

# Effect of Clustering and Collaboration on Product Innovativeness: The Case of Manufacturing Small and Medium Enterprises (SMEs) in Kenya

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### Abstract

The study aimed at determining the effect of clustering and collaboration on product innovativeness (PI) in the context of manufacturing SMEs in Kisumu, Kenya. To answer the questions this empirical study raised, a sample of 126 SMEs on the basis of the manufacturing hubs of Kisumu, Kenya. This study provided evidence in support of clustering and collaboration on product innovativeness. Further research is needed to confirm and extend the present results by replicating the principal features of this study with SMEs in other regions within Kenya. The conclusions drawn from this study could inform efforts in designing different supportive actions for different cluster manufacturing SMEs based on their product knowledge gaps within the wider innovation policy initiatives.

**Keywords**: Small and medium-sized enterprises, Manufacturing, Clusters, collaboration, Product Innovativeness, Kenya

### 1. Introduction

The concept of 'clusters' is used relatively in the research literature. This may be due to the fact that 'clusters' and 'clustering' encompass a wide range of dimensions and schools of thought. Due to the long history and the wide nature of the term, it goes by different names in the