Introduction
Numerous trade associations play an important – albeit somewhat invisible – role in the Dutch society and economy. Over the past century, many mergers have taken place among them, for different reasons. Creating a national scope, balancing the power of trade unions, cost reduction and improving the professionalism have all been reasons for these mergers. But have they been successful? Membership density\(^1\) is still rather high, approximately 60-70\% in most industries, which could be seen as an indicator of success. On the other hand, every year new trade associations are founded, because groups of entrepreneurs do not feel represented by the existing associations. This could be seen as an indicator of failure. So what does this tell us? Is it possible to measure or even predict the results of a merger in terms of success or effectiveness? And what are the alternatives to a merger?

The core activity of trade associations is interest representation by influencing others. These could be external parties, such as the government or trade unions, or they could be the members of the association. The more influence an association has on its members, the more it can influence externals, and vice versa. I call this the ‘spiral of influence’. Certain developments can cause the spiral to change direction. A trade association faced with competition could lose members for example, leaving the organization with less ‘bargaining power’, making the association less attractive for the remaining members, and so on.

Research objective and relevance
Currently, many industries are ‘blending’ with other industries, due to portfolio strategies of companies (diversification), value chain integration, laws and technology. Industry blending causes overlap in domains of traditional trade associations, leading them to a situation of competition. Members will wonder which association will best serve their interests, and opponents will wonder who is actually representing the blending industries. Within the associations the interests will become more heterogeneous and harder to manage. For trade associations, industry blending means both strategic and managerial challenges.

My research shows that trade associations have developed different strategic reactions to cope with industry blending. The objective of this study is to show the possible strategies and their implications for the effectiveness of the trade association,

\(^1\) Number of member-organizations in an industry/total number of organizations in that industry.
thus contributing to strategic management (theory) of trade associations. Therefore, the central research question is: \textit{What strategies do trade associations execute in the context of industry blending and how likely is it that these strategies have consequences for their influence?} This is relevant for the management of trade associations, because it helps them to make better strategic decisions. Furthermore, it is relevant for the members of trade associations, because this prevents membership dues being spent on efforts that do not contribute to the influence or effectiveness of the association.

The scientific relevance of this study is that it adds a new perspective to the research of trade associations. Thus far, most studies have dealt with trade associations from a political, sociological or macroeconomic view. Some studies focus specifically on what services are provided or on lobbying. However, the strategic perspective, using concepts from business economics and management studies, is a rather new one. It not only adds insights into the field of trade association research (which is rather small), but also to the field of strategy research, by showing whether, and in what way, concepts from the business world can be translated to the world of interest representation.

Methodology
The central question of this thesis requires explorative research. It will result in propositions on the strategies and effectiveness of trade associations, and the relationship between them. The most appropriate way to conduct this research is by case studies, based on an analytical framework (Yin, 2003; Eisenhardt, 1989). This is the ‘pyramid of influence’ (described below).

The cases are selected on their expected added value to the theory to be constructed. This means that cases must be selected according to the different strategies followed in the context of industry blending. Because at least two trade associations are involved in each case, I have conducted a multiple embedded case study. In some cases, different strategies can be discerned and researched.

The cases were selected in two steps. First, I looked for associations that have merged in the years from 2000 to 2004, and this resulted in twenty-seven cases. I asked all the directors of the merged organizations to participate in my research and sixteen of them agreed. Of these sixteen cases, I selected two for the case studies: VA (an association of waste companies) and UNETO-VNI (an association of installation companies). In the second step, I looked for trade associations in blending industries following strategies other than merger. Of those, I selected two more cases, accounting for aspects such as similarity, variety of independent variables and recentness. This resulted in the selection of the competing associations in the recreation industry -KHN and RECRON, and the alliance of nine associations in the logistics sector. In each case, the research is divided into two phases:

1. Exploration: A general description is made of the blending industries and the trade associations involved. This is based on public sources (such as websites and annual reports), and interviews with one or two staff members of the associations.
2. In-depth research: Semi-structured interviews with the directors, (board) members and staff are used as primary sources for revealing the relationship between the chosen strategy and the factors contributing to influence. Furthermore, internal (policy) documents are studied, as well as minutes of board meetings and other relevant documents. In one case (Logistical Alliance), a survey/questionnaire is used on top of interviews and document study.

What is a trade association?
Many definitions have been made of trade associations, industry associations, business interest associations or similar organizations. Interest representation is the common denominator in all of them. Some definitions mention that these organizations are member-based and not for profit. Alberti (1999) discerns business associations from trade associations, the latter being a specific kind of the first. According to him, trade associations aggregate, select, defend and promote interests and collective aims of firms in a certain industry.

In my definition, a trade association is an organization that acts on behalf, and to benefit, of member entrepreneurs or enterprises from a limited number of industries who can influence the course of the organization. An industry is defined by a specific economic activity that all organizations in that industry perform. The European Union discerns approximately 900 different industries. Sectors are much broader (for example, agriculture, business services) and thus, fewer.

There are different kinds of trade associations. They can be categorized by the interests they represent (functional categorization), by the members they represent (structural categorization) or by their size (number of members or staff). The functional categorization has lost its importance as today most trade associations represent a variety of interests. In the past there were specific associations for employers’ interests and for economic/entrepreneurial interests. Another distinction that has lost significance is the structural parameter of religion: due to “decolumnization” (ontzuing), there are few Christian or Catholic trade associations left in The Netherlands.

What do trade associations do?
Trade associations represent the interests of their members by exerting influence, both internally (towards [potential] members) and externally (towards stakeholders). These two directions, called logic of membership and logic of influence by Schmitter and Streeck, 1981, require different structures, processes and activities. So do the logic of efficient implementation and the logic of goal formation, and together these logics define what trade associations do:

1. Participation: activities by members
2. Representation: activities on behalf of members
3. Service provision: activities for members
4. Control: activities to exert influence over members
This classification of activities covers most categorizations made by later authors (Windmuller et al., Boléat, Tack, Schmidt et al.), except that they sometimes discern subcategories.

I conclude that there are three kinds of interests that can be represented: collective (of all members), segmented (of subgroups of members) and individual interests. They can be aimed at three categories of stakeholders: members, the domain (members and potential members) or ‘opponents’. Using these dimensions, a field can be created in which all trade association activity can be positioned:

Governance and management of trade associations
The management structure of trade associations is complex: it combines the structure of the association with the structure of the supporting office. The final decision-making of the association is, by law, the responsibility of the general assembly. Governance is delegated to the board, which is sometimes divided into a general and an executive board. The director (in the US often called CEO) of the office often serves as secretary of the board. Therefore, the director is the link-pin between the association and the office.

Huizenga and Tack (2005) show five successive stages in the governance and management of trade associations. According to them, the ideal management structure depends on the life phase an association is in, as well as the number of members and number of staff. In the earliest stage, there is no office whereas, in the most advanced stage, all policy-making and execution is delegated to the office, the board develops strategy, and a member council approves and monitors the strategy. Apart from the general assembly, board and member council, many trade associations consist of various other ‘organs’, such as permanent committees, temporary task forces and chapters. Such organs often have their own boards (consisting of volunteering members), tasks and responsibilities, which makes the governance and management even more difficult.
Strategy formulation
According to research by the American Society of Association Executives (2004) and Berenschot (2003), strategy formulation among trade associations is often not well developed. Because little research has been aimed at trade association strategies, I use insights on strategy from the business literature and ‘translate’ them to the trade association context.

The traditional strategy literature describes three levels of strategy. The first level is the competitive strategy. In order to survive, an organization must obtain a better position in the market than its competitors (Keuning & Eppink, 1996). Different scholars have described different competitive strategies, such as those presented in the following table:

<table>
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<tbody>
<tr>
<td>Cost leadership</td>
<td>Operational excellence</td>
<td>Ultimate value (cost and quality)</td>
</tr>
<tr>
<td>Differentiation</td>
<td>Customer intimacy*</td>
<td>Timing and knowledge</td>
</tr>
<tr>
<td>Focus</td>
<td>Product leadership*</td>
<td>Entry barriers</td>
</tr>
<tr>
<td>Mixed flexibility</td>
<td></td>
<td>Deep pockets</td>
</tr>
</tbody>
</table>

* For trade associations, ‘customer intimacy’ should be replaced by ‘member intimacy’ and ‘product leadership’ by ‘service leadership’.

According to Aldrich (1994), open competition among trade associations is uncommon. However, trade associations face competition from different angles and, therefore, a competitive strategy (or even more than one) is a necessity.

Growth strategies are on the second strategic level. They can be based on the ‘product/market-matrix’ (Ansoff, 1984) where, in the context of trade associations, this would be the ‘domain/function’-matrix. Trade associations can choose to grow by expanding or decreasing their domain (= members + potential members) and/or their functions. Industry blending causes domain expansion almost automatically, so I expect that many trade associations will have (implicit) domain expansion or diversification strategies. A different classification of growth strategies is made by Van der Aa (2000), who differentiates between multisite, multiservice and multifunction strategies.

Finally, organizations should ask themselves how to execute their growth strategy. This is called the execution strategy. An organization can grow by internal development, by collaboration and by merger or acquisition (Johnson and Scholes, 1993), and which strategy is chosen is defined by many factors, such as the predisposition of (board) members, the number of competing trade associations in a domain, and the level of government regulation. All execution strategies have their own advantages and disadvantages. Most of them are derived from business literature, some from my own research. The table below summarizes them:
<table>
<thead>
<tr>
<th>Form</th>
<th>Advantages</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td>Competition</td>
<td>- More flexibility</td>
<td>- Fear of ‘divide and conquer’ tactics of opponents</td>
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<td></td>
<td>- Preservation and cultivation of ‘own’ identity</td>
<td>- Waste of subscription fees on membership recruitment</td>
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<td></td>
<td>- Sharper focus on members’ interests</td>
<td>- Loss of members, because of increased choice</td>
</tr>
<tr>
<td></td>
<td>- Stimulus for increasing productivity</td>
<td></td>
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<tr>
<td></td>
<td>- Stimulus for innovation (possibly)</td>
<td></td>
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<tr>
<td>Collaboration</td>
<td>- More efficient use of resources</td>
<td>- Financial losses when collaboration is ended before goals are reached</td>
</tr>
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<td></td>
<td>- Access to new sources of influence (knowledge, networks, etc.)</td>
<td>- Negative spill-over effects (due to bad publicity of the partner organization)</td>
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<td></td>
<td>- Provision of new services or lower costs of service provision</td>
<td>- Leakage of knowledge and loss of core competencies</td>
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<td></td>
<td>- More certainty on behavior of ‘competing’ organizations</td>
<td>- Multiplication of management and governance structures</td>
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<td></td>
<td>- More knowledge, thus increasing the value of membership</td>
<td>- Disruption of routines and business culture</td>
</tr>
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<td></td>
<td>- Increased legitimacy, by representing a larger domain or more diverse interests</td>
<td>- Irrational continuation of collaboration</td>
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<td></td>
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<td>- Decreased focus: loss of time and energy to alignment and relationship management</td>
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<td></td>
<td></td>
<td>- Conflicting relationships with partners with conflicting interests</td>
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<td></td>
<td></td>
<td>- Loss of flexibility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Less sense of responsibility</td>
</tr>
<tr>
<td>Merger</td>
<td>- Increased representation, greater membership base</td>
<td>- Increased complexity of governance and management</td>
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<td></td>
<td>- Large members are less influential</td>
<td>- Post-merger drift: decreased productivity due to introspection</td>
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<tr>
<td></td>
<td>- Monopoly position in certain areas</td>
<td>- Loss of experience and knowledge and increase of costs, due to leaving employees</td>
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<td></td>
<td>- Less costs for ‘double members’, increasing attractiveness of membership</td>
<td>- Cultural mismatch</td>
</tr>
<tr>
<td></td>
<td>- Higher quality of services provided due to increased specialization</td>
<td>- Loss of members that do no longer feel represented</td>
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<tr>
<td></td>
<td></td>
<td>- Complicated positioning, due to increased heterogeneity of members</td>
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<td></td>
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<td>- Increase of relevant issues, less focus</td>
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<td></td>
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<td>- Less credibility due to lack of checks and balances in the associational system</td>
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</table>
Coordinated behavior
A series of mutual actions of competing trade associations. Not based on an agreement, but on information exchange.

(In)formal network
Collaboration of at least three trade associations, varying from a system of communication to a group with its own logo, letterhead and secretary. Also known as community, forum or platform.

Coalition
Temporary collaboration of two or more trade associations on a specific issue. The collaboration can be focused on a policy area, service provision or administrative issues.

(Strategic) alliance
An agreement of co-operation by two or more organizations to pursue common goals by sharing knowledge and resources. The alliance partners share the control and revenues of the alliance activities. Normally, one organization takes the lead, supported by the other alliance partners. Alliances are instable by nature, due to internal tensions (Das & Teng, 2000).

Board overlap
The collaborating trade associations have one or more board members in common and, thus, influence one another.

Joint venture
A separate organization, founded by the collaborating partners, in which risks, costs and (sometimes) revenues of substantial projects or innovations are shared. A shared service center is a typical joint venture, in which supporting services (such as ICT-support, facilities) are shared. The founding trade associations are owners of the joint venture.

Federations
Associations of trade associations. Typical forms are the regional and institutional federation. Federations are complex to manage because of their multi-level governance structure, which causes many internal tensions (Schmitter & Streeck, 1999).

Merger
At least one of the collaborating partners ceases to be an independent entity. Merged associations have a common name, board, statutes, etc. Sometimes all partners are liquidated and a new organization is founded, sometimes one of the association's partners takes over all assets and liabilities of the association to be liquidated. For mergers to succeed, a combination of external and internal pressure is often necessary (Boléat, 2000).

The forms of collaboration often overlap or grow from one form to the next. When merging, a new association is formed, which can start new collaborations. Therefore, the collaboration forms can be depicted as a cycle.

Why associations merge: findings of preliminary research
Out of the sixteen mergers that have been studied, 75% were based on a combination of internal and external factors. The most important barriers were differences in the culture and identity of the staff and differences in quality and membership requirements for members. The most common goals are more effective interest representation, more efficient staff, and higher quality of services.
Six directors claim that influence on the government has increased since the merger, while ten claim an increased influence on other opponents, such as trade unions. Only five mergers have led to an increase in membership growth or density and, in nine cases, the mergers caused an increase in the number of services provided and/or the quality thereof. Seven mergers led to a decrease in staff (cultural resources).
The analytical framework

To study the relationship between the strategy and effectiveness of trade associations, I have constructed an analytical framework. This framework is based on the assumption that there is a causal relationship between influence and effectiveness. In other words, the more influential a trade association is, the more effective it is. That is because all trade associations derive their legitimacy from influence: influence on opponents and influence on members.

Influence is a relative and subjective construct and, therefore, hard to measure. However, influence of trade associations seems to be based on certain endogenous factors that can be measured. These factors together create the ‘pyramid of influence’, which constitutes my analytical framework:

The framework is based on the research of several scholars on the effectiveness of lobbying (such as Van Schendelen, Greenwood and Klüver), on the resources of interest associations (Traxler, Duyvendak) and on functions and logics of trade associations (Schmitter & Streeck, Van Waarden, Tack). The central pyramid depicts the four key factors constituting influence, and the surrounding pyramids divide these factors into sub-factors.

Strategy, as formulated by the management, is the central factor and defines which input (resources) is needed to generate the output (activities) desired by the members and stakeholders. Three interdependent entities together define the governance
structure of a trade association: members, staff and board members, although different logics require different structures. In any case, member participation in policy making is beneficial for influence (Boléat, 2000).

As explained above, trade associations represent the collective, segmented (partial) and individual interests of their members, which are directed at opponents, the domain or to the members only. Together, these activities are the output of an association. Influence increases as trade associations have a more diversified activity mix.

Resources can be divided in three categories: financial, cultural and social resources:

- **Financial resources** are easiest to measure: they can be found in financial or annual reports, balance sheets and so on. Income and assets together define how much others value the organization. However, apart from the annual turnover, the origins of income are also an important indicator. Trade associations with many different contributors are more independent, and thus more influential, than those who rely almost completely on the contributions of a small number of members. A third indicator of financial resources is the predictability of income. Grants and funding from sector funds tend to be more predictable than, for example, retributions. Finally, networking capital provides an organization with flexibility and power of execution, which contributes to influence.

- **Staff, volunteers and the board members** make up the *cultural resources*. Staff and volunteers can be measured in numbers, but also in experience and abilities. Trade associations with more (experienced) staff and more volunteers can perform more functions and/or deliver higher quality, and thus express more influence. The experience and abilities of board members are more important as the board is more involved in the policy making and execution. The chairman is often an important cultural resource as well. A growing number of trade associations choose an external chairman with a political background, assuming that their authority and network will positively contribute to the influence of the association. Finally, access to knowledge and knowledge management systems can also be seen as indicators of cultural resources.

- **The social resources** consist of members and network partners. As for the members, what counts is their number, their economic and political ‘weight’, the internal cohesion, the heterogeneity and the level of organization. The last two factors should not be maximized, but optimized.

Some scholars (for example Pijnenburg, 1994) argue that influence is not only based on resources, but depends also on the goals, issues and interests of an organization. Others (such as Potters & Sloof, 1995; Van Schendelen, 2003) add that competing organizations play an important role. Competitors can be other trade associations, commercial enterprises (such as consulting and advocacy firms), other interest organi-

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Some authors qualify ‘image’ or ‘reputation’ as a separate resource. According to Normann (2000), this resource depends on other resources and factors of influence (such as the activity mix) and, therefore, it is left out of my analytical framework.
zations, public institutions and even social media. The greater and the stronger the competition, the less influence a trade association can express.

Case studies
To understand the relationships between the strategies and effectiveness of trade associations, I studied four cases, using the analytical framework presented above. I will now give a short description of each case.

1. **Merging in the installation industry**
   Installation of climate, sanitary and electronic systems all belong to the installation industry. There used to be two associations representing the interests of this industry in The Netherlands: Uneto and VNI. They were approximately the same size and followed the same competitive strategy: member intimacy. The cultures of both associations and their staff were very different, however. After years of exploring collaboration possibilities, they merged in 2002. After a single sharp increase in expenses, the balance was restored and economies of scale were effectuated. A slight increase in membership was combined with a small decrease of staff. Many new activities were developed in the field of innovation. It is likely that UNETO-VNI has a larger influence on non-governmental opponents than its predecessors and has become more effective overall.

2. **Merging in the waste industry**
   Collection, treatment and preparation for recycling are the main economic activities in the waste sector. Some large companies have started to combine these activities, due to government regulation, causing industry blending. Before 2002, waste collectors were represented by the VNAO, TLN (private companies) and NVRD (public collectors); whereas waste treatment was represented by VVAV and BRBS (recycling of construction materials).

   In 2002, VNAO was a rather small association, with sixty-six members and a staff of 4.3 fte. Members play an important role in policy development, and the core activity of VNAO is lobbying: the logic of influence is more important than the logic of membership. In the same year, VVAV had fifty members, representing almost all incinerators and dumps in the country. Some members are private companies, while others are public. The twenty staff members not only represent collective interests, but support the members individually as well. They have a great deal of technical expertise. Both associations have no other income sources than membership dues. Seven (large) companies belong to both associations.

   At the end of the twentieth century, interest representation towards the government was very fragmented. Under pressure of the larger companies, the Waste Federation was founded in 2000, with the intention of achieving a stronger position by ‘speaking with one voice’. However, the interests of the different associations in the federation were too heterogeneous and the federation was not able to align them. However, thanks to the federation, VNAO and VVAV started to collaborate more. They left the
federation in 2003 and merged, again under pressure of the large members. The government stimulated this process.

The merger had several consequences: a large decrease in staff members, a decrease in (board) members and a decrease in activities. Discussions between members with different interests could not be solved, but were channeled. Competition from other trade associations, especially NVRD and BRBS, increased after the merger. Therefore, it is unlikely that VNAO and VVAV have become more influential by merging.

3. Competing and co-operating in the recreation industry

Recreation and hospitality have a long history of blending. Many recreational sites (such as saunas, attraction parks and campsites) have a bar, restaurant or even hotel facilities. RECRON is the association that exclusively represents the interests of recreational entrepreneurs. However, KHN, the association of the hospitality industry, represents their interests as well, and this has led to a situation of both competition and co-operation.

The 1,800 RECRON members generate approximately 85% of the industry revenues. They are served by thirty-five staff members, some of them working regionally. With six segments and nine regions, RECRON’s organizational structure can be defined as a matrix organization. The board consists of one person, who is also the director of staff. RECRON represents collective, segmented and individual interests, in a balanced way. The association participates in many European, national and regional platforms, coalitions and alliances, but sometimes chooses to compete with associations like KHN, or the Association of Farmyard Campsites.

With 22,000 members and 115 staff members, KHN is one of the largest trade associations in The Netherlands. The subsector of Tourism, Recreation, Sports and Culture has ‘only’ 600 members. KHN has a strong focus on individual interest representation, although collective and segmented interests are represented as well. KHN is also a matrix organization, with six sectors, sixteen regions and a surprising 241 local chapters, all separate associations. Although served by twenty-seven regional advisors, members are primarily responsible for local interest representation. On issues related to recreation, they often co-operate with RECRON.

Both associations have similar growth strategies (domain development); therefore competition for members is inevitable. Some 200 – 300 members belong both to RECRON and KHN, and they enjoy a reduced membership fee at one of the associations. This is how RECRON and KHN deal with the fact that they are competitors and partners at the same time because, when interest representation is involved, co-operation is the dominant strategy. As different strategies are used simultaneously, it is hard to relate certain effects to a certain strategy. The effectiveness of interest representation has probably increased by efficient use of staff due to collaboration. There were little to no effects on the other factors defining influence.
4. Allying in the logistical sector
The logistical sector consists of many industries, with even more associations representing their interests. These associations co-operate in a multitude of ways, but interest representation is still very fragmented. One attempt to align this somewhat was the Logistical Alliance, founded in 2005. Due to industry blending, caused by globalization and value chain integration, alignment has become more urgent for the sector. The Logistical Alliance is an alliance of nine trade associations. They are very different in size and in the domains they represent. The smallest association is Air Cargo Netherlands, with 300 members and eight staff members. The largest alliance partner is TLN, counting with 6,000 members and 115 staff. The largest association in the sector, EVO (30,000 members and 200 staff members), does not participate in the alliance. It retreated shortly before the alliance was founded, because it wanted to maintain its independence.

Before the alliance was founded, all partners already co-operated with other alliance partners in coalitions, platforms, by mutual membership, by office sharing, and so on. Moreover, most of the partners also already represented several industries. However, the sector lacked an umbrella vision, so the government took the initiative to create this vision by founding a commission. The Logistical Alliance can be seen as a follow-up to the work of this commission.

The alliance started as an informal network, but evolved into a federation, by ‘merging’ with an existing, but inactive, federation called NVO. Surprisingly, not all alliance partners are aware of this past development. Although the alliance has achieved some results, it is unlikely that it has increased the effectiveness of the individual partners. None of the alliance partners noted any significant changes in resources, governance or activity mix. The alliance did not succeed in representing all industries in the logistical sector, due to the retreat of EVO.

Cross case analysis
In all cases, industry blending increased competition between the associations representing the blending industries. At the same time, it increased co-operation between these associations, sometimes under pressure of the large members. The management of the associations made different choices in the degree of co-operation, namely:

- Merger, after weighing up different alternatives;
- Merger, after failure of federation;
- Federation, starting with an informal alliance;
- Coalitions, alliances and competition, simultaneously.

This shows that collaboration can evolve from one degree to a next, but that overlap of different degrees is also possible, as well as directly choosing the highest level: merger.

Comparing the factors of influence from the theoretical framework, the analysis shows that:
Governance and management structures were only changed due to mergers. In both merger cases, more influence was given to members.

Mergers are expensive and lead to a decrease in financial resources, at least in the short run. Revenues decrease due to a loss of (double) members, but expenses decrease as well due to loss of staff members. This means a loss of cultural resources. Other forms of collaboration also lead to a small decrease in cultural resources (time spent on co-operating and aligning interests). In no case was there a significant change in social resources.

In three of the cases, more effort was made to achieve collective interest representation. Segmented interest representation was hardly affected. One merger led to improvement and more diversity of individual interest representation while, in the other merger, this was abolished. Competition also led to an improvement in individual interest representation.

No matter what strategy was followed, in all cases a situation of competition in lobbying remained. It is likely that the influence on opponents of the associations involved varies per issue and per opponent, not per strategy.

Not surprisingly, mergers have led to the most significant changes in the factors of influence, although sometimes in different directions. Therefore, it is probable that from all execution strategies, mergers have the largest effects on effectiveness, either positive or negative. Other strategies show a mix of positive and negative effects and, therefore, the overall effect is hard to determine (upfront). The ‘pyramid of influence’ turns out to be a useful framework to analyze effects, but the ‘weight’ of the different components is still to be decided.

Discussion
In the literature on trade associations, four discussions relate to effectiveness and strategy. They are about the following questions:

1. What defines the influence of trade associations?
   According to most scholars, resources are the most important factor in defining influence. Others added governance, a mix of activities and external factors such as competition. Moreover, according to some, influence depends on the goals that are to be achieved. My thesis adds a new factor to this discussion: strategy. Strategy is the factor that connects all the other factors and is, therefore, the key ingredient for influence.

2. What is the optimal membership size?
   One of the first scholars to start this discussion was Olson Jr. (1965), by stating that smaller interest groups are more effective than larger ones. This was argued by many and, for some scholars, even the opposite is the case: the more members, the more influence. My research shows that the number of members is but one of the many factors defining influence, and that both small and large associations can be effective, depending on their strategy.
3. What is the best execution strategy?
   Some twenty years ago, the common opinion used to be that collaboration, or even better merger, was the best strategy for trade associations with overlapping domains. Since then, more and more disadvantages of collaboration have been ‘discovered’. Nevertheless, many think that collaboration is in itself a good strategy, although the optimal intensity is subject to debate. My research has shown the failure of some collaboration strategies and, therefore, my conclusion is that collaboration and merger are not per se more advantageous strategies than competition.

4. What are the considerations of different execution strategies?
   Many considerations have been made by different scholars, including costs, members’ influence and so on. My research shows that the choice for a specific strategy often depends on irrational considerations and the opinions of the largest members.

Conclusions
   Many trade associations are confronted with industry blending. This hampers their effectiveness and, therefore, a strategic reaction is required. Little is known about the relationship between the strategy and effectiveness of trade associations. This thesis uses insights from business strategy theories to reduce this obscurity. I have shown that there are different strategic levels, and that trade associations often do not formulate explicit competition or growth strategies, but focus directly on execution strategies. These vary from competition, via numerous forms of collaboration, to merger. Trade associations do execute different strategies simultaneously, and can even compete and collaborate with the same association at the same time. The motives for collaboration are often more tactical than strategic, for example cost reduction or increasing influence on opponents.

   Being influence seeking organizations, trade associations are more effective when they are more influential. Overall organizational effectiveness is defined by four factors: resources, governance and management, activity mix and the binding element: strategy. This is why a change of strategy causes a change of effectiveness.

   Changing a higher order strategy (competitive or growth strategy) is likely to cause more change in effectiveness than execution strategies. And of the execution strategies, merger has the largest impact on effectiveness, either positive or negative. In the short run, the impact will most likely be negative.

   In general, it is hard to say whether a merger is ‘better’ than other strategies. However, the model constructed in this thesis (the ‘pyramid of influence’) helps both scientists and managers to analyze and predict the change in overall organizational effectiveness caused by a certain strategy. The model cannot be used to compare the effectiveness of two or more different associations, since the context in which they operate and the dominating logics are to different.
Together, my conclusions lead to the following theory:

“If trade associations align their resources, activities, governance and management with an explicit strategy, based on a thorough analysis of their own organization and domain, their effectiveness will increase more than when they execute a diffuse, implicit strategy.”