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Entrepreneurial networking, competitive environment and performance of small and medium enterprises in blue economy sector in Kenya

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Abstract
Kenya's blue economy holds significant potential for driving national economic growth, yet its SMEs face major performance challenges; culminating into high collapse rate of SMEs in this sector. Although entrepreneurial networking is emerging as a key strategy to improve SME performance, existing research highlights methodological, contextual, and geographical gaps. To fill these gaps, the current study assessed the influence of entrepreneurial networking and internationalised SME performance in Kenya's blue economy sector and then assessed moderating effect of competitive environment on the relationship between entrepreneurial networking and performance of internationalised small and medium enterprises in blue economy sector in Kenya. The research employed exploratory research design, with a target population being 221 SME in blue economy in Kenya. The unit of observation was 663 managers of those enterprises from where a sample size of 258 respondents was obtained using proportionate sampling. Data was collected from primary sources using a semi-structured questionnaire and analyzed using both quantitative analysis and qualitative data analysis methods. An estimation model was predicted using multiple regression analysis. The analysis showed that entrepreneurial networking, significantly influences performance ($p < 0.001$) accounting for 43.2% of change in performance of internationalised small and medium enterprises in blue economy sector in Kenya. The competitive environment has a significant moderating effect on the relationship between entrepreneurial networking and performance of small and medium enterprises in blue economy sector in Kenya.

Keywords: Blue economy, competitive environment, entrepreneurial internationalization, entrepreneurial networking and small and medium enterprises

Introduction

The blue economy is rapidly evolving into a strategic entrepreneurial frontier, driven by the dual forces of a growing global population and escalating consumer demand (Patil *et al*., 2016) [34]. Core sectors, including fishing, maritime transport, marine mining, and coastal tourism, are increasingly being recognized for their capacity to unlock substantial investment opportunities for small and medium-sized enterprises (SMEs) on a global scale (van Aalst *et al*., 2018) [43]. In response, SMEs are actively positioning themselves within blue economy value chains, not only in pursuit of profit maximization, but also as contributors to broader national development and sustainable growth objectives (Ndururi, Mukulu & Omwenga, 2019) [31].

Internationalised SMEs in the blue economy sector often grapple with; limited access to information, financing, and managerial expertise within an increasingly competitive international landscape (Cabral *et al*., 2020) [7]. Despite these limitations, the SMEs tend to exhibit greater agility and adaptability than larger firms, attributes that can accelerate their path toward international expansion. While entrepreneurial internationalization entails inherent risks and operational complexities, it remains a strategic imperative that significantly contributes to enhanced performance of internationalised SMEs in the blue economy sector (Hollender, Zapkau, & Schwens, 2017) [6].

Entrepreneurial internationalization is conceptualized as the strategic pursuit of cross-border commercial opportunities (Zucchella, 2021) [47]. It aims to add value to the enterprises; hence improve their performance (Hultman, Iveson & Oghazi, 2021 [18]). Entrepreneurial internationalization is widely recognized as a multidisciplinary construct to explain the dynamics of firm-level global expansion. Scholars have emphasized varying dimensions of this process where Ndofirepi (2024) [30] highlights the interplay between internal capabilities and external environmental factors in shaping internationalization strategies. Meanwhile Autio (2017) [25] introduces the notion of strategic entrepreneurial internationalization, wherein international new ventures (INVs) develop unique competitive advantages through early and proactive global engagement. Similarly, Bayileya and Behaylub (2020) explore how strategic management and corporate entrepreneurship foster value creation through international entrepreneurial initiatives. Within this framework, entrepreneurial networking emerges as a critical enabler, serving as a conduit for essential resources, information exchange, and opportunity recognition in the global marketplace (Lee, Jiménez, & Devinney, 2020). As Sekliuckiene (2017) [24, 25] notes, the growing interconnectedness of global economies has elevated the strategic relevance of SME networks embedded in international contexts.

Entrepreneurial networking is broadly defined as a strategically constructed network of entrepreneurs engaged in collaborative internationalization efforts (Zheng, Ahsan, & DeNoble, 2019) [46]. These networks aim to enhance business effectiveness by facilitating strategic alliances, promoting knowledge sharing, and developing network-based competencies. In support of this, Freixanet *et al*. (2018) [13] advocate for proactive cross-border networking as a mechanism for identifying and capitalizing on international opportunities. Additionally, Karami and Tang (2019) [20] demonstrate that a firm's entrepreneurial internationalization mindset, when complemented by strong

networking capabilities, significantly contributes to enhanced international performance, particularly by uncovering new market opportunities. Against this backdrop, an empirical examination of the impact of entrepreneurial networking on the performance of internationalised SMEs in Kenya's blue economy is both timely and significant, particularly in light of the sector's exposure to volatile competitive environments, which continue to exert a formative influence on performance of enterprises (Falahat *et al*., 2020) [11].

Statement of the Problem

The blue economy in Kenya holds substantial potential to drive sustainable national economic growth. However, SMEs in this sector face significant performance challenges; leading to failure of over 63% of these entities within five years (Soud, 2024) [41]. For instance, in 2023, Kenya's total fish production declined to 161,308 metric tonnes valued at KSh 35.9 billion, marking a 7% decrease from the 173,741 metric tonnes worth KSh 37.0 billion recorded in 2022 (Kenya Fisheries Service, 2024) [41]. The maritime industry experienced a marked downturn in transactional activity, as reflected by a sharp drop in Kenya's Liner Shipping Connectivity Index (LSCI) score, from an all-time high of 21.08 points in 2018 to just 16.98 points in 2019 (Odhiambo. A & Ndege, 2025) [32]. In this context, entrepreneurial networking and internationalization are increasingly seen as critical enablers of SME performance (Pacheco, 2019; Shepherd & Patzelt, 2018) [33, 40]. However, existing literature is limited by methodological, contextual, and geographical gaps. Many prior studies rely on qualitative or desk-based methods and lack relevance to Kenya's unique blue economy landscape. To bridge these gaps, the present study utilized comprehensive primary field data to empirically examine the relationship between entrepreneurial networking and performance within Kenya's internationalised SMEs in the blue economy, thereby generating contextually grounded, evidence-based insights and actionable recommendations tailored to this critical sector.

Research Hypothesis

H_{01}: Entrepreneurial networking does not significantly affect performance of small and medium enterprises in blue economy sector in Kenya.

H_{02}: Competitive environment does not significantly moderate the relationship between entrepreneurial networking and performance of small and medium enterprises in blue economy sector in Kenya.

Literature Review

The Theory of Entrepreneurship and Networks

The Theory of Entrepreneurship and Networks, primarily advanced by Johanson and Mattsson (1988, 1991), underscores the critical role of networks in enabling SMEs to access resources, foster collaboration, and enhance performance. Networks promote knowledge sharing, flexibility, and trust-based relationships, which are essential for firms pursuing internationalization (Coleman, 1988; Balkundi & Harrison, 2006; Vissak, Francioni & Freeman, 2020) [44]. Strong ties within these networks facilitate the flow of rich and redundant information, thereby creating competitive advantages for new ventures (Purwanto, 2021). However, while networks offer strategic benefits, including improved access to technology and international opportunities (Sannegadu *et al*., 2019; Su *et al*., 2020) [7, 39], the effectiveness of internationalization also depends on the firm's internal capabilities (Dimitratos *et al*., 2016) [8]. Critically, the theory has limitations in explaining how firms shift between network positions (Chetty & Holm, 2000). Nonetheless, entrepreneurial networks, especially those involving foreign partnerships, are seen as key enablers of SME internationalization and performance growth, particularly through expanded global reach and enhanced strategic partnerships (Battisti, Scott-Kennel & Deakins, 2021) [4].

Competitive Advantage Theory

Competitive Advantage Theory, developed by Michael Porter (1979) [35], expands on earlier trade theories by emphasizing the role of domestic conditions in shaping a firm's global competitiveness. The theory identifies four key determinants—factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry—as sources of national competitive advantage, all of which are influenced by government policy and chance. Notably, strong and sophisticated domestic demand compels firms to innovate rapidly, giving them an edge over international rivals. For firms in small domestic markets, internationalization becomes essential to achieving economies of scale and gaining competitive advantage abroad. However, critiques highlight its static nature and limited applicability in today's dynamic, fast-changing global environment, particularly its failure to address sustainability of competitive advantage (Goyal, 2020) [14]. Despite its limitations, the theory offers a valuable framework for understanding firm rivalry and strategic positioning in international contexts. As such, it informed the current study by supporting the role of competitive environment as a moderating variable in the relationship between entrepreneurial internationalization and performance within Kenya's internationalised SMEs blue economy sector (Fernandes *et al*., 2019; Yoon *et al*., 2019) [12, 45].

Empirical literature review

Extensive research underscores the critical role of entrepreneurial networking in enhancing the internationalization and performance of internationalised SMEs. Dimitratos *et al*. (2016) [8] revealed that international networks and networking competence significantly influence international expansion and performance. Additionally, Sekliuckiene (2017) and Torkkeli *et al*. (2018) [25, 42] stressed the importance of informal networks, networking skills, and rapid market access in driving performance of SMEs. Karage *et al*. (2019) [19], Rhommadhonni & Dhewanto (2019), and Éltet (2019) [37] connected networking capabilities to SME performance and sustainability. Battisti *et al*. (2021) [4] noted the importance of adapting to dynamic networking approaches, although Purwanto (2020) [36] observed that network cooperation alone may not guarantee international performance, pointing to the distinct and context-dependent nature of networking outcomes.

Korsakien *et al*. (2019) [23] reaffirmed networks as a predictor of competitive advantage and internationalization levels as Falahat *et al*. (2020) [11] identify competitive advantage as a crucial intermediary between pricing

capabilities and international outcomes, offering practical insights for SMEs aiming to navigate global markets. Appiah (2016) and Yoon *et al*. (2019) [2, 45] emphasize the intense competition SMEs face globally, requiring them to maintain agility and innovation to remain competitive. Hernández-Perlines *et al*. (2016) [16] showed that adopting a competitive strategy strengthens the link between entrepreneurial orientation (EO) and performance. Similarly, Hernández-Perlinesa & Mancebo-Lozano (2017) argue that EO is closely tied to competitive conditions. Although Escamilla-Fajardo *et al*. (2018) [10] found that competition did not moderate the EO–service quality relationship, the connection between EO elements, innovation, risk-taking, and proactivity, remains clear. Agwu and Onwuegbuzie (2018) [1], along with Biraglia & Kadile (2017) [6], further affirm that dynamic and unpredictable international environments demand strategic adaptation from SMEs seeking success abroad.

Research Methodology

This study adopted both positivist and interpretivist paradigms to explore the relationships between entrepreneurial factors and performance of internationalised SMEs in Kenya's blue economy ((Saunders *et al*., 2018) [43]. The positivist approach emphasizes observation, measurement, and causal relationships, aiming to predict and explain social phenomena through quantitative data;(Lincoln *et al*., 2018) [27], while interpretivism seeks to understand subjective meanings and interpretations from the participants' perspectives (Kivunja & Kuyini, 2017) [22]. The exploratory research design was used to investigate underexplored issues, focusing on novel topics with limited prior literature (Creswell & Creswell, 2018; Saunders *et al*., 2018).

The target population for this study consisted of 221 internationalized blue economy SMEs in Kenya, located along the Kenyan Coast and Lake Victoria regions (Kenya Maritime Association, 2021). The unit of analysis included the SMEs in five categories: shipping agents, maritime transport, tourism, fishing, and cargo consolidators, with 663 managers selected as the unit of observation. The study used stratified proportionate sampling to select SMEs from each category, with 258 managers as respondents (Mishra & Alok, 2017) [28]. Data was collected using a semi-structured questionnaire, with sections focused on various factors influencing SME performance, and a Likert 5-point scale was employed to quantify responses (Saunders *et al*., 2018; Gupta & Rangi, 2014).

The data was analysed using descriptive statistics, with a 5-point Likert scale transformed into quantitative data to produce mean values for each variable. Hypothesis testing was carried out using Analysis of Variance (ANOVA) at a 5% significance level to assess the relationships between the variables, with decisions based on p-values (Schreiber-Gregory & Bader, 2018; Klein & Gerhard-Lehn, 2016). Regression was carried out to estimate a model as captured in equation (i)

$$Y = \beta_0 + \beta_1 X + \varepsilon \quad \text{(i)}$$

Where:
Y = Performance of internationalised small and medium enterprises in blue economy sector in Kenya
β_0 = Constant
β_1 = coefficient of entrepreneurial networking
X = Entrepreneurial networking
ε = Error Term

The study further carried out regression analysis to establish the moderating effect of competitive environment on the relationship between entrepreneurial networking and performance of SMEs. While testing hypothesis two. In this study, the equation for the moderating effect was;

$$Y = \beta_0 + \beta_1 X + \beta_2 W + \beta_3 X*W + \varepsilon \quad \text{(ii)}$$

Y = Performance of internationalized SMEs in blue economy sector in Kenya
X is the composite independent variable; entrepreneurial networking
W is the competitive environment (moderating variable)
B0 is a constant (which the value of dependent variable is; Y, when the independent variable and moderating variable are 0).
B1 is the regression coefficients or change induced by entrepreneurial networking
B2 is the regression coefficients or change induced by moderating variable
B3 is the regression coefficients or change induced by product of entrepreneurial networking and moderating variable (competitive environment)
ε = error term.

Results and Discussions

Descriptive Analysis

It was appropriate to carefully examine the predominant descriptive statistics of the research sample data before moving forward with the inferential analysis of the data. The study used data measured on a 5-point Likert scale; 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, and 5= Strongly Agree. This data which was ordinal was transformed into quantitative data using mean of means. Then the transformed descriptive statistics, Mean (M) and Standard deviation (SD), were interpreted based on the statistics; 1 to 1.8 = Strongly Disagree, above 1.8 to 2.6 = Disagree, above 2.6 to 3.4 = Neutral, above 3.4 to 4.2 = Agree, and above 4.2 to 5.0 = Strongly Agree. In this study, the scales were abbreviated; SD= Strongly Disagree; D= Disagree N = Neutral, A= Agree and SA= Strongly Agree

Entrepreneurial Networking and Performance of Small and Medium Enterprises

The study assessed the influence of entrepreneurial networking on the performance of small and medium enterprises in the blue economy sector in Kenya to obtain Table 1.

Table 1: Descriptive statistics for Entrepreneurial Networking

Parameter	SD (%)	D (%)	N (%)	A (%)	SA (%)	M	SD
Collaborating with host country SMEs to gain experience	0.00	1.89	15.09	63.21	19.81	4.01	0.65
Collaborations to increase presence in the international markets	0.00	1.89	17.92	59.43	20.75	3.99	0.68
Forming strategic alliances with other internationalized SMEs	0.00	1.89	12.74	65.09	20.28	4.04	0.64

Strategic alliances for gaining experience of foreign country	0.00	1.89	15.57	59.91	22.64	4.03	0.68
Building networks for gaining substantial experience	0.00	2.36	14.15	62.74	20.75	4.02	0.67
Cooperating with large number of international	0.00	2.36	16.04	60.85	20.75	4.00	0.68
Building cooperations for international experience	0.00	2.83	16.04	61.32	19.81	3.98	0.69
Developing network relationships	0.00	2.83	16.98	58.49	21.70	3.99	0.71
Entrepreneurial networking	0.00	2.24	15.57	61.38	20.81	4.01	0.67

Key; SDI= Strongly Disagree; D=Disagree; N= Neutral, A=Agree, SA= Strongly Agree; M= Mean; SD= Standard Deviation

The findings indicate that most respondents strongly believe entrepreneurial networking plays a critical role in enhancing the international performance of SMEs. Collaborating with host-country SMEs is seen as a valuable way to gain experiential learning and improve business outcomes in foreign markets. Entering international markets through strategic partnerships is widely regarded as a key driver of competitiveness. Forming alliances with other internationalized SMEs is viewed as one of the most effective strategies for boosting international presence and overall performance. Respondents also acknowledged that such alliances help generate increased international sales by providing valuable market knowledge and access. Building strong international networks is considered essential for developing international business expertise and achieving success. Cooperation with a wide range of international companies is believed to significantly enhance enterprise performance. There is also strong support for building partnerships that provide international experience and exposure, as well as for developing network relationships that ensure access to critical resources unavailable locally. Overall, entrepreneurial networking is seen not just as a support activity, but as a core capability that underpins the success of internationalized SMEs.

In the response to the qualitative question. It was indicated that entrepreneurial networking is formed through various channels such as social media, participation in business community cooperatives, attending industry events, and joining professional groups. Social media platforms, particularly LinkedIn, Facebook, Twitter, and Instagram, were noted as powerful tools for increasing visibility, building professional relationships, and showcasing expertise. Networking was seen as essential for business growth, offering opportunities for resource access, collaboration, knowledge sharing, and industry exposure. Entrepreneurs highlighted that joining professional associations helps establish credibility, maintain awareness of industry trends, and connect with like-minded individuals for mutual development. Joint ventures and strategic partnerships were also emphasized as valuable outcomes of effective networking. For those operating in international markets, networking was especially important for building meaningful cross-border relationships, gaining insights, and expanding brand reach. Overall, the responses underscored that intentional, trust-based, and proactive networking efforts significantly contribute to SME performance and long-term success.

These findings effectively show that the effect of entrepreneurial networking on performance of SMEs in blue economy sector in Kenya was high to agree with Korsakien *et al*. (2019) [23] that entrepreneurial networks are suitable predictor of the degree of internationalization. These findings highlight that both extensive networks and targeted resource access are beneficial for improving performance in international business. This supports the discovery by Karage *Et al*. (2019) [19] that networks are essential for SMEs to maintain their internationalization through their performance and confirm those in the research by Rhommadhonni and Dhewanto's (2019) [37] that an entrepreneur's networking capability effects performance and that the entrepreneur's personality influences the entrepreneur's business networking capability. So, those who can detect dynamism in networking methods are more likely to achieve performance of their SMEs through internationalization (Battisti *Et al*., 2021) [4]. However, the findings disagree with Purwanto's (2020) [36] research work which reveal network cooperation as inconsequentially connected to international performance.

Entrepreneurial Networking and Performance of Small and Medium Enterprises

Then study assessed the manner in which competitive environment moderated the relationship between entrepreneurial internationalization and performance of small and medium enterprises in blue economy sector in Kenya to yield Table 2.

Table 2: Competitive Environment and Performance

Parameter	SD%	D%	N%	A%	SA%	M	SD
Lack of support by host government and agencies	0.00	5.19	22.17	52.83	19.81	3.87	0.78
Host government policies that are not conducive	0.00	0.47	6.60	20.75	53.30	3.83	0.82
Multiple of regulatory requirements to be followed deter performance	0.00	7.08	19.34	58.49	15.09	3.82	0.77
Doing business in most countries is risky because.	0.00	6.60	24.53	52.36	16.51	3.79	0.8
Monetary, fiscal and industrial policies are not conducive	0.47	5.19	20.75	56.13	17.45	3.85	0.79
In most countries we face limited access to markets	0.00	5.19	25.00	55.19	14.62	3.79	0.75
Our internationalization is constraints by taxation and levies	0.00	7.08	22.17	50.94	19.81	3.83	0.82
Competitive Environment	0.07	5.26	20.08	49.53	22.37	3.83	0.79

The results revealed that SMEs involved in international business face several key external challenges that hinder their performance. A major constraint identified is the lack of support from host-country governments and agencies, which many respondents believe limits their ability to succeed abroad. Hostile or exclusionary government policies in foreign markets were also seen as significant obstacles, creating an unfavorable environment for international operations. Complex and burdensome regulatory requirements were commonly cited as major deterrents to performance, with many respondents indicating that excessive bureaucracy hinders their ability to navigate

foreign markets effectively. Additionally, unstable or inconsistent economic conditions in host countries were recognized as ongoing risks that contribute to uncertainty and reduce confidence in international expansion.

National-level monetary, fiscal, and industrial policies were also viewed as misaligned with the needs of internationalizing SMEs, weakening their competitiveness and long-term sustainability abroad. Limited market access, whether due to legal, logistical, or infrastructural barriers, was another shared concern, highlighting difficulties in reaching and serving foreign customer bases.

Taxation and levies were reported as significant burdens, with many entrepreneurs feeling that international tax regimes constrain the financial viability of their operations. Lastly, the competitive landscape itself was identified as a challenge, with intense global competition. Often exacerbated by structural disadvantages, seen as a limiting factor to international performance.

Regression Analysis and Hypothesis Testing

The study carried out linear regression to assess the influence of entrepreneurial networking and performance of small and medium enterprises in blue economy sector in Kenya while testing hypothesis one. This yielded results in Table 3.

Table 3: Regression Results

R	R Square	Adjusted R Square	Std. Error of the Estimate		
.657a	0.432	0.429	0.272		
a Predictors: (Constant), Entrepreneurial Networking					
	Sum of Squares	Df	Mean Square	F	Sig.
Regression	11.827	1	11.827	159.563	<0.01 [b]
Residual	15.565	210	0.074		
Total	27.392	211			
a Dependent Variable: Performance					
b Predictors: (Constant), Entrepreneurial Networking					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.165	0.152		14.209	<0.01
Entrepreneurial Networking	0.482	0.038	0.657	12.632	<0.01
a Dependent Variable: Performance					

In the results, R^2 value of 0.432 indicates that 43.2% of the variance in performance of SMEs in the blue economy sector in Kenya was explained by entrepreneurial networking. Given that the p-value ($p<0.01$) was less than 0.05, the null hypothesis is rejected, and the alternative hypothesis is accepted, providing sufficient evidence of a significant relationship between entrepreneurial networking and the performance of SMEs in the blue economy sector in Kenya

The model's coefficients indicate that entrepreneurial networking positively impacts SME performance (β = 0.482), with a significance level of p = 0.000.

The model was $Y = 2.165 + 0.482X_1$……. (ii)

Thus,

Performance of SMEs in the blue economy sector in Kenya = 2.015+ 0.482(entrepreneurial networking)

This suggests that a one-unit increase in networking is associated with a 0.482 increase in performance, highlighting networking as a crucial predictor of success. Recent studies support this notion, with Purwanto (2020) [36] suggesting that network cooperation is linked to international performance, Éltet (2019) [19] demonstrating that network collaborations enable businesses to outperform competitors with Mukulu, Omwenga and Kanali (2013) [29] emphasizing the importance of networking for enhancing business performance. Furthermore, Rhommadhonni and Dhewanto (2019) [37] argue that entrepreneurial networking capabilities directly affect performance, while Karage, Yusof, Nadarajah, and Abdul (2019) [19] assert that networks are vital for SMEs' internationalization and performance (Sekliuckiene, 2017). Torkkeli *et al*. (2018) [25, 42] also confirm that networking skills significantly influence the international performance of SMEs (Dimitratos *et al*, 2016) [8]. Thus, entrepreneurial networking emerges as a critical determinant of performance of SMEs in the Kenyan blue economy sector.

Test of Moderating Variable

The test for the moderating effective using hypothesis two to yield the results in Table 6.

Table 4: Regression Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
2	.760 [b]	.578	.574	.2350858	.147	72.642	1	209	.000
3	.772 [c]	.596	.590	.2307310	.017	8.964	1	208	.003
b. Predictors: (Constant), Networking, Competitive Environment									
c. Predictors: (Constant), Networking, Competitive Environment, Networking *Competitive Environment									
Model		Sum of Squares	df	Mean Square	F	Sig.			
2	Regression	15.841	2	7.921	143.320	.000 [c]			
	Residual	11.550	209	.055					
	Total	27.392	211						
3	Regression	16.318	3	5.439	102.175	.000 [d]			
	Residual	11.073	208	.053					
	Total	27.392	211						

a. Dependent Variable: Performance									
c. Predictors: (Constant), Networking, Competitive Environment									
d. Predictors: (Constant), Networking, Competitive Environment, Networking *Competitive Environment									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
2	(Constant)	1.290	.167		7.728	.000			
	Networking	.459	.033	.626	13.898	.000			
	Competitive Environment	.251	.029	.384	8.523	.000			
3	(Constant)	1.578	.190		8.306	.000			
	Networking	.463	.032	.631	14.256	.000			
	Competitive Environment	.172	.039	.264	4.425	.000			
	Networking *Competitive Environment	.933	.311	.178	2.994	.003			

Model 2 results show that adding the competitive environment as a predictor significantly improves the model's explanatory power, increasing R^2 to 57.8% (R^2 change = 0.147, F-change = 72.642, $p < 0.01$). In Model 3, introducing the interaction term between entrepreneurial networking and the competitive environment results in a modest but statistically significant R^2 increase of 1.7% (F-change = 8.964, $p = 0.003$), indicating a moderating effect. ANOVA results confirm that all three models are statistically significant ($p < 0.01$), with both entrepreneurial networking and the competitive environment being important predictors of SME performance.

In Model 1, entrepreneurial networking is a strong predictor ($\beta = 0.821$, $p < 0.001$); in Model 2, the competitive environment ($\beta = 0.459$, $p = 0.008$) and entrepreneurial networking ($\beta = 0.459$, $p < 0.001$) also significantly contribute. In Model 3, all predictors, entrepreneurial networking ($\beta = 0.463$, $p = 0.008$), competitive environment ($\beta = 0.172$, $p < 0.001$) and interaction term ($\beta = 0.933$, $p = 0.003$), remain significant, confirming that the competitive environment moderates the effect of networking on SME performance. This highlights the dynamic interplay between entrepreneurial networking and competitive pressures in shaping SME performance.

Given the results from Model 3, where the interaction term is included and the coefficients are provided, the equation based on these results would be:

$Y=-1.578+0.463X-0.172W+0.933(X*W)$.

The findings reveal that entrepreneurial networking significantly enhances SME performance, while the competitive environment also has a direct positive effect (Hernández-Perlines *et al*., 2016; Korsakien *et al*., 2019; Falahat *et al*. (2020) [11, 16, 23]. Additionally, the interaction term confirms that the competitive environment moderates the relationship between entrepreneurial networking and SME performance. This implies that the benefits of networking are amplified in more competitive environments, where access to resources, partnerships, and market information becomes more critical. Overall, both entrepreneurial networking and competitive dynamics play key roles in shaping SME performance. These findings align with and extend existing empirical research. While Escamilla-Fajardo *et al*. (2018) [10] observed that competition did not moderate the relationship between entrepreneurial orientation (EO) and service quality. Complementing this perspective, Agwu and Onwuegbuzie (2018) [1], as well as Biraglia and Kadile (2017) [6], underscore that SMEs operating in dynamic and unpredictable international markets must engage in continuous strategic adaptation to achieve and sustain success abroad.

Conclusion and Recommendations

Conclusion

The study concludes that entrepreneurial networking significantly and positively influences the performance of internationalized SMEs in Kenya's blue economy sector. Strategic collaborations, such as partnerships and alliances, enable SMEs to share resources, access new markets, and gain critical foreign market insights, thereby enhancing international competitiveness. Strong networking capabilities help SMEs connect with key stakeholders and secure essential resources needed for global expansion. The research emphasizes that networking not only directly boosts SME performance but also facilitates the acquisition of international experience and market positioning. Additionally, the competitive environment moderates the power of networking's impact, significantly moderates its relationship with performance.

Recommendations

Managerial Practices

The study provides key recommendations for internationalised SMEs in Kenya's blue economy sector to improve performance through entrepreneurial networking and specifically collaboration and networking. These SMEs should focus on building strategic partnerships and joint ventures, both locally and internationally, to share resources, knowledge, and expand market access. Engaging with host country. This will help them gain insights into foreign markets, aiding smoother market entry. They should also form alliances with internationalized firms to boost their global presence and visibility. Developing strong networking competencies and relationships with key stakeholders will help seize new opportunities and stay informed on industry trends. Additionally, leveraging global networks for access to critical resources will enhance competitiveness. In promoting diverse international collaborations and strengthening global market expertise, internationalised SMEs in the blue economy might drive sustainable growth and long-term success

Policymakers

The policy makers in the blue economy and the SME sector should enhance their entrepreneurial networking and collaboration policies to allow for establishment of

collaborative platforms which would foster partnerships both locally and internationally. Policies for encouraging strategic alliances with internationalized SMEs and facilitating matchmaking opportunities would allow internationalised SMEs in the blue economy sector in Kenya to gain valuable market insights and enhance their capabilities. A comprehensive policy framework for the blue economy should prioritize networking and collaboration while creating support structures for SMEs in the bleu economy sector.

Contribution to Theories

The study makes significant contributions to the Theory of Entrepreneurship and Networks by demonstrating that networking is not just a supportive activity but a central driver of SME performance. It emphasizes the critical role of collaboration and shared resources in fostering enterprise growth and resilience, particularly in competitive environments.

In relation to the Competitive Advantage Theory, the study link entrepreneurial internationalization to competitive strategies, it enriches this theory by demonstrating how SMEs can overcome regulatory limitations and thrive in global contexts

Transformative role of innovation in driving SME growth. By linking entrepreneurial networking to competitive strategies, it enriches these theories by demonstrating how SMEs can overcome market limitations and thrive in global context

Areas of Further Studies

The study employed a cross-sectional design, capturing data at a single point in time. While this approach provides a snapshot of the variables of interest, it does not account for temporal or seasonal variations, thereby limiting the ability to observe changes over time. To address this limitation, future research could adopt a longitudinal design, which follows the same subjects across multiple time points. This approach would allow for the examination of temporal dynamics, including seasonal patterns, and facilitate the identification of trends and potential causal relationships.

More the entrepreneurial networking was found to account for 43.2% of variance in performance of SMEs in the blue economy sector in Kenya, which was low. So, other study is needed to determine other factor(s) accounting for the 56.8%

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