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## **THE COLLECTIVE VOICE OF BUSINESSES: HOW COMPANIES CAN EFFECTIVELY USE TRADE ASSOCIATIONS IN CORPORATE POLITICAL ACTIVITY**

### **Abstract:**

Companies undertake corporate political activity (CPA) to secure favorable policies and regulatory environments using internal capabilities and external resources, such as trade associations. This study examines how companies can effectively use trade associations for CPA by conducting qualitative interviews with 35 company executives. According to the interviews, companies expect trade associations to prioritize advocacy and public policy as their core businesses. The study identifies the following five ways in which trade associations provide value to companies: (1) be the critical voice for the industry, (2) represent collective interest, (3) provide policy and research support, (4) facilitate sector-wide collaboration, and (5) act as a sounding board for policymakers. This study also finds that companies benefit from active participation in trade associations. Through board and committee involvement, they can influence the organization's strategic agendas.

### **Keywords:**

Corporate Political Activity, Government Relations, Lobbying, Nonmarket Strategy, Trade Associations

**JEL Classification:** D71, D72, F23