



Flash Eurobarometer 415

INNOBAROMETER 2015 - THE INNOVATION TRENDS AT EU ENTERPRISES

SUMMARY

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This survey has been requested by the European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs and co-ordinated by the Directorate-General for Communication.

This document does not represent the point of view of the European Commission.
The interpretations and opinions contained in it are solely those of the authors.

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Flash Eurobarometer 415

**Innobarometer 2015 - The innovation
trends at EU enterprises**

Conducted by TNS Political & Social at the request of the
European Commission, Directorate-General for Internal Market,
Industry, Entrepreneurship and SMEs

Survey co-ordinated by the European Commission,
Directorate-General for Communication
(DG COMM "Strategy, Corporate Communication Actions and
Eurobarometer" Unit)

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INTRODUCTION

Innovation is vital not only to Europe's economic growth, but also to Europe's ability to compete effectively in the global economy. Recognition of this importance is underlined by the work the European Commission undertakes to develop and implement policies and programmes that foster and support innovation, stressed in the Investment Plan for Europe¹.

The role of companies as primary sources of innovation and engines for growth and creation of jobs is fundamental. This Flash Eurobarometer is aimed at capturing the main behaviours and trends of EU business as far as innovation related activities are concerned. The survey covered the following areas:

- Profiles of companies that develop innovations, including the most common areas where innovations have occurred since January 2012;
- The impact of innovations on turnover, and the proportion of turnover invested in innovation activities;
- Barriers to commercialisation of both innovative and non-innovative goods and services;
- Preferred types of public support for the commercialisation of goods or services;
- The role of design, and the use of advanced manufacturing technologies;
- Involvement in public procurement and the role innovation plays in this process.

This survey was carried out by TNS Political & Social network in the 28 Member States of the European Union, Switzerland and the United States between the 2nd and 20th of February 2015. Some 14 118 companies were interviewed, of which 13 117 across the EU28 Member States.

Interviews were conducted with key decision-makers of companies via telephone in their mother tongue on behalf of the European Commission, DG Internal Market, Industry, Entrepreneurship and SMEs. The methodology used is that of Eurobarometer surveys as carried out by the Directorate-General for Communication ("Strategy, Corporate Communication Actions and Eurobarometer" Unit)².

A technical note on the manner in which interviews were conducted by the Institutes within the TNS Political & Social network is appended as an annex to this summary. Also included are the interview methods and confidence intervals³.

¹ http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm

² http://ec.europa.eu/public_opinion/index_en.htm

³ The results tables are included in the annex. It should be noted that the total of the percentages in the tables of this summary may exceed 100% when the respondent has the possibility of giving several answers to the question.

Note: In this summary, countries are referred to by their official abbreviation. The abbreviations used in this summary correspond to:

ABBREVIATIONS			
BE	Belgium	LT	Lithuania
BG	Bulgaria	LU	Luxembourg
CZ	Czech Republic	HU	Hungary
DK	Denmark	MT	Malta
DE	Germany	NL	The Netherlands
EE	Estonia	AT	Austria
EL	Greece	PL	Poland
ES	Spain	PT	Portugal
FR	France	RO	Romania
HR	Croatia	SI	Slovenia
IE	Ireland	SK	Slovakia
IT	Italy	FI	Finland
CY	Republic of Cyprus*	SE	Sweden
LV	Latvia	UK	The United Kingdom
CH	Switzerland	EU28	European Union – 28 Member States
US	The United States of America	EURO AREA	BE, FR, IT, LU, DE, AT, ES, PT, IE, NL, FI, EL, EE, SI, CY, MT, SK, LV, LT
		NON-EURO AREA	BG, CZ, DK, HU, PL, RO, SE, UK, HR

* Cyprus as a whole is one of the 28 European Union Member States. However, the 'acquis communautaire' has been suspended in the part of the country which is not controlled by the government of the Republic of Cyprus. For practical reasons, only the interviews carried out in the part of the country controlled by the government of the Republic of Cyprus are included in the 'CY' category and in the EU28 average.

* * * * *

We wish to thank the people throughout Europe and the USA who have given their time to take part in this survey. Without their active participation, this study would not have been possible.

EXECUTIVE SUMMARY

PROFILES OF COMPANIES DEVELOPING INNOVATIONS

- Almost three quarters of EU companies have introduced innovations since January 2012 (72%) – an increase of six percentage points since the last survey in 2014.
- More than one in five companies (22%) have invested more than 5% of turnover on the acquisition of machines, equipment, software or licenses.
- Companies investing in innovation are most likely to have invested in machines, equipment, software or licenses (70%), in training (64%), in company reputation and branding (59%) and in organisation or business process improvements (53%).

PROBLEMS AND PUBLIC SUPPORT RELATED TO THE COMMERCIALISATION OF GOODS OR SERVICES

- Established competitors are a problem for the commercialisation of innovative or non-innovative goods or services.
- Training staff in how to promote and market goods or services is also the most mentioned type of public support for the commercialisation of innovative or non-innovative goods or services (24%).
- Amongst companies that had innovated since January 2012, most invest no more than 5% of their 2014 turnover in innovation activities (54%), while 22% invest nothing.
- For companies that invest in innovation and plan to do the same in the next 12 months, services (44%) are most likely to be the focus of investment over the next 12 months, followed by marketing strategies (40%) or goods (35%).

Market potential (43%) and increased competition (39%) are the main reasons to invest in innovation mentioned by respondents, followed by client request (33%).

USE OF ADVANCED MANUFACTURING TECHNOLOGIES

- Almost half (49%) have not used these technologies in the past and do not plan to use them in the next 12 months.

USE OF INNOVATION AND PUBLIC PROCUREMENT

- One third of companies have had some level of involvement with public procurement since January 2012.
- About four in ten companies (38%) that have won a public procurement contract included innovations as part of the winning bid.

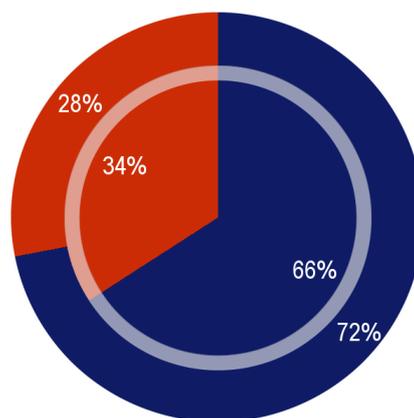
1. PROFILES OF COMPANIES DEVELOPING INNOVATIONS

This section of the summary considers the development of innovations⁴. The kinds of innovations companies have introduced are discussed, as well as the proportion of turnover they represent. Finally, the proportion of turnover companies invest in a range of innovation-related activities is reviewed.

- The majority of companies have introduced at least one innovation since January 2012 -

Almost three quarters of companies have introduced at least one innovation since January 2012 (72%) – an increase of six percentage points since the last survey in 2014.

Q2a. Has your company introduced any of the following types of innovation since January 2012?



● At least one innovation

● No innovation at all

Inner pie : FL394 Jan.-Feb. 2014

Outer pie : FL415 Feb. 2015

● EU28

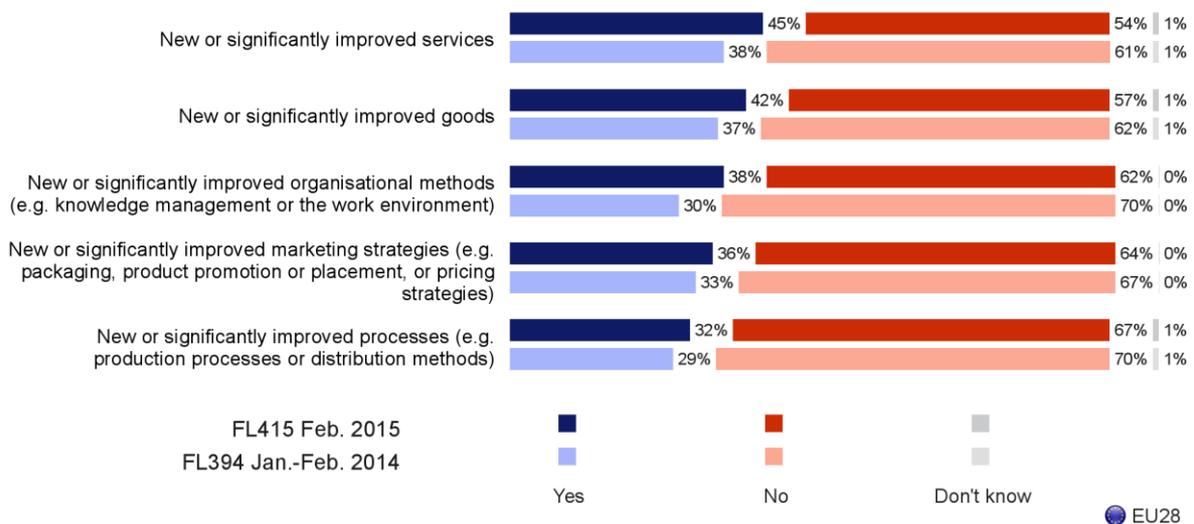
⁴ The following definition of 'innovation' was used in the questionnaire: "Innovation occurs when a company introduces a new or significantly improved good, service, process, marketing strategy or organisational method. The innovation can be developed by the company itself or has been originally developed by other companies or organisations".

- The proportion of companies introducing innovations has increased across a range of areas -

More than four out of ten companies have introduced new or significantly improved services (45%) or goods (42%) since January 2012⁵. Almost as many have introduced new or significantly improved organisational methods (38%), or marketing strategies (36%). Almost one third have introduced new or significantly improved processes (32%).

Compared to the last survey in 2014⁶, companies are now more likely to say they have introduced new or significantly improved organisational methods (+8 percentage points), services (+7 pp), or new or significantly improved goods (+5 pp). They are also slightly more likely to say they have introduced new or significantly improved marketing strategies or processes (both +3 pp).

Q2. Has your company introduced any of the following types of innovation since January 2012?



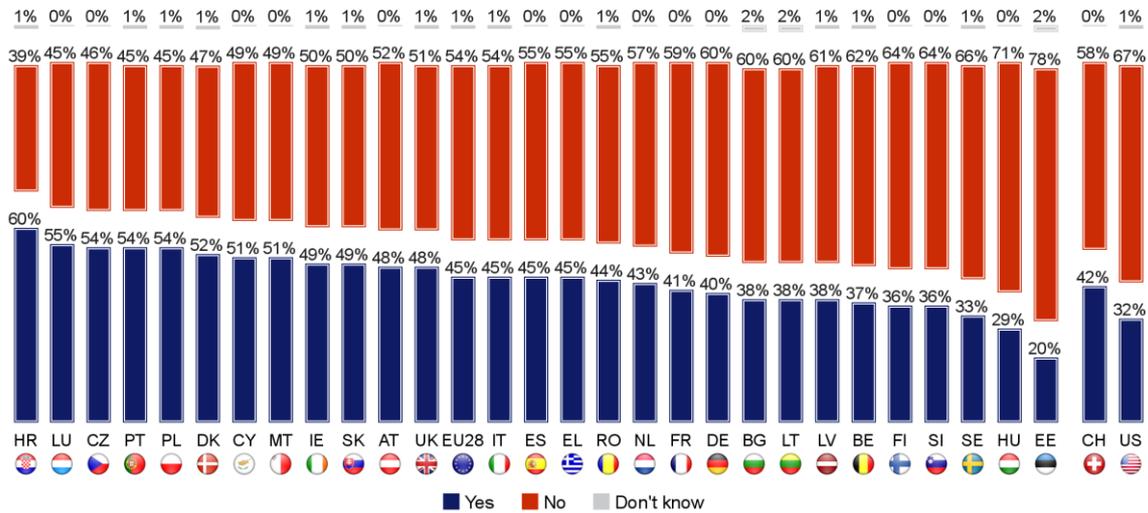
⁵ Q2 Has your company introduced any of the following types of innovation since January 2012? New or significantly improved goods; New or significantly improved services; New or significantly improved processes (e.g. production processes or distribution methods); New or significantly improved marketing strategies (e.g. packaging, product promotion or placement, or pricing strategies); New or significantly improved organisational methods (e.g. knowledge management or the work environment).

⁶ Please note that in the previous survey 2014 the question referred to a different time period: "Has your company introduced any of the following types of innovation since January 2011?"

Across EU Member States there is a fairly wide variation in the proportion of companies that have introduced new or significantly improved services. Companies in Croatia (60%), Luxembourg (55%) and the Czech Republic, Portugal and Poland (all 54%) are the most likely to say they have done this, compared to 20% of companies in Estonia and 29% of those in Hungary.

Q2.2. Has your company introduced any of the following types of innovation since January 2012?

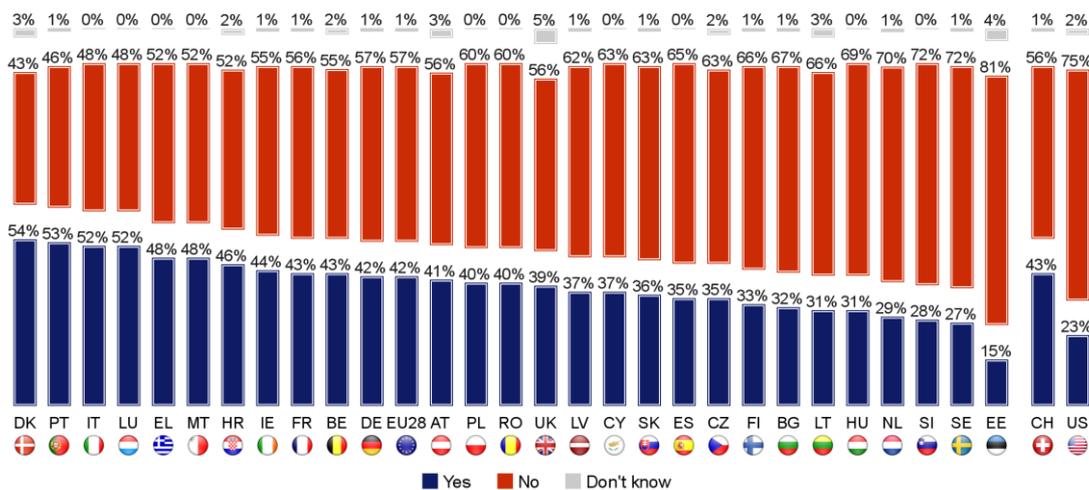
New or significantly improved services



Across the EU there are only four Member States where at least half of all companies have introduced new or significantly improved goods: Denmark (54%), Portugal (53%), Italy and Luxembourg (both 52%). This contrasts to just 15% of companies in Estonia.

Q2.1. Has your company introduced any of the following types of innovation since January 2012?

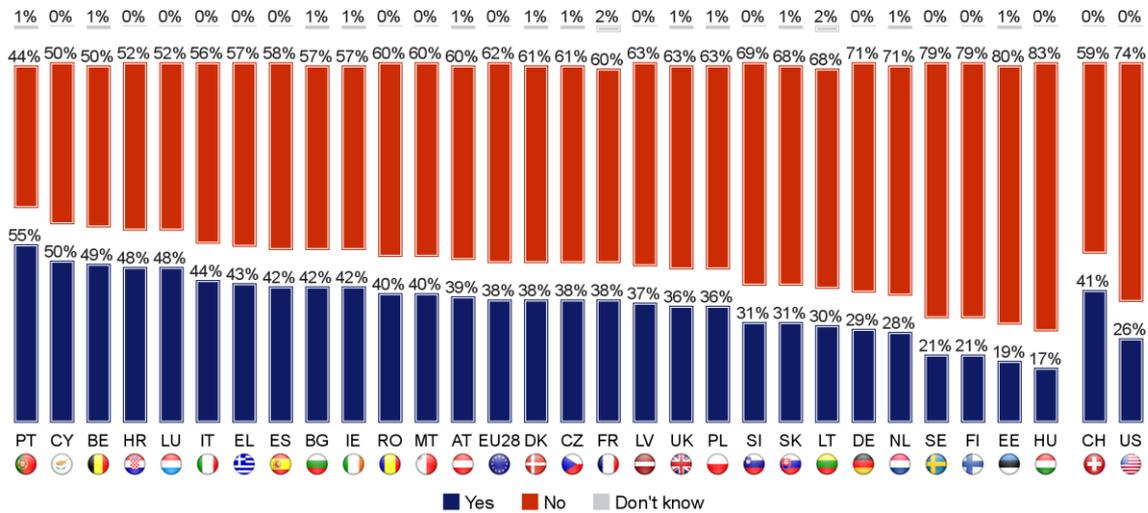
New or significantly improved goods



Within the EU, Portugal and Cyprus are the only countries where at least half of all companies have done this (55% and 50%, respectively), followed by 49% of those in Belgium and 48% in Luxembourg and Croatia. 44% in Italy, 43% in Estonia, 42% in Spain and 42% in Ireland. 40% in Romania, 40% in Malta, 39% in Austria, 38% in EU28, 38% in Denmark, 38% in Czechia, 38% in France, 37% in Latvia, 36% in United Kingdom, 36% in Poland, 31% in Slovenia, 31% in Slovakia, 30% in Lithuania, 29% in Germany, 28% in Netherlands, 21% in Sweden, 21% in Finland, 19% in Estonia, 17% in Hungary, 41% in Switzerland and 26% in the United States.

Q2.5. Has your company introduced any of the following types of innovation since January 2012?

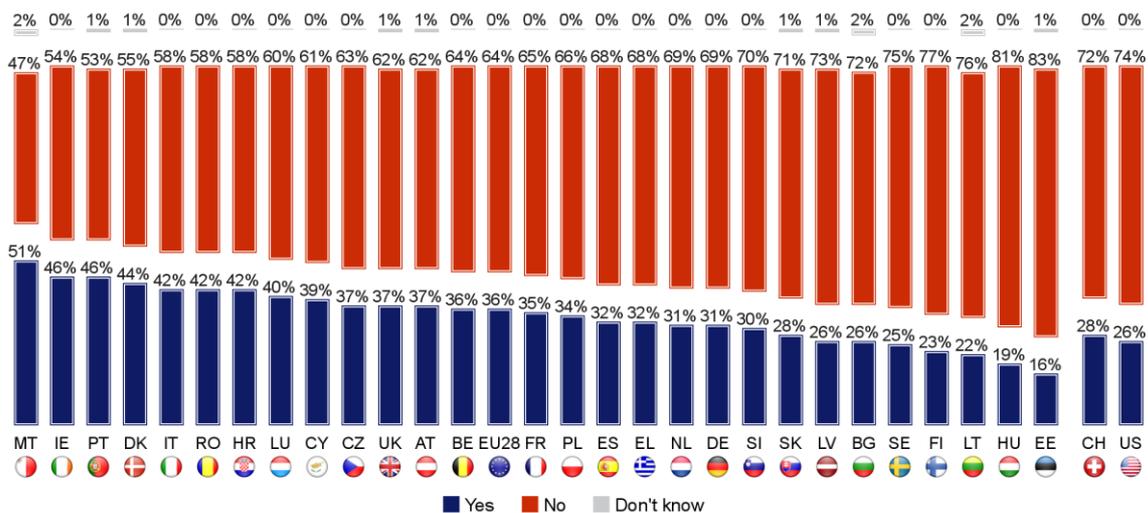
New or significantly improved organisational methods (e.g. knowledge management or the work environment)



Within the EU, companies in Malta (51%) are the most likely to have done this, followed by those in Ireland and Portugal (both 46%). Once again, companies in Estonia are the least likely to have introduced innovation in this area (16%), followed by those in Hungary (19%).

Q2.4. Has your company introduced any of the following types of innovation since January 2012?

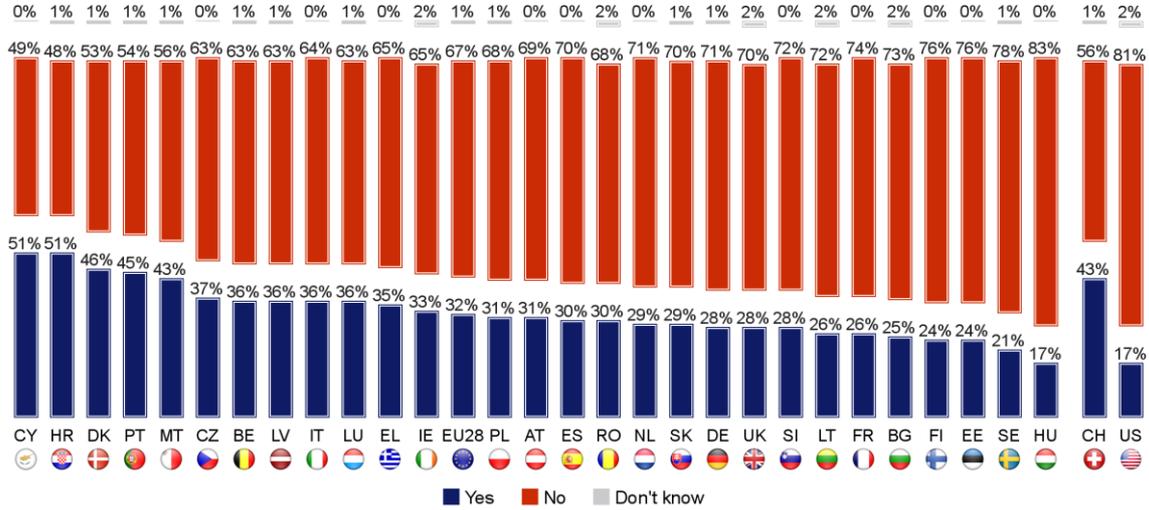
New or significantly improved marketing strategies (e.g. packaging, product promotion or placement, or pricing strategies)



Cyprus and Croatia are the only Member States where a majority of all companies have introduced new or significantly improved processes (both 51%), compared to 17% of companies in Hungary and 21% in Sweden.

Q2.3. Has your company introduced any of the following types of innovation since January 2012?

New or significantly improved processes (e.g. production processes or distribution methods)

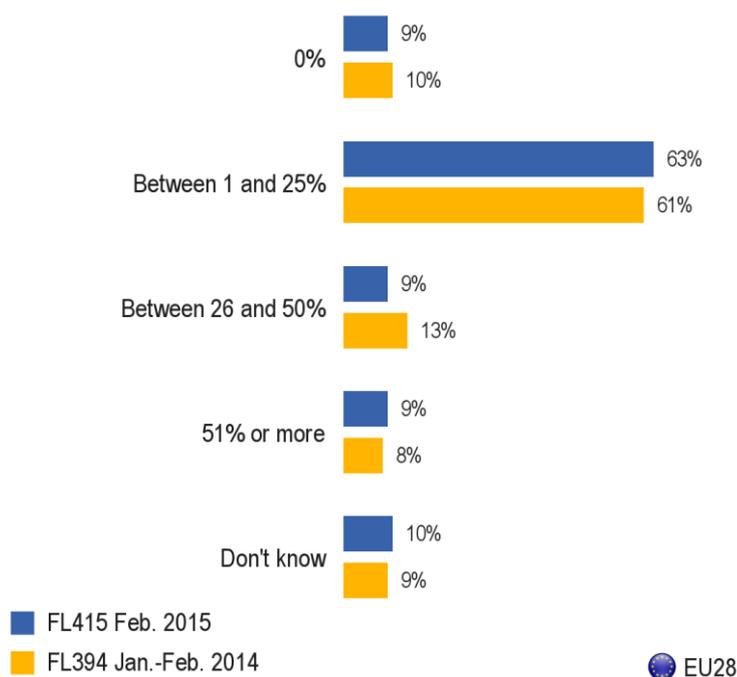


- For most companies that have introduced an innovative good or service since 2012, innovative goods or services accounted for up to one quarter of turnover in 2014 –

Companies that had introduced innovative goods or services since January 2012 were asked the approximate percentage of their 2014 turnover that this innovation accounted for⁷. For almost two thirds of these companies (63%), innovative goods or services accounted for between 1% and 25% of their 2014 turnover. Almost one in ten (9%) say these innovations accounted for 26%-50% of turnover, while a further 9% of companies say 51% or more of their turnover was a result of innovative goods or services.

Almost one in ten companies (9%) say none of their turnover in 2014 was due to innovative goods or services introduced since January 2012.

Q3. Approximately what percentage of your company's turnover in 2014 was due to innovative goods or services that have been introduced since January 2012?



Base: Those companies that have introduced an innovative good or service since January 2012 (n = 7 961, 61% of total base)

When comparing with the previous survey in 2014, there have been only small changes. The proportion of companies that say 1%-25% of turnover was due to innovative goods or services has increased two percentage points. The proportion of companies saying innovation accounted for 26%-50% of turnover has decreased by four percentage points.

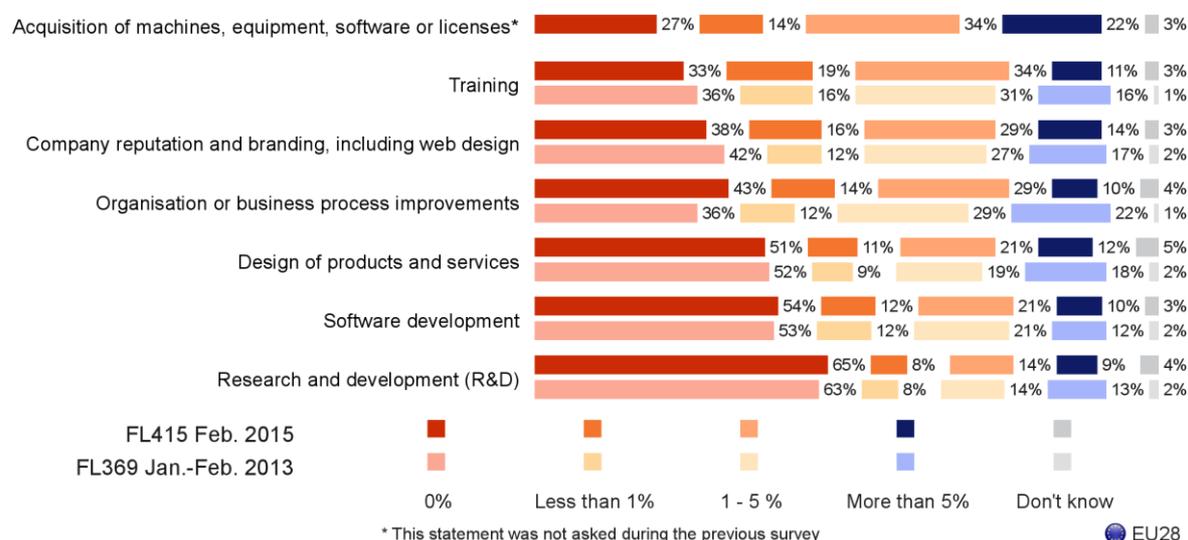
⁷ Q3 Approximately what percentage of your company's turnover in 2014 was due to innovative goods or services that have been introduced since January 2012? 0%; Between 1 and 5%; Between 6 and 10%; Between 11 and 25%; Between 26 and 50%; 51% or more; Don't know

- More than one in five companies have invested more than 5% of turnover on the acquisition of machines, equipment, software or licenses -

Companies were asked about the investment they have made⁸. They are most likely to have invested in machines, equipment, software or licenses: 70% have invested in this area overall, with 22% investing more than 5%. Almost three quarters have made some investment in training (64%), while 59% have invested in company reputation and branding and 53% in organisation or business process improvements.

Fewer than half say they have invested at least a proportion of total turnover on the design of products and services (44%), software development (43%) or research and development (31%).

Q4. Since January 2012, what percentage of its total turnover has your company invested in each of the following activities?



Compared to the last time this question was asked, there is a slight increase in the proportion of companies that invested in company reputation and branding (+3 pp).

On the other side, companies are now much less likely to have invested in organisational or business process improvements (-10 pp) and slightly less likely to have invested in research and development (-4 pp), software development (-3 pp) or product or service design (-2 pp).

⁸ Q4. Since January 2012, what percentage of its total turnover has your company invested in each of the following activities? Acquisition of machines, equipment, software or licenses ; Organisation or business process improvements; Design of products and services ; Research and development (R&D); Company reputation and branding, including web design ; Software development ; Training

2. PROBLEMS AND PUBLIC SUPPORT RELATED TO THE COMMERCIALISATION OF (INNOVATIVE) GOODS OR SERVICES

This section of the summary considers the problems faced by companies in their attempts to commercialise their innovative goods or services. It also discusses the public support options that would most likely have a positive impact on the commercialisation of innovative goods or services.

- Established competitors are a problem for the commercialisation of innovative goods or services -

Companies that had introduced at least one innovative good or service since 2012 were asked how much of a problem a range of issues had been for them in commercialising their innovation(s)⁹. A majority of companies say that a market dominated by established competitors (65%), a lack of financial resources (60%) or the cost or complexity of meeting regulations or standards (57%) are a problem in the commercialisation of their innovative goods or services. In fact, more than one quarter say each of these issues is a major problem.

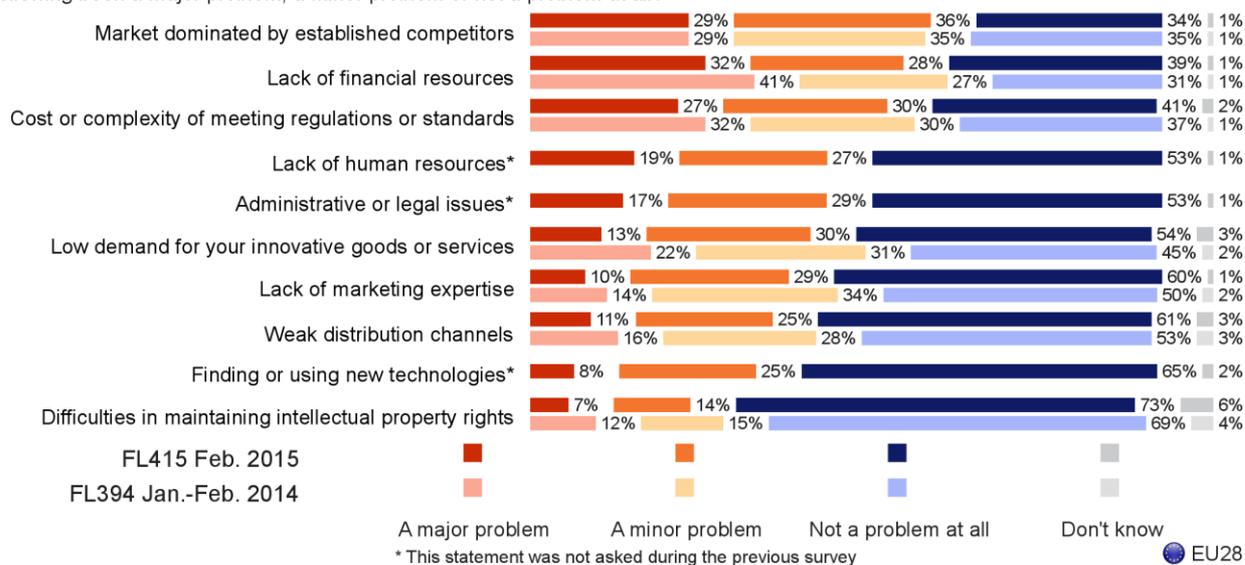
At least four out of ten companies say a lack of human resources, administrative or legal issues (both 46%) or low demand for the innovative goods or services (43%) have been problems, although lack of human resources is the most likely of these three reasons to have been a major problem (19% vs. 17% and 13%, respectively).

Fewer than four in ten companies have had problems with a lack of marketing expertise (39%), weak distribution channels (36%) or finding or using new technologies (33%), with weak distribution channels (11%) and a lack of marketing expertise (10%) the most likely to have been a major problem.

Finally, just over one in five companies have had problems maintaining their intellectual property rights (21%), although this has only been a major problem for 7%.

⁹ Q5A Thinking about the commercialisation of your company's innovative goods or services since January 2012, have any of the following been a major problem, a minor problem or not a problem at all? Low demand for your innovative goods or services; Weak distribution channels; Lack of marketing expertise; Market dominated by established competitors; Difficulties in maintaining intellectual property rights; Administrative or legal issues ; Finding or using new technologies ; Cost or complexity of meeting regulations or standards; Lack of human resources ; Lack of financial resources.

Q5A. Thinking about the commercialisation of your company's innovative goods or services since January 2012, have any of the following been a major problem, a minor problem or not a problem at all?



Base: Those companies that have introduced innovative goods or services since January 2012 (n = 7 961, 61% of total base)

Compared to the last survey in 2014, companies are now significantly less likely to say that low demand has been a problem when commercialising their goods or services (-10 percentage points). They are also less likely to say that a lack of marketing expertise (-9 pp), weak distribution channels or a lack of financial resources (both -8 pp), difficulties in maintaining intellectual property rights (-6 pp) or the cost or complexity of meetings regulations or standards (-5 pp) have been problems when commercialising their goods and services. In particular, low demand and a lack of financial resources are now both much less likely to be considered a major problem (both -9 pp).

- Established competitors are also a problem for the commercialisation of non-innovative goods or services -

Companies that have not introduced any innovative goods or services since January 2012 were asked about problems they may have encountered commercialising their goods or services¹⁰. In general, these companies are less likely to consider each of these issues as problems, compared to companies who have innovative goods or services.

¹⁰ Q5B Thinking about the commercialisation of your company's goods or services since January 2012, have any of the following been a major problem, a minor problem or not a problem at all? Low demand for your goods or services; Weak distribution channels; Lack of marketing expertise; Market dominated by established competitors; Difficulties in maintaining intellectual property rights; Administrative or legal issues ; Finding or using new technologies ; Cost or complexity of meeting regulations or standards; Lack of human resources ; Lack of financial resources.

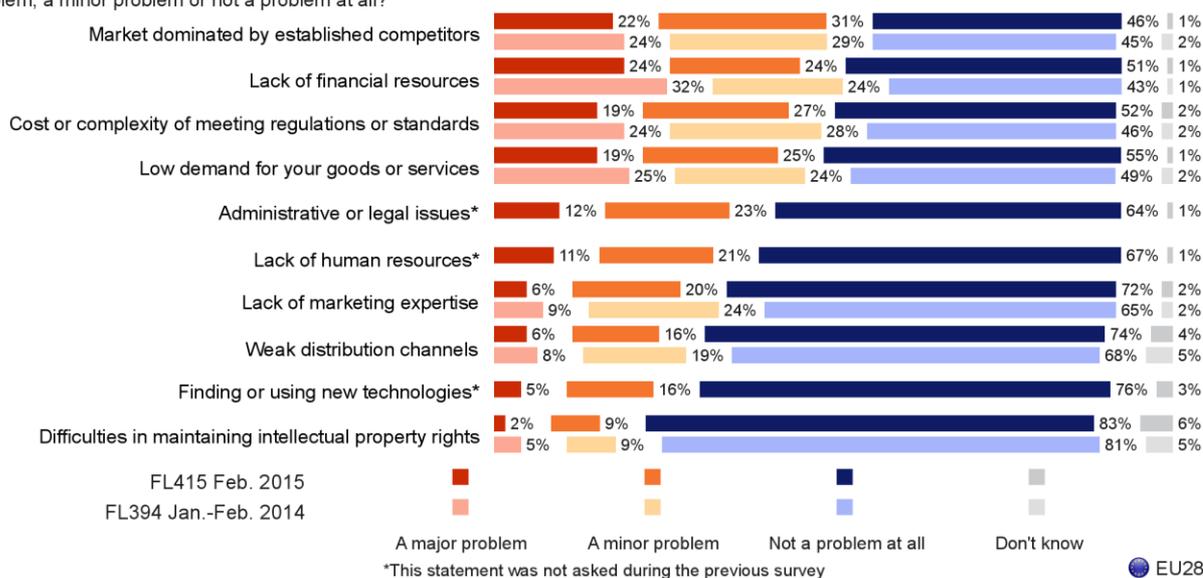
A market dominated by established competitors is the only problem mentioned by at least half of all the companies that have not introduced any innovative goods or services (53%). Almost half (48%) say a lack of financial resources has been a problem, although companies are slightly more likely to say this has been a major problem than they are about a market dominated by established competitors (24% vs. 22%).

At least four out of ten say the cost or complexity of dealing with regulations or standards (46%), or low demand for their goods or services are problems (44%), while 35% say administrative or legal issues have been a problem. At least one in five say a lack of human resources (27%), a lack of marketing expertise (26%), weak distribution channels (22%) or finding or using new technologies (21%) have been problems.

Companies are least likely to say that difficulties maintaining intellectual property rights have been a problem (11%), with just 2% saying this has been a major problem.

For most problems, companies are more likely to say they have been minor rather than major ones. The exception is a lack of financial resources, with an equal proportion of companies saying this has been a major or a minor problem (both 24%).

Q5B. Thinking about the commercialisation of your company's goods or services since January 2012, have any of the following been a major problem, a minor problem or not a problem at all?



Base: Those companies that have not introduced any innovative goods or services since January 2012 (n = 5 156, 39% of total base)

Since the last survey in 2014, companies are less likely to say that the following have been a problem: lack of financial resources (-8 percentage points), a lack of marketing expertise (-7 pp), the cost or complexity of meeting regulations or standards (-6 pp), low demand for their goods or services, weak distribution channels (both -5 pp), or difficulties in maintaining intellectual property rights (-3 pp).

In particular, companies are now less likely to say a lack of financial resources (-8 pp), low demand for their goods or services (-6 pp) or the cost or complexity of meeting regulations or standards (-5 pp) have been a major problem.

- Support for training staff in how to promote and market innovative goods and services is the type of public support that would have the most positive impact -

Companies that have introduced innovative goods or services since January 2012 were asked which types of public support for commercialisation of their innovations would have the most positive impact¹¹. Almost one third (30%) say that support for training staff in how to market and promote innovative goods or services is the type of public support that would have the most positive impact. Furthermore, at least one in five say accessing or reinforcing online selling (23%), participating in conferences, trade fairs or exhibitions (22%) or meeting regulations or standards (20%) would have the most positive impact.

Q6A. Thinking about possible public support for commercialisation of your innovative goods or services, which of the following two types of intervention would have the most positive impact on your company? Support for:



MAX. 2 ANSWERS

Base: Those companies that have introduced innovative goods or services since January 2012 (n = 7 961, 61% of total base)

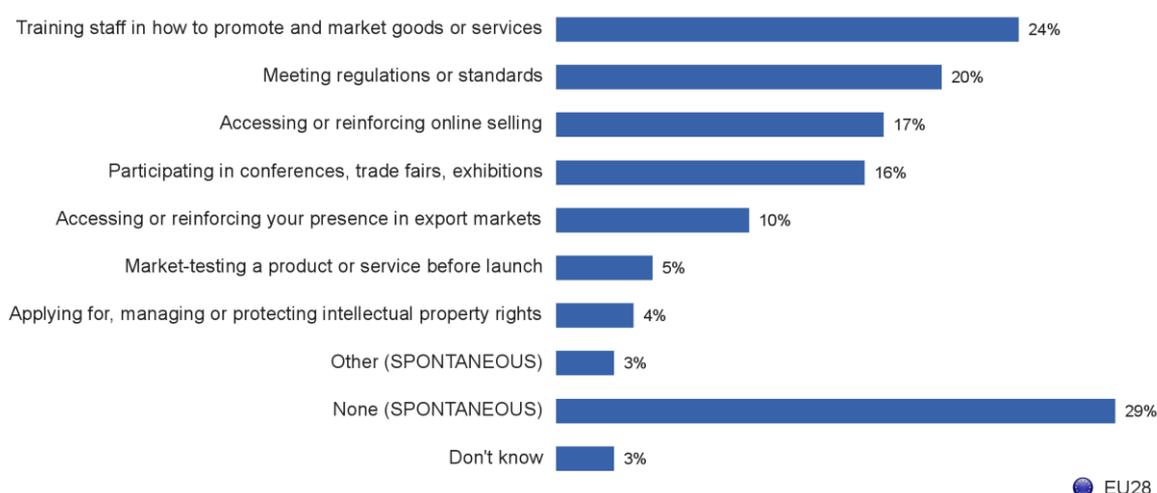
Companies within the euro area are more likely than their non-euro area counterparts to say that accessing or reinforcing online selling would have the most positive impact (26% vs. 18%).

¹¹ Q6A Thinking about possible public support for commercialisation of your innovative goods or services, which of the following two types of intervention would have the most positive impact on your company? Support for: (MAX. 2 ANSWERS) Meeting regulations or standards; Accessing or reinforcing online selling; Participating in conferences, trade fairs, exhibitions; Training staff in how to promote and market innovative goods or services;

- Again, support for training staff in how to promote and market goods and services is the type of public support that would have the most positive impact -

Companies that had not introduced any innovative goods or services since January 2012 were also about the types of public support that would have more positive impact in the commercialisation of their goods or services.¹² Support for training staff in how to promote and market their goods or services is again the type of public support most mentioned (24%). One in five mentioned meeting regulations or standards (20%), while 17% mention accessing or reinforcing online selling, and 16% participating in conferences, trade fairs or exhibitions.

Q6B. Thinking about possible public support for commercialisation of your goods or services, which two of the following types of intervention would have the most positive impact on your company? Support for:



MAX. 2 ANSWERS

Base: Those companies that have not introduced any innovative goods or services since January 2012 (n = 5 156, 39% of total base)

Companies in the euro area are more likely than their non-euro area counterparts to say meeting regulations or standards (23% vs. 14%), or training staff how to promote and market goods or services (26% vs. 20%) would have the most positive impact.

Applying for, managing or protecting intellectual property rights; Market-testing a product or service before launch; Accessing or reinforcing your presence in export markets Other (SPONTANEOUS); None (SPONTANEOUS); Don't know

¹² Q6B Thinking about possible public support for commercialisation of your goods or services, which two of the following types of intervention would have the most positive impact on your company? Support for: (MAX. 2 ANSWERS) Meeting regulations or standards; Accessing or reinforcing online selling; Participating in conferences, trade fairs, exhibitions; Training staff in how to promote and market goods or services; Applying for, managing or protecting intellectual property rights; Market-testing a product or service before launch; Accessing or reinforcing your presence in export markets Other (SPONTANEOUS); None (SPONTANEOUS); Don't know

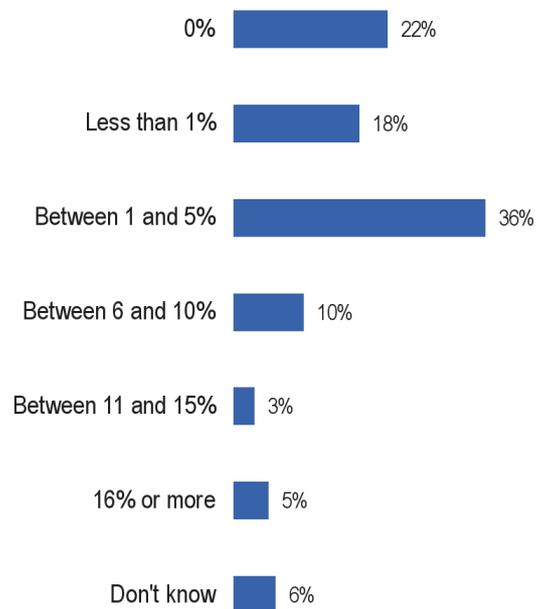
3. INVESTMENT IN INNOVATION AND THE ROLE OF DESIGN

- Most companies invest no more than 5% in innovation activities -

Companies that had introduced at least one innovation since January 2012 were asked what proportion of their 2014 turnover was invested in innovation activities¹³. These companies are most likely to have invested between one and five percent (36%), although 18% invested less than 1%. The same proportion (18%) invested at least 6% - although most of these companies invested six to ten percent, rather than higher proportions.

At least one in five of these companies said they did not invest any 2014 turnover in innovation activities (22%).

Q7. Approximately what percentage of your company's turnover in 2014 was invested in innovation activities?



 EU28

Base: Those companies that have introduced at least one innovation since January 2012
(n = 9 449, 72% of total base)

Companies in Switzerland are more likely than their EU counterparts to have invested at least some turnover in innovation activities, with only 11% investing nothing (compared to 22% for EU companies). Companies in Switzerland are more likely than those in the EU to have invested less than 1% (27% vs. 18%) or between 1 and five percent (40% vs. 36%). Companies in the US, on the other hand, are the least likely overall to have invested a proportion of their turnover in innovation in 2014, with 33% saying they had invested nothing.

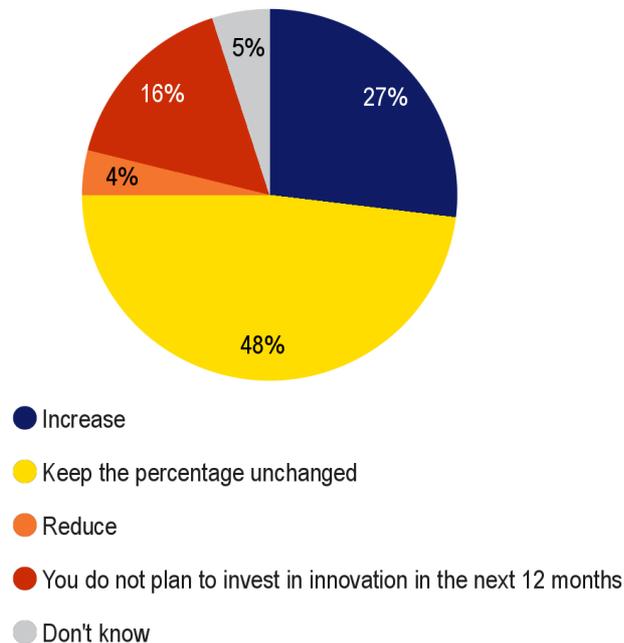
¹³ Q7 Approximately what percentage of your company's turnover in 2014 was invested in innovation activities? 0%; Less than 1%; Between 1 and 5%; Between 6 and 10%; Between 11 and 15%; 16% or more; Don't know

- The majority of companies plan to maintain or increase the share of investment in innovation in the next 12 months -

More than one quarter of companies that introduced at least one innovation since January 2012 plan to increase the proportion of investment they dedicate to innovation in the next 12 months (27%)¹⁴. A further 48% of companies plan to maintain their level of investment.

Fewer than one in twenty plan to reduce their investment in innovation (4%), while 16% do not plan to invest in innovation in the next 12 months.

Q8. Do you plan to increase, reduce or keep unchanged the percentage of investment dedicated to innovation in the next 12 months?



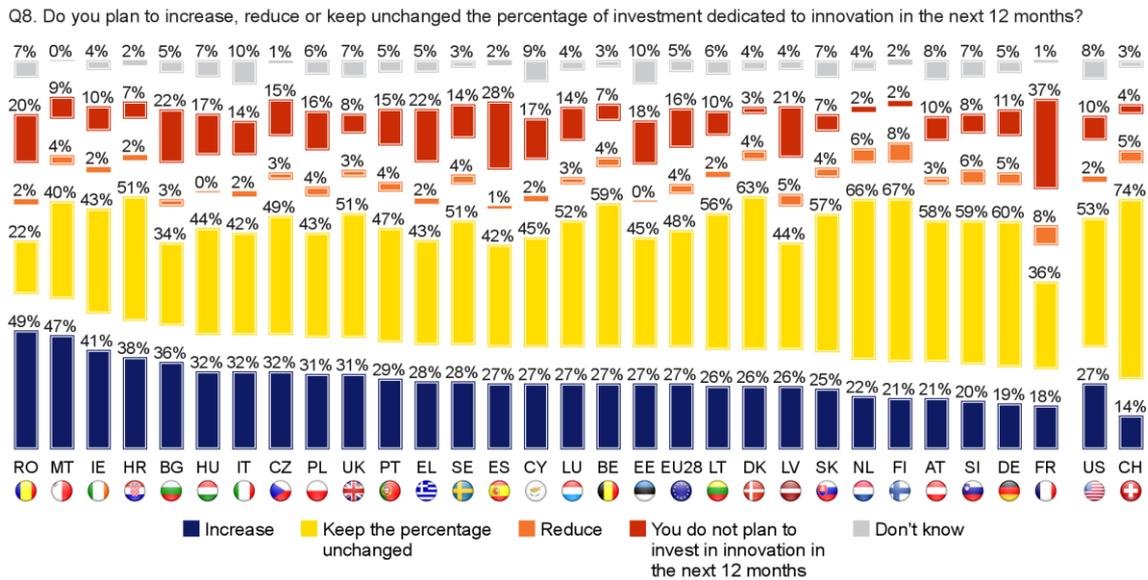
 EU28

Base: Those companies that have introduced at least one innovation since January 2012
(n = 9 449, 72% of total base)

Companies outside the euro area are more likely to say they will increase their investment in innovation, compared to their euro area counterparts (31% vs. 25%). Euro area companies, on the other hand, are more likely to say they will not invest in innovation (19% vs. 11%).

¹⁴ Q8 Do you plan to increase, reduce or keep unchanged the percentage of investment dedicated to innovation in the next 12 months? Increase; Keep the percentage unchanged; Reduce; You do not plan to invest in innovation in the next 12 months; Don't know

Within the EU, companies in Romania (49%), Malta (47%) and Ireland (41%) are the most likely to say they will increase the percentage of investment dedicated to innovation in the next 12 months. At the other end of the scale only 18% of companies in France and 19% in Germany say the same.



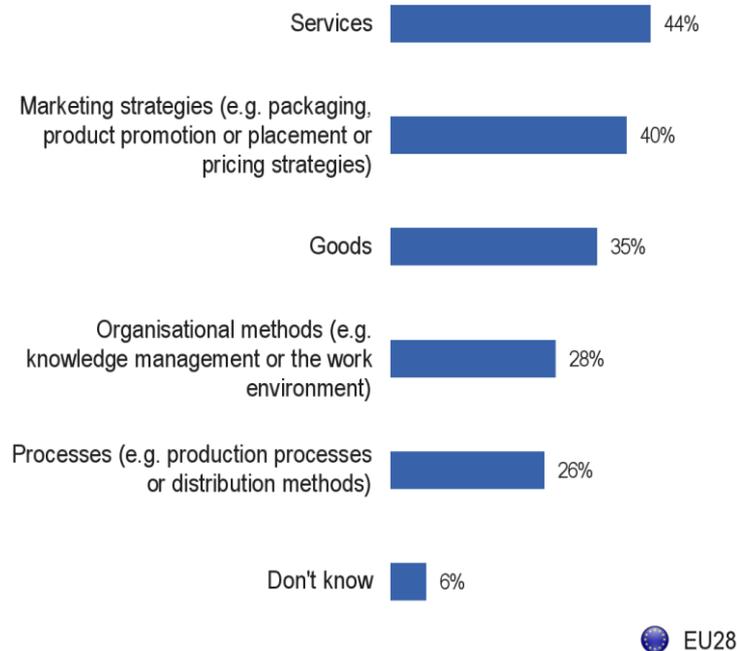
Base: Those companies that have introduced at least one innovation since January 2012 (n = 9 449, 72% of total base)

- Services are most likely to be the focus of investment in innovation over the next 12 months -

At least one third of companies that invested in innovation, plan to focus their investment on services (44%), marketing strategies (40%), or goods (35%) in the next 12 months¹⁵. More than one quarter will focus their investment on organisational methods (28%), while almost as many will focus on processes (26%).

¹⁵ Q9 What will be the focus of your planned investment in innovation in the next 12 months? (MULTIPLE ANSWERS POSSIBLE) Goods; Services; Processes (e.g. production processes or distribution methods); Marketing strategies (e.g. packaging, product promotion or placement or pricing strategies); Organisational methods (e.g. knowledge management or the work environment); Don't know

Q9. What will be the focus of your planned investment in innovation in the next 12 months?



MULTIPLE ANSWERS POSSIBLE

Base: Those companies that have invested in innovation and plan to invest in the next 12 months (n = 7 285, 88% of total base)

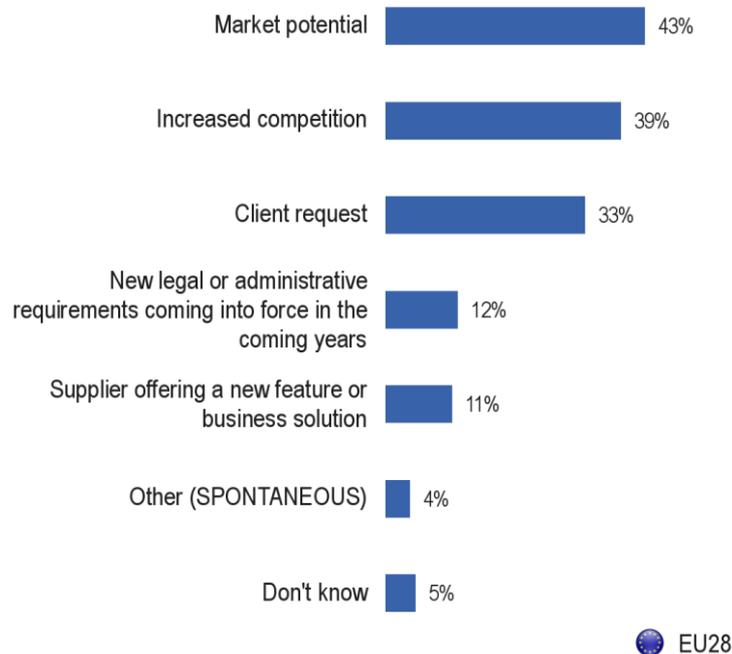
Companies in EU28 are much more likely than their US counterparts to say they will focus their investment in each of these areas. For example 44% of companies in EU28 say they will focus their investment on services, compared to 32% of US companies. In addition, in EU28 35% of companies will focus investment on goods, compared to 20% of companies in the US. A significant proportion of companies in the US don't know where they will focus their investment (41%).

Companies in Switzerland are less likely than those in EU28 to say they will focus investment in marketing strategies (33% vs. 40%) or organisational methods (13% vs. 28%).

- Market potential and increased competition are the main reasons to invest in innovation -

The main reasons companies that have invested in innovation have decided to do so in the next 12 months are market potential (43%) and increased competition (39%), while for 33% it is the result of a client request¹⁶. Relatively few companies are investing in innovation as a result of legal or administrative requirements (12%), or because suppliers offered a new feature or solution (11%).

Q10. What are the two main reasons why your company decided to invest in innovation in the next 12 months?



MAX. 2 ANSWERS

Base: Those companies that have invested in innovation and plan to invest in the next 12 months (n = 7 285, 88% of total base)

There is little difference in the pattern of reasons for investing in innovation between companies in EU28 and in Switzerland, although companies in Switzerland are more likely to mention client request (42% vs. 33%). Companies in the US, however, are less likely to mention each of these reasons, and more likely to say they don't know (40%).

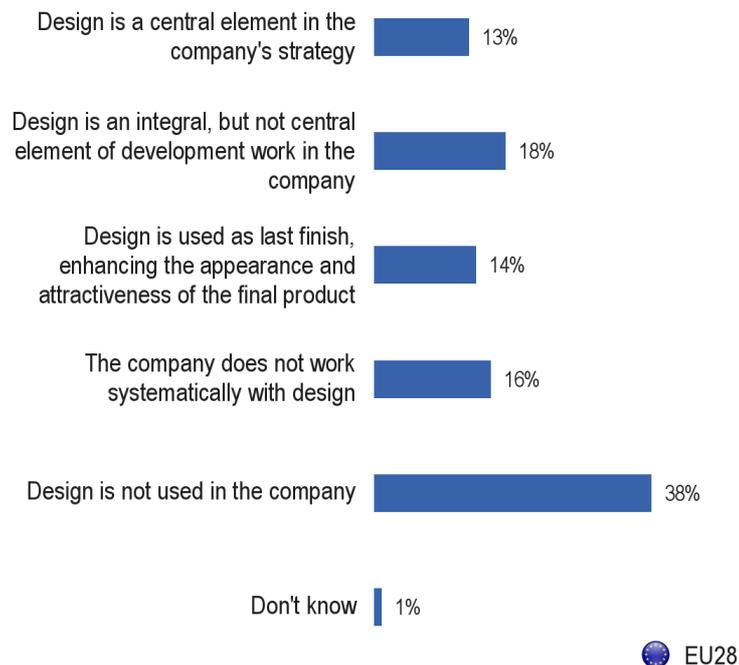
¹⁶ Q10 What are the two main reasons why your company decided to invest in innovation in the next 12 months? (MAX. 2 ANSWERS) Market potential; Client request; Increased competition; Supplier offering a new feature or business solution; New legal or administrative requirements coming into force in the coming years Other (SPONTANEOUS); Don't know

- More than six out of ten companies use design in some way -

For 13% of companies design is a central element in the company's strategy, while for 18% design is an integral, but not central element of development work¹⁷. For 14%, design is used as a last finish, while 16% do not work systematically with design.

However, the most common response from companies is that design is not used (38%).

Q1. Which of the following statements best describes the activities of your company with regard to design?



Companies in the US are more likely to say design is not used in the company, compared to their counterparts in EU28 (49% vs 38%). However, companies in EU28 are more likely to say design is not used compared to those in Switzerland (38% vs. 32%).

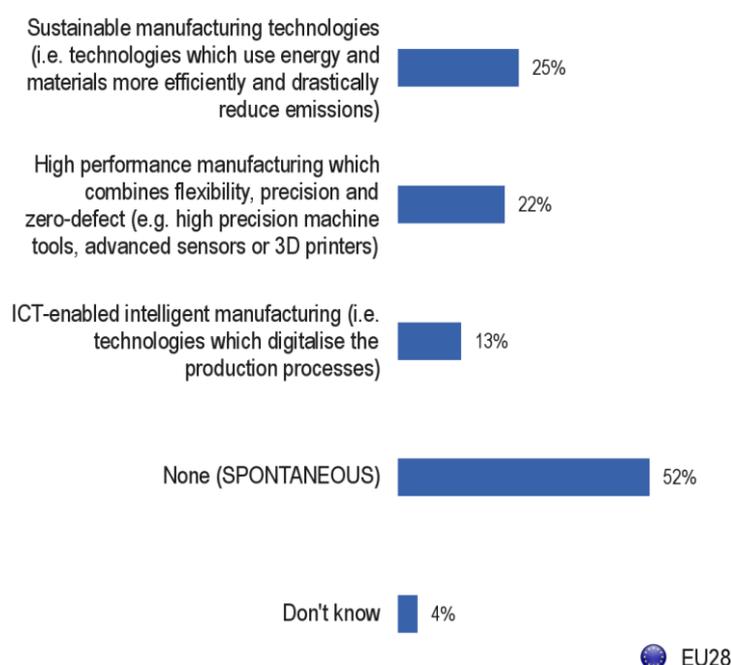
¹⁷ Q1 Which of the following statements best describes the activities of your company with regard to design? Design is a central element in the company's strategy; Design is an integral, but not central element of development work in the company; Design is used as last finish, enhancing the appearance and attractiveness of the final product; The company does not work systematically with design; Design is not used in the company; Don't know

4. USE OF ADVANCED MANUFACTURING TECHNOLOGIES

- More than one in five manufacturing companies use sustainable technologies and high performance manufacturing technologies -

Companies in the manufacturing sector were asked about their use of specific technologies¹⁸. One quarter use sustainable manufacturing technologies (25%), while almost as many use high performance manufacturing (22%). Just over one in ten use ICT-enabled intelligent manufacturing (13%). A slight majority (52%) of manufacturing companies say they do not use any of these technologies.

Q11A. Have you used any of the following technologies?



MULTIPLE ANSWERS POSSIBLE

Base: Manufacturing companies (n = 1 178, 9% of total base)

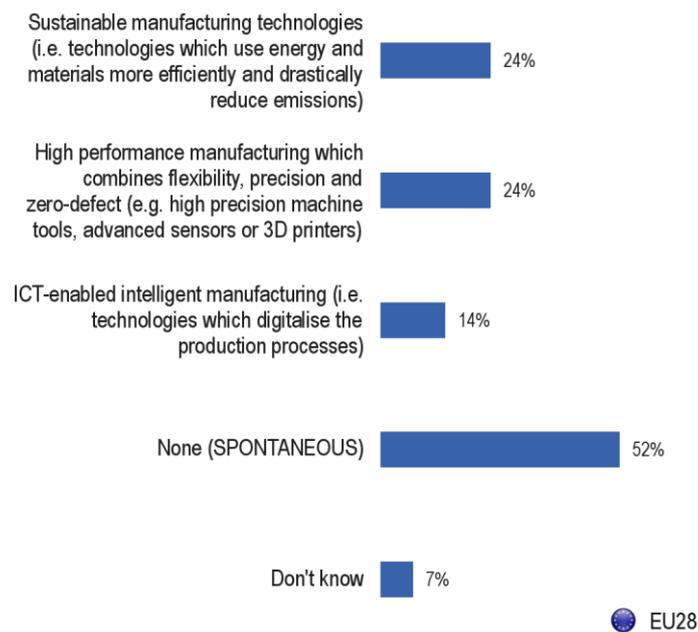
Companies outside the euro area are more likely than those within the euro area to use each type of technology: sustainable manufacturing (28% vs. 23%), high performance manufacturing (26% vs. 20%), and ICT-enabled intelligent manufacturing (16% vs. 11%). A majority of euro area companies do not use any of these technologies (55%), compared to 47% of companies outside the euro area.

¹⁸ Q11A Have you used any of the following technologies? (MULTIPLE ANSWERS POSSIBLE) Sustainable manufacturing technologies (i.e. technologies which use energy and materials more efficiently and drastically reduce emissions); ICT-enabled intelligent manufacturing (i.e. technologies which digitalise the production processes); High performance manufacturing which combines flexibility, precision and zero-defect (e.g. high precision machine tools, advanced sensors or 3D printers); None (SPONTANEOUS); Don't know

- Almost one quarter of manufacturing companies plan to use sustainable technologies and high performance manufacturing technologies -

Manufacturing companies were also asked if they planned to use any of these technologies in the next 12 months¹⁹. Almost one quarter plan to use sustainable manufacturing technologies or high performance manufacturing (both 24%), while 14% plan to use ICT-enabled manufacturing. However the majority of companies do not plan to use any of these (52%).

Q11B. Do you plan to use any of the following technologies in the next 12 months?



MULTIPLE ANSWERS POSSIBLE

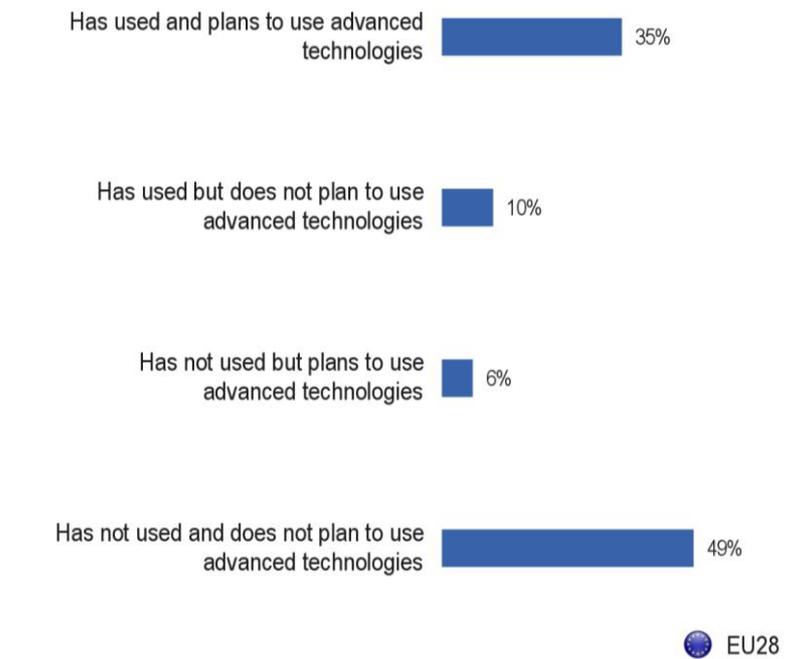
Base: Manufacturing companies (n = 1 178, 9% of total base)

Companies outside the euro area are more likely than those within the euro area to be planning to use sustainable manufacturing (29% vs. 21%) or high performance manufacturing (30% vs. 20%). A majority of euro area companies are not planning to use any of these technologies (57%), compared to 44% of non-euro area companies.

¹⁹ Q11B Do you plan to use any of the following technologies in the next 12 months? (MULTIPLE ANSWERS POSSIBLE) Sustainable manufacturing technologies (i.e. technologies which use energy and materials more efficiently and drastically reduce emissions); ICT-enabled intelligent manufacturing (i.e. technologies which digitalise the production processes); High performance manufacturing which combines flexibility, precision and zero-defect (e.g. high precision machine tools, advanced sensors or 3D printers); None (SPONTANEOUS); Don't know

The combination of the results of questions 11a and 11b²⁰ shows that just over one third of manufacturing companies have used advanced technologies in the past, and also plan to use them in the next 12 months (35%). One in ten (10%) have used these technologies in the past, but do not plan to use them in the next 12 months. Just over one in five (6%) have not used these technologies, but plan to do so in the future.

However, companies are most likely to say they have not used these technologies in the past, and do not plan to use them in the next 12 months (49%).



Base: Manufacturing companies (n = 1 178, 9% of total base)

²⁰ **Has used and plans to use advanced technologies** covers the companies that have used the advanced manufacturing technologies explored in Q11A and plan to use them in the next 12 months in Q11B;

Has used but does not plan to use advanced technologies covers the companies that have answered they have used the advanced manufacturing technologies explored in Q11A and answered "none" or "don't know" in Q11B;

Has not used but plans to use advanced technologies covers the companies that have answered "none" or "don't know" in Q11A and answered they plan to use the advanced manufacturing technologies explored in Q11B;

Has not used and does not plan to use advanced technologies covers the companies that have answered "none" or "don't know" in both Q11A and Q11B.

5. USE OF INNOVATION AND PUBLIC PROCUREMENT

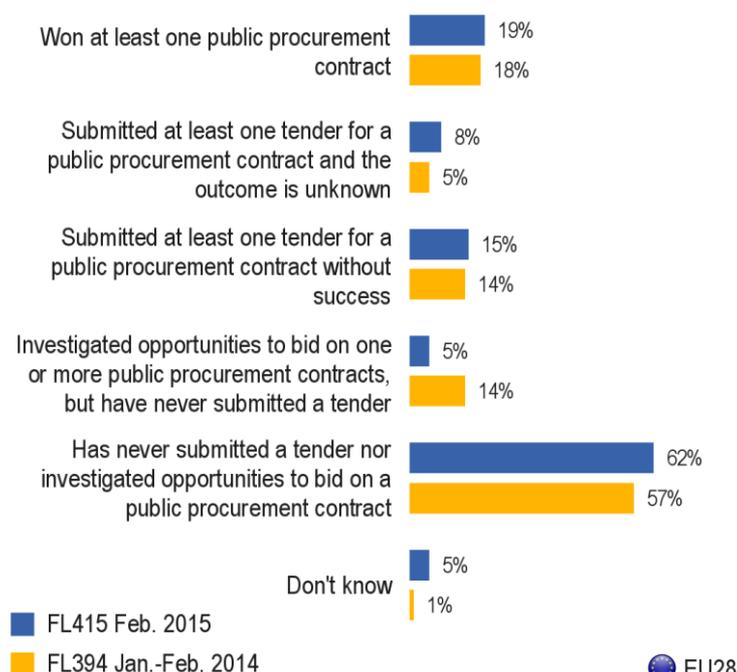
This last section of the summary considers the relationship between innovation and public procurement. The proportion of companies involved in public procurement is reviewed, followed by a discussion about the part innovative goods or services have played in public procurement contracts.

- One third of companies have had some level of involvement with public procurement -

Companies were asked if they had had any involvement with public procurement since January 2012²¹. Almost one in five (19%) say they have won at least one public procurement contract in that time, while a further 8% have submitted a tender but the outcome is unknown. More than one in ten (15%) have submitted at least one tender without success, while 5% investigated opportunities to bid on one or more contracts but have never submitted a tender.

However, the majority of companies (62%) have never submitted a tender nor investigated opportunities to bid on a public procurement contract.

Q12. Since January 2012 has your company...?



²¹ Q12 Since January 2012 has your company...? (MULTIPLE ANSWERS POSSIBLE): Won at least one public procurement contract; Submitted at least one tender for a public procurement contract and the outcome is unknown; Submitted at least one tender for a public procurement contract without success; Investigated opportunities to bid on one or more public procurement contracts, but have never submitted a tender; Has never submitted a tender nor investigated opportunities to bid on a public procurement contract; Don't know

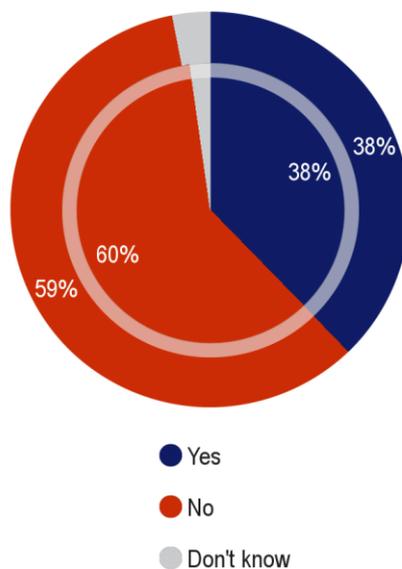
In comparison to the last survey in 2014, companies are now slightly more likely to have submitted at least one tender where the outcome is unknown (+3 percentage points), but they are less likely to have investigated opportunities but not submitted a tender (-9 pp) to bid on one or more contracts. There has also been a five percentage point increase in the proportion of companies that have neither submitted a tender, nor investigated opportunities to bid on a public procurement contract.

Companies in EU28 are more likely than those in the US (19% vs. 14%), but less likely than those in Switzerland (23%) to have won at least one public procurement contract since January 2012. Companies in Switzerland are the least likely to say they have neither submitted a tender, nor investigated opportunities to bid on a public procurement contract during this time (56%), followed by those in the US (60%) and EU28 (62%).

- More than one third of companies that have won a public procurement contract included innovations as part of the winning bid -

Companies that have won at least one public procurement contract were asked about the inclusion of innovations in the contract²². More than one third (38%) say they included innovations as part of a public procurement that they won. The majority, however, have not (59%).

Q13. Has your company included any of its innovations as part of any public procurement contract that you have won?



Inner pie : FL394 Jan.-Feb. 2014

Outer pie : FL415 Feb. 2015

EU28

Base: Those companies who won at least one public procurement contract
(n = 2 461, 19% of total base)

There has been no notable change since the last wave of the survey in 2014.

Companies outside the euro area are more likely to say they included innovations as part of a public procurement contract that they have won, compared to those in the euro area (43% vs. 35%).

²² Q13 Has your company included any of its innovations as part of any public procurement contract that you have won? Yes; No; Don't know

TECHNICAL SPECIFICATIONS

FLASH EUROBAROMETER 415
"Innobarometer 2015 - The innovation trends at EU enterprises"
TECHNICAL SPECIFICATIONS

Between the 2nd and 20th of February 2015, TNS Political & Social, a consortium created between TNS political & social, TNS UK and TNS opinion, carried out the survey FLASH EUROBAROMETER 415 about "Innobarometer 2015 - The innovation trends at EU enterprises".

This survey has been requested by the EUROPEAN COMMISSION, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs. It is survey co-ordinated by the Directorate-General for Communication (DG COMM "Strategy, Corporate Communication Actions and Eurobarometer" Unit). The FLASH EUROBAROMETER 415 covers businesses employing one or more persons in manufacturing (NACE category C), services (NACE categories G, H, I, J, K, L, M, N, R) and the industry sector (NACE categories D, E, F) in the 28 Member States of the European Union, Switzerland and the USA. The sample was selected from an international database, with additional sample from local sources where necessary. Whenever a company was eligible the selected respondent had to be a general manager, a financial director or a significant owner. All interviews were carried using the TNS e-Call center (our centralized CATI system). Quotas were applied on both company size (using four different ranges: 1-9 employees, 10-49 employees, 50-249 employees and 250 employees or more) and sectors (Manufacturing, Retail, Services and Industry). These quotas were adjusted according to the country's universe (sectors and business sizes in scope of the survey) but were also reasoned in order to ensure that the sample was large enough in every cell.

TNS has developed its own RDD sample generation capabilities based on using contact telephone numbers from responders to random probability or random location face to face surveys, such as Eurobarometer, as seed numbers. The approach works because the seed number identifies a working block of telephone numbers and reduces the volume of numbers generated that will be ineffective. The seed numbers are stratified by NUTS2 region and urbanisation to approximate a geographically representative sample. From each seed number the required sample of numbers are generated by randomly replacing the last two digits. The sample is then screened against business databases in order to exclude as many of these numbers as possible before going into field. This approach is consistent across all countries.

Readers are reminded that survey results are estimations, the accuracy of which, everything being equal, rests upon the sample size and upon the observed percentage. With samples sizes up to 500 interviews, the real percentages vary within the following confidence limits:

P	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	P
(1-P)	95%	90%	85%	80%	75%	70%	65%	60%	55%	50%	(1-P)
Sample Size (n)											Sample Size (n)
10	13,5%	18,6%	22,1%	24,8%	26,8%	28,4%	29,6%	30,4%	30,8%	31,0%	10
20	9,6%	13,1%	15,6%	17,5%	19,0%	20,1%	20,9%	21,5%	21,8%	21,9%	20
50	6,0%	8,3%	9,9%	11,1%	12,0%	12,7%	13,2%	13,6%	13,8%	13,9%	50
100	4,3%	5,9%	7,0%	7,8%	8,5%	9,0%	9,3%	9,6%	9,8%	9,8%	100
150	3,5%	4,8%	5,7%	6,4%	6,9%	7,3%	7,6%	7,8%	8,0%	8,0%	150
200	3,0%	4,2%	4,9%	5,5%	6,0%	6,4%	6,6%	6,8%	6,9%	6,9%	200
250	2,7%	3,7%	4,4%	5,0%	5,4%	5,7%	5,9%	6,1%	6,2%	6,2%	250
300	2,5%	3,4%	4,0%	4,5%	4,9%	5,2%	5,4%	5,5%	5,6%	5,7%	300
350	2,3%	3,1%	3,7%	4,2%	4,5%	4,8%	5,0%	5,1%	5,2%	5,2%	350
400	2,1%	2,9%	3,5%	3,9%	4,2%	4,5%	4,7%	4,8%	4,9%	4,9%	400
450	2,0%	2,8%	3,3%	3,7%	4,0%	4,2%	4,4%	4,5%	4,6%	4,6%	450
500	1,9%	2,6%	3,1%	3,5%	3,8%	4,0%	4,2%	4,3%	4,4%	4,4%	500

Assumptions

2 Tailed confidence interval

CI = 95% confidence interval $\alpha = 0.05$

The sample was selected randomly and independently from a population whose scores are normally distributed

ABBR.	COUNTRIES	INSTITUTES	N° INTERVIEWS	FIELDWORK DATES		BUSINESSES
BE	Belgium	TNS Dimarso	502	2/02/2015	20/02/2015	572 068
BG	Bulgaria	TNS BBSS	502	2/02/2015	19/02/2015	340 628
CZ	Czech Republic	TNS AISA s.r.o	500	3/02/2015	17/02/2015	1 005 971
DK	Denmark	TNS Gallup A/S	501	2/02/2015	20/02/2015	2 021 401
DE	Germany	TNS Deutschland	500	2/02/2015	18/02/2015	3 116 134
EE	Estonia	TNS Emor	500	2/02/2015	11/02/2015	76 007
IE	Ireland	IMS Millward Brown	500	2/02/2015	20/02/2015	205 492
EL	Greece	TNS ICAP	500	2/02/2015	19/02/2015	56 001
ES	Spain	TNS Demoscopia S.A	500	2/02/2015	20/02/2015	3 313 013
FR	France	TNS Sofres	501	2/02/2015	17/02/2015	3 110 259
HR	Croatia	HENDAL	501	2/02/2015	18/02/2015	330 279
IT	Italy	TNS Infratest	500	2/02/2015	18/02/2015	4 202 388
CY	Republic of Cyprus	CYMAR	200	2/02/2015	11/02/2015	60 452
LV	Latvia	TNS Latvia	500	2/02/2015	20/02/2015	85 245
LT	Lithuania	TNS LT	500	2/02/2015	18/02/2015	127 351
LU	Luxembourg	TNS Dimarso	200	2/02/2015	19/02/2015	28 974
HU	Hungary	TNS Hoffmann Kft	500	2/02/2015	18/02/2015	615 404
MT	Malta	MISCO International Ltd	200	2/02/2015	18/02/2015	47 403
NL	Netherlands	TNS NIPO	504	2/02/2015	17/02/2015	909 180
AT	Austria	TNS Austria	503	2/02/2015	20/02/2015	359 727
PL	Poland	TNS OBOP	500	2/02/2015	20/02/2015	1 957 966
PT	Portugal	TNS Euroteste	500	2/02/2015	20/02/2015	1 035 493
RO	Romania	TNS CSOP	500	2/02/2015	25/02/2015	516 314
SI	Slovenia	RM PLUS	500	2/02/2015	12/02/2015	129 795
SK	Slovakia	TNS AISA Slovakia	501	2/02/2015	20/02/2015	383 232
FI	Finland	TNS Gallup Oy	501	2/02/2015	20/02/2015	303 233
SE	Sweden	TNS SIFO	501	2/02/2015	20/02/2015	694 757
UK	United Kingdom	TNS UK	500	2/02/2015	20/02/2015	2 228 126
TOTAL EU28			13.117	02/02/2015	20/02/2015	27 832 293
CH	Switzerland	Schwerzenbach	501	02/02/2015	20/02/2015	283 601
US	United States	Kantar Operations	500	03/02/2015	24/02/2015	13 657 524
TOTAL			14.118	02/02/2015	20/02/2015	41 773 418