



HOW DO BUSINESS ASSOCIATIONS INFLUENCE THE VITALITY OF CITY CENTRES?

A case study of two business associations.

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Abstract

Due to the rise of E-shopping and the economic downturn it has been harder for businesses to attract consumers and for city centres to attract visitors. The vitality of city centres has become of high importance for the businesses and local governments operating in these regions. Businesses influence the vitality by themselves, by collaborating with other businesses and the local government. A business association forms a network of connections to gain access to corporate social capital, that individual businesses cannot reach. This research is aiming to investigate how a business association creates corporate social capital, with the goal to influence the vitality of a city centre and hence attract more visitors and potential customers. To do so, two business associations are studied and compared.

With semi-structured interviews, data is collected which explains the direct and indirect influence of business associations on the vitality of city centres. A survey is used to understand the perception of the members of the business associations on the level of influence on vitality of city centres.

The results of the interviews show that, a business association unites various inner-city businesses and represents this group towards the municipality. This indicates that business association have more impact on the municipality compared to individual businesses.

The business associations also have direct influence on the vitality of city centres. This, through the joint organisation of events and by stimulating business owners to improve their surroundings.

From the results of the survey, the observation follows that the members' perception on the influence of their business association on vitality is limited. It is hard for both business associations to have all members be actively involved in and be satisfied with the activities to influence the vitality.

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1. Introduction

1.1 Background

The vitality of city centres has become important for businesses and local governments operating in these regions. Due to the rise of E-shopping and the economic downturn it has been harder for businesses to attract consumers and in general for city centres to attract visitors. More consumers are satisfying their needs via the internet at the expense of the local retail businesses. The numbers of buildings that are unoccupied are growing, which makes city centres even less attractive for consumers (Farag et al., 2006).

The vitality of city centres is the ability to be self-sustaining in order to remain physically, socially and economically active (Keene, 2011). Municipalities are investing heavily in measures to increase the vitality of city centres. In this process, the municipalities often tend to forget to involve businesses that operate in their city centre. By doing so, situations can occur where a municipal decision can make the situation of these businesses worse. For example, a municipality decides to move the large-scale retail businesses outside the city centre to improve the vitality. This causes the consumer to move with the large-scale retail businesses, leaving the businesses in the city centres with less visitors and consumers. Businesses can influence the vitality themselves, by collaborating with other businesses and the local government (Molenaar, 2010). For an individual business owner time and money are scarce and influence towards municipalities is limited. Forming a group with a common interest and be able to jointly represent the business community, has more leverage towards the municipalities decision makers.

For small or medium sized enterprises, it can help to be a member of such a business association. A business association forms a network of connections to gain access to corporate social capital, that individual business cannot reach (Leenders et al., 2001). Corporate social capital in the above is defined by Leenders et al. (2001) as: "Competitive or value generating outcomes of social networks beneficial to the attainment of goals" (p. 2).

This thesis discusses how business associations create corporate social capital, that makes them able to influence the vitality of their city centre. To do so, two cases are studied and compared.

1.2 Research Problem

This research is aiming to investigate how a business association creates corporate social capital, with the goal to influence the vitality of a city centre. The results of this research can provide advice to business owners, municipalities and business association on how vitality of city centres can be improved. Improving the vitality of city centres can help with economic growth (Farag et al., 2006). It is therefore important that this topic is studied.

The central question is threefold. These questions need to be answered to reach the aim of this research:

Table 1: Central questions and secondary questions

1.	What is the influence of business associations on the policies of municipalities towards the vitality of city centres?
	a. How is cooperation with business associations integrated in the policies of the municipality?
2.	How do business associations directly influence the vitality of the city centre?
	a. How do the business associations stimulate their members to take initiatives to make the city centre more vital?
3.	What is the perception of the members of the business associations on the influence of the city clubs on the vitality of the city centre?
	a. Do the members of the business associations know what their business association is doing to improve the vitality of the city centre?
	b. Are the members of the business associations satisfied with the actions of their business association?

1.3 Structure of this Thesis

This thesis consists of several elements. Firstly, a theoretical framework will explain the theories and concepts used in this research and what this research will add to the existing literature. Also, a conceptual model is formulated from theory.

Secondly, an explanation is given for why certain research methods were used to collect data. This chapter will also discuss some ethical considerations concerning methodology and how the data is collected and analysed.

Thirdly, the results from the data collection are presented and discussed. For every central question, the relevant results are discussed to provide an answer. How and why the results differ between the two business associations, is discussed as well.

Finally, a summary of the important aspects of this thesis are presented in the conclusion. The research is also reflected upon and debated in this chapter.

2. Theoretical Framework

In the theoretical framework, the concepts and theories are explained to understand what already is known about business associations and how they influence vitality. Firstly, the concept of vitality is explained. Secondly, the concept and theories around corporate social capital is discussed. Finally, theories about business association linked to vitality are explained together with the academic relevance and the conceptual model of this research.

2.1 Vitality

For this research, the concept of vitality is key. This paragraph will give an explanation of what is meant with vitality in the literature and how this concept is integrated in this research.

A general definition of vitality is: “The state of being strong and active” (Oxford University Press, 2017). The vitality of specifically a city is defined by Keene (2011), as the ability to be self-sustaining in order to remain physically, socially and economically active. A vital city should be flexible and adaptive to keep facilitating the forever developing community (Keene, 2011).

Vitality is sometimes combined with the concept of viability, that measures the health of a city centre (Balsas, 2004). In a paper of the Department of Environment (1994) in the United Kingdom, four indicators are defined as important for a healthy city centre. These indicators are: “attractions (diversity and critical mass of users), accessibility (mobility and linkages), amenities (security and identity) and action (organisational capacity and resourcing)” (Balsas, 2004, p. 107).

The theories described above relates to the general aspects of inner city vitality. It is also relevant for this thesis to have a clear picture of how the municipality have incorporated city vitality in their policy papers. Local governments translate the various aspects of inner city vitality into tailored policy papers made specifically to suite the local needs.

Throughout this paper, the meaning of the word “vitality” will refer to the definition given by the municipality.

2.2 Corporate Social Capital

As explained in the introduction, corporate social capital can be described as “Competitive or value generating outcomes of social networks (business association 1) and (business association 2) beneficial to the attainment of goals.” (Leenders et al., 2001, p. 2). Next to the meaning of corporate social capital, it is also important to understand the pre-condition which need to exist and need to be recognized so that social capital in a social network can develop. These are the conditions under which corporate social capital can be most beneficial to stakeholders.

A situation where the need to create corporate social capital for its members is most tangible, where the environment is complex and surrounded by unpredictability (Duncan, 1972; Mintzberg, 1979). When a business is dealing with complexity and unpredictability in its surrounding, there is a higher need for information about the business’s environment (Mintzberg, 1979). Information about the environment is important for a business to better understand the threats, risks and future opportunities.

A business operating in a predictable environment can optimize its business activities by standardizing. Therefore, the need for adaptability is limited and less urgent. To deal with uncertainties a business needs to harness itself to the adverse effects of unpredictability, for example affecting the sources of supply, demand and conditions of the market.

Businesses can also be a member of a cooperation to deal with unpredictability in an environment. Collaboration can create earlier and better access to information from members that are active in the same geographical area. Therefore, the possibility is created for businesses to react faster and better to unpredictable situations and the complexity in the environment (Leenders et al., 2001). The added value generated by a network described above is the corporate social capital.

In the present situation, inner-city entrepreneurs have to deal with, for example, declining sales due to E-shopping, complex changing political and legislative environment and especially in the last 5 to 8 years adverse economic developments in general. The need for the creation of social capital increases when complexity and uncertainty increases. Given the above, it is paramount that inner-city entrepreneurs can benefit from being a member of a network like a business association.

2.3 Business Associations and Vitality

A business association can be seen as an organic network, characterized by being “much looser and adaptive, largely informal, and governed by mutual adjustment and standardization of norms” (Leenders et al., 2001, p. 11). This in opposition to a mechanistic network which is characterized by “management structure characterized by rules, stability, and a high degree of formal standardization” (Leenders et al., 2001, p. 11).

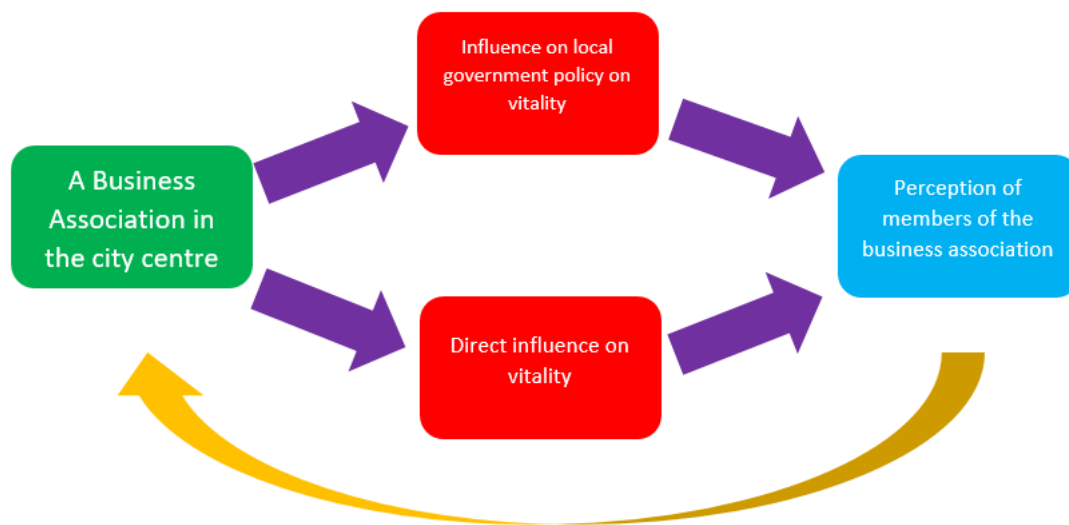
For entrepreneurs, their regular business activities (customers, suppliers, internal organization) are performed within a mechanistic network. Collaboration within a business association on the basis of equality and joint goals takes place in a more loose organic network

As discussed in paragraph 2.2, networks like a business association can create corporate social capital to deal with the complexity and unpredictability of a business’s environment (Leenders et al., 2001). In recent years, it has become harder for inner-city entrepreneurs to survive due to E-shopping and complex changing political and legislative environment. A business association can create corporate social capital for the inner-city entrepreneurs to increase the ability to cope with the complex and unpredictable factors. Through collaboration amongst its members and taking joint initiatives, a business association can influence vitality of city centres. In the conceptual model (figure 1) these initiatives are shown as directly influencing vitality.

Also, business associations can align and promote common interests towards other influencers like municipal councils (Sluiskes et al., 2011). As seen in paragraph 2.1 the municipality of (City 1) and (City 2) describe businesses as important features for the vitality of the city center. In the conceptual model (figure 1) these contributions are shown as influences of business associations on local government policies on vitality.

For a cooperation to be sustainable, it is important that the strengths of the collaboration are understood by and shared equally with all members (Casey, 2008). Therefore, influence of business association on vitality of city centres should be understood by all members and the benefits should be equally shared. The perception of the members shows if business associations are thus establishing corporate social capital for each member. Following the theory of Casey (2008) this perception of the members can therefore influence the sustainability of the business associations. This is reflected in the conceptual model (Figure 1).

Figure 1: Conceptual model



3. Methodology

To obtain the data needed to answer the three central questions, qualitative and quantitative research methods were applied. Firstly, an explanation will be given which research methods are used in this research. Secondly, some ethical considerations are explained. Thirdly, the process of data collection is discussed and the fourth paragraph explains the methods used to analyse the collected data. Finally, limitations will be addressed.

3.1 Research Method

This research does not study business associations in general but uses a case study of two business associations in different cities. With a case study, there is more time to collect in-depth data, instead of collecting superficial information from a large variety of business associations. Two cases are studied instead of one, so the results can be compared.

The reason to choose the business association from these cities is twofold. Firstly, both cities have approximately the same population and size of city centre. Secondly, both cities have business associations that are primarily active in the city centre. Through desk research it was discovered that most other cities centres have an enterprise fund that collects money from businesses to organise collective initiatives¹. The business associations do not only organise collective initiatives, but they also bring businesses, government and other parties together to cooperate.

To answer the first and second central question of this research, data has to be collected that explains how the business associations directly and indirectly influence vitality of city centres. The research method that will be used to collect this information is qualitative. With a qualitative research method, in-depth data can be collected to understand how different parties view the influence of business associations on the vitality of city centres. With in-depth data, more specific results and conclusions can be drawn from the studied business associations.

Semi-structured interviews were used to collect in-depth data from the business associations and the municipalities. By using semi-structured interviews, the participants were given the opportunity to address important issues for them (Longhurst, 2010). It was also possible for the interviewer to ask

supplementary questions to complement the general questions. Using this research method, one can prevent the data to be superficial and come to a clear description of the perception of the participants, in contradiction to other research methods.

To collect data to answer the third central questions, a quantitative research method was adopted. A survey is used to study the perception of the members of the (BUSINESS ASSOCIATION 2) and the (BUSINESS ASSOCIATION 1) on the overall influence on the vitality of the city centres. Due to the large sample size, semi-structured interviews could not be used as research method. Data collected via surveys can be factual and superficial, without insight in personal experience. However, to measure the perception of a large population, a survey is the best method to search for regularities, instead of focussing on personal experience (McLafferty, 2010).

3.2 Ethical Considerations

Before collecting the data, some ethical considerations had to be taken into account. The participants of the semi-structured interviews were previously informed that their names and functions would appear in the thesis. To make sure that the participants knew that their personal information was treated confidentially and interpreted appropriately, several actions were taken (Crow et al., 2008). Firstly, they were informed that the data collected in the interviews was only used for the purpose of this research and not shared without consent. Secondly, the information used from each individual participant in this thesis has been approved with them before publishing this thesis. This was revealed prior to the interviews.

For the survey, the participants answered in anonymity and were only asked for their age and general information concerning their business. Because the survey measures the perception of the members, it is possible that sensitive information has been collected that the business associations would not like to share with the general public. This will be verified and discussed with the associations prior distribution.

3.3 Data Collection

The participants for the interviews were selected on their function within the local governments and their place in the board of the business associations. Firstly, for both the municipality of (City 2) and (City 1) two advisers were selected specialised in urban economics. Both participants are also active in the development of policy documents concerning the vitality of their city centre.

Secondly, interviews were conducted with the chairman and treasurer of the (business association 1) and the chairman and city centre manager of the (business association 2). They represent the board of the business associations

The question lists for the municipalities are taken up in Appendix 1 and for the business associations the question list in Appendix 2.

The survey was conducted with the members of the business associations. Two types of questions were asked in the survey: multiple-choice and Likert scale (see Appendix 3). The multiple-choice questions provided data about how well the members know what their business association does to influence the vitality of the city centre. The Likert scale questions were implemented in the survey to collect data about how satisfied the members are with the influence of their business association on the vitality of the city centre.

The survey was deployed online using Google Forms. Therefore, the survey could be sent using online information channels² of the business associations. Participants had three weeks to react to the survey. After one week, a reminder was sent to the participants to fill in the survey.

² Online newsletter, the website, online magazine's and bulk mail.

3.4 Data Analysis

After the semi-structured interviews were conducted and transcripts were written (see Appendices 4, 5, 6 and 7), the results needed to be analyzed. The method used for analyzing the data from the semi-structured interviews is coding. Coding helps with understanding qualitative data in an organized way (Cope, 2010). Therefore, it is easier to find patterns and connection in the data.

Coding consist of three phases: open coding, axial coding and selective coding. Open coding is done by reading the data several times and produces concepts (codes) that link with text frames in the data. With axial coding, the codes derived from open coding are clustered in more general codes. Multiple codes can be clustered in one general code. Finally, in the process of selective coding the general codes are used to build theories that can answer the central research questions. An example of a coding scheme, used for this research, is found in Appendix 8.

After the results of the survey were collected, the raw data of the multiple-choice questions were made measurable. This was done by counting how many activities and events each member was aware of and participated in. Thereafter, descriptive statistics were used to analyze the mean and standard deviation of the whole dataset (see Appendix 9 and 10). Because no comparison between datasets was required, descriptive statistics are suitable to answer the research question (Field, 2010).

3.5 Data Reflection

Although not many participants were interviewed, enough data was collected to provide an answer to the first and second research question. Because the interviews were semi-constructed and enough time was taken for the participants to answer every question, a significant amount of data was collected.

For the survey in (business association 1) 35 members did respond and for (business association 2) 22. In the time available, it was a challenge to collect enough data to reach the point of saturation. Face to face surveys had to be held to collect ten more respondents in (business association 2). Eventually, the data collected became useable to answer the third central question.

4. Results

In this chapter, the primary data collection from the semi-structured interviews and the surveys are discussed and compared with the secondary data collection explained in the theoretical framework. For every central question, the results are discussed to provide an answer.

4.1 “What is the influence of business associations on the policies of municipalities towards the vitality of city centres?”

The results of the interviews with the municipal councillors show that it is hard for a municipality to cooperate with each individual business owner. The municipality of (city 1) and (city 2) want to encourage business owners to give their opinion on policies and come up with ideas to improve the vitality of the city centre. However, they expect that the initiative to do so, should come from the businesses.

The board of the (business association 1) emphasized that since most of the retail businesses struggle to keep their business afloat, there is little time to think about initiatives to improve the vitality of their neighbourhood. One of the reasons for the existence of the (business association 1) and the (business association 2) is to create a platform to inform business owners about municipal policies and to collect opinions and ideas. Not only do both business associations represent a large number of business owners, they also stimulate them to come up with ideas. This is of value for the municipality. Therefore, business associations in the city centre have a higher influence on policies of municipalities towards vitality, compared to individual businesses.

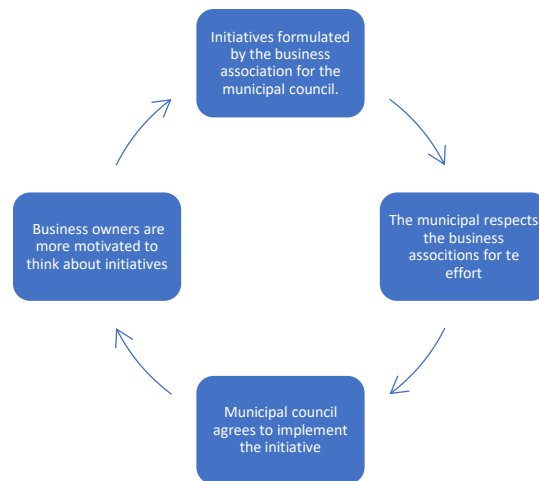
A quote from the interviewed councillor of municipality of (city 1) demonstrate this: *“With 500 individual business owners it is hard to cooperate with each and every one. If there is an organisation that works as an organiser and has the financial means, they can represent the individual businesses.”* (Appendix 4).

The above matches the theories discussed in chapter two. Business associations can align and promote common interests towards other parties that can influence the vitality of city centre (Sluiskes et al., 2011). Business associations are recognized as the representative of individual business by the municipality. This is of value for the municipality and therefore a business association can have more influence on vitality compared to individual businesses. Therefore, this influence can be seen as corporate social capital as explained by Leenders et al. (2001).

According to the councillor of the municipality of (city 1), the relation with the municipality and the (business association 1) can be seen as a self-reinforcing circle (figure 3). The general principle as explained during the interview is visible in the coding scheme (Appendix 8) and follows the following pattern.

After a general meeting with their members, the (business association 1) formulates ideas a municipality can implement to improve the vitality of the city centre. The municipality of (city 1) receives the ideas from the (business association 1). The municipality now understands that there are multiple businesses in the city centre of (city 1) that share the same opinion or have a joint vision and are jointly represented. Therefore, the municipality agrees to implement the ideas more easily. Businesses experience that they are heard by the municipality and are encouraged to come up with new ideas.

Figure 4: Cooperation between business associations and municipalities



In a perfect world, this self-reinforcing circle would continue forever and cooperation between businesses and municipalities would grow continuously. Two critical success factors recurred in every interview as being very important to foster the process of collaboration.

The first critical success factor is that business association must create a platform were members are informed about the current situation in the city centre. This platform should and must continuously motivate members to think about topics that need to be addressed to the municipality.

Both the (business association 2) and the (business association 1) use general meetings with members as a platform to inform and stimulate them to come up with initiatives. The board of the (business association 1) describes that: *“One of the important tasks of the (business association 1) is informing and stimulating its members. By informing the business owners, you let them know what is really going on in the city centre. This activates them and lets them know that they can deliver initiatives for the municipality and themselves.”* (Appendix 6).

Next to the general meeting, the (BUSINESS ASSOCIATION 2) appointed a city centre manager recently and his task is described by the board in the interview: *“It is the task of the city centre manager to be the eyes and ears of the city centre and search for opportunities and bottlenecks.”* (Appendix 7). By doing so, a joint opinion or proposal can be formed and brought to the attention of the municipal council.

The above demonstrates that exchange of information for both business associations is organized in a structural manner.

The second critical success factor to foster collaboration, is that a municipality need to have individuals within the municipal council that are dedicated to make cooperation with businesses an important topic on the municipal agenda.

The results of the interviews show that in (City 2) cooperation between business associations and the municipality did not get much attention. This is illustrated by the interviewed councillor of the municipality of (City 2): *“City centre management was organised by one council member five years ago. That person left the council a few years ago and the municipality begin emphasizing on other topics.”* (Appendix 5). As a result, the influence of businesses on municipal policies declined.

Recently, according the same interviewee, the municipality of (City 2) published the paper (...) were they discussed the future of the city centre. In this paper, the municipality indicated to encourage more cooperation between the municipality and relevant parties like the (BUSINESS ASSOCIATION 2) . In return, the (BUSINESS ASSOCIATION 2) produced a paper together with other parties, to give their vision for a sustainable cooperation.

For (City 1), the cooperation between the (BUSINESS ASSOCIATION 1) and the municipality is already integrated in the policies. At some point in the past the municipality started to encourage cooperation between all sorts of parties. A quote from the interview with the municipal councillor of (City 1): *“There were experiments giving responsibilities to the businesses to come up with initiatives, and this paid off. Trust and transparency from the municipality are important features for the success.”* (Appendix 6)

In (City 1), the organizational structure facilitates collaboration between the city council and (BUSINESS ASSOCIATION 1). In the case of (City 2), lack of structural collaboration is recognized and an initiative is taken to establish this.

4.2 “How do business associations directly influence the vitality of the city centre?”

For both the (BUSINESS ASSOCIATION 1) and the (BUSINESS ASSOCIATION 2) two methods were adopted to influence the vitality directly. Firstly, there is the possibility to organise events or other activities that help to improve the vitality of the city centre. Examples of activities and events discussed in the interviews are: (City 1), Sinterklaasintocht (City 1) & (City 2), Christmas lights ((City 1) & (City 2)) and flower baskets (City 2). These initiatives are often financed with the help of an Enterprise Fund. Multiple cities in The Netherlands have funds that allocates money from the property tax revenues. These funds are then used to organise collective activities (...).

Often individual business owners do not have time to create a proposal or are not eligible, as individual business owner, to get the financial support from an enterprise fund. Business associations have a better position to get grants or subsidies from an Enterprise Fund. This is explained by the board of the (BUSINESS ASSOCIATION 1) in the interview: *“With Fonds (City 1), we motivate the business owners with organising initiatives. All the business owners are busy with their business. (...) The (BUSINESS ASSOCIATION 1) collects ideas and a selection is presented to the board of Fonds (City 1).”* (Appendix 6).

A second method to influence the vitality directly, is for business associations to motivate members to be become actively involved in improvement of the vitality of their direct neighbourhood. As again described by the board of the (BUSINESS ASSOCIATION 1) in the interview: *“One of the important tasks of the (BUSINESS ASSOCIATION 1) is informing and stimulating its members. By informing the business owners, you let them know what is really going on in the city centre. This activates them and lets them know that they can deliver initiatives for the municipality and themselves.”* (Appendix 6).

The above matches the theory of Leenders et al. (2001) discussed in chapter two. Members of business associations can share their knowledge and experiences for inspiration. It is the responsibility of the business association to provide a platform where members can network with each other (Casey, 2008).

The (BUSINESS ASSOCIATION 1) and the (BUSINESS ASSOCIATION 2) both have different approaches to informing and motivating their members. The (BUSINESS ASSOCIATION 1) was one of the creators of a platform (...). During monthly meetings, the businesses are informed about one specific topic that is timely for the retail in (City 1) (Source) In the interview with the (BUSINESS ASSOCIATION 1), they explain the importance of the (...): *“All the business owners are busy with their business. This causes that the (BUSINESS ASSOCIATION 1) has to pull on its members to come to the general member meetings, let alone coming up with initiatives. The (...) is an exception. This because, it is a platform where the topics addressed are timely for the business owners.”* (Appendix 6).

The (BUSINESS ASSOCIATION 2) wants to inform business owners through letting them see what the business association can do for them. This is hard to accomplish as mentioned in the interview with the (BUSINESS ASSOCIATION 2): *“It is hard because, the things we do are not always visible for the business owners. There is not much communication about successes of the (BUSINESS ASSOCIATION 2) or businesses do not link the successes to the work of the (BUSINESS ASSOCIATION 2). The city centre manager is there to improve the communication towards the members.”* (Appendix 7). At the time, the

(BUSINESS ASSOCIATION 2) is working on an online platform to further improve the communication towards the members.

With the (...), the (BUSINESS ASSOCIATION 1) has a better established platform to inform and motivate members to come up with ideas to improve the vitality of their surroundings. When compared with the (BUSINESS ASSOCIATION 1), the (BUSINESS ASSOCIATION 2) has pr (business association 2) by less direct influence on the vitality of the city centre due to lack of a comparable platform.

4.3 “What is the perception of the members of the business associations on the influence of the business associations on the vitality of the city centre?”

To answer the third central questions, two secondary questions should be answered using the results from the survey. First, the level of awareness and involvement in the activities and events and second, the level of satisfaction regarding the level of influence of those activities³ and events⁴ on the city centre vitality.

In table 2 and 3, the given results show the level of awareness and involvement of the members of the (BUSINESS ASSOCIATION 2) and (BUSINESS ASSOCIATION 1) . The variables are related to the questions asked in the survey (Appendix 3).

- Q2 Activities Awareness = The number of activities organized by the (BUSINESS ASSOCIATION 2) or (BUSINESS ASSOCIATION 1) the members are aware of.
- Q3 Activities Involved = The number of activities the members are involved in.
- Q4 Act. want to be Involved = The number of activities the members want to get involved in.
- Q5 Events Awareness = The number of events organized by the (BUSINESS ASSOCIATION 2) or (BUSINESS ASSOCIATION 1) the members are aware of.
- Q6 Events Involved = The number of events the members are involved in.

To understand the meaning of these tables, an explanation will be given in the form of an example. In table 2 the results of “Q2: Activities Awareness” show the number of activities, organized by the (BUSINESS ASSOCIATION 1) , the members are aware of. The first column shows the number of activities aware of, which ranges from 0 to 5. The second column gives the number of participants that are aware of the number of activities displayed in the first column. The third column gives the percentage of the total amount of participant of the survey. For instance, three respondents, or 9% of the total, is not aware of any of the activities organised by the (BUSINESS ASSOCIATION 1) . Thirteen respondents, or 37% of the total, is familiar with two activities organised by the (BUSINESS ASSOCIATION 1) .

Table 2: Knowledge of members on activities and events of (BUSINESS ASSOCIATION 1)

No. of Activities	Q2: Activities Awareness		Q3: Activities Involved		Q4 Act. want to be Involved		No. of events	Q5 Events Awareness		Q6 Events Involved	
	Nr. of respondents	perc.	Nr. of respondents	perc.	Nr. of respondents	perc.		Nr. of respondents	perc.	Nr. of respondents	perc.
0	3	9%	23	66%	19	54%	0	3	9%	13	37%
1	4	11%	6	17%	7	20%	1	3	9%	13	37%
2	13	37%	5	14%	5	14%	2	3	9%	8	23%
3	12	34%	1	3%	4	11%	3	6	17%	0	0%
4	0	0%	0	0%	0	0%	4	5	14%	1	3%
5	3	9%	0	0%	0	0%	5	14	40%	0	0%
total	35	100%	35	100%	35	100%	6	1	3%	0	0%
							total	35	100%	35	100%

³ Activities: Daily activities (General meetings, Enterprise fund)

⁴ Events: Annual events (Sinterklaasintocht, Christmas lights)

No. of Activities	Q2: Activities Awareness		Q3: Activities Involved		Q4 Act. to be Involved		Q5 Events Awareness		Q6 Events Involved		
	No. of respondents	perc.	No. of respondents	perc.	No. of respondents	perc.	No. of respondents	perc.	No. of respondents	perc.	
0	3	14%	8	36%	10	45%	0	3	14%	9	41%
1	2	9%	9	41%	5	23%	1	4	18%	7	32%
2	0	0%	3	14%	4	18%	2	6	27%	4	18%
3	7	32%	0	0%	1	5%	3	8	36%	1	5%
4	5	23%	1	5%	1	5%	4	1	5%	1	5%
5	3	14%	1	5%	1	5%	total	22	100%	22	100%
6	2	9%	0	0%	0	0%					
7	0	0%	0	0%	0	0%					
total	22	100%	22	100%	22	100%					

Table 3: Knowledge of members on activities and events of (BUSINESS ASSOCIATION 2)

As seen in table 2, Q2 and Q5, a large group of members are familiar with the activities and events organized by the (BUSINESS ASSOCIATION 1). For example, 81% of the members is familiar with two or three activities and 40% is familiar five events. On the other hand, 9% of the members is not familiar with any events or activities organized.

For Q3 and Q4, the results show that more than half of the members are not participating and do not want to be involved in the activities organized. However, several members that are not active yet indicated that they want to become involved in the activities.

Q6 shows that a relatively large group of members participates in a small number of events, while none participate in the larger number of events. This is also the case for the involvement in activities.

Concluding, in general the members are familiar with the activities and events organised by the (BUSINESS ASSOCIATION 1) and for a small number of activities and events they will actively participate. However, the participation is small for the larger number of activities and events.

For the (BUSINESS ASSOCIATION 2), the results are visible in table 3. Similar to the (BUSINESS ASSOCIATION 1), Q2 and Q5 shows that a large group of members is familiar with most of the activities and events organised by the (BUSINESS ASSOCIATION 2). On the other hand, 14% of the members is not familiar with any activities or events.

The results in Q3 and Q6 show that 45% of the members is currently not involved in activities and 41% is not involved in events. This means that more than half of the members are involved, but a small group of members participate in the larger number of events and activities. Finally, what is interesting in the results of Q3 and Q4, is that the number of members who do not want to be involved in activities is higher than the number of members that are not involved. This could mean that 9% of the members are joining activities where they do not want to be.

Concluding, most of the members are aware of the activities and events organised by the (BUSINESS ASSOCIATION 2), and they are involved in a small number of the activities and events. However, similar to the (BUSINESS ASSOCIATION 1), the participation is small for the larger number of activities and events.

It is also possible to answer the second secondary question using the results of the survey. The survey asked about the perception and level of satisfaction of the members of the (BUSINESS ASSOCIATION 2) and (BUSINESS ASSOCIATION 1) on the influence on city centre vitality. The results are displayed in table 4 and 5.

The variable "Direct" represents the extent to which the members agree with the following statement: "The actions of the (BUSINESS ASSOCIATION 1) (BUSINESS ASSOCIATION 2) have a positive effect on the vitality of the surrounding of my business."

Respondents could give a grade from 1 (totally disagree) to 10 (totally agree). With this grade, it was made possible to measure the perception and satisfaction of the members on the direct influence of their business association on vitality.

The variable "Indirect" represents the the extent to which members agree with the following statement: "The influence that the (BUSINESS ASSOCIATION 1) /(BUSINESS ASSOCIATION 2) has on the policy of the municipality on vitality, has a positive effect for my business." The same scale was used as with the variable "direct". This grade measures the perception and satisfaction of the members on the indirect influence of their business association on vitality.

The descriptive statistics presented in table 4 and 5 can be used to draw conclusions from the results. “Obs” is number of observations, “Mean” is the average number for the data, “Std. Dev.” is the standard deviation and measures the quantity of variation in the data, and “Min” and “Max” explain the minimal and maximal results in the dataset.

Table 4: Descriptive statistics of the survey for the (BUSINESS ASSOCIATION 1) .

	Obs.	Mean	Std. Dev.	Min	Max
Direct Influence	35	6.2	2.2	1	10
Indirect Influence	35	5.7	2.3	1	9

Table 5: Descriptive statistics of the survey for the (BUSINESS ASSOCIATION 2) .

	Obs.	Mean	Std. Dev.	Min	Max
Direct Influence	22	6.4	1.9	1	8
Indirect Influence	22	6.1	1.8	1	8

The results in table 4 shows that the (BUSINESS ASSOCIATION 1) scores on average a 6.2 out of 10 for the direct influence of the (BUSINESS ASSOCIATION 1) on the vitality of the city centre of (City 1). For the indirect influence, the average score is around 5.7. The standard deviation of 2.2 for direct influence and 2.3 for indirect influence shows that there is variance in the dataset. This can be seen as discord between the members on this subject.

For the (BUSINESS ASSOCIATION 2), as seen in table 5, the average score is a 6.4 out of 10 for the direct influence of the (BUSINESS ASSOCIATION 2) on the vitality of the city centre of (City 2). For the indirect influence, the average score is 6.1. With a standard deviation of 1.9 for direct and 1.8 for indirect also shows variation is this dataset. It is also for the (BUSINESS ASSOCIATION 2) possible that there is discord between the members.

Based on the above, it can be assumed that the members of (BUSINESS ASSOCIATION 1) and (BUSINESS ASSOCIATION 2) perceive that the business associations indeed influence the vitality of the city centre. This is in accordance with the perception of the board members of the association interviewed. It should however be noted that there is variation between the members, meaning that there could be discord between the members.

An independent-samples t-test was conducted to compare the results of “Direct Influence” and “Indirect Influence” for the (BUSINESS ASSOCIATION 1) and the (BUSINESS ASSOCIATION 2) . The test results are found in Appendix 11. For “Indirect Influence” there was not a significant difference in the results for (BUSINESS ASSOCIATION 1) (Mean= 5.7, Std. Dev= 2.3) and (BUSINESS ASSOCIATION 2) (Mean= 6.1, Std. Dev= 1.8), conditions; $t(55) = -0.75$, $p = 0.45$. For “Direct Influence” there was also not a significant difference in the results for (BUSINESS ASSOCIATION 1) (Mean= 6.2, Std. Dev=2.2) and (BUSINESS ASSOCIATION 2) (Mean=6.4, Std. Dev.= 1.9), conditions; $t(55) = -0.32$, $p = 0.75$.

These results suggest that there is no difference between the members of (BUSINESS ASSOCIATION 2) and (BUSINESS ASSOCIATION 1) when it comes to the satisfaction and perception regarding the influence of the business association. In the previous results significant differences between both business association were described in terms of relation with the municipality, and action taken to influence vitality. Therefore, differences were expected in the results of the survey. Which actions of business associations promote or demote perception and satisfaction of its members, was not studied.

Overall, the conclusion can be drawn that the members of (BUSINESS ASSOCIATION 1) and (BUSINESS ASSOCIATION 2) perceive that the business associations indeed influence the vitality of the city centre. However, it is hard for both business associations to let all members be involved in and be satisfied with the activities and events that influence the vitality. According to Casey (2008) cooperation can be sustainable when activities and events organised by business association are understood by the members and the advantages of the influence on vitality should be shared equally.

5. Conclusion

This research aims to investigate how business associations are influencing the vitality of a city centre and thereby improving the business climate for the retail and hospitality sector. To reach this goal, two business associations were studied, the (BUSINESS ASSOCIATION 2) and the (BUSINESS ASSOCIATION 1). Qualitative and quantitative research methods were used to collect the required data, four semi-structured interviews and two surveys. From this research, we can conclude that business associations are able to influence the vitality of a city centre. However, how this is done and if a business association is successful, depends on a large number of factors.

Firstly, the results show that business associations can have indirect influence on vitality of the city centre by having influence on municipal policies. Business associations are recognized by the municipality as representatives of businesses in the city centre. It is of value for municipalities that the business associations, like (BUSINESS ASSOCIATION 2) and (BUSINESS ASSOCIATION 1), can present common ideas and collect opinions from its members. The above explains how business associations can have influence on municipal policies, whereas individual businesses have not. Therefore, this influence can be seen as corporate social capital as explained by Leenders et al. (2001). The relationship also confirms the theory of Sluiskes et al. (2011), since the business associations promote common interests between the municipality and businesses.

Secondly, business associations can influence the vitality of the city centre directly. Business associations organise events and create activities that help to improve city centre vitality. But equally important is that the business association stimulates their individual members to actively participate in improving the vitality of the city centre. Again, corporate social capital (Leender et al., 2011) is created with the direct influence of business associations on vitality in city centres.

Finally, the members of (BUSINESS ASSOCIATION 1) and (BUSINESS ASSOCIATION 2) perceive that the business associations indeed influence the vitality of the city centre. Following the theory of Casey (2008), improving the perception could make the cooperation more sustainable.

With these results, new insights have been given on the added value of being a member of a business association, with the focus on the retail and hospitality sector.

There are some limitations associated with this research. Firstly, the reader should bear in mind that this research studies two cases. It is hard to draw inferences that refer to business associations in general. Other business associations can work in a different situation where other factors are more important.

Secondly, this research was unable to receive responses for the questionnaire survey from a large number of members of the business associations. And, given the high standard deviation found in the data, the results need to be interpreted with care. If the response would have been larger, the plausibility of the inferences would have been higher.

For future research, it is interesting to study the high standard deviation in the data that explains the satisfaction of the members and the conclusions from the independent sample t-test. Researchers can further investigate which streets/ areas are satisfied with the activities of the business associations and which are not and why? In further detail, the origin of the discord between the members can be researched.

Moreover, it would be interesting to look into why some members are involved in activities where they do not want to be, and how the number of activities involved in is determined.

But probably most interesting is to study how the perception of the members can be improved and actually raise the level of influence.

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Appendices

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