

Innovation has both technological and non-technological aspects. The commercialisation of new products often requires the development of new marketing methods. Similarly, a new production technique will increase productivity only if it is supported by changes in organisation. Marketing and organisational innovations, therefore, are important dimensions of many firms' innovation activities, particularly in services.

Non-technological innovation is significantly more prevalent among large firms than among small and medium-sized enterprises (SMEs), although the gap is less pronounced in Australia, New Zealand and Turkey.

Sectoral differences with regard to the introduction of non-technological innovations do not appear very marked in most countries. However, the rates of non-technological innovation are significantly higher in manufacturing in Germany and Slovenia, and somewhat higher in services in Luxembourg, New Zealand and Portugal.

#### **Marketing and organisational innovations**

In the 2005 edition of the *Oslo Manual*, two new types of innovation that can be considered “non-technological” were identified for the purpose of innovation surveys. They contrast with product and process innovations, which are considered more closely dependent on technology, and are defined as follows:

- A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.
- An organisational innovation is the implementation of a new organisational method in a firm's business practices, workplace organisation or external relations.

Countries have begun to include these categories in their innovation surveys although the information collected is usually less detailed than for product and process innovation. Examples include:

#### **Marketing innovations**

- The implementation of a significant change in the design of a furniture line to give it a new look and widen its appeal.
- First introduction of direct selling or exclusive retailing.

- First introduction of a method for varying the price of a good or service according to the demand for it.

#### **Organisational innovations**

- First introduction of management systems for general production or supply operations such as supply chain management, business re-engineering, lean production, quality management system.
- First establishment of formal or informal work teams to improve access to and sharing of knowledge from different departments, such as marketing, research and production.
- First use of outsourcing of research or production.

#### **Sources**

Eurostat, CIS-2006 (NewCronos), June 2009.

National data sources.

#### **Going further**

OECD and Eurostat (2005), *Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data*, 3rd edition, OECD, Paris, [www.oecd.org/sti/oslomanual](http://www.oecd.org/sti/oslomanual).

#### **Figure notes**

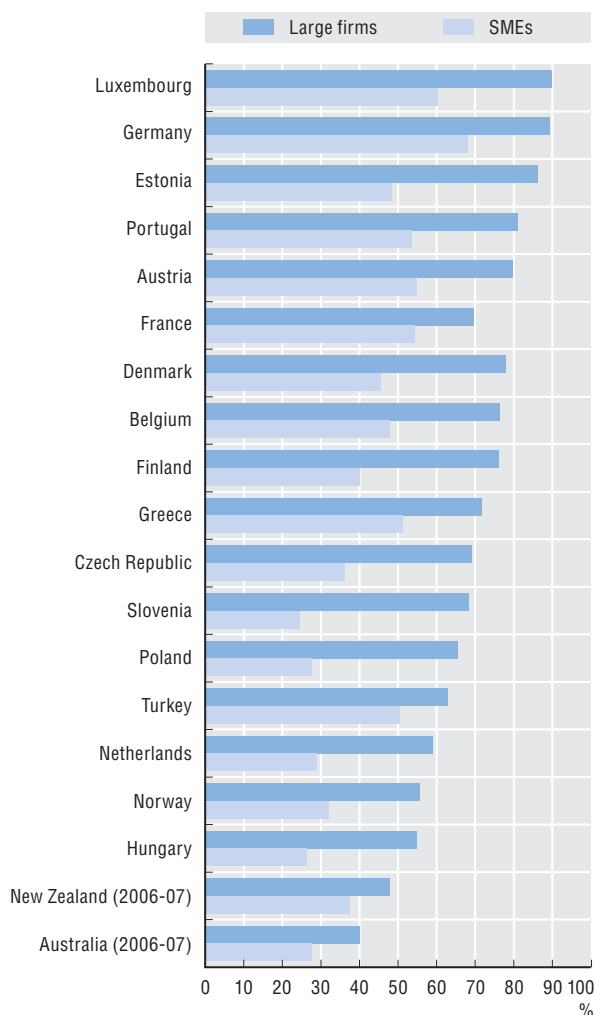
Non-technological innovators include firms that introduced a marketing and/or an organisational innovation, except for Slovenia (organisational innovations only).

France: manufacturing only.

New Zealand: SMEs are firms with 10-99 employees.

#### Non-technological innovators by size, 2004-06

As a percentage of all firms



StatLink <http://dx.doi.org/10.1787/745300803612>

#### Non-technological innovators by sector, 2004-06

As a percentage of all firms



StatLink <http://dx.doi.org/10.1787/745330363353>



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