

## **What Drives Eco-Innovations in Slovenia**

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The main aim of this paper is to explore the determinants of eco-innovation in Slovenia. We endeavour to delineate and further test, which factors spur eco-innovations in Slovenia and whether these determinants vary though different eco-innovation types or are common to all three of them – product, process and organizational eco-innovation.

Based on a sample of 80 Slovenian companies we strived to explore the relationship between three eco-innovation types (product, process and organizational) and determinants of eco-innovation (which are following: managerial environmental concern, customer demand, expected benefits, competitive intensity, competitive pressure, command-and-control and economic incentive instruments). We have employed regression analysis in order to test the relationships between determinants of eco-innovation (managerial environmental concern, customer demand, expected benefits, competitive intensity, competitive pressure, command-and-control and economic incentive instruments) and different eco-innovation types (product, process and organizational eco-innovation). Prior to it, we conducted exploratory factor analysis, which for all variables demonstrated good results.

The findings of this study are threefold. First, all three models consisting of eco-innovation determinants and eco-innovations are statistically significant and can be supported. Second, the determinants of eco-innovation vary depending on the type of eco-innovation (product, process and organizational). Therefore, the results revealed that product eco-innovation is driven by customer demand and competitive pressure. While the following factors: managerial environmental concern, competitive intensity and competitive pressure trigger process eco-innovation. Lastly, among various determinants only competitive pressure has achieved the conventional level of statistical significance and exerted its positive effect on organizational eco-innovation, meaning that competitive pressure incites organizational eco-innovation. Third finding indicates competitive pressure as a common driver of all three eco-innovation types (product, process and organizational). These results lead us to the conclusion that different factors spur different eco-innovation types, while competitive pressure works as a common driver of all three eco-innovation types (product, process and organizational eco-innovation). The last finding draws attention to the increasing importance of environmentally friendly products, implementation of production processes that exert less adverse effect on the environment and image of becoming/being an environmentally aware company. Becoming environmentally aware company has become an important strategy for companies in order to establish green image and follow sustainability in this intense environment.

The major contribution of this study is exploration of determinants of different eco-innovation types (product, process and organizational eco-innovation), which enables us to draw conclusions on eco-innovation determinants that are more detailed.

*Keywords:* product eco-innovation, process eco-innovation, organizational eco-innovation, determinants, Slovenia