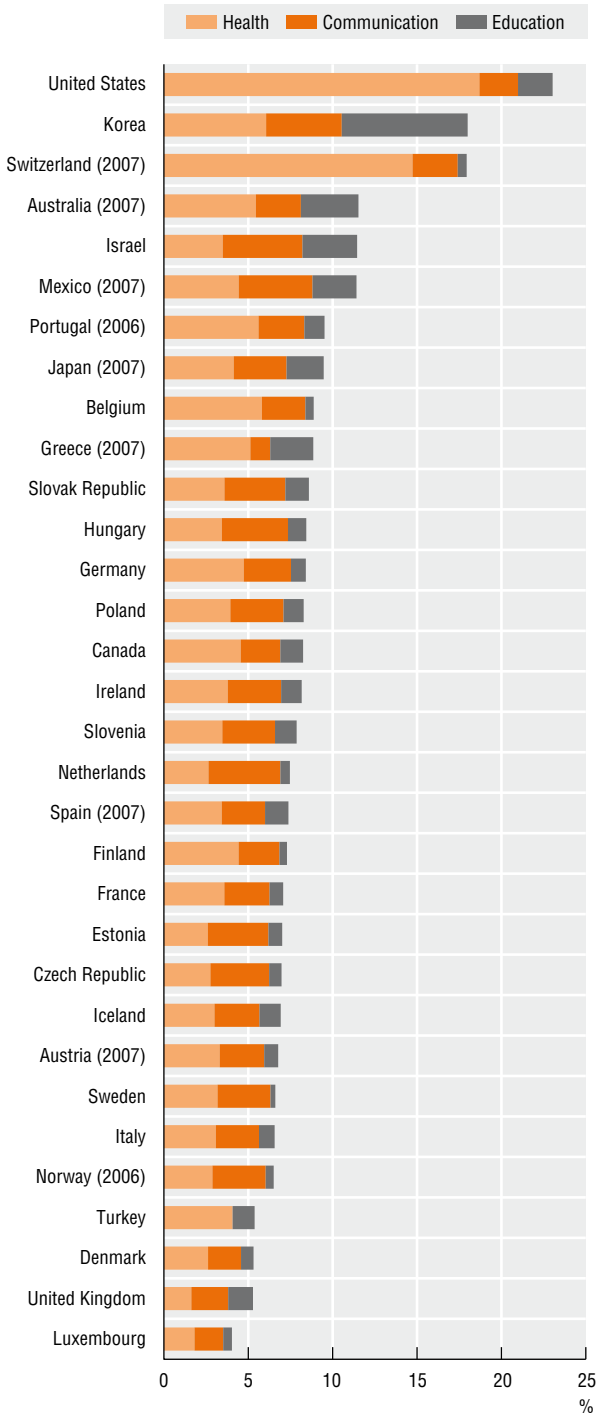


Enabled by new technologies, users and consumers play a growing role in the innovation process and can directly influence innovation and encourage the development of new technologies.

Final consumption expenditure of households, by selected category, 2008

As a percentage of total final consumption expenditures



Source: OECD, National Accounts Database, February 2010.
 StatLink <http://dx.doi.org/10.1787/835570672184>

DID YOU KNOW?

In ten OECD countries, mobile outpaced fixed lines as the main telecommunication revenue stream.

(OECD Communications Outlook 2009.)

Health, communication and education are three important areas in which technological or organisational innovation will help to improve the goods or services delivered to the population. In these areas in particular, users and consumers can play an active role by testing new ideas and providing feedback to service providers (firms and governments) to help orient the innovation effort.

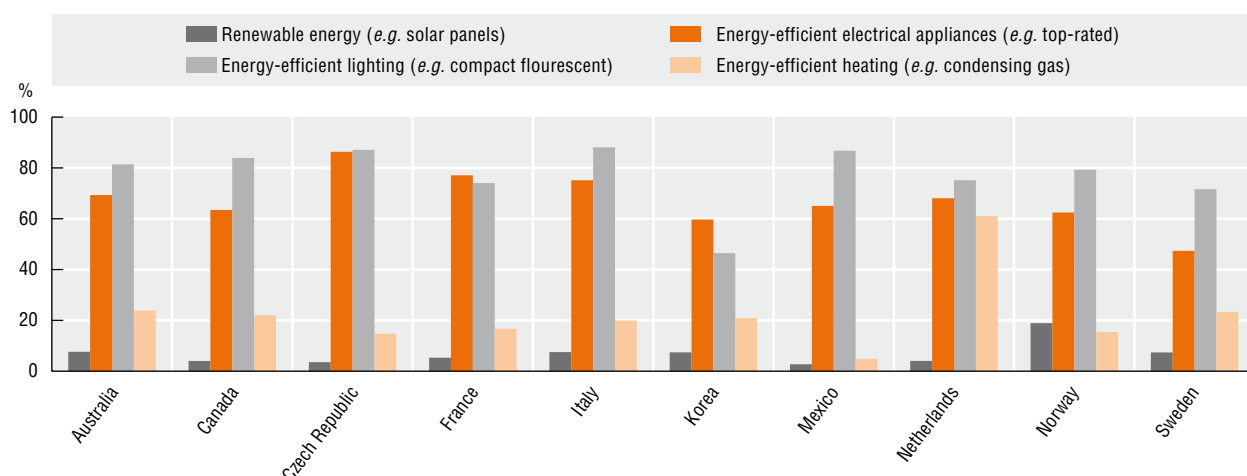
Spurred by high consumer demand and rapid technological advances, information and communication technology (ICT) plays a large part in the everyday life of many OECD consumers. Although communication-related expenditures represent a small percentage of the household budget (2.6% in 2008), its share has grown steadily over the last two decades.

Consumer demand for environmentally friendly goods and services (e.g. energy-efficient appliances, alternative-fuelled vehicles, non-toxic cleaning products) is likely to play an important role in the development of a new generation of “green” goods and services. Empirical work at the OECD indicates that exploiting such demand depends on price incentives and information-based measures to help consumers make informed choices based on their underlying demand for improved environmental quality.

Definitions

The *final consumption expenditure* of households or demand from households (along with public consumption and investment) is part of a country’s domestic demand and one of the constituents of GDP. The data are compiled in the National Accounts. Final consumption expenditure of households is divided into 12 categories, including health, communication and education.

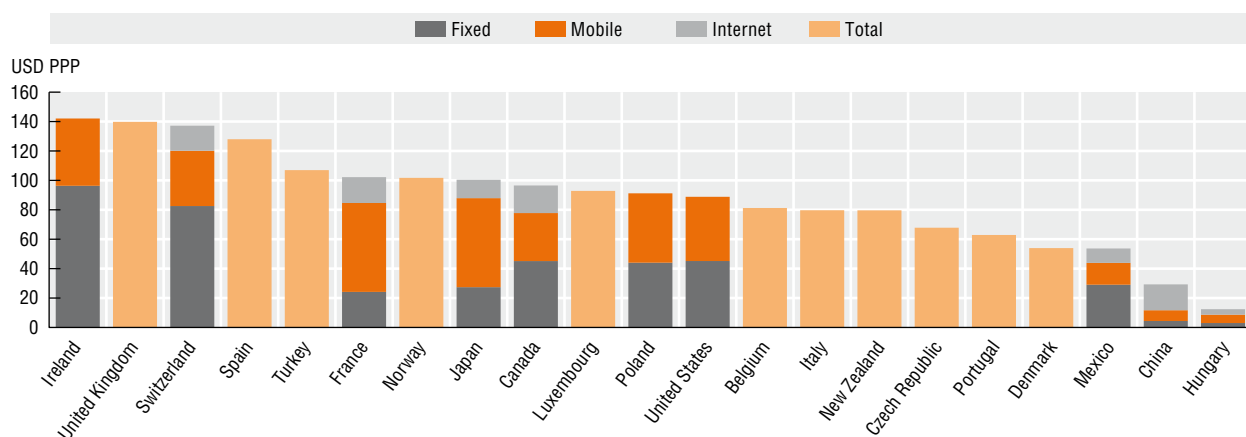
Percentage of households having invested in environmentally friendly products in the last ten years, 2008



Source: OECD (forthcoming), *Environmental Policy and Household Behaviour: A Survey of OECD Countries*, OECD, Paris.

StatLink <http://dx.doi.org/10.1787/835570672184>

Monthly household expenditures on communication services, by type of access, 2007



Source: OECD (2009d), *OECD Communications Outlook 2009*, OECD, Paris.

StatLink <http://dx.doi.org/10.1787/835570672184>

Measurability

Adoption of new environmentally friendly products is key to encouraging demand for “green” innovation. Unfortunately, household-level data on the adoption of such innovations for a cross-section of OECD countries is not available since standard commodity classifications do not offer a sufficient level of disaggregation. Moreover, much of the data required to assess the determinants of household behaviour – including the use of such innovations – are not reflected directly in consumer expenditure patterns. In order to fill this gap, the OECD collected data from 10 000 households on issues such as waste generation, energy and water use, personal transport and consumption of organic food. Work scheduled for 2011-12 focuses on the adoption of eco-innovations.

National surveys were used to compare monthly spending by households on communication services with a breakdown (for some countries) by type of access. Unfortunately, these surveys are not always easy to compare since they use different questionnaires, definitions and methodologies. Countries such as Ireland, Poland and the United States do not include Internet services in their data. As the question of spending on ICT becomes more important, national surveys tend to become more detailed so that recent questionnaires are more internationally comparable than older ones.