**
 - Create CRM Program
 - Create Wedding Partnership Segment
 - Attend Local Wedding Fairs & Tradeshow
 - Local Advertising
 - **Maintain Group Tour and Reunion Business**
 - Leverage Digital Assets
 - Reunion Advertising
 - Group Tour Tradeshow Attendance
 - **Leverage Natural Synergy Between International Efforts**
 - Promote Diversity in Minneapolis through Sister City Efforts
 - Capture Diverse Imagery
 - Create Diverse Minneapolis Partnership Category
 - **Increase International Meetings market share**
 - Dedicated Sales focus
 - Attend IMEX
 - **Increase Canadian Leisure market share**
 - Gather Research from EMT on Canadian Market
 - Establish Sales Focus on Ontario & Manitoba
 - Create Branding & Advertising Strategy
 - **Maintain International Leisure market share - Asia**
 - Host Active America China
 - Leverage Digital Assets – Blog, International Website
 - Host media and trade familiarization tours
 - Attend International Trade Shows
 - Schedule Receptive Operative Sales Calls
 - Sales Calls in Key Markets
 - **Maintain International Leisure market share – Europe**
 - Develop Coop Advertising with Partners
 - Develop EMT Group Tour Manual Advertisement
 - Host media and trade familiarization tours
 - Attend International Trade Shows
 - Schedule Receptive Operative Sales Calls
 - Sales Calls in Key Markets

Sales and Marketing Initiatives in 2012

- **Promote the new Minneapolis brand**
 - Utilize marketing committee with Meet Minneapolis board members
 - Create a “Big Idea” campaign with pre-post strategies
 - Create Mobile Application
- **Align MCC Brand with Minneapolis City by Nature**
 - Create a new logo/trademark that is aligned with the new Minneapolis logo
 - Create a MCC branding campaign
- **Develop Local Community Relations Strategy**
 - Increase Local awareness and support of Meet Minneapolis
 - Involve community as brand ambassadors



TRANQUILITY AND BEAUTY WOVEN WITH HUSTLE AND BUSTLE.

Liberally sprinkle parks and lakes among hotels, restaurants and theaters, then wrap it with a river. The result? An unbeatable choice for your next meeting.



minneapolis.org

