

The impact of different innovation dimensions on start-ups' survival

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Abstract

This paper investigates the relationship between innovativeness and survival of Italian innovative start-ups. From a dataset of 9,338 firms for the period 2011-2021, we exploit parametric survival regression to model survival time. Our results show that different types of innovation have a differential impact on survival rates. In particular, we show that innovation orientation and innovation outputs are more important for determining the survival of start-ups than innovation inputs. Moreover, we find that female and young-led start-ups do not lag behind their male and older counterparts in terms of survivability and that firms led by foreign-born entrepreneurs show lower survival rates. These findings have important implications for both entrepreneurs and policymakers: entrepreneurs, when investing in innovative activities, should cautiously consider the productivity of those investments; on the other hand, policymakers should put in place measures to foster the innovation orientation of start-ups and facilitate the production of new innovative products and services.

Keywords Female entrepreneur, Innovation, Start-up, Survival analysis