

The UK Innovation Survey 2009: overview and results

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This session covers:

1. A brief overview of the 2009 survey and changes since the 2007 survey
2. A summary of the headline results from 2009
3. A brief introduction to the UKIS panel data

1. THE 2009 UK INNOVATION SURVEY

Survey methodology

- Sent to approximately 28,000 businesses
- Stratified random sample
 - industry: sections C-K of SIC 2003
 - Size: small, medium
 - Region: all GOR plus Scotland, Wales & N.I
- Census of large firms

Questionnaire structure

Five sections:

- A – General business information
- B – Innovation investments
- C – Product and process innovation
- D – Context for innovation
- E – General economic information

Changes from the 2007 survey

New Questions on:

- Business objectives
- Separate development of goods and services
- Formal protection of innovation

Other changes:

- Questionnaire routing changed
- Cooperation filter question was dropped
- Question order amended to start with general business information and innovation investments

For researchers

- Available for analysis through the ONS Virtual Micro-data lab
- New *User Guide* available containing details on:
 - Survey background
 - Survey methodology
 - Variables

2. HEADLINE RESULTS

Innovation active businesses

- Between 2006-2008, 58% of businesses were **innovation active**
- “Innovation active” if they are:
 - A product innovator
 - A process innovator
 - Had ongoing or abandoned innovation activities
 - Had invested in activities related to innovation

Innovation activity

- Little variation across different sized businesses
 - Small: 57%
 - Medium: 63%
 - Large: 60%
- And little regional variation in innovation activity
 - Highest: South East – 62% innovation active
 - Lowest: London – 55%

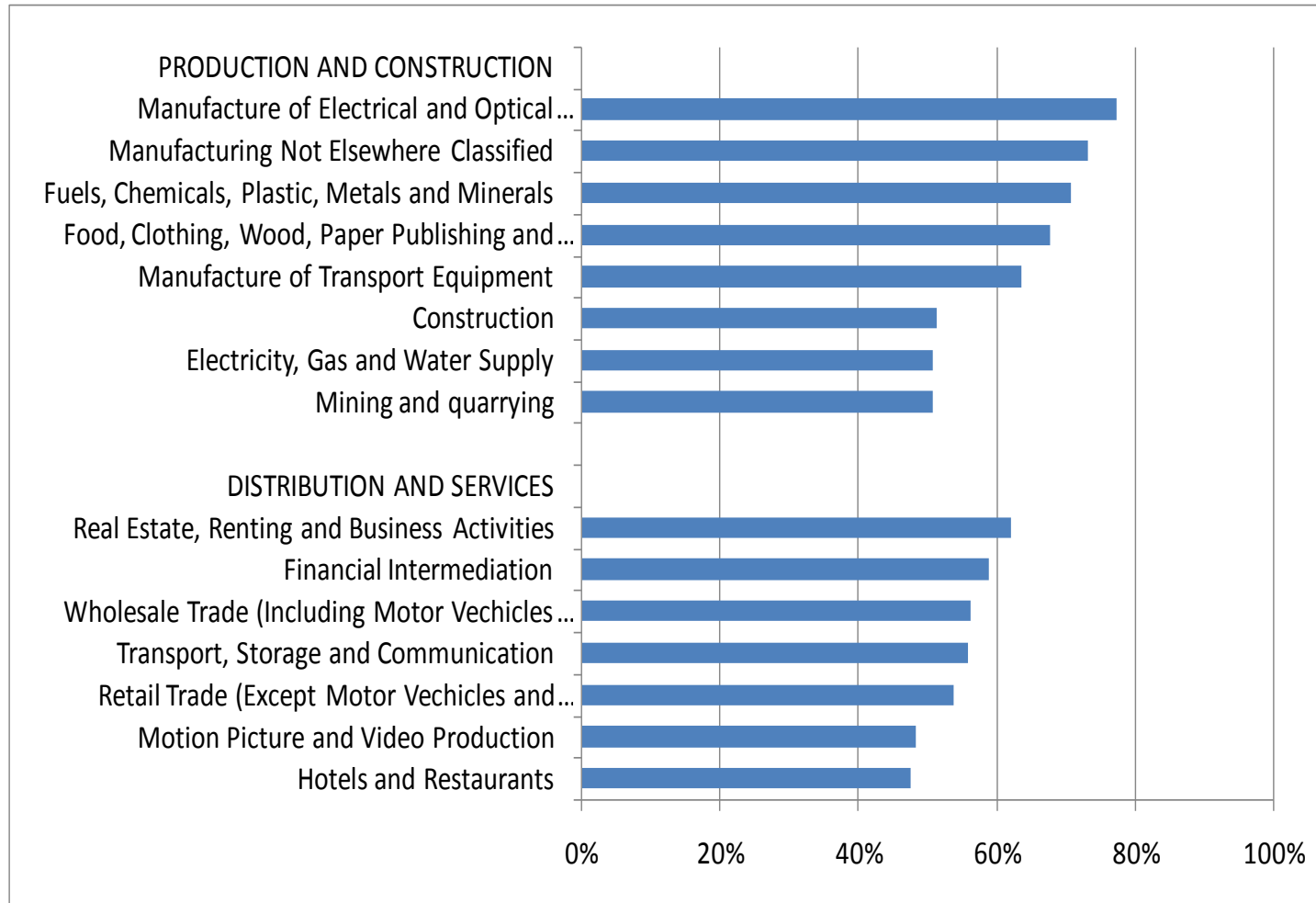
Innovation activity in the regions



Innovation activity across sectors

- Far greater variation in innovation activity across sectors
 - 77% of electrical and precision engineering enterprises were innovation active
 - 62% of real estate, renting and business activities (which includes R&D services sector) were innovation active

Innovation activity across sectors

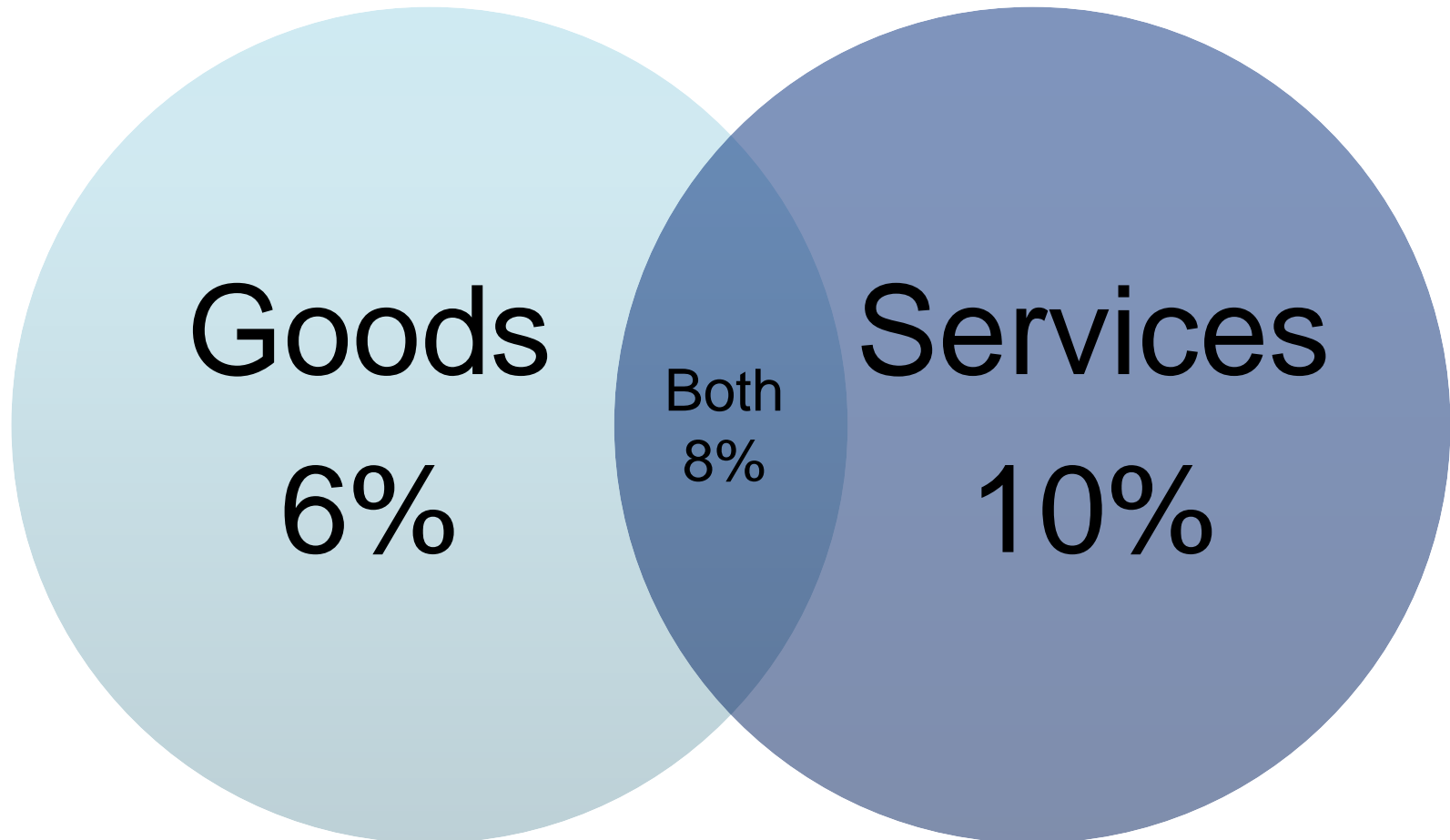


Base: all enterprises, 2006-2008

Product innovation

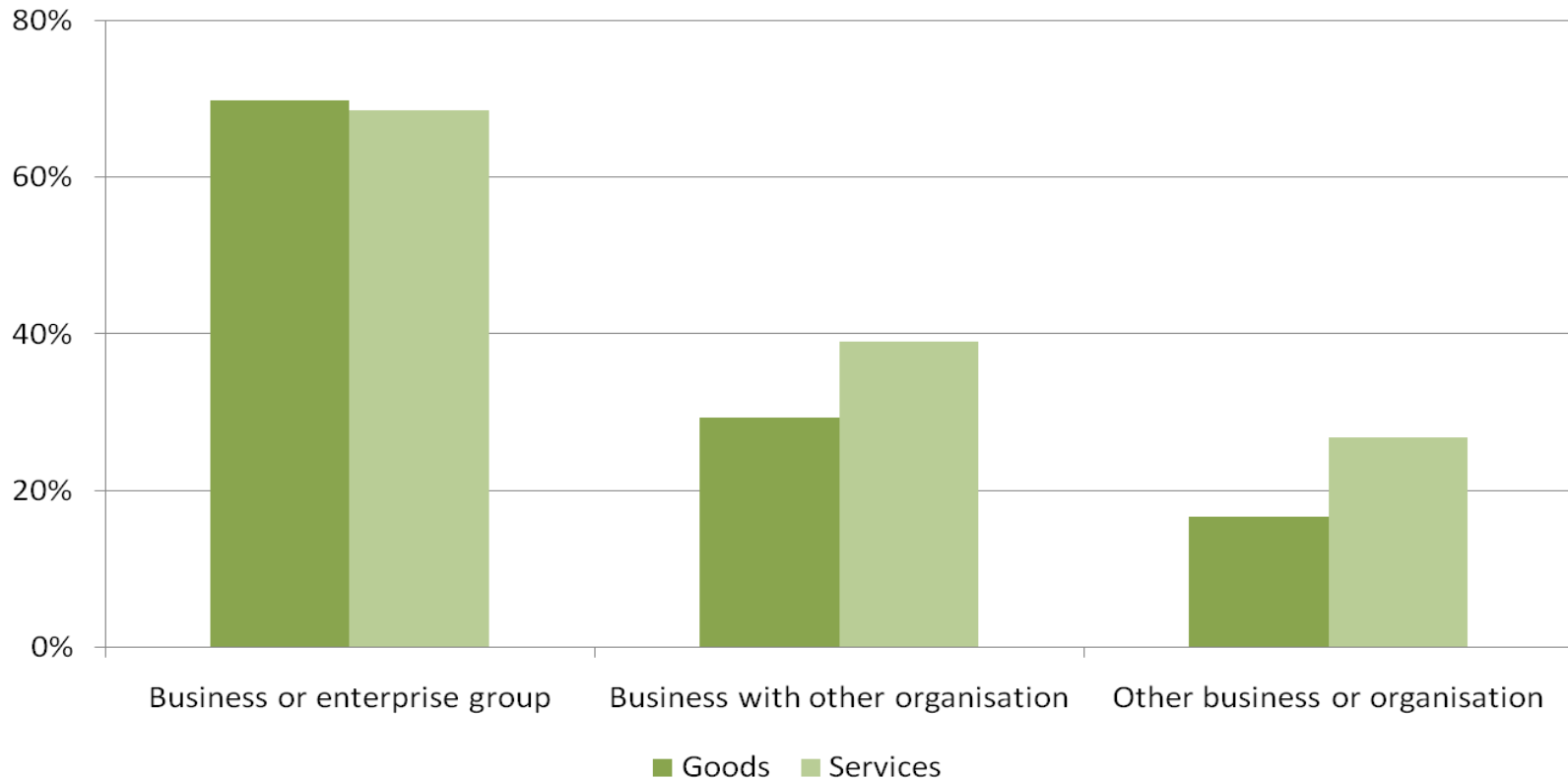
- 24% of businesses were **product innovators**
 - 14% introduced goods,
 - 18% introduced services
 - 8% both

Product innovation



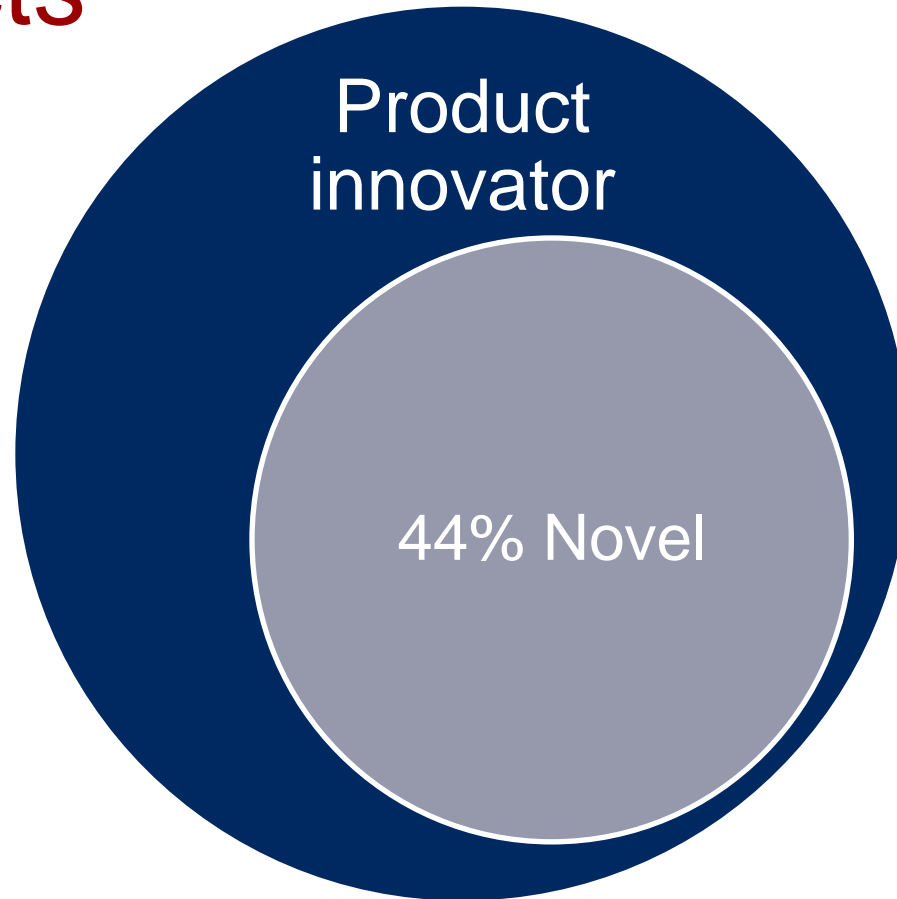
Development of product innovation

- **Amended** question in the 2009 survey



Novel products

- 44% of product innovations were **novel**



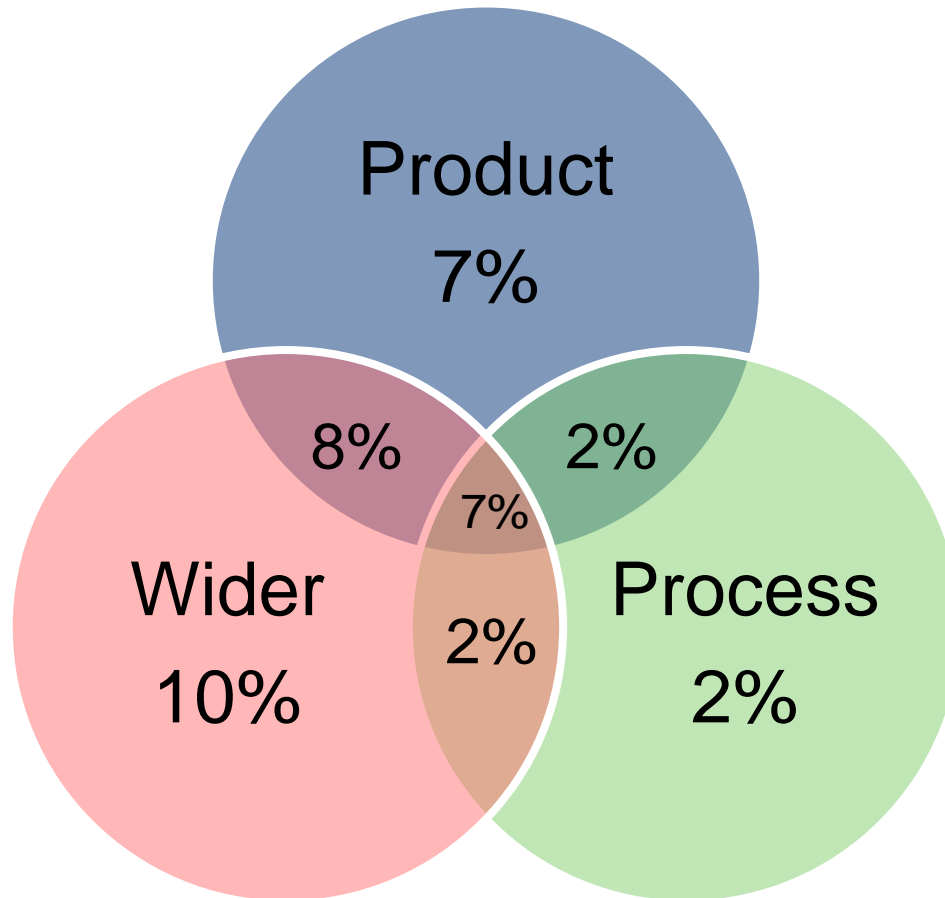
Process innovation

- 13% of businesses were **process innovators**
 - mainly developed in-house
 - 29% of processes “new to industry”

Wider innovation

- 27% of enterprises implemented new or significantly changed:
 - **corporate strategies**
 - **management techniques**
 - **organisational structure**
 - or changes to **marketing concepts or strategies**

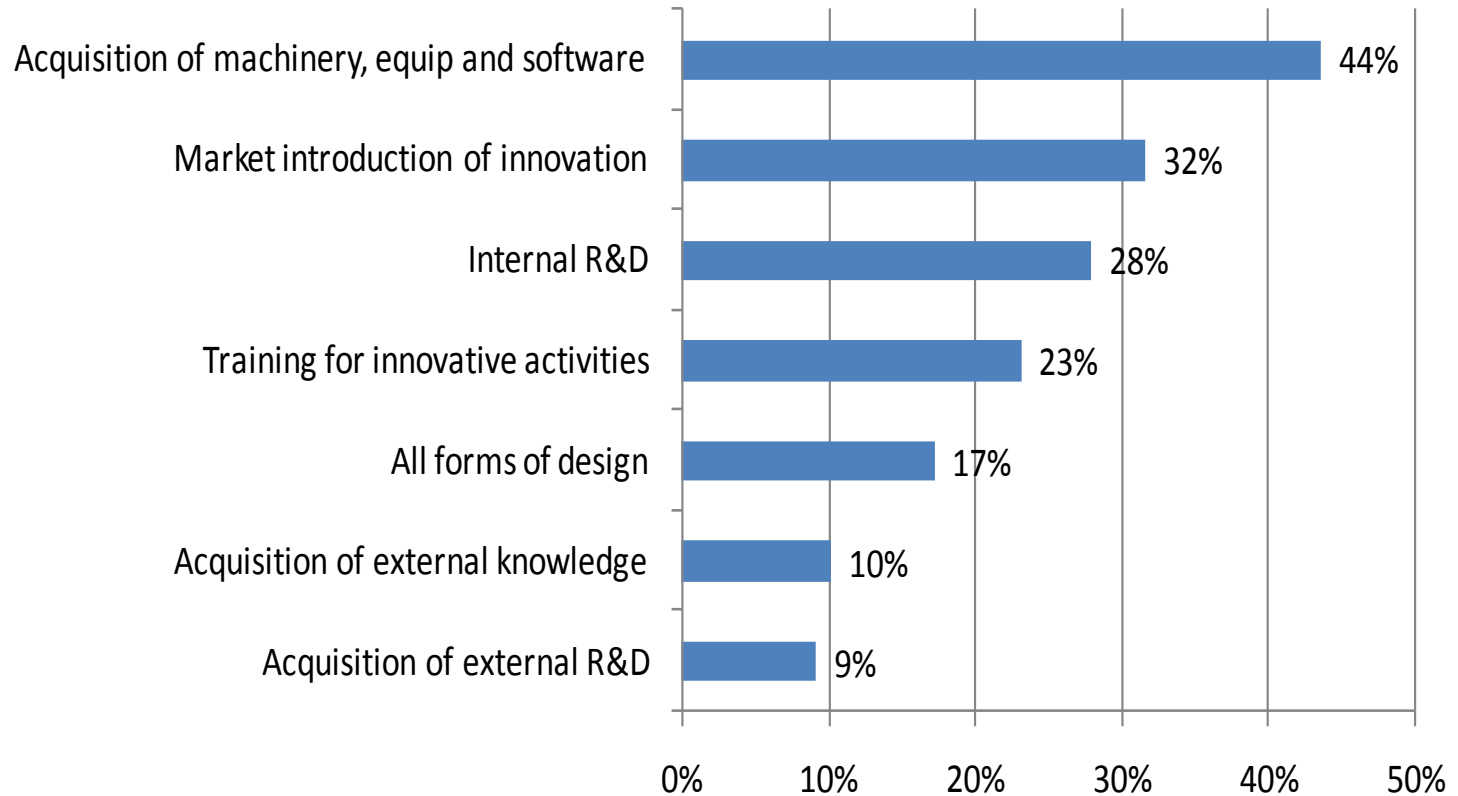
Summary: modes of innovation



Innovation investment

- 55% of businesses invested in some form of activity related to innovation
- Such as:
 - Internal & external R&D
 - Acquisition of machinery and equipment
 - Acquisition of knowledge
 - Training
 - Design, and
 - Introduction to the market of an innovation

Innovation investment



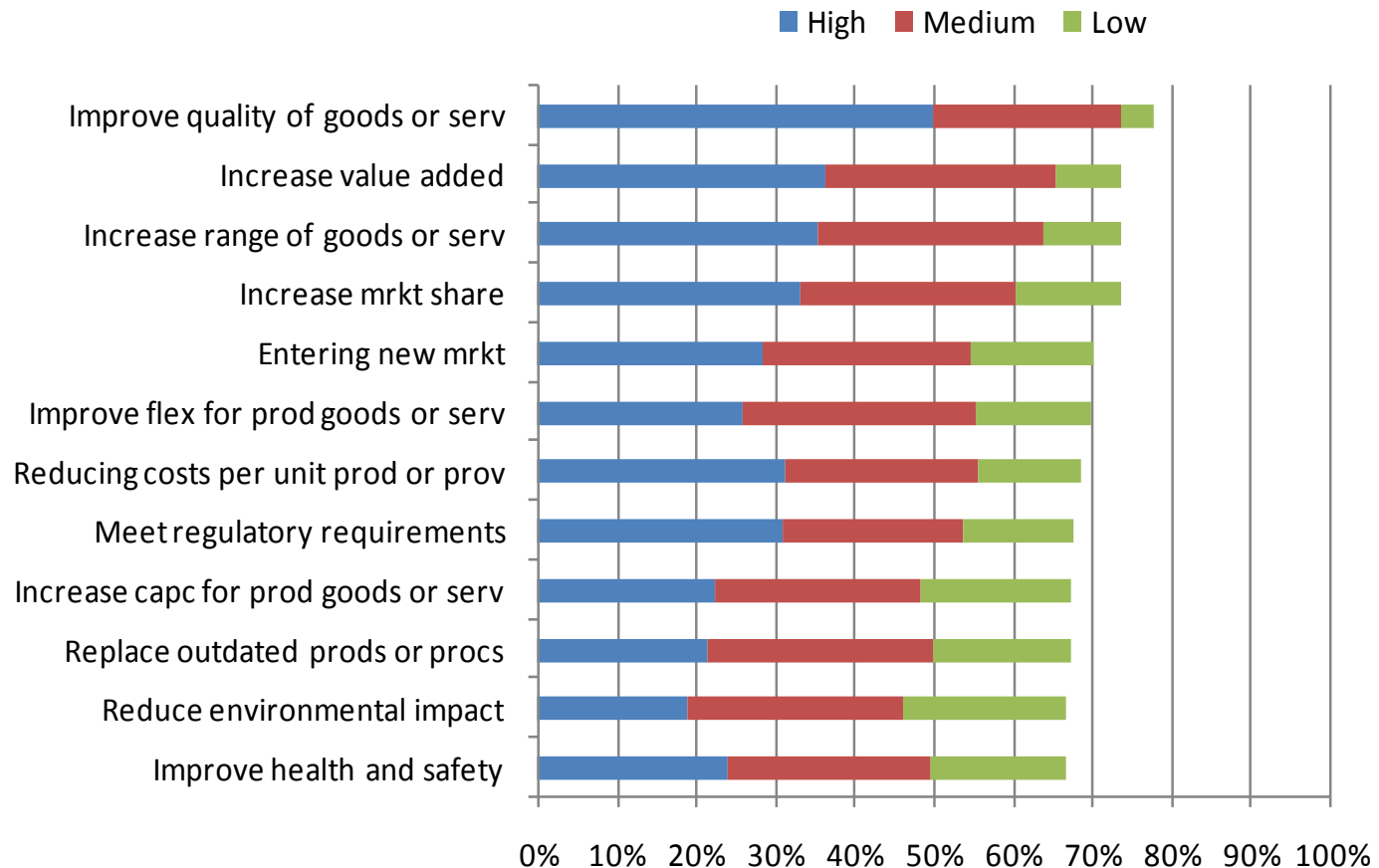
Ongoing and abandoned innovation

- 4% of businesses reported **abandoning innovation projects**
- While 6% of businesses reported having **incomplete innovation projects**

Drivers of innovation

- Innovators were asked to rank various drivers of innovation from “high” to “not applicable”
 - improving the quality of products was the biggest motivating factor (around a half of all innovators reported this as “high” factor)
 - Reducing the environmental impact was not a factor ranked highly

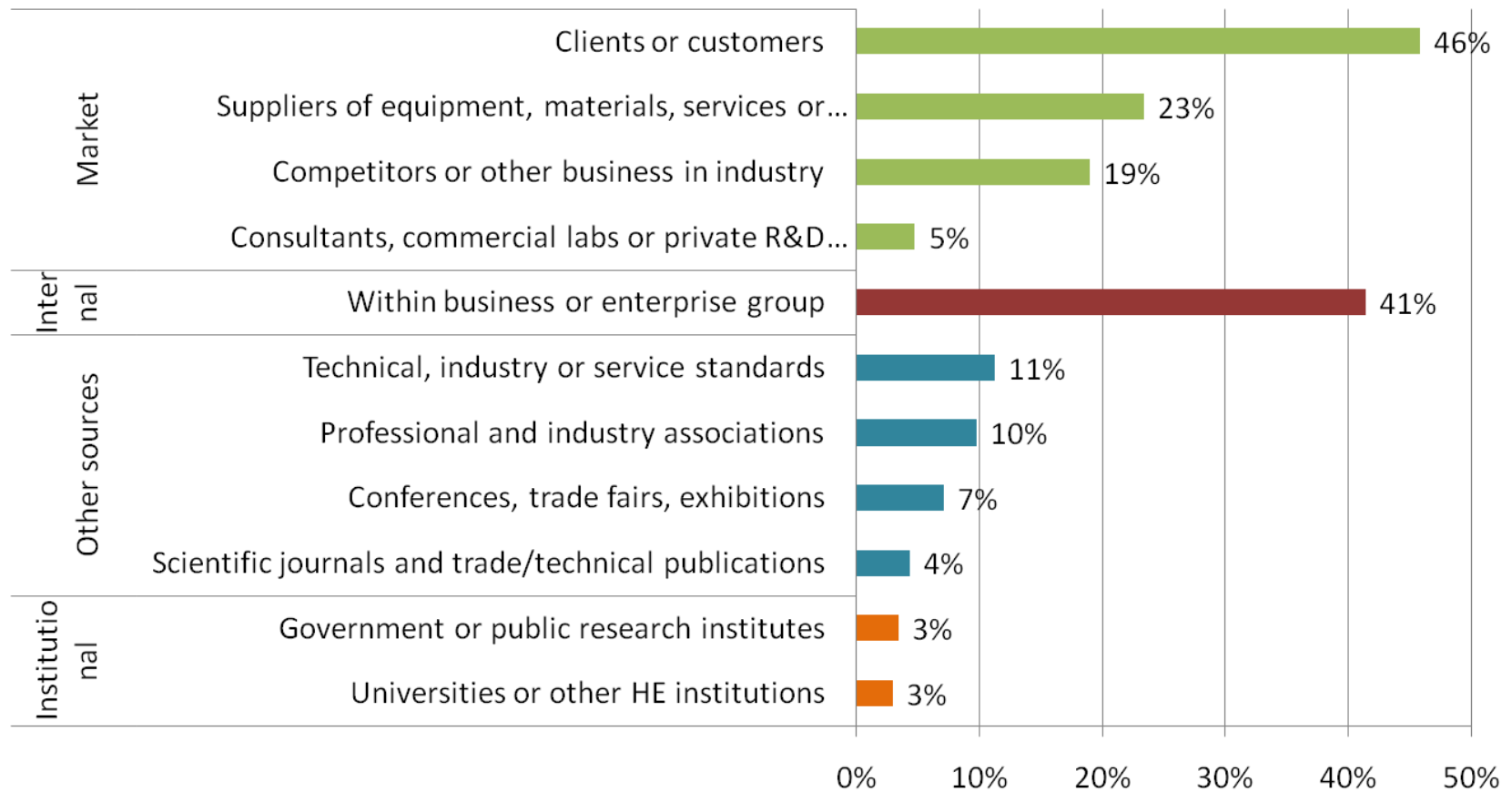
Drivers of innovation



Information sources

- Innovators were asked to rank various sources of innovation from “high” to “not applicable”
- 46% of enterprises rated clients and customers as “highly” important
- 41% rated internal sources as high

Information sources

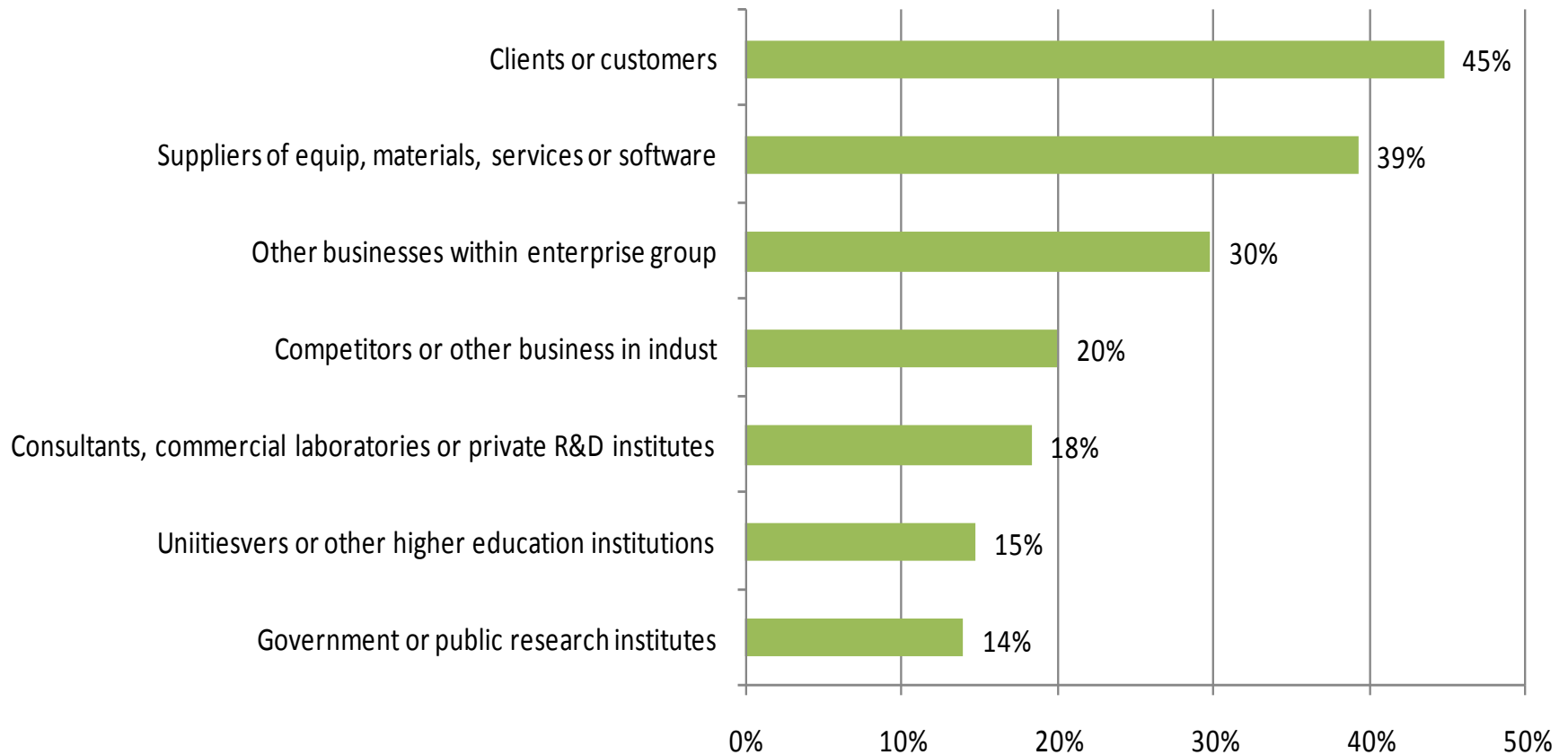


Base: all innovators, importance rated as "High", 2006-2008

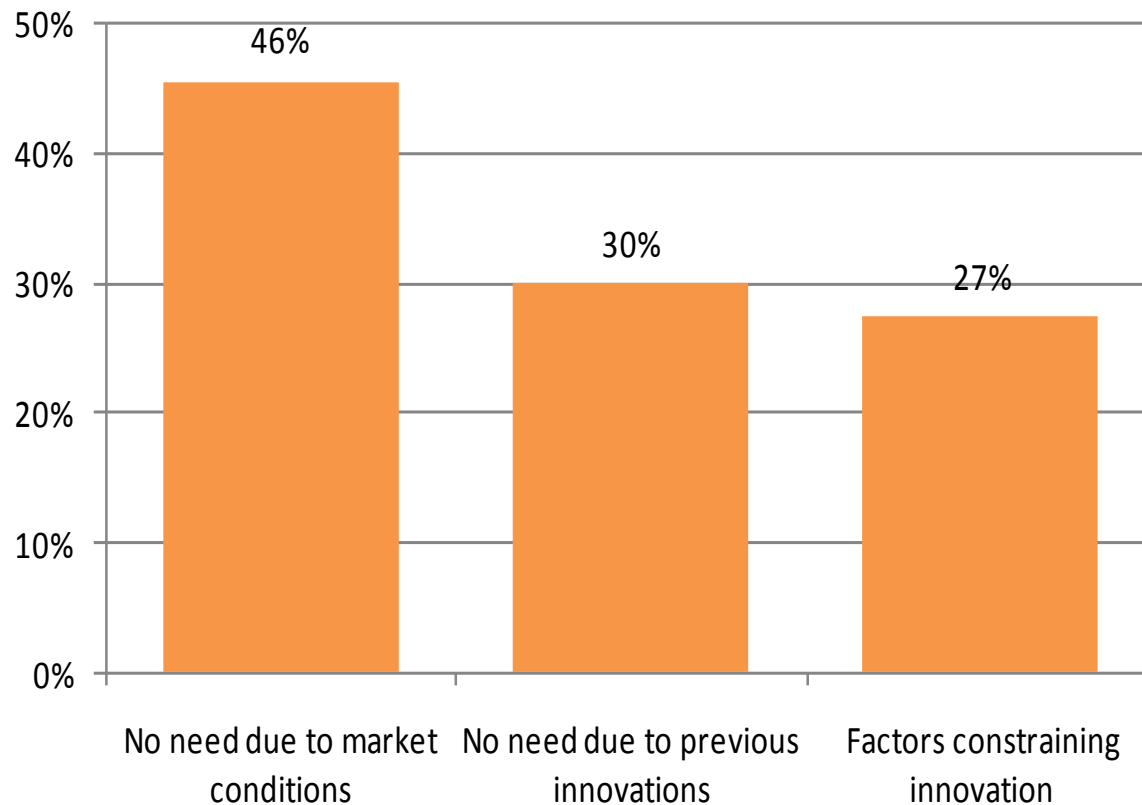
Cooperation agreements

- Around 60% of innovators (23% of all enterprises) cooperated on their innovation activities
- Most frequent partner for cooperation were clients and customers (45% of innovators), followed by suppliers (39%)
- 15% of innovators cooperated with universities

Cooperation agreements



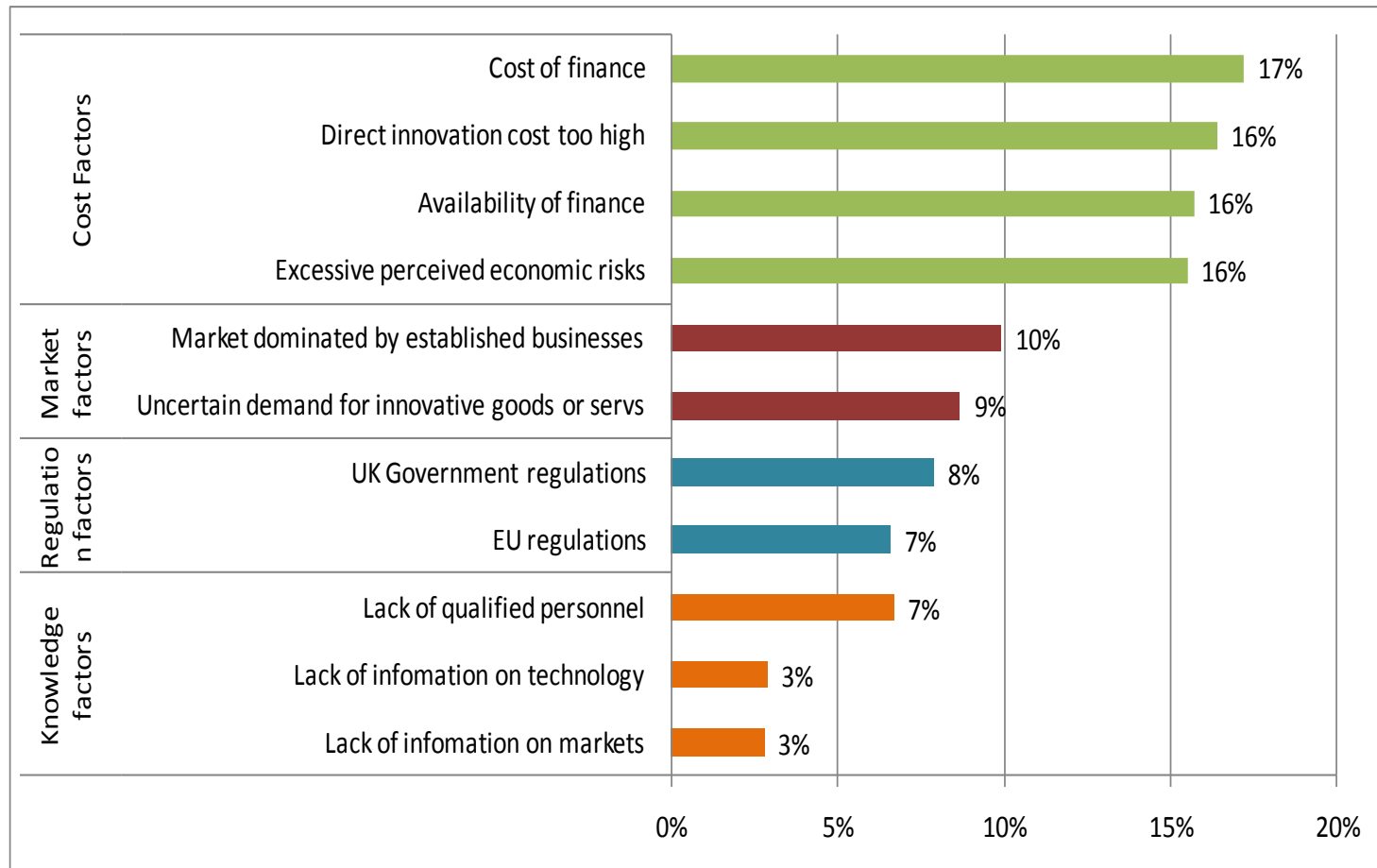
Reasons for not innovating



Innovation constraints

- Survey asked all respondents about a range of constraining factors and their affect on their ability to innovate
- Cost factors most significant barrier

Innovation constraints



UKIS PANEL DATA

UKIS panel

- Covers 3 waves of UKIS data
 - CIS4 (2002-2004)
 - CIS5 (2004-2006)
 - CIS6 (2006-2008)
- Comprises 4,000 businesses

Modes of innovation over time

