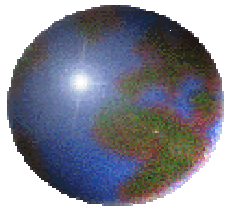
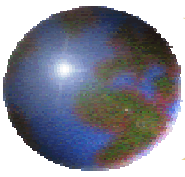


Innovation in services: concepts and measurements



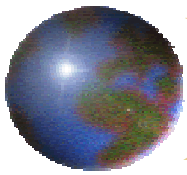
*In trade as in numerous service activities:
Concepts and measurements methods of
Innovation have to be adapted*

*C. COSTES, N. MISSEGUE, Institut National de la Statistique et des Etudes
Economiques (INSEE), France*



❖ How innovation is defined in the Oslo Manual

- ❑ *Technological Product and Process Innovations (TPP)*
- ❑ *The product or process should be new (or significantly improved) to the firm*
- ❑ *Technological innovation not only involves products and processes but also ancillary and support activities*

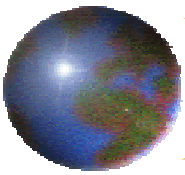


The conceptual framework: the Oslo Manual

✚ A critical view of the definition

- ✚ *"Innovation requires an objective improvement in the performance of a product": not easy to measure*

- ✚ Innovation affects products (goods or services) or processes
 - **the dividing line between product and process: the two are closely connected**

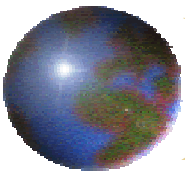


The conceptual framework: the Oslo Manual

❏ “Technologically” new or improved.

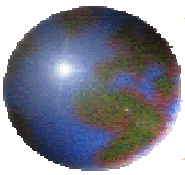
In services, the term “technological” could be understood to mean « *using high-tech plant and equipment* »

- **excludes some “technical” innovations which are at the very heart of firms in the service industries**
- **conflict with the fact that innovation can also “*affect human resources or working methods and the organisation in general*”**



The conceptual framework: the Oslo Manual

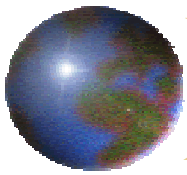
- Technological process innovation in ancillary activities is included (purchasing, sales, accounting, IT...)
 - a change in ancillary activities does not usually improve the performance of the final product



The “French” innovation survey

☉ Coverage:

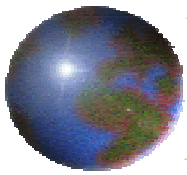
- Trade (firms that have to be innovative): *hypermarkets, large department stores (specialized/non specialized) and central purchasing firms*
- Services (activities not covered by CIS3): *hotels and restaurants (NACE 55), real estate activities (70), renting without an operator (71), business services (part of 74), audiovisual (part of 92), personal services (part of 93)*



The “French” innovation survey

- ⊕ Definition of innovation:
 - ⊠ no reference to technology
 - ⊠ three categories of innovation
 - *New concepts in sales or services*
 - *New methods of managing flows (of merchandise, information or services)*
 - *Re-organisation*

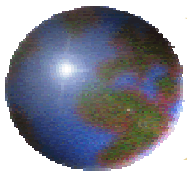
- ⊕ A “main” innovation is described: **simultaneous changes of different types**



The “French” innovation survey: first results (1)

- % of firms having introduced innovation in the previous three years
 - *46% in trade: a choice (firms that have to be innovative were surveyed)*
 - *13% in service activities: small size/specific activities*
- The main innovation introduced

in % of innovating units	concepts	methods	organisation
trade	63	26	11
service activities	64	21	15



The “French” innovation survey: first results (2)

- A problem: the logic behind this classification has been misunderstood
- The main innovation is a new concept and is described as a technological change or a change in which technology plays a part
 - *57% in trade*
 - *61% in service activities*
- Innovation is complex: simultaneous changes