

Innovation Survey of Micro Businesses in Northern Ireland 2014

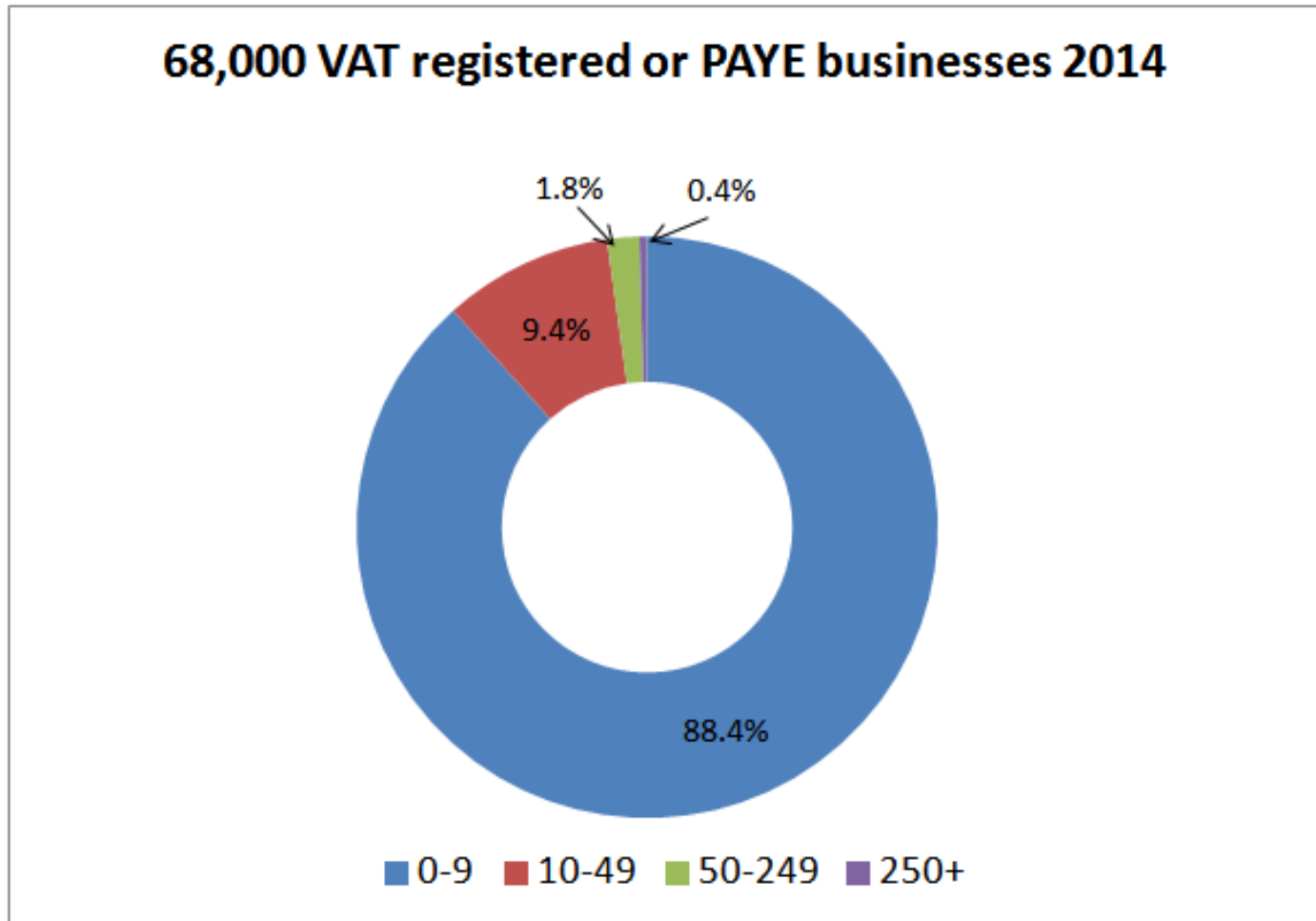


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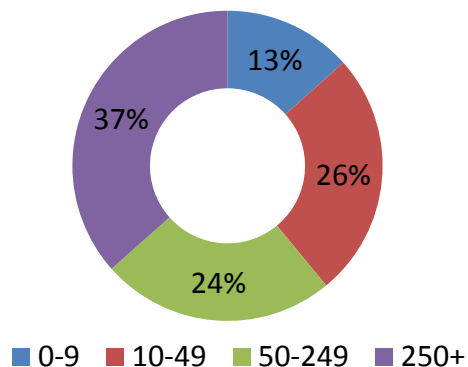
Analytical Services Unit

NI Micro Businesses in context

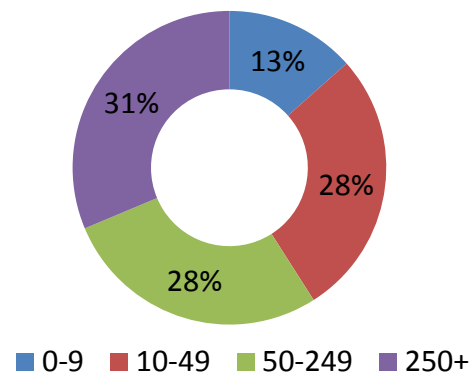


NI Micro Businesses in context

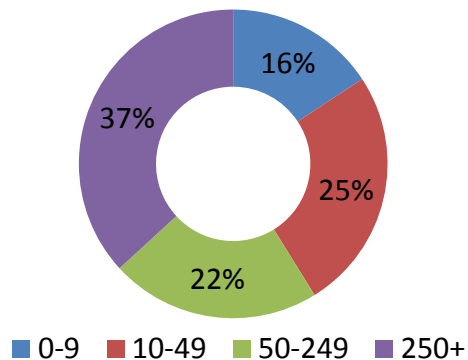
Turnover (£64bn) and business size



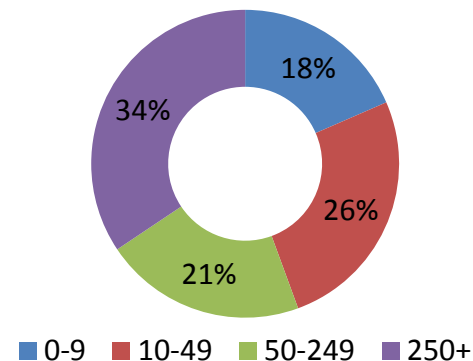
Purchases (£42bn) and business size



Gross Value Added (£19bn) and business size



Employment (523,000) and business size



Existing Business (10+) Innovation Surveys

Communities Innovation Survey (EU)



UK Innovation Survey (April, 2014)



NI results of the UK Innovation Survey (July, 2014)

What we did....

Took UK/NI Innovation Survey Questionnaire 2013



Amended to work with micro businesses but covered same period (2010-2012)



Addition of a number of 'softer' questions



Sample of Businesses selected on same basis as UKIS



Telephone survey achieving interviews with a representative sample of 1,000 businesses

What is innovation...

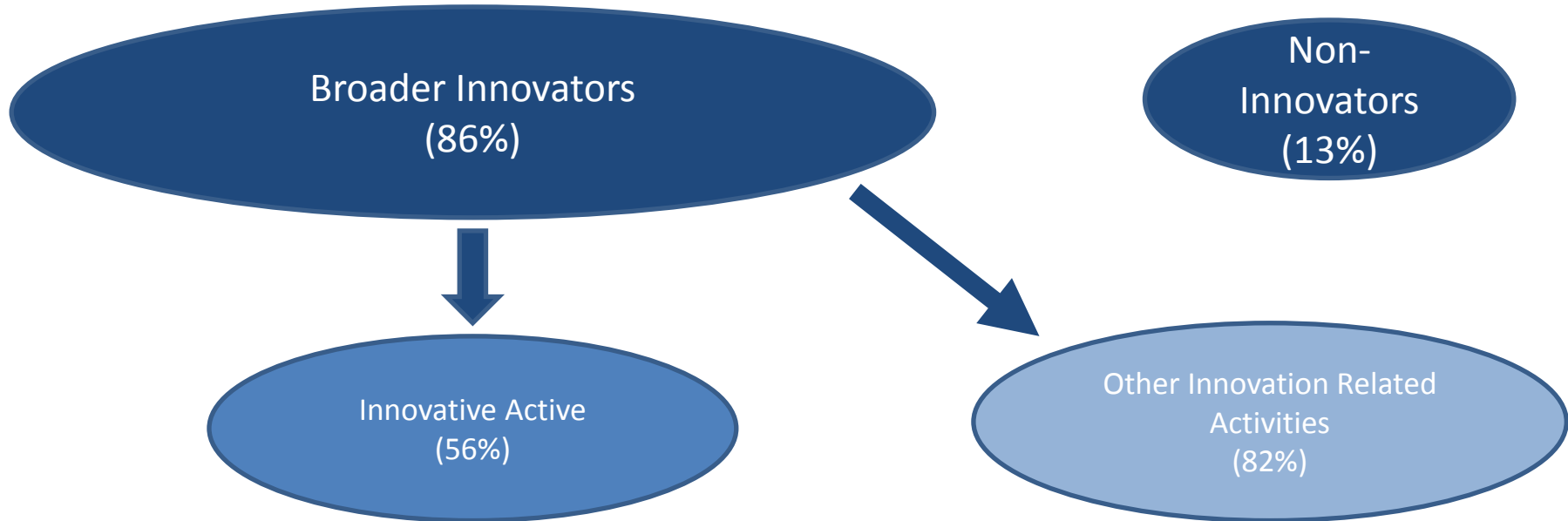
Category of innovation	Description
Broader Innovator	The broadest category of innovation and includes all businesses that mentioned any innovation activity covered by the survey
Other Innovation Related Activities	Businesses who reported any internal research and development, training, acquisition of external knowledge or machinery linked to innovation activities
Innovation Active:	A relatively broad grouping of innovation activities including: new improved products/processes; ongoing innovation projects; introduced new or improved organisational activities
Product Innovator	Businesses who introduced new or significantly improved products
Process Innovator	Businesses who introduced new or significantly improved processes
Abandoned Innovation	Businesses which had abandoned an innovation activity
Ongoing Innovation	Businesses which had innovation activities ongoing
Wider Innovator	Businesses which introduced new or significantly improved forms of organisation, business structures or practices, or new marketing concepts/strategies
Non Innovator	No innovation activity reported

What we found...

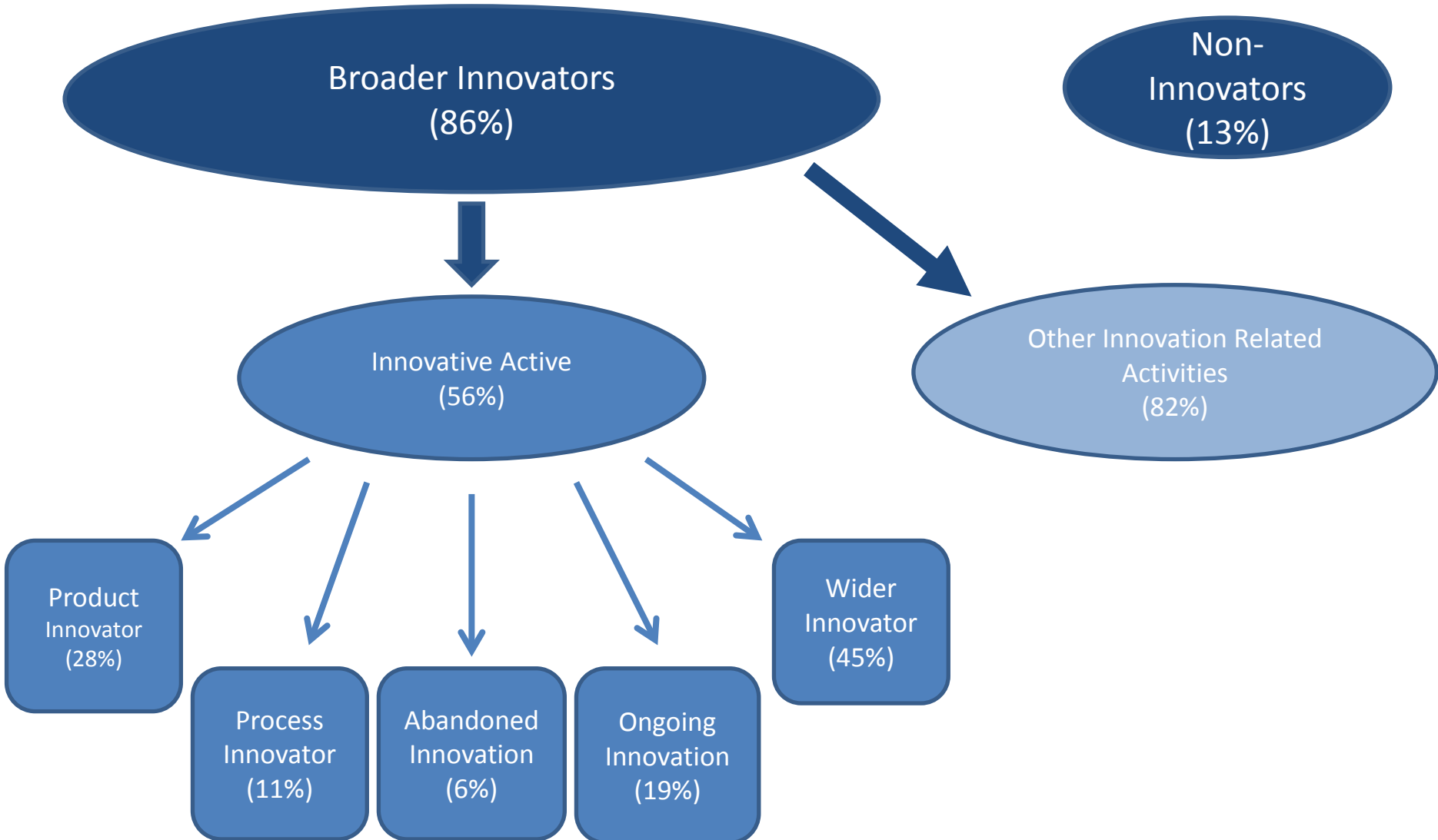
Broader Innovators
(86%)

Non-
Innovators
(13%)

What we found...



What we found...



And by comparison...

	NI Micro Business Innovation Survey (December, 2014)	NI results of the UK Innovation Survey (July, 2014)	UK Innovation Survey (April, 2014)
Broader Innovator	86%	41%	46%
Other Innovation Related Activities	82%	35%	39%
Innovative Active	56%	40%	45%
↓	↓	↓	↓
Product Innovator	28%	15%	18%
Process Innovator	11%	9%	10%
Abandoned Innovation	6%	4%	4%
Ongoing Innovation	19%	12%	15%
Wider Innovator	45%	32%	37%

Which Micro Businesses tend to innovate more?

- Younger businesses
- Younger owners
- Slightly larger businesses (5-9 employees)
- Senior person educated to HND level or above
- Having markets outside NI (especially exports)
- Businesses with at least one female owner
- Some specific sectors
 - Motion Picture and video production
 - Electricity, gas and water supply
 - Financial intermediation

Which Micro Businesses tend to innovate less?

- Older businesses
- Senior person educated below HND level
- Senior person's background not in science or business
- Some specific sectors
 - Food, clothing, wood, paper publishing and printing
 - Retail
 - Hotels and Restaurants

Barriers to innovation for Micro Businesses

- Costs
 - Direct costs; risk assessment; cost and availability of finance
- Knowledge
 - Lack of people and time; lack of information on support/technology/markets; skills deficits
- Market factors
 - Dominance by established businesses; uncertain demand for innovative products
- Other
 - Government regulation

And finally...

- Published report: Innovation Survey of Micro Businesses in Northern Ireland (December, 2014)

(www.detini.gov.uk/publications/micro-business-innovation-survey)

- Subsequent analyses by Professors Stephen Roper (ERC and Warwick Business School) and Nola Hewitt-Dundas (QUB)

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