



Affordable Innovation Rejection Attitudes in Different Countries

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Contents

1	Introduction	3
2	Method	3
	2.1 Selection of countries	3
	2.2 Survey instrument	5
	2.3 Data collection	5
	2.4 Sample characteristics	5
3	Results	7
	3.1 Affordable innovation rejection attitudes across countries	7
	3.2 Affordable innovation rejection attitudes and importance of innovation aspects	9
	3.3 Affordable innovation rejection attitudes and individual characteristics	11
4	Policy Implications	13
5	Bibliography	14
6	Appendix	15

1 Introduction

In an interconnected world characterized by dynamic technological advances and diverse socio-economic landscapes, the concept of innovation plays a central role in shaping the development of nations. While the necessity of innovation for the progress of society is undisputed, not all types of innovation are equally on the radar of innovative companies. *Affordable innovation* is an overlooked but socially and economically relevant type of innovation. Affordable innovations are defined as new products or services that are aimed at customers with a low willingness or ability to pay (Schaarschmidt, M. et al., 2022). Affordable innovations have the potential to transform industries, boost the economy and improve lives around the world (Gurtner, N. et al., 2023). By providing solutions that are accessible to diverse populations and focus on the specific needs of the lower end of the market, these innovations can bridge the gap between wealth and inequality.

This white paper examines the question of how a country's population differs in its attitude towards affordable innovations. Understanding the attitudes of people in countries towards the development and implementation of affordable innovation is crucial, because only if people are willing to support affordable innovation does the country have the potential to benefit from affordable innovation. Through a comprehensive, cross-national study, we examine attitudes towards the development of affordable innovation and relate them to individual and organizational characteristics, as well as to the aspects that are important to individuals in innovation development in general.

The insights gained from this cross-national study have implications for policy makers, industry representatives and researchers alike. By understanding how countries perceive affordable innovation, we can develop policies that foster more inclusive innovation ecosystems, boost economic growth and address societal challenges. Furthermore, our findings contribute to the global discourse on innovation by providing a unique perspective on the interplay between affordability, technological progress and cultural context. Through this research, we aim to contribute to the collective knowledge that helps nations harness the power of affordable innovation to create a better and more equitable future.

2 Method

The aim of the study is to uncover individuals' attitudes towards (rejecting) the development of affordable innovations in different regional contexts. We also examine individual and firm characteristics and the factors relevant to individuals in developing innovations. We use the comparative linkage method, which is widely used in cross-cultural studies, to analyze and compare the similarities and differences between cultures or cultural groups (Matsumoto, D., & Yoo, S. H., 2006). This method aims to link the observed differences in means or correlations between variables to the specific cultural sources responsible for these differences, thus improving our understanding of cross-cultural phenomena. The comparative linkage method usually involves the following steps: country selection, variable identification, data collection, data analysis and data interpretation.

2.1 Selection of countries

In selecting countries for a cross-national study, we considered several aspects in order to obtain a diverse sample. First, we aimed for regional diversity to capture a range of cultural contexts. We selected countries from different continents. Second, our study includes countries from both the developed and developing sectors, as defined in the United Nations Statistics Division categorization (United Nations Statistics Division, 2022), to capture a broad range of economic scenarios. This is key to understanding the different economic landscapes and their impact on affordable innovation (Hoffmeister, O., 2020). By examining countries with different economic status and income disparities, we aim to understand how economic conditions influence perspectives and practices related to affordable innovation.

We also select countries with notable socio-cultural differences. We use the Social Progress Index, which assesses aspects such as healthcare, education and income distribution, to gain insight into a country's socio-cultural diversity and overall well-being. In addition, the Sustainable Development Index, which evaluates environmental, social and economic factors, helps to assess a nation's commitment to

sustainability. Finally, the technological aspect is crucial when it comes to examining individual attitudes towards innovation. Our study covers countries with varying degrees of technological advancement and innovation ecosystems. This spectrum includes countries that are at the forefront of technology as well as nations that are experiencing rapid technological change or using affordable innovation to overcome challenges. The Global Innovation Index will be an important tool in this assessment, providing insights into the technological capabilities and innovation capacity of countries.

Thus, these indices — the Social Progress Index, the Sustainable Development Index and the Global Innovation Index — are an essential part of the representation of a country's economic growth, socio-cultural differences and technological context. Taken together, these indices provide a multifaceted perspective on national development that proves essential for international organizations concerned with global challenges and inequalities.

Based on these selection criteria, we have chosen ten countries: Switzerland, the United States, South Africa, the United Kingdom, Ukraine, Chile, Germany, Mexico, Australia and Israel. These selected countries have a geographical diversity that includes regions in Europe, North America, Africa and Oceania. In addition, the selected countries cover a wide range of economic profiles, including highly developed economies such as Switzerland, Germany or the United States as well as emerging markets such as South Africa, Ukraine or Mexico.

Table 1 shows the subset of the countries. In particular, Switzerland, the United States, Germany and Israel are characterized by their advanced technological capabilities and innovation ecosystems. These countries consistently rank high on the Global Innovation Index, making them interesting subjects for in-depth examination of the impact of technological progress on the prospects for affordable solutions. In addition, it is important to recognize that the selected countries represent diverse markets characterized by different characteristics and potential in the area of affordable innovation. Furthermore, they operate within unique policy and regulatory frameworks related to innovation and affordability, which further emphasizes their importance in the context of the study. Thus, the selected countries provide a broad representation of the cultural, economic and social context and enable a comprehensive understanding of attitudes towards affordable innovation in different regions.

	Country	Development Status (UN)	Region	Social Progress Index (2022)	Sustainable Development Index (2022)	Global Innovation Index Rank (2022)
1	Switzerland	Developed	Europe	90.26	80.79	1
2	Germany	Developed	Europe	88.72	82.18	8
3	United States	Developed	Northern America	84.65	74.55	2
4	United Kingdom	Developed	Europe	86.13	80.55	4
5	Australia	Developed	Australia & Oceania	87.83	75.58	25
6	Israel	Developing	MENA	83.17	73.51	16
7	Chile	Developing	Latin America & the Caribbean	80.78	77.81	50
8	Ukraine	Developing	Europe	74.17	75.69	57
9	Mexico	Developing	Northern America	70.84	70.22	58
10	South Africa	Developing	Africa	69.95	63.72	61

Sources: United Nations Statistics Division (2022); The Social Progress Imperative (2022); Sustainable Development Report (2022); Global Innovation Index (2022)

Table 1: Selection of countries

2.2 Survey instrument

In order to compare attitudes towards affordable innovations in different countries, we created an anonymous questionnaire containing questions on the Affordable Innovation Rejection (AIR) attitude (see Appendix). The design of the AIR attitude scale includes six items with different facets (i.e., cognitive, affective, behavioral) (Schaarschmidt, M., et al., 2022). Participants indicated their agreement with the items on a seven-point Likert scale. To calculate the AIR Index, we averaged the participants' responses across the six items.

We also included questions about respondents' individual sociodemographic and organizational characteristics that may influence attitudes toward affordable innovations. We also ask to what extent respondents consider the following aspects to be important in the development of innovations (on a four-point Likert scale): innovativeness of the product, quality of the product, social value it creates, ecological value it creates, fit to personal preferences, fun to work on the product, prior experience with similar products, large customer group, niche target group, profit potential, fit to the company (image, capabilities) and competition.

2.3 Data collection

The online survey platform Qualtrics was used to design the survey. The paid online platform Prolific was used to recruit participants. After accessing the survey link provided via Prolific, participants were presented with informed consent information and instructions for completing the survey. Table 2 shows the details of the data collection.

	Country	Total Sample Size	Number of Prolific Participants	Number of Snowball Sampling Participants	Number of Social Network Participants	Compensation (GBP/ GBP Per Person)	Time Period
1	Switzerland	113	45	49	19	£43.3 / £0.96	Jun 2022 - Apr 2023
2	Germany	103	92	11		£65.6 / £0.71	Jun 2022 - Jan 2023
3	United States	109	109			£60.0 / £0.55	Jun 2022 - Feb 2023
4	United Kingdom	103	103			£70.0 / £0.68	Nov 2022 - Feb 2023
5	Australia	103	103			£73.3 / £0.71	Nov 2022 - Jan 2023
6	Israel	108	108			£69.3 / £0.64	Jun 2022 - Jan 2023
7	Chile	103	98	5		£72.6 / £0.74	Nov 2022 - Jan 2023
8	Ukraine	120		120		-	Jun 2022 - Nov 2022
9	Mexico	101	101			£70.0 / £0.69	Feb 2023
10	South Africa	103	98	5		£63.3 / £0.65	Nov 2022 - Jan 2023
11	Total	1066	857	190	54	£587.5 / £0.69	Jun 2022 - Feb 2023

Table 2: Data collection

2.4 Sample characteristics

An anonymous sample of 1,066 participants from ten different countries was used to determine rejection attitudes towards affordable innovation. Analysis of individual characteristics revealed that the audience was very balanced in terms of gender (46% women), with the majority of participants, 980 (92%), being employed or self-employed. Respondents mainly belonged to large companies (44%), followed by medium-sized companies (23%). Detailed statistics on the respondents' characteristics and the characteristics of the companies they work for can be found in Figure 1. When examining the product positioning strategies in the companies in which the respondents are employed, it was found that 52% of companies tend towards a premium strategy and 39% towards an affordable strategy.

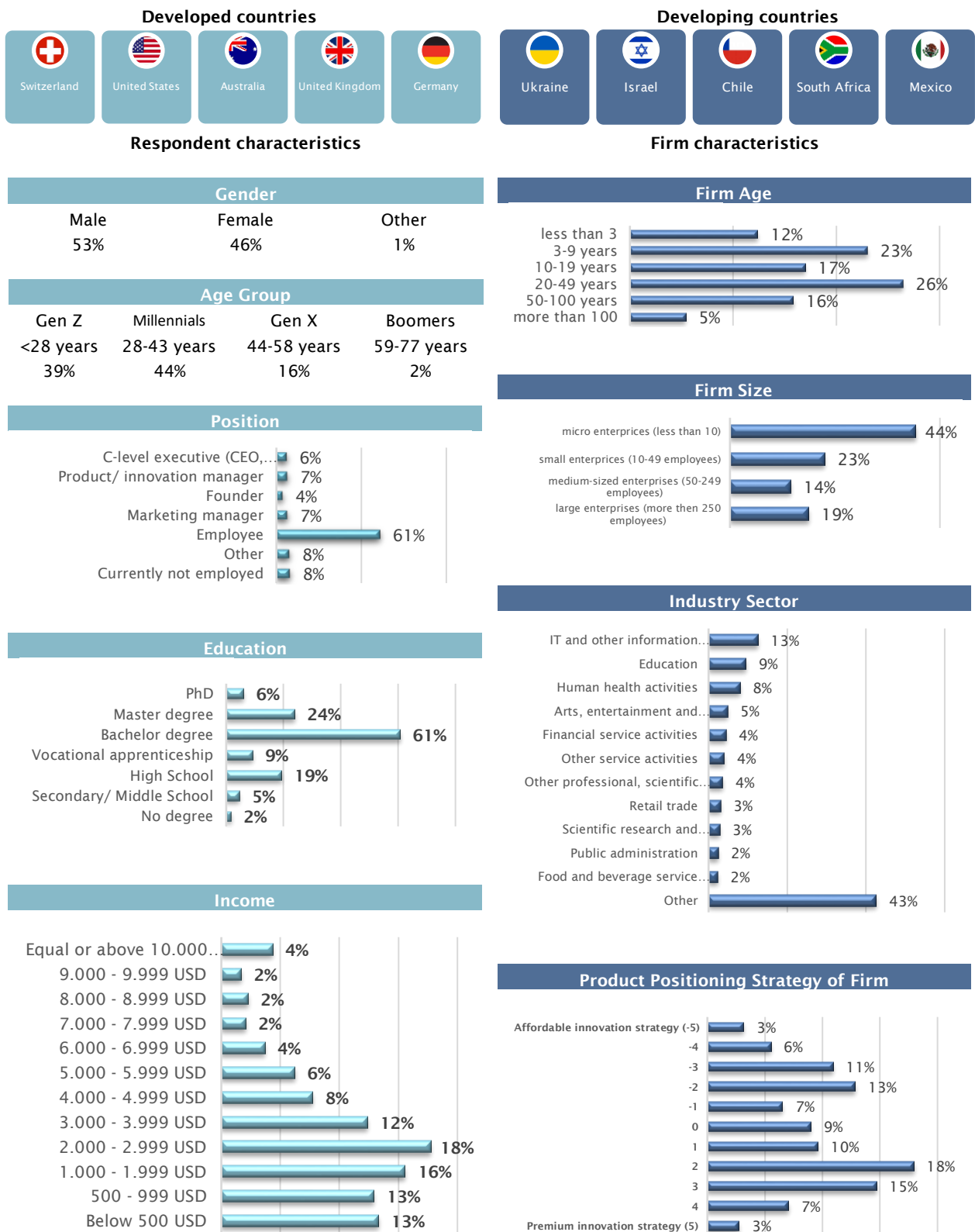


Figure 1: Sample characteristics

3 Results

The following section presents the results of the analysis of rejection attitudes towards affordable innovation in the different countries. The results address the key findings on the Affordable Innovation Rejection (AIR) Attitude Index, the factors that are important to individuals when developing new products, and product positioning strategies. These findings provide valuable insights into the complex interplay of economic, social, and cultural factors that shape the innovation landscape worldwide.

3.1 Affordable innovation rejection attitudes across countries

Based on the responses received, we calculated the AIR Index, which indicates the extent to which participants tend to develop premium innovations and reject affordable innovations. The lower the AIR Index, the more inclined the audience is to develop affordable innovations.



Figure 2: Affordable Innovation Rejection (AIR) Index by country

	Country	AIR Index
1	Switzerland	2.89
2	Germany	2.94
3	United States	3.07
4	United Kingdom	2.94
5	Australia	2.94
6	Israel	3.27
7	Chile	3.15
8	Ukraine	3.26
9	Mexico	3.17
10	South Africa	3.20
11	Global	3.08

Table 3: Affordable Innovation Rejection (AIR) Index by country

The results show that the AIR Index, which measures rejection of affordable innovation, is generally relatively low — a positive trend that suggests that there is no strong resistance to this concept in most countries. Developed economies such as Switzerland, Germany, the United States and Australia tend to have lower rejection indices for affordable innovation, indicating a more positive attitude towards affordable innovation in these regions. In contrast, developing countries such as Ukraine, Mexico, South Africa and Chile tend to be more in favor of premium innovations in contrast to affordable innovation.

We also notice a negative correlation between the AIR Index and the Global Innovation Index ($r = -.719$), the Social Progress Index ($r = -.780$) and the Sustainable Development Index ($r = -.649$). This suggests an inverse relationship between the rejection of affordable innovation and the level of global innovation, social progress and sustainable development.

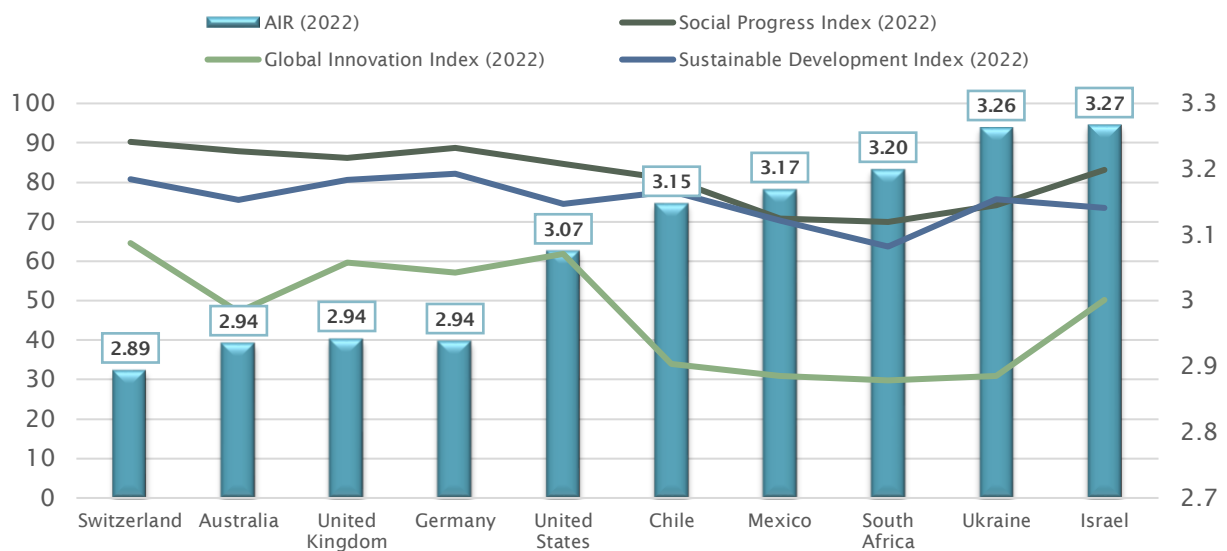


Figure 3: Affordable Innovation Rejection (AIR) Index and other indices

Social Progress Index

The data show that the Social Progress Index varies greatly in the selected countries. Switzerland has the highest score at 90.26, while Ukraine has the lowest at 74.17. In general, advanced economies such as Switzerland, Australia and Germany have higher social progress scores, indicating better access to essential goods and a higher quality of life. Conversely, developing countries such as Mexico, South Africa and Ukraine have lower scores, indicating pronounced social challenges and inequalities. The notable negative correlation between the AIR Index and the Social Progress Index underscores the close relationship between a country's willingness to develop affordable innovations and the degree of social progress. Furthermore, resistance to the development of affordable innovations may be an indication of societal barriers or inequalities that hinder social progress and reflect limited access to cost-effective and innovative solutions. This scarcity can contribute to social problems such as poverty, inequality and inadequate social services, which in turn can lead to lower scores on the Social Progress Index.

Global Innovation Index

The data show that the Global Innovation Index varies greatly from country to country. Switzerland achieves the highest score with 64.6 points, while Ukraine and South Africa have the lowest scores with 31 and 29.8 points respectively. Developed economies such as Switzerland, the United States and Israel tend to achieve higher innovation index scores, which can be attributed to strong innovation ecosystems, well-established research and development capacities and an environment conducive to innovation. In contrast, developing countries such as Mexico, South Africa and Ukraine lag behind, indicating challenges in building a stable innovation infrastructure and promoting innovative practices. The significant negative correlation between the AIR Index and the Global Innovation Index highlights a significant link between a country's willingness to develop affordable innovation and its ability to innovate. Regions with a higher rejection of affordable innovation may tend to resist change and be reluctant to develop new innovative solutions, which could hinder overall innovation progress.

Sustainable Development Index

The data from the Sustainable Development Index show differences between the selected countries, with Switzerland achieving the highest score of 80.79 and South Africa the lowest at 63.72. Developed economies such as Switzerland, Germany and the UK tend to score higher, indicating a strong commitment to sustainable development and an emphasis on environmental, social and economic goals. In contrast, emerging economies such as Mexico, South Africa and Ukraine tend to have lower scores, indicating challenges in implementing comprehensive sustainability measures and addressing environmental and social concerns. The negative correlation between the AIR Index and the Sustainable Development Index highlights the link between a nation's openness to affordable innovation and its progress in sustainable development. Affordable innovation plays a critical role in addressing the challenges of sustainability, promoting resource efficiency, environmental protection and sustainable practices. Regions that are more hostile to affordable innovation tend to adopt conventional or less sustainable approaches, which could hinder progress towards the Sustainable Development Goals.

3.2 Affordable innovation rejection attitudes and importance of innovation aspects

In addition to the Affordable Innovation Rejection (AIR) Index, respondents indicated the importance of various aspects in the development of innovations (i.e., innovativeness of the product, quality of the product, social value it creates, ecological value it creates, fit to personal preferences, fun to work on the product, prior experience with similar products, large customer group, niche target group, profit potential, fit to the company (image, capabilities) and competition).

The results show that *quality of the product* is the most important factor in the development of a new product. Developed countries such as Switzerland, the United States and the United Kingdom place a particularly high value on product quality and are above the global average. These countries are known for their high-quality standards and customer expectations. Developing countries such as Chile and Mexico also place a high value on product quality, demonstrating their commitment to meeting international quality standards.

People also pay attention to the *profit potential* and *innovativeness of the product*. Developed countries such as the United States and Germany prioritize profit potential. However, it is worth noting that Chile and South Africa, both developing countries, also place a strong emphasis on profit potential, reflecting their desire for economically viable products. Switzerland and Germany, both industrialized countries, place a high value on product innovation, placing them above the global average. This high value placed on innovation may reflect their strong innovation ecosystems and research and development capabilities. On the other hand, South Africa and Ukraine also place a high value on innovation in the developing countries category, indicating a growing interest in innovation in these regions.

The *fit of a product with the company's image and capabilities* is moderately important, with Switzerland, Israel and South Africa rating this higher. This underlines the importance of maintaining a consistent brand and leveraging existing capabilities. A *larger customer group* is seen as essential, with developed countries such as the United States and the United Kingdom emphasizing this factor more than developing countries such as Israel and Mexico. Larger markets offer greater opportunities for product acceptance and sales. In contrast, targeting a niche audience is seen as less crucial.

In general, the results show that the importance of factors in developing countries is similar to developed countries. This suggests that certain factors maintain their importance for innovation development despite contextual differences in both developed and developing countries.

Innovation Aspect	Global Importance	Switzerland	Germany	United States	United Kingdom	Australia	Israel	Chile	Ukraine	Mexico	South Africa
Quality of the product	3.66	3.57	3.64	3.60	3.61	3.61	3.62	3.75	3.73	3.74	3.84
Profit potential	3.39	3.27	3.20	3.38	3.25	3.36	3.44	3.44	3.48	3.41	3.70
Innovativeness of the product	3.30	3.32	3.20	3.32	3.19	3.26	3.11	3.27	3.33	3.34	3.66
Fit to the company	3.16	3.30	3.03	3.00	3.16	3.22	3.09	3.05	3.08	3.01	3.67
Large customer group	3.15	2.88	2.99	3.17	3.11	3.16	3.26	3.16	3.18	3.28	3.43
Competition	3.07	2.88	2.97	2.87	2.99	3.06	3.07	3.17	3.26	3.08	3.40
Ecological value	3.05	3.18	2.85	2.82	3.01	3.13	2.86	3.07	3.24	3.04	3.31
Social value it	3.03	3.04	2.84	2.82	3.04	2.98	2.84	3.00	3.25	3.01	3.39
Fun to work on the product	2.98	3.13	3.17	2.82	2.81	2.90	2.87	2.78	3.12	2.71	3.39
Prior experience	2.77	2.59	2.67	2.77	2.62	2.71	2.79	2.82	2.72	2.89	3.20
Fit to personal preferences	2.72	2.66	2.68	2.75	2.59	2.59	2.78	2.57	2.74	2.70	3.11
Niche target group	2.70	2.47	2.50	2.55	2.39	2.45	2.56	2.82	3.08	2.97	3.32

Table 4: Importance of innovation aspects by country

A regression analysis aimed to assess the influence of various factors on the AIR Index. The regression model includes multiple predictors: innovativeness of the product, quality of the product, social value it creates, ecological value it creates, fit to personal preferences, fun to work on the product, prior experience with similar products, large customer group, niche target group, profit potential, fit to the company (image, capabilities) and competition. The model is statistically significant ($F = 8.188$, $p < .001$), suggesting that collectively, these factors significantly predict AIR attitude. The main results are:

- *Innovativeness of the product* (Coeff. = .107, $p = .045$) and *prior experience with similar products* (Coeff. = .101, $p = .031$) had positive influences on AIR, suggesting that those individuals who put importance on innovativeness and prior experience are more likely to reject affordable innovation.
- *Quality of the product* (Coeff. = -.255, $p < .001$), *social value it creates* (Coeff. = -.096, $p = .053$), and *ecological value it creates* (Coeff. = -.092, $p = .061$) showed negative influences, indicating that the more important quality and social and ecological value are to the individuals, the less likely they reject affordable innovation.
- *Fit to personal preferences* (Coeff. = .146, $p < .001$), *fun to work on the product* (Coeff. = .139, $p = .002$), and *niche target group* (Coeff. = .153, $p < .001$) were positively correlated with AIR, implying that individuals who put a higher importance to the fit to personal preferences, fun to work on the product and niche markets are more likely to reject affordable innovation.
- *Profit potential* (Coeff. = .136, $p = .011$) also showed a positive effect, indicating that individuals who put higher importance on profit potential are more likely to reject affordable innovation and to opt for premium innovation.
- *Competition* (Coeff. = .007, $p = .891$), *large customer group* (Coeff. = -.034, $p = .493$), and *fit to the company* (Coeff. = .052, $p = .324$) did not show significant effects, suggesting these factors might not be critical influencers of affordable innovation rejection attitude in this context.

In sum, higher importance of quality and social and ecological value has a positive influence on attitudes towards affordable innovation. If importance is given to innovativeness, fit to personal preferences, and fun to work on the product, affordable innovations are more likely to be rejected. The lack of significant effects of competition and the size of the target customer group suggests that the rejection of affordable innovations may be internally driven by product characteristics and individual perceptions rather than external market conditions.

Independent Variable	Coefficient (Standard Error)	T	P-Value
Innovativeness of the product	0.107 (0.053)	2.009	0.045
Quality of the product	-0.255 (0.066)	-3.848	< 0.001
Social value	-0.096 (0.049)	-1.941	0.053
Ecological value	-0.092 (0.049)	-1.872	0.061
Fit to personal preferences	0.146 (0.042)	3.474	< 0.001
Fun to work on the product	0.139 (0.045)	3.099	0.002
Prior experience	0.101 (0.047)	2.161	0.031
Large customer group	-0.034 (0.049)	-0.685	0.493
Niche target group	0.153 (0.042)	3.672	< 0.001
Profit potential	0.136 (0.054)	2.542	0.011
Fit to the company	0.052 (0.053)	0.986	0.324
Competition	0.007 (0.049)	0.137	0.891
	N=1050, R ² adjusted=0.076		

Note: Dependent Variable AIR Index

Table 5: Importance of innovation aspects' influence on AIR Index

3.3 Affordable innovation rejection attitudes and individual characteristics

Table 6 contains various descriptive characteristics of the respondents and the companies in which they work, both in developed and developing countries. It provides a valuable comparative analysis of socio-demographic and firm variables that sheds light on how these factors may influence the AIR Index.

	Country	AIR Index	Average Age	% of Female Participants	% Self-employed	% Rural Area	Average Firm Age	Average Firm Size	Average Product Positioning Strategy of Firm
1	Switzerland	2.89	37	32%	19%	28%	8.4	5,175	1.3
2	Germany	2.94	33	36%	11%	26%	2.3	10,800	0.2
3	United States	3.07	36	34%	16%	29%	2.5	12,018	0.0
4	United Kingdom	2.94	37	70%	4%	33%	4.3	18,336	-0.2
5	Australia	2.94	37	49%	9%	14%	3.1	3,202	-0.2
6	Israel	3.27	32	54%	6%	11%	2.9	6,385	0.3
7	Chile	3.15	31	30%	21%	6%	3.2	617	0.0
8	Ukraine	3.26	24	63%	39%	13%	2.9	8,295	0.7
9	Mexico	3.17	28	33%	29%	2%	3.5	12,661	0.1
10	South Africa	3.20	30	63%	18%	8%	4.4	5,567	0.7
11	Global	3.08	32	47%	18%	17%	3.8	8,260	0.3

Table 6: Affordable Innovation Rejection (AIR) Index and sample characteristics by country

Sociodemographic characteristics

Respondents in developed countries tend to be slightly older, with an average age of 36, while respondents in developing countries are younger, with an average age of around 29. This may suggest that the older population in developed countries contributes to the overall views on innovation and affordability. The proportion of female respondents is higher in developing countries at an average of 49% compared to 44% in developed regions. This gender difference may influence perceptions of the affordability of innovation. The proportion of self-employed people is higher in developing countries (23%) than in developed countries (13%). This could be due to the fact that the entrepreneurial spirit or the need for self-employment is greater in developing countries. In developing countries, the proportion of respondents in rural areas is lower (8%) than in developed countries (26%), reflecting different geographical conditions that may influence attitudes towards affordable innovations.

Firm characteristics

The average age of companies in which the participants work in developed countries is relatively high, with Switzerland and the United Kingdom having particularly old companies. Older firms may have established traditions and processes that influence innovation strategies. Companies in developed countries tend to be larger, with the UK having the largest average company size. Larger companies often have more resources for innovation efforts.

Product Positioning Strategy

The product positioning strategy is rated on a scale from "-5" (affordable product positioning strategy) to "5" (premium product positioning strategy). The average product positioning strategy of companies varies considerably, with developing countries showing a higher average score and thus a tendency towards premium positioning strategies. In developed countries, the average product positioning strategy of companies is close to neutral, indicating that companies tend to have a relatively balanced approach between affordable and premium innovation strategies or that there are companies that have both premium and affordable innovation strategies. The AIR Index in developed countries shows that these countries are relatively neutral towards affordable innovation. Switzerland stands out with the highest score for product positioning strategies (1.3), indicating a stronger emphasis on premium innovation strategies. Nevertheless, Switzerland has a relatively low AIR Index (2.89), indicating a higher acceptance of developing affordable innovations. This suggests that even in a country where the emphasis is on premium innovation, there can be an openness to affordable innovation, perhaps even if the innovativeness is high. Developing countries have a slightly higher product positioning strategy on average, and the AIR Index in developing countries also indicates a relatively neutral attitude towards affordable innovation. Ukraine and South Africa have relatively low AIR Indices (3.26 and 3.20 respectively) despite product positioning strategies that are more focused on premium innovations. This suggests that these countries are more open to affordable innovation, even if their corporate strategies favour premium positioning. Israel's product positioning strategy is 0.3, indicating a relatively balanced approach. The AIR score (3.27) is also moderate, indicating an open attitude towards both affordable and premium innovations.

Industry

Figure 4 below presents an analysis of the AIR Index among respondents from the ten most present industries in relation to their companies' product positioning strategies. The AIR scores for the different industries range between 3.0 and 3.2, indicating a relatively uniform attitude towards affordable innovations across the different sectors. Arts, Entertainment, and Recreation, Financial Service Activities, and Scientific Research and Development all have an AIR Index of 3.2, the highest in the dataset. These sectors also show different positioning strategies. Public Administration and Other Professional, Scientific, and Technical Activities each have an AIR Index of 3.1. Interestingly, Public Administration has a strong affordable innovation strategy (-1.00), while Other Professional, Scientific, and Technical Activities leans towards a premium innovation strategy (1.03). IT and Other Information Services, Education, Other Service Activities, and Human Health Activities have an AIR of 3.0. These industries also have a mix of product positioning strategies.

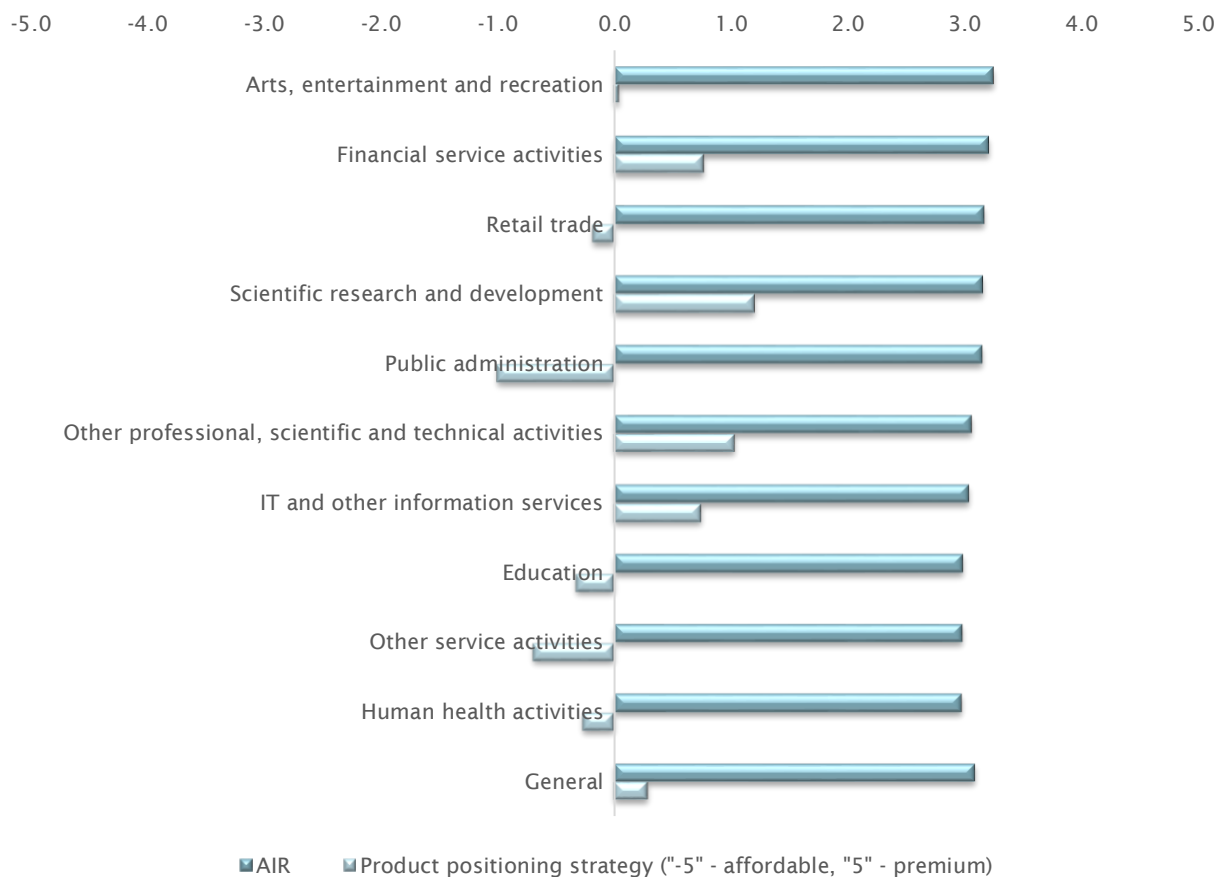


Figure 4: Affordable Innovation Rejection (AIR) Index and product positioning strategy of firm by industry

4 Policy Implications

The aim of this study was to understand the attitudes towards the development of affordable innovations in different countries. From these findings, various policy implications can be derived that aim to promote innovation, economic growth, social progress and sustainable development.

Promoting Affordable Innovation in Developing Countries

First, the study shows that developing countries such as Ukraine, Mexico, South Africa and Chile show a stronger inclination towards premium innovations, even though they are in a situation where they need affordable innovations much more urgently. This suggests a potential need for targeted policies and initiatives aimed at fostering a culture of affordable innovation in these regions. Policy makers could incentivize affordable innovation, support research and development, and promote entrepreneurial activities that focus on accessible and affordable solutions.

Addressing Societal Barriers and Inequalities

The rejection of affordable innovation could be an indication of societal barriers or inequalities that hinder social progress. Policies could focus on addressing these underlying challenges through targeted interventions, such as improving access to education, healthcare and social services. Promoting innovations that specifically address affordability and inclusivity can help to reduce poverty and inequality.

Incentivizing Balanced Product Positioning Strategies

The widespread use of premium positioning strategies, particularly in the IT sector, points to the need for policies that promote a more balanced approach. Governments and industry associations could encourage a mix of premium and affordable product strategies to ensure that innovation benefits a wider range of consumers and contributes to overall economic growth.

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6 Appendix

Dear study participant,

Thank you for taking the time to participate in this survey!
It will take approx. **5 minutes** to complete.

We will ask you about your experiences and preferences regarding innovation projects. Every person above 18 years of age can participate.

If you have any questions, do not hesitate to contact us:

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1. Please put yourself into the shoes of an innovation or new product manager. Please state how much you agree with the following statements (1... Strongly disagree – 7... Strongly agree).

- (1) I am reluctant to new product ideas that target customers who prefer to pay only a minimum.
- (2) Working on ideas that targeted affordable products does not stimulate my creativity.
- (3) In the past, I could not identify with projects that were designed for customers with a low willingness to pay.
- (4) Offering low-priced products is not good for a company image.
- (5) Standard products with simple functionalities bore me.
- (6) I doubt that products for price-sensitive customers can achieve significant results.

2. As an innovation manager, how important would the following aspects be to you, when deciding about the development or the launch of an innovation or new product (1... Not important at all – 4... Most important).

- (1) Innovativeness of the product
- (2) Quality of the product
- (3) Social value it creates
- (4) Ecological value it creates
- (5) Fit to personal preferences
- (6) Fun to work on the product
- (7) Prior experience with similar products
- (8) Large customer group
- (9) Niche target group
- (10) Profit potential
- (11) Fit to the company (image, capabilities)
- (12) Competition

3. How old are you?

4. Please select your gender (Female, Male, Other).

5. Please indicate the number of product development projects you have already been involved in.

6. Please indicate your current position.

- (1) C-level executive (CEO, CTO, COO...)
- (2) Product/ innovation manager
- (3) Marketing manager
- (4) Employee
- (5) Founder
- (6) Currently not employed
- (7) Other

7. Are you self-employed (Yes, No)?

8. Which type of self-employment do you have (Self-employed as main occupation, Self-employed as sideline)?

9. Please indicate your highest degree.

- (1) No degree
- (2) Secondary/ Middle School
- (3) High School
- (4) Vocational apprenticeship
- (5) Bachelor degree
- (6) Master degree
- (7) PhD

10. Please indicate your personal monthly income category (after taxes).

- (1) Below 500 USD
- (2) 500 - 999 USD
- (3) - 1.999 USD
- (4) 2.000 - 2.999 USD
- (5) 3.000 - 3.999 USD
- (6) 4.000 - 4.999 USD
- (7) 5.000 - 5.999 USD
- (8) 6.000 - 6.999 USD
- (9) 7.000 - 7.999 USD
- (10) 8.000 - 8.999 USD
- (11) 9.000 - 9.999 USD
- (12) Equal or above 10.000 USD

11. Please indicate your nationality (country list).

12. Please indicate your current country of residence (country list).

13. Please indicate where you currently live (Rather in an urban area, Rather in a rural area).

14. Please indicate the age of the firm you work for (in years).

15. Please Indicate the number of your firm's employees.

16. Please indicate the industry in which your firm is mainly positioned (industry list).

17. Please indicate the product positioning strategy your firm is mainly following. The left side indicates an affordable innovation strategy (i.e., new products are usually positioned below the average market price of a product category) and the right side indicates a premium innovation strategy (i.e., new products are usually positioned above the average market price of a product category). Select on the slider the value on how strong you feel your company follows the one or the other strategy (-5... Affordable Innovation Strategy, +5... Premium Innovation Strategy).