

Appendix C: descriptive statistics

	Product innovation advertising equation		Product innovation equation	
	Mean	Std. Dev.	Mean	Std. Dev.
<i>Dependent variables</i>				
Dummy no product advertising	0.3856	0.4870		
Dummy product innovation	0.4487	0.4975		
<i>Exclusion restrictions in advertising equation</i>				
Meet regulations	0.2744	0.1260	0.2556	0.1194
Customer acceptance lack	0.1829	0.0426	0.1780	0.0425
Conglomerate dummy	0.3827	0.4863	0.3118	0.4634
Share private household cust.	0.2307	0.3321	0.2522	0.3457
<i>Variables in both equations</i>				
Information source customers	0.3451	0.0932	0.3257	0.0952
ln(Market size)	23.8134	1.7770	23.8585	1.8213
Customer concentration index	0.6250	0.2402	0.6546	0.2446
ln(Market concentration)	-3.9096	1.1124	3.9791	1.1278
ln(# of employees)	4.3248	1.9142	3.8251	1.7935
Dummy retail trade	0.1057	0.3077	0.1473	0.3545
Dummy transport	0.0771	0.2669	0.0742	0.2622
Dummy banking and insurance	0.2226	0.4163	0.1735	0.3788
Dummy technical services	0.2289	0.4204	0.1914	0.3935
Dummy 'other' services	0.2624	0.4402	0.2868	0.4524
Imitation hazard...				
...not very important	0.1892	0.0565	0.1844	0.0591
...somewhat important	0.1724	0.0672	0.1788	0.0726
...hazard important	0.2005	0.0679	0.1941	0.0697
...very important	0.1534	0.0640	0.1536	0.0635
Dummy for East Germany	0.3097	0.4627	0.3471	0.4762
<i>Exclusion restrictions in product innovation equation</i>				
Foreign competition expected			0.5035	0.5001
Share high skilled workers			0.2038	0.2555
Share low skilled workers			0.5821	0.2906
Academics as information source			0.1245	0.0886