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# **Economic Storytelling, Tourism Improvement Districts and University Partnerships**

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### **Authors' contributions**

*This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.*

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## **ABSTRACT**

Business Improvement Districts (BID), sometimes called Tourism Marketing Districts (TMD) are innovative initiatives that levy assessments as a means of funding what might be traditionally paid for by local government. A recent increase in such organizations internationally may provide universities with an opportunity for a variety of positive benefits including revenue, research, educational improvement, and impactful student experiences. Universities and colleges have a history of partnering with industry, often referred to as University-Industry Partnerships (UIC), as a means for confronting ever-increasing economic challenges and shrinking budgets. Indeed, as funding for public universities continues to decrease, schools and departments within the university are forced to seek alternative revenue streams. The goal of the current study is to provide a conceptual model for understanding and engaging in economic storytelling as the research arm of such organizations. A case study of the partnership between San Diego State University and San Diego's Tourism Marketing District is assessed against a model of best practices in partnering. Results highlight the value of the model and provide direction for other University-Industry Partnerships (UIC).

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## 1. INTRODUCTION

According to the World Bank, Business Improvement Districts (BIDs), sometimes referred to as City Improvement Districts (CIDs), Tourism Improvement Districts (TIDs) or Tourism Marketing Districts (TMDs) leverage private funding for urban improvement and have increased substantially internationally [1]. These private-public partnerships can take many forms, but traditionally private business levies an assessment for goods and services, which in turn promotes public good. One such public good is promoting tourism, which relies on economic storytelling for dissemination.

Non-local visitors to a city creates a domino effect in the local economy through hotel room night generation, retail sales, dining, and attractions visitation, among a variety of other activities [2]. In the TMD model, often times contractors who secure funding must demonstrate the economic impact (EI) or tourism impact of their event or agency. This economic storytelling provides a quantitative assessment in the form of a return on investment (ROI) for the funds provided and other quantitative metrics. It is here where universities may be able to partner with these firms by supplying the data collection, analysis and reporting of these metrics. They may also act in a consulting role designed to ensure the evaluation process for the funding applications and actual ROI results match the goals of the BID/TID.

The following provides the background literature regarding BIDs/TIDs and how the funding process traditionally works particularly in the tourism context. This is followed by the rationale for university-industry collaboration (UIC) [3] as well as smaller schools and departments engaging in the same. Next, a conceptual model for such partnerships is presented identifying how the process can work, followed by illustrations from San Diego State University's (SDSU) Payne School of Hospitality and Tourism Management and the San Diego Tourism Marketing District (SDTMD). It is hoped that such a model will encourage more partnerships between universities and industry and facilitate greater economic storytelling with organizations seeking funding through BIDs/TIDs.

## 2. LITERATURE REVIEW

### 2.1 Business and Tourism Improvement Districts

BIDs have become an innovative way for urban areas to generate local improvements as local municipalities were increasingly unable make improvements through tax revenue. An early study defined BIDs as *“privately directed and publicly sanctioned organizations that supplement public services within geographically defined boundaries by generating multiyear revenue through a compulsory assessment on local property owners and/or businesses.”* [4] (p. 946).

In the United States, BIDs have steadily grown since the early 70s. Indeed they have expanded in other countries as well including Canada, UK, South Africa and Germany [1]. A newer but equally controversial model of BID comes in the form of a hybrid Transient Occupancy Tax (TOT) or bed tax, and has grown at a rapid rate in the United States over the past 10 years. A variety of names are used to identify these entities TIDs including Tourism Business Improvement Districts (TBID), Tourism Development Councils (TDC), and Tourism Marketing Districts (TMD). These public-private partnerships offset the lack of funds that were historically used to market a destination through the TOT. Over 193 tourism districts in 11 states currently exist in the United States generating upwards of \$350 million annually [5]. California is by far the leader in TIDs with more than 80 in existence. The California Tourism Marketing Act of 1995 helped facilitate the growth of these TIDs, which allowed self-imposed assessment of businesses which draw some benefit from tourism.

The San Diego Tourism Marketing District (SDTMD) was founded in 2008. Like many municipalities, the TOT funding which was dedicated to promoting tourism was steadily used for other purposes. Eventually, virtually no TOT funds were used to promote tourism or the convention and visitor's bureau, which focused on bringing large conventions to San Diego. The result was the collection of over \$20 million annually through a 2% assessment on hotel room nights at properties with 70 rooms or more. Event agencies and tourism stakeholders can apply for funding with the understand that the

event would drive “heads in beds.” These funds provide a vital function particularly in funding the San Diego Tourism Authority, which drives convention business to San Diego [5]. A critical component of this funding process was to identify an industry partner who could consistently tell the economic story for each of these events and is what lead to the partnership with SDSU.

While the industry community sees the value of TIDs and the impact of their funds, the academic community has not taken as much notice. Indeed, a search of peer-reviewed articles on the ProQuest Research Library found 0 results for the terms “Tourism Impact District,” “Tourism Business Improvement District,” or “Tourism Marketing District.” Consequently, little is known about these entities in the academic world which may hinder potential partnerships.

## 2.2 University-Industry Collaboration (UIC)

Whether through shifting demographics, declining enrollments or ever-shrinking state support, universities, particularly public institutions of learning are struggling financially [6,7]. Indeed, a recent report cited these growing trends as “Colleges in Crisis,” noting the devastating impact of Covid-19 [8]. In a study of 2,662 schools, some 51% saw declines in first-year enrollment since 2009. The study further found that almost 30% of all four-year schools brought in less tuition per student in 2017-18 than in 2009-10. Still further bad news resulted for public campuses where approximately 700 schools received less state appropriations in the same time period.

One means of generating support is by seeking out alternate revenue streams to counter these growing fiscal challenges. A common method for doing so is by building UICs and providing research services to industry. A variety of organizations require research services. This can take the form of market research for retail

organizations, innovation research for tech firms or competitive research for services organizations. Past research has shown that knowledge interactions between universities and industry contribute to a variety of positive outcomes including economic growth, greater productivity, and increased innovation [9]. In addition, scholars have looked at university-industry projects in terms of organizational culture, organizational relationships, collaboration and the ability of stakeholders to manage such collaboration [10]. More recently researchers have looked at best practices for improving collaboration between universities and industry [3]. The authors sought to review the current literature on UICs and build upon that foundation, citing practices that improve the relationship between partners. The result was a more wholistic model of effective UICs rather than one focused on a specific area such as technology or innovation.

## 3. METHODOLOGY

To provide direction to universities, as well as other organizations seeking mutually beneficial partnerships, the SDSU-SDTMD relationship was assessed by the 14 criteria provided by Awasthy, Flint, Sankarnaray and Jones. The goal was to illustrate each of the best practices through an actual partnership that is thriving. Each practice is summarized, and then highlighted using examples from the SDSU-SDTMD partnership. Given the dearth of research on TMDs and partnership with educational institutions, it is hoped the case study is useful in identifying how to develop potential partnership and ensure they are successful over time.

## 4. RESULTS

Table 1 illustrates the 14 principles with a short description and an example from the SDSU model. To the extent that these criteria are met, the greater chance of a successful partnership.

**Table 1. Awasthy, Flint, Sankarnaray and Jones (2019) model of university-industry collaboration**

UIC Steps	Application	SDSU Model
1. Understand the variety of interactions	These can include non-profit or for-profit interactions depending on the needs of each partner. In the current model, the services provided by the university are research and consulting related.	SDSU is partnered with the local TMD to objectively assess funding applications and evaluate actual ROI metrics for events and agencies that are funded.

UIC Steps	Application	SDSU Model
	However these could include HR functions, technology-oriented, R&D, innovation, etc.	
2. Identify the stakeholders	This can include faculty, staff, administrators and students.	In the SDSU model, the relationship is at the school-level with the Director engaging in managing the partnership. Lead faculty provide much of the research service and students often provide supporting activities such as survey data collection. Each stakeholder is compensated for their activities.
3. Understand the 'why'- identify the motivation	The relationship between the university and industry partner must be mutually beneficial. Creating a win-win relationship where both gain is essential. If there is no balance in the benefits received by each party, dissatisfaction with one partner is likely to arise.	At SDSU a number of benefits result from the partnership including increased revenue for the school, increased compensation for faculty, opportunities for students, and enhanced education through industry's connection to the school. SDTMD contractors act as guest speakers, mentors for students and hosts for collaborative projects. The TMD benefits from having a reasonably priced research option. In addition, the SDTMD has access to innovative thoughts regarding research methodology.
4. Identify and appoint suitable people and involve leadership	Identifying the right people to manage the partnership is critical for success. On both sides leaders need to have a vested interest in the success of the partnership.	In the SDSU model both administration and faculty are committed to enhancing the SDTMD relationship. Past relationships between leaders on both sides help to create a trust-based collaboration. This is particularly useful when unexpected challenges such as COVID-19, economic downturns or litigation come into play.
5. Ensure basic partnership characteristics	Meaningful partnership must be based on a shared ethical framework. This can be difficult with competing motivations between partners. It may be the case that industry has a for-profit motivation while the university is focused on some kind of public good. The conflict that results could plague the relationship.	Among the values shared between SDSU and the SDTMD are honesty, forthrightness, and transparency. This can be illustrated when a conflict arises between SDSU and a funding applicant. Recently, a funding recipient disagreed with the final metrics that resulted from their event. SDSU walked the SDTMD Director through the data to illustrate that it was accurate. The subsequent decisions made regarding the event were made based on these shared values which resulted in greater trust in the partnership.
6. Establish efficient communication	Just as in any relationship clear and direct communication is necessary to establish trust. That communication must be based on	SDSU is in constant contact with the SDTMD. The Director on both sides discuss issues freely and regularly. One reason for the success of the

UIC Steps	Application	SDSU Model
	the previously mentioned shared values.	partnership is providing the benefit of the doubt when conflict arises. Again, acting as a third-party between funding applicants and the TMD occasionally puts SDSU in a difficult position. This happens when there is disagreement on logistics, data collection methodology or the final results of the analysis provided by SDSU.
7. Strengthen the dissemination strategy	A university in particular must be careful to maintain its own identity in the partnership. This is particularly true in the sharing of results. Part of the benefit of partnering with the university is the reputation of the institution especially in terms of rigor.	SDSU methodologies employed to assist with SDTMD maintain the highest levels of academic rigor. Sometimes this can pit SDSU against a funding applicant when disagreements result. But SDSU has an obligation to maintain that rigor even if it facilitates conflict. By giving in on such a principles the SDTMD loses one of the most important aspects of the partnership... the reputation of the partner institution.
8. Address IP concerns	Conflict over intellectual property rights is increasing in academic pursuits. For a partnership to succeed a clear understanding of the rights of each party needs to be expressed in the beginning stages and codified in a contract.	Since the SDTMD is a public organization all reports and results are public property. Leaders on the University side are very careful not to infringe on this aspect of the relationship. In this area the clear and direct communication previously discussed becomes critical. In addition, each project is contract-based to ensure such details are addressed.
9. Adopt policies to encourage/facilitate collaboration	Policies by both partners must establish process for minimizing conflict. Such policies should be amended as needed.	As has been cited several times, given the nature of the third party relationship SDSU possesses with funding applicants, conflict is likely. Rules and policies have been established to reduce this. For example, in the application process applicants are notified that they have an obligation to work with and support SDSU's efforts. This allows SDSU to feel comfortable in pursuit of solutions the ensure data integrity.
10. Adopt strategy to encourage collaboration	True partnerships are collaborations. If only one side is providing answers then it is not a real partnership. Both sides need to have "skin in the game" and have collaboration be part of their strategy.	SDSU and the SDTMD collaborate in a variety of ways. For example in discussions of how survey data are analyzed both sides need to listen, and agree on the final outcome. When managing the relationship between SDSU and a funding applicant, there needs to be collaborative solutions or conflict emerges. The relationship between SDSU and the SDTMD has become

<b>UIC Steps</b>	<b>Application</b>	<b>SDSU Model</b>
		enhanced as a result of this collaboration.
11. Focus on social capital resources	While conflict is not ideal in a partnership, handled correctly it can increase the social capital and trust between both partners.	SDSU had a conflict with a local competitive event where resistance and a lack of assistance by the funding applicant made it near impossible for SDSU to complete the work. The social capital that exists between the two partners was essential in finding a mutually beneficial solution. The result of which served to further increase that social capital.
12. Setup rewards and incentives	Mutual benefits must exist for a strong partnership to survive. Identifying needs on both sides and trying to satisfy the needs of each facilitates the relationship.	While SDTMD enjoys a consistent stream of reliable data collection and analysis by a well-regarded local university, the true benefit is the luster both enjoy as a result of the relationship. While administrators, faculty and students enjoy compensation for their work as part of the partnership, so does the school. To date, some \$100,000 has been donated to the school as part of each project with the SDTMD. A small percentage of each project goes directly to the school which offsets shrinking budgets.
13. Management of collaboration	Some regular or routine form of meeting is useful in managing collaboration. Ad-hoc communication is valuable, however each side should have a regular forum for discussing issues that could impact the partnership.	SDSU regularly attends SDTMD board meetings, training sessions with funding applicants, and meetings designed to assess the potential benefits of a project. These well-planned and established meetings serve as a vehicle for increased communication and collaboration.
14. Alumni Association	Past university graduates can be an excellent source of support and talent that can enhance the partnership. Their knowledge of the university and its systems can benefit those working within the university.	Alumni from the Payne School are often employed to assist with research projects for the SDTMD. This can be in the form of collecting survey data at a college bowl game, supervising research teams at a youth soccer tournament and/or report writing and dissemination. Periodically alumni work for funding applicants. This can assist in logistical planning for data collection as well.

## 5. DISCUSSION

In each example, the SDSU model holds well against the criteria. Following the saying that a chain is only as strong as its weakest link,

leadership from the Payne School seeks to constantly enhance the collaboration with the SDTMD. The findings in the current study are in sync with the qualitative component of an early study on best practices in UICs [11]. The authors

found seven keys to effective UICs and noted that many of the studied partnerships had mutually beneficial outcomes as well as significant impact for both partners much like the SDSU-SDTMD model shown here. The authors also discuss the need for clear roles and the importance of relationship development as discussed in Table 1. In a review of the literature on UICs, Ankrah and Al-Tabbaa [12] draw many of the same conclusions found here. For example, the authors highlight the organization forms for UICs, motivations, steps in formation, and various activities including meetings and communication. It is important to note that each dimension of the UIC or best practice cited here is not created equal. For example, communication may be more critical to the relationship than the use of alumni. Maintaining shared values that both partners operate on may be more critical than intellectual property concerns. Clearly, the relative value of each best practice is based on the type of partnership, length of time, relationship among stakeholders, etc.

The implications of the model and illustration of the SDSU example can be used to both find and manage suitable partners. First, the university, school or department must identify if any BIDs or TIDs exist in their local area. A true understanding of the type of organization and its motivation and goals is critical before approaching such an entity. Those aforementioned shared values must be in sync for the relationship to thrive. Identifying compatibility at the start is necessary.

Once a potential organization is identified, perhaps the relationship begins as project-based. In the early days of the SDTMD, each event or entity that was funded had an obligation to provide its own assessment and ROI calculation. SDSU was one of the organizations hired to do such work. This helped to understand the SDTMD, build relationships and form a more sustainable relationship. Over time, the SDTMD realized that having different groups do the economic storytelling, was not ideal. It was possible that each event told its story using its own methodology which would lead to inconsistent comparisons among events. It was only then that the relationship became solidified with SDSU as the sole provider of research services. Going on 14 years of work together, the SDSU-SDTMD partnership is a strong representation of best practices in UICs.

## 6. CONCLUSION

As part of the current economic struggle, particularly for public universities, an entrepreneurial spirit is increasingly needed to meet the needs of departments and schools. Universities are being forced to identify alternative streams of revenue. One such method is through partnerships, and specifically, with organizations that can benefit the multiple stakeholders in the university environment. TID's provide an excellent avenue for such partnerships. As the research arm of the organization, universities, schools or departments can generate revenue, provide research opportunities to faculty, provide internship opportunities for students, and leverage industry partners in a variety of academic activities. The SDSU model illustrates the actualization of these outcomes. Not only does the school benefit, but the relationship that develops between the SDTMD and SDSU can lead to a variety of innovative academic projects. This results in a true mutually beneficial collaboration.

In an effort to become more entrepreneurial, universities should seek out local TIDs looking for such a partnership. The model presented here provides some best practice advice for those partnerships. A central theme emerges when reviewing the 14 principles provided by Awasthy, Flint, Sankarnaray and Jones (2019). That theme is focused on the critical need for trust in the relationship between partners. That trust will be tested as conflict arises, but having shared values helps to reduce the possibility of a failed partnership. Indeed, effective handling of such conflict can propel the partnership to a new level.

Finally, while the focus of the current study is on Universities, many of the elements described here apply to other industries where collaboration takes place. For example, when organizations in healthcare collaborate for new medical research, these principles should largely apply. Communication, regular meetings, and shared values form the foundation of any innovation research process. In R&D efforts for tech firms that partner with consultants, smaller firms or even competitors, these principles should help to foster trust and resolve conflict as it arises. Where there may be very specific application to the university setting is the motivation behind the academic setting. While universities are not averse to remuneration, the central goal of most

institutions of learning is creating new knowledge and developing students. Given this novelty relative to commercial healthcare organizations for example, factors such as dissemination strategies and IP concerns may be much more highly weighted. No matter the context, each participating organization in the partnership must identify what is most important to them and their stakeholders to maximize the benefits of the partnership.

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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