

Survey of Innovation and Business Strategy, 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, April 30, 2024

Businesses with competitors more likely to introduce innovations

Among businesses that knew their competition situation in their main market (82.1%), over 9 in 10 businesses (96.9%) had at least one competitor in 2022, compared with 3.1% of businesses reporting having no competitors.

Businesses that faced competition in 2022 were more likely to be innovative. Among business who had known competitors in their main market, more than three-quarters (76.7%) introduced innovations during the period from 2020 to 2022, compared with fewer than two in five businesses (38.8%) with no competitors.

Businesses facing more competitors were more likely to introduce innovations from 2020 to 2022 than businesses with fewer competitors. Approximately four in five businesses (80.6%) that had 11 or more competitors in their main market introduced innovations, while just under 7 in 10 businesses (68.6%) who indicated that they had one to three competitors were innovative.

Canadian businesses plan to focus more on product positioning than on cost cutting

In 2022, Canadian business strategies for the next five years showed a preference for product positioning over cost cutting. Specifically, just over half of businesses (51.2%) chose product positioning as their key long-term strategy, while 45.2% of businesses valued both product positioning and cost leadership equally. A small portion (3.6%) prioritized cost leadership for the period from 2023 to 2027.

Competition is associated with a focus on product positioning as a key long-term strategy. In 2022, over half (54.1%) of the businesses that had competitors in their main market planned to focus on product positioning as their main long-term strategy, while 44.7% of the businesses that indicated they had no competitors reported product positioning as their main long-term strategy.

Using advanced technology promotes innovation

An advanced technology performs new functions or improves some functioning significantly compared with commonly-used technologies.

Nearly half (47.2%) of all businesses used at least one advanced technology in 2022. During the period from 2020 to 2022, these businesses (85.2%) were more likely to be innovative than non-users (60.0%).

In 2022, the proportion of businesses using clean technologies increased by 1.3 percentage points from 2019, to 9.9%.

Large businesses (15.5%) were more likely to use clean technologies than medium businesses (9.9%) or small businesses (9.5%) in 2022.

The utilities sector (33.5%) was the top user of clean technologies in 2022.

The top three skill shortages are in the areas of skilled trades, management and business

In 2022, businesses identified the most significant shortages in skills within three main areas: skilled trades (28.0%), management (15.0%) and business (11.4%). The construction sector showed the highest skilled trades shortage rate; however, businesses that were innovative or used advanced technologies were more likely to report overall skill shortages. Indeed, 57.2% of innovative businesses and 57.9% of advanced technology users reported having skill shortages, compared with 31.8% of non-innovative businesses and 43.0% of non-advanced technology users.



Businesses that reported skill shortages took measures to overcome these challenges. Training staff (53.3%), retention strategy (50.8%) and targeted recruitment process (49.4%) were the most common measures taken by businesses to overcome skill shortages.

Multinationals are more innovative than non-multinationals

Multinational businesses were more innovative than non-multinational businesses. During the period from 2020 to 2022, 85.6% of multinational businesses introduced some form of innovation, compared with 69.8% of non-multinational businesses.

When examining enterprise size in relation to innovation, large businesses displayed the smallest deviation between multinationals (82.5%) and non-multinationals (74.6%) during the period from 2020 to 2022. In contrast, small-sized businesses showed the greatest disparity in innovation between multinationals (86.6%) and non-multinationals (69.3%).

Canadian multinationals were more innovative, with 91.6% introducing innovations during the period from 2020 to 2022, which is higher than the 83.0% innovation rate among foreign multinational businesses.

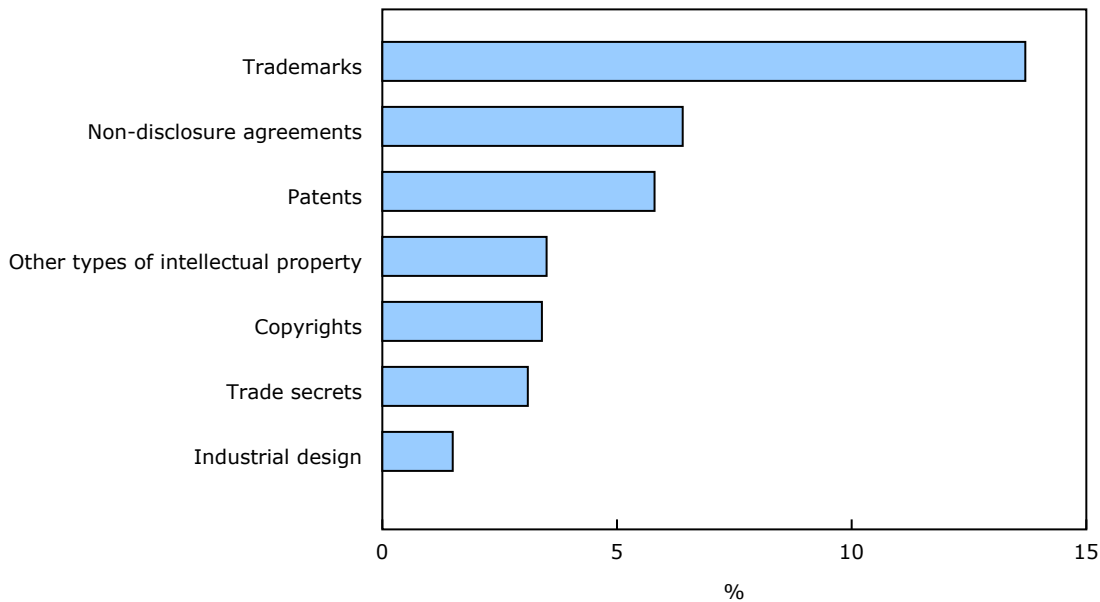
Over one-fifth of businesses in Canada owns intellectual property

In Canada, over one-fifth of businesses (21.2%) reported owning at least one type of intellectual property (IP) assets in 2022.

Businesses owning IP assets were more likely to introduce innovations (83.9%) during the period from 2020 to 2022, compared with 68.6% of businesses that did not own IP assets.

For businesses that owned IP assets in 2022, trademarks were the most common type, with 13.7% of businesses reporting owning trademarks, either in Canada or abroad.

Chart 1
Type of intellectual property assets owned, 2022



Source(s): Table 33-10-0758-01.

In 2022, multinational businesses were significantly more likely (49.0%) to own IP assets, compared with 16.9% of non-multinational businesses. Among these multinationals, Canadian entities had higher rates of IP ownership (57.6%) than their foreign counterparts operating in Canada (45.3%).

Furthermore, multinational businesses were more proactive in protecting their product innovations through IP rights. During the period from 2020 to 2022, 62.9% of multinational businesses that developed a product innovation in Canada sought IP protection for their innovation, whereas 31.7% of non-multinational businesses did the same. Specifically, over 7 in 10 (72.0%) Canadian multinationals filed for IP protection for their product innovations, compared with 57.2% of foreign multinational businesses.

Table 1
Rate of innovation among businesses that knew the competition situation in their main market

| | % of businesses | Innovation rate (%) |
|--|-----------------|---------------------|
| Businesses with at least one competitor | 96.9 | 76.7 |
| Businesses with one to three competitors | 17.8 | 68.6 |
| Businesses with four or five competitors | 19.2 | 73.5 |
| Businesses with six to ten competitors | 20.0 | 79.1 |
| Businesses with eleven or more competitors | 39.9 | 80.6 |
| Businesses with no competitors | 3.1 | 38.8 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Table 2
Main strategy for businesses with competitors and with no competitors in the 2023-2027 period

| | Main focus on product positioning | Product positioning and low-price and cost leadership are equally important | Main focus on low-price and cost leadership |
|--|-----------------------------------|---|---|
| | | | |

Table 2
Main strategy for businesses with competitors and with no competitors in the 2023-2027 period

| | Main focus on product positioning | Product positioning and low-price and cost leadership are equally important | Main focus on low-price and cost leadership |
|---|-----------------------------------|---|---|
| | % of businesses | | |
| All businesses | 51.2 | 45.2 | 3.6 |
| Businesses with at least one competitor | 54.1 | 42.1 | 3.8 |
| Businesses with no competitors | 44.7 | 52.1 | 3.2 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Table 3
Rate of innovation among users and non-users of advanced technologies

| | Innovation rate (%) (2020 to 2022) |
|----------------------------------|------------------------------------|
| All businesses | 71.9 |
| Users of advanced technology | 85.2 |
| Non-users of advanced technology | 60.0 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Table 4
Top three skill shortages for all businesses

| | % of businesses that had skill shortages among all businesses |
|----------------|---|
| Skilled trades | 28.0 |
| Management | 15.0 |
| Business | 11.4 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Table 5
Skill shortages among innovative businesses and businesses using advanced technology

| | % of businesses that had skill shortages |
|--|--|
| All businesses | 50.0 |
| Innovative businesses | 57.2 |
| Non-innovative businesses | 31.8 |
| Businesses using advanced technology | 57.9 |
| Businesses not using advanced technology | 43.0 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Table 6
Innovation rate of multinationals, non-multinationals, Canadian multinationals and foreign multinationals

| | All | Large | Medium | Small |
|-----------------------------------|---------------------|-------------|-------------|-------------|
| | Innovation rate (%) | | | |
| All businesses | 71.9 | 78.4 | 75.1 | 71.0 |
| Multinational businesses | 85.6 | 82.5 | 85.3 | 86.6 |
| Canadian multinational businesses | 91.6 | 87.6 | 92.5 | 92.6 |
| Foreign multinational businesses | 83.0 | 80.5 | 83.2 | 83.7 |
| Non-multinational businesses | 69.8 | 74.6 | 72.4 | 69.3 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Table 7
Innovation rate among businesses that own intellectual property assets and that do not own the assets

| | Innovation rate (%) |
|--|---------------------|
| Businesses owning intellectual property assets | 83.9 |
| Businesses not owning intellectual property assets | 68.6 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Table 8
Percentage of businesses that own intellectual property assets among multinationals, non-multinationals, Canadian multinationals, and foreign multinationals

| | All | Large | Medium | Small |
|-----------------------------------|---|-------------|-------------|-------------|
| | % of businesses owning intellectual property assets | | | |
| All businesses | 21.2 | 41.9 | 29.4 | 18.7 |
| Multinational businesses | 49.0 | 51.1 | 54.8 | 46.8 |
| Canadian multinational businesses | 57.6 | 59.7 | 61.4 | 56.3 |
| Foreign multinational businesses | 45.3 | 47.6 | 52.8 | 42.2 |
| Non-multinational businesses | 16.9 | 33.8 | 22.9 | 15.6 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Table 9
Percentage of businesses that file or register to protect intellectual property related to product innovations among multinationals, non-multinationals, Canadian multinationals, and foreign multinationals that developed their innovation(s)

| | All | Large | Medium | Small |
|-----------------------------------|--|-------------|-------------|-------------|
| | % of businesses filing or registering to protect intellectual property | | | |
| All businesses | 38.4 | 48.8 | 39.0 | 37.3 |
| Multinational businesses | 62.9 | 53.3 | 55.9 | 67.7 |
| Canadian multinational businesses | 72.0 | 62.3 | 64.2 | 75.8 |
| Foreign multinational businesses | 57.2 | 49.1 | 52.1 | 61.8 |
| Non-multinational businesses | 31.7 | 42.7 | 31.2 | 31.2 |

Source(s): Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation.

Did you know we have a mobile app?

Download our mobile app and get timely access to data at your fingertips! The [StatsCAN](#) app is available for free on the [App Store](#) and on [Google Play](#).

Note to readers

The 2022 Survey of Innovation and Business Strategy (SIBS) is a joint initiative of Statistics Canada; Innovation, Science and Economic Development Canada; the Atlantic Canada Opportunities Agency; the Institut de la statistique du Québec; the Ontario Ministry of Economic Development, Job Creation and Trade; and the Alberta Ministry of Jobs, Economy and Northern Development.

Because of changes in terminology and content between the 2022 SIBS and previous iterations, caution is recommended in making comparisons at more detailed levels of aggregation.

Innovation is defined as a new or improved product or process (or combination thereof) that differs significantly from the businesses' previous products or processes and that has been made available to potential users (products) or brought into use by the businesses (processes).

Product positioning is a strategy used to promote goods or services, including market segmentation, diversification, and quality improvement.

Cost leadership is a strategy designed to reach and maintain a more efficient cost structure than that of competitors in order to gain a share of the market or long-term profitability.

Clean technology refers to goods or services that reduce environmental impacts through environmental protection activities or through the sustainable use of natural resources.

Management skills refer to the ability to implement management practices.

Business skills refer to marketing and accounting.

Multinational businesses are corporations with majority-owned operations in more than one country. Canadian multinational businesses are Canadian-controlled firms with a foreign affiliate, while foreign multinational businesses are firms in Canada controlled by a foreign parent.

Intellectual property is a distinct form of creative endeavor such as an invention, creative work, image or industrial design that may be protected by legislation or that has provided commercial value. Protected intellectual property owned by businesses covered in the SIBS include trademarks, patents, non-disclosure agreements, trade secrets, copyrights, and industrial design.

Available tables: [27-10-0367-01](#) to [27-10-0369-01](#) , [33-10-0148-01](#), [33-10-0149-01](#), [33-10-0153-01](#), [33-10-0154-01](#), [33-10-0158-01](#), [33-10-0159-01](#), [33-10-0166-01](#), [33-10-0167-01](#), [33-10-0174-01](#), [33-10-0176-01](#), [33-10-0177-01](#), [33-10-0193-01](#), [33-10-0298-01](#) to [33-10-0302-01](#) and [33-10-0756-01](#) to [33-10-0759-01](#) .

Definitions, data sources and methods: survey number [5171](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).