

State of Innovation Project – Insights Note #5

Commercialisation



Commercialisation is the process of introducing a new product or production method into commerce. That is, making it available on the market.¹



An indicator of a business' innovation success is whether they are able to generate economic returns from their innovation.²



Understanding the target market for innovation products provides an indication of where businesses perceive demand to be.

This Insights Note is one of four which draws on the findings of a 2023 **State of Innovation collaborative research project** between the Department of Environment, Science and Innovation (DESI) and **Bond University** profiling **innovation-active firms in Queensland**.

It provides a snapshot of Queensland businesses commercialising their most significant innovation.

Results are benchmarked against other jurisdictions where relevant.

Queensland businesses are driven to commercialise to increase market share and profits



Motivations to commercialise

Of Queensland businesses that introduced an innovation, the top 3 motivations for commercialisation in 2021 were to:

- increase sales volume (49%)
- increase profits (37%)
- increase market share (24%)

Motivations to commercialise for innovating businesses 2021



Source: Australian Bureau of Statistics, Business Characteristics Survey. Analysed in ABS DataLab

Note: Activities undertaken for 'most significant innovation' reported by businesses that have succeeded in innovating.

Queensland businesses are driven to commercialise to increase market share and profits



Commercialisation activities

- Market research was the most common activity undertaken by businesses that introduced an innovation.
- Queensland businesses were less likely to seek funding for commercialisation than NSW and VIC.
- Licensing out IP was the least common commercialisation activity.

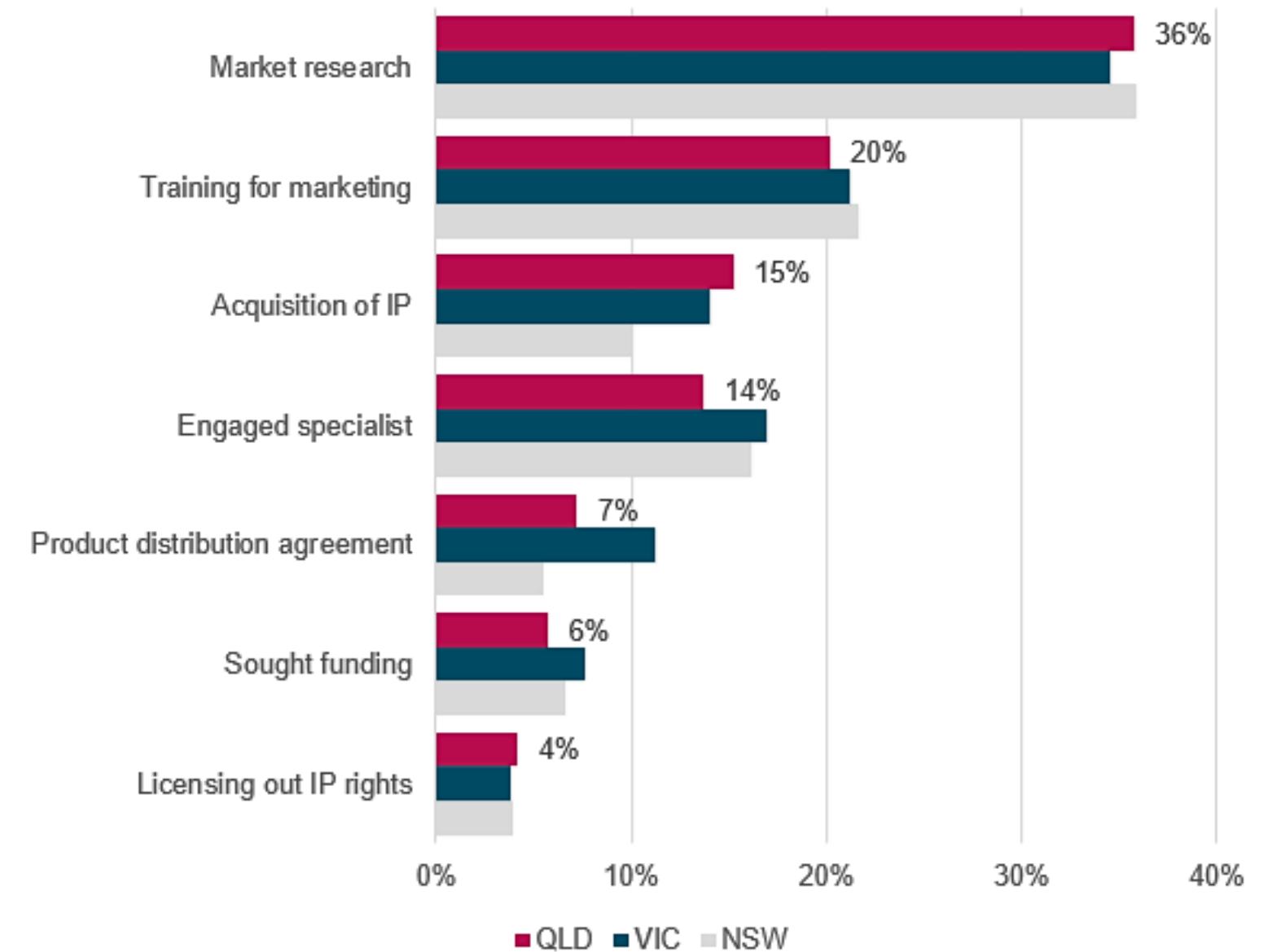


Barriers to commercialisation

When asked about barriers to commercialising their innovation, businesses cited:

- insufficient funds (24%)
- regulations or compliance (13%)
- lack of skills to commercialise (11%)

Commercialisation activities for innovating businesses 2021



Source: Australian Bureau of Statistics, Business Characteristics Survey. Analysed in ABS DataLab

Note: Activities undertaken for 'most significant innovation' reported by businesses that have succeeded in innovating.

The domestic market was the largest target segment for innovating businesses in Queensland



The lion's share of innovation was aimed at the state market

52% of innovation was aimed at the Queensland market.



Innovation improves internal business demand

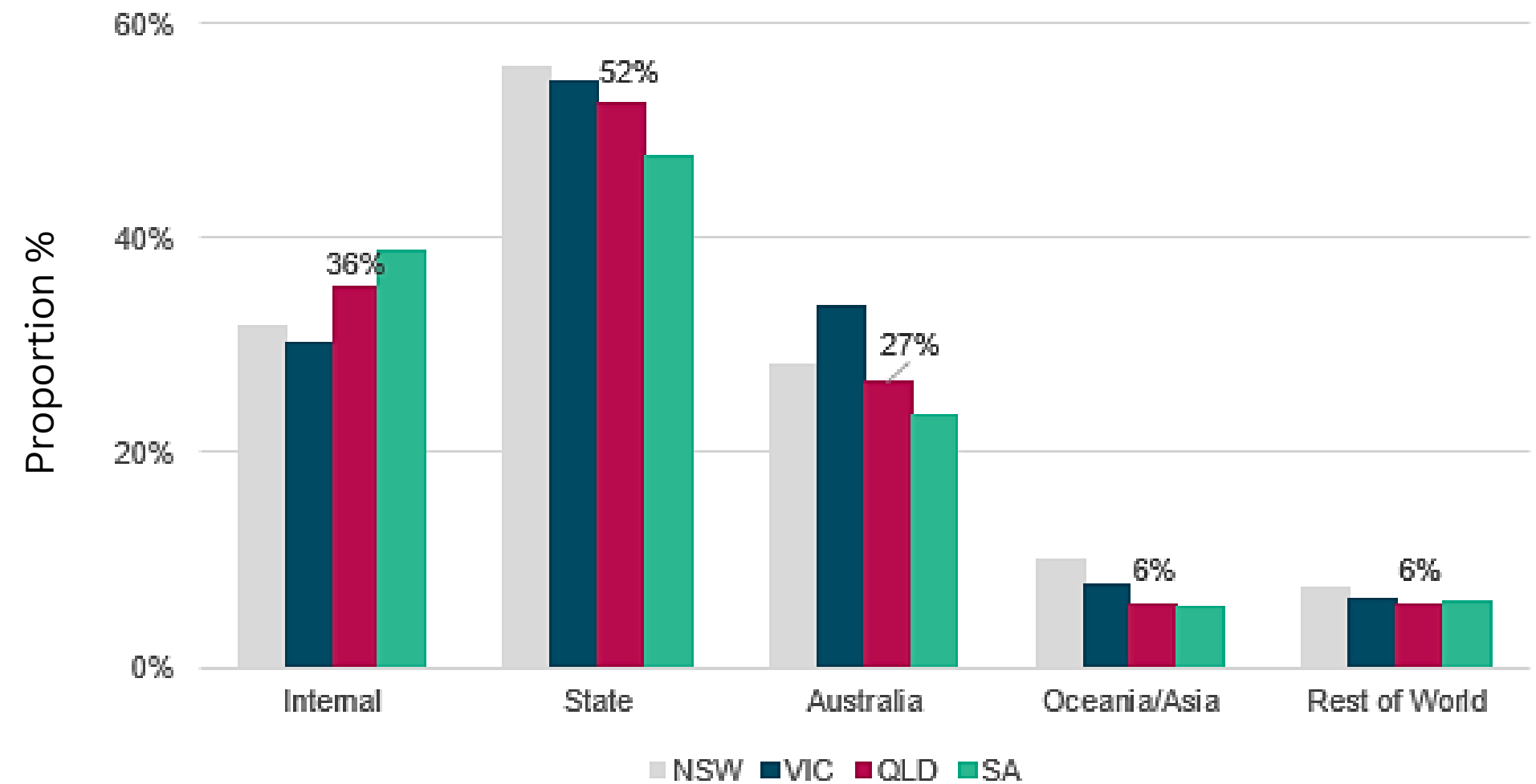
36% of innovation was for customers within the business which suggests business improvement is a key driver of innovation.



Australian market was the third common target market for Queensland innovation

27% of innovation was aimed at the Australian market or interstate. The international market was less frequently targeted.

Target market for innovating businesses 2021



Source: Australian Bureau of Statistics, Business Characteristics Survey. Analysed in ABS DataLab

Note: Activities undertaken for 'most significant innovation' reported by businesses that have succeeded in innovating. This question in the BSC is multiple options.

Background & more information

State of Innovation Project

The State of Innovation (SOI) Project was established in 2021 to develop rich data and insights on the Queensland innovation system to support evidence-based policy and decision making.

Profiling Business Innovation in Queensland - a collaborative research project with Bond University

This research project was developed to generate multi-jurisdictional insights about Queensland innovation-active firms between 2011 and 2021.

More information

For more information about the SOI Project, the collaborative study and or this Insights Note contact: advancequeenslandcorro@dtis.qld.gov.au

Department of Environment, Science and Innovation

Data Source

This Note uses the Australian Bureau of Statistics (ABS) Business Longitudinal Analysis Data Environment (BLADE) dataset.

The primary data source utilised within BLADE is the Business Characteristics Survey (BCS) and from 2021 the Innovation Module. The ABS administer this annual survey and collects data on business characteristics, including innovation.

Limitations

The results here may differ from the publicly available BCS results. Weightings may have been applied by the ABS in their analysis for the publicly available results.

Due to privacy and ABS disclosure restrictions, some data is missing in certain years.

Furthermore, the BCS has had changes over the years. For example, 2021 data should be read with some caution as this is the first iteration of a biennial survey period.