

Table 3
Descriptive statistics of indicators and t-tests on mean differences

<i>Variables</i>	High-innovative firms		Less-innovative firms		
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>	
Dummy for bringing novel products on the market in 2003/2004	0.78+	0.41	0.00	0.00	
Dummy for patent applications in 2003/2004	0.48+	0.50	0.00	0.00	
Founding year	1990	16.32	1989	18.39	
Dummy for affiliation to a firm group	0.21+	0.41	0.12	0.32	
Number of employees	38.38+	54.11	27.06	55.88	
Factor Conditions					
<i>Firm assessment of locational factor:</i>					
FC1	supply of skilled labor	2.49+	1.48	2.02	1.48
FC2	supply of additional education	1.65	1.76	1.52	1.72
FC3	supra-regional transportation links	2.01+	1.82	1.62	1.81
FC4	intra-regional transportation links	1.60-	1.85	1.79	1.80
FC5	proximity to universities	1.50+	2.02	0.59	1.42
FC6	proximity to research institutes	1.31+	1.93	0.39	1.18
FC7	support of local financial institutions	1.55	1.59	1.56	1.55
Local Demand					
LD1	local turnover share	18.93-	27.11	43.11	37.43
LD2	firm assessment of proximity to customers	1.50-	1.84	2.48	1.86
R&S Industries					
<i>Cooperation frequency in:</i>					
RS1	basic research	1.62+	1.11	1.19	0.63
RS2	product development	2.86+	1.45	1.74	1.15
RS3	process development	2.15+	1.33	1.53	0.97
RS4	equipment usage	1.75+	1.16	1.52	1.03
RS5	Sales	2.05+	1.36	1.83	1.28
Rivalry					
R1	main competitors' headquarters in firm's proximity	0.21-	0.41	0.48	0.50
R2	competitors' size	2.23+	0.64	2.08	0.67
R3	number of competitors	1.79-	0.79	2.02	0.77
Government					
<i>Firm assessment of:</i>					
G1	support from job centers	0.66-	1.26	0.85	1.39
G2	support from local authorities	0.84-	1.40	1.04	1.46
G3	support from business development corporations	1.38+	1.71	1.09	1.53
G4	support from state government	1.43+	1.70	1.02	1.42
Innovativeness					
I1	new products in 2003/2004	0.98+	0.13	0.62	0.49
I2	new processes in 2003/2004	0.51+	0.50	0.32	0.47
I3	fundamental organizational changes in 2003/2004	0.48+	0.50	0.38	0.49
I4	number of patent applications	1.31+	2.81	0.00	0.00
I5	deployment share in R&D	19.87+	24.03	3.81	11.33
Performance					
P1	export share in total turnover in 2004	18.49+	24.49	6.21	15.14
P2	productivity in 2004	0.13	0.58	0.11	0.20
P3	turnover growth in 2004 compared to 2003	0.19+	0.47	0.08	0.35
<i>Firm assessment of</i>					
P4	profit situation in 2003/2004	3.52+	1.08	3.37	1.03
P5	competition situation in 2005/2006	3.48+	0.83	3.13	0.78
P6	development of market volume for a medium term	3.45+	1.09	2.82	1.05
Number of firms		541		1,804	

NOTES: 1. t-tests on differences of means, + significantly larger, - significantly smaller than comparison group of less-innovative firms at 5% level. 2. SD refers to standard deviation.

Table 4
PLS estimation results for high-innovative and less-innovative firms—measurement models

Variable	High-innovative firms		Less-innovative firms	
	Weight		Weight	
Factor Conditions				
FC1	0.21		0.25	***
FC2	0.24		0.23	**
FC3	0.03		0.28	***
FC4	0.24		0.06	
FC5	0.19		0.11	
FC6	0.25		0.39	***
FC7	0.60	*	0.52	***
Local Demand				
LD1	0.85	***	0.78	***
LD2	0.25		0.35	***
R&S Industries				
RS1	0.38	**	0.13	*
RS2	0.22		0.61	***
RS3	0.51	***	0.45	***
RS4	0.30	*	0.05	
RS5	0.04		0.07	
Rivalry				
R1	0.41	***	0.70	***
R2	-0.31	**	-0.20	***
R3	0.79	***	0.57	***
Government				
G1	0.26		0.17	*
G2	0.39		0.33	**
G3	0.43		0.47	***
G4	0.42		0.42	***
Innovativeness				
I1	0.10		0.43	***
I2	0.54	***	0.30	***
I3	0.15		0.20	**
I4	0.41	**	-	-
I5	0.61	***	0.70	***
Performance				
P1	0.63	***	0.77	***
P2	0.09		0.12	**
P3	0.25	**	0.04	
P4	0.13		0.12	**
P5	0.15		0.18	***
P6	0.51	***	0.39	***

NOTES: Bootstrapped t-values (not reported) based on 500 resamples: ***, **, and * refer to significance at the 1%, 5%, and 10% levels, respectively.

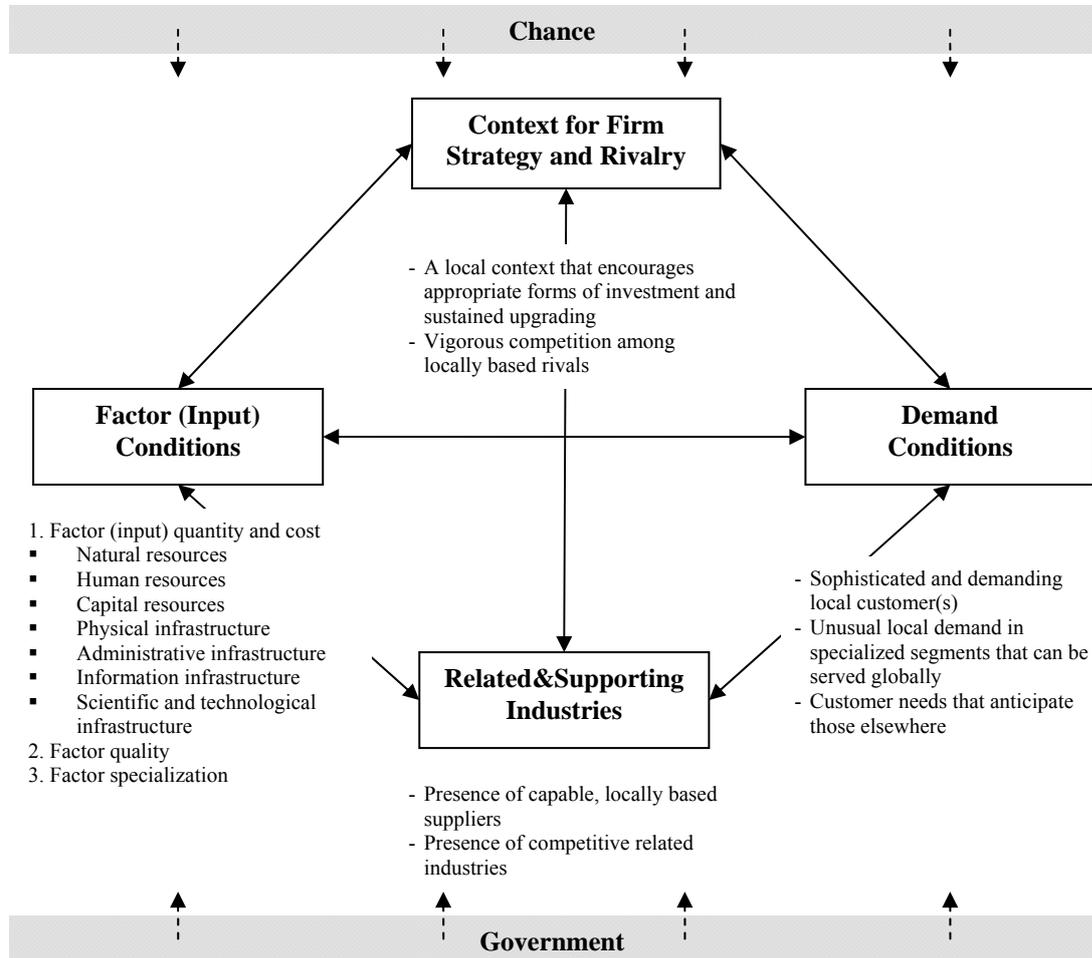
Table 5

Estimation results for high-innovative and less-innovative firms— R^2 determination coefficient values and f^2 effect size values

F^2	High-innovative firms				Less-innovative firms			
	<i>Factor Conditions</i>	<i>R&S Industries</i>	<i>Innovativeness</i>	<i>Performance</i>	<i>Factor Conditions</i>	<i>R&S Industries</i>	<i>Innovativeness</i>	<i>Performance</i>
Factor Conditions			0.00	0.00			0.00	0.00
Local Demand			0.00	0.03			0.00	0.06
R&S Industries			0.15	0.00			0.07	0.01
Rivalry			0.00	0.03			0.01	0.02
Government	0.13	0.01	0.00	-0.01	0.18	0.02	-0.01	0.00
Innovativeness				0.03				0.01
R^2	<i>0.116</i>	<i>0.011</i>	<i>0.153</i>	<i>0.170</i>	<i>0.150</i>	<i>0.016</i>	<i>0.112</i>	<i>0.169</i>

B. Figures

Figure 1
Porter's Diamond Model



SOURCE: Porter (2000)

Figure 2
The Geographical Distribution of High-Innovative (x) and Less-Innovative (y) Firms

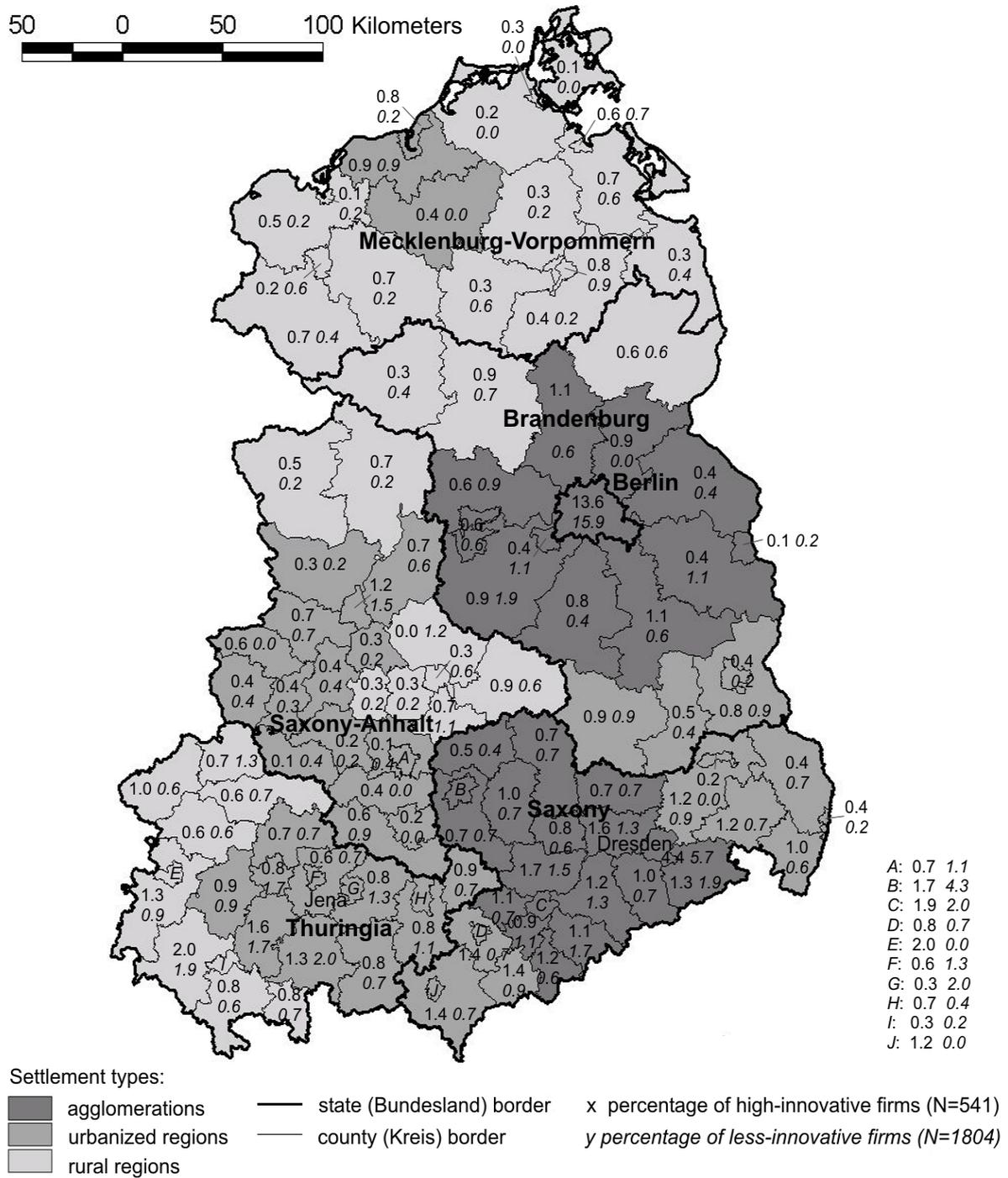


Figure 3
The Concept of the Structural Model

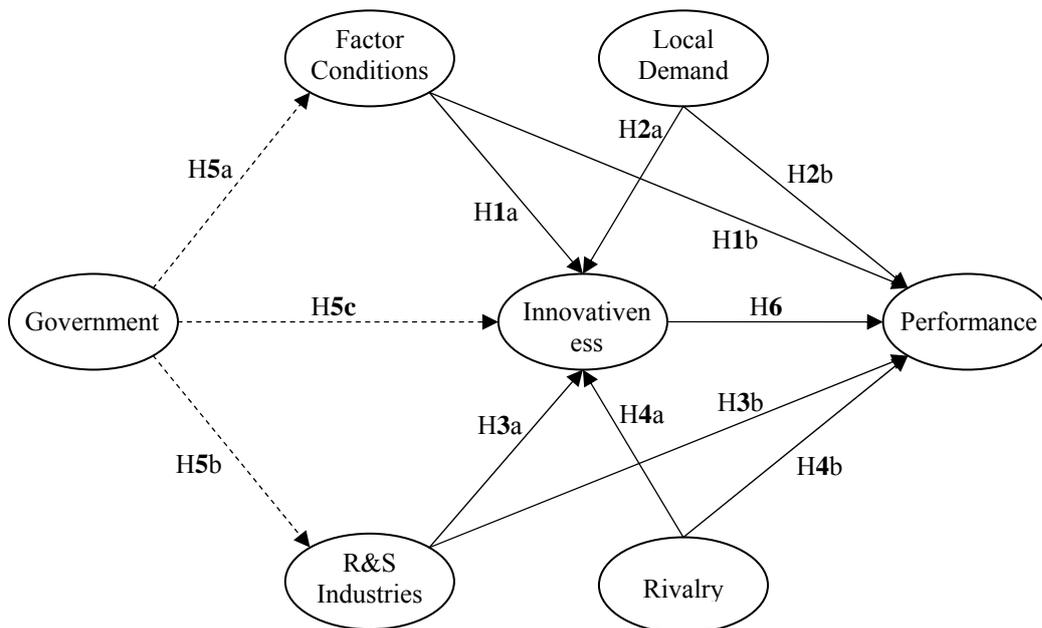
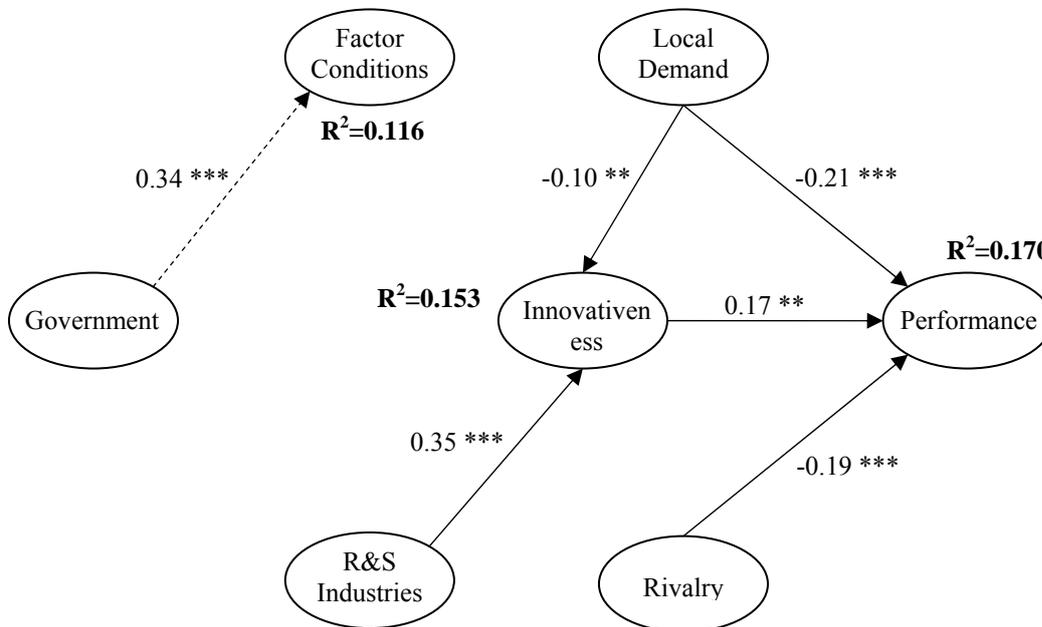
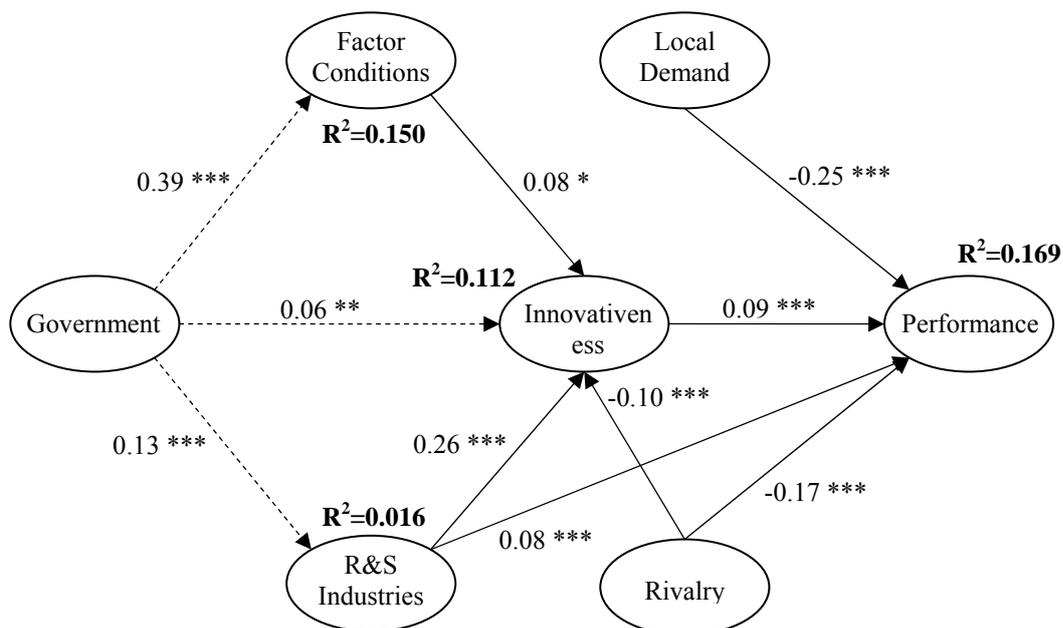


Figure 4
PLS Estimation Results for High-Innovative Firms—Structural Model



NOTES: Bootstrapped t-values (not reported) based on 500 resamples: ***, **, and * refer to significance at the 1%, 5%, and 10% levels, respectively.

FIGURE 5
PLS Estimation Results for Less-Innovative Firms—Structural Model



NOTES: Bootstrapped t-values (not reported) based on 500 resamples: ***, **, and * refer to significance at the 1%, 5%, and 10% levels, respectively.