An increasingly volatile business environment and economy has forced many organisations to think out of the box to sustain in the market. Regional Innovation is a contemporary buzzword for strategy and policy makers at a national and regional level. The nature and scope of regional innovation is quite ambiguous due to the differences in defining its boundaries. In contemporary scenarios, organisations are taking special interest in developing indigenous innovative products and services. Earlier, different approaches were used to understand and define regional innovation and its effect at regional and national levels. This paper is a structured literature review of regional innovation.