## ABSTRACT

The manufacturing sector is the biggest contributor to the GDP of Bantul in comparison with other sectors. Among leading manufacturing sectors in Bantul is batik industry. There are several places known as batik center in Bantul, they are Wijirejo, Wukirsari, and Girirejo. Batik center in Bantul has long been a long standing history. The batik expertise is inherited from ancient era of Mataram kingdom and has lots of pattern and style of production such as batik tulis (handwritten batik), batik cap (stamp batik), and batik kombinasi (combination batik). The industries of batik decrease every year so it is necessary to develop the batik industry in order to raise the revenue Bantul.

The purpose of this study is to analyze the cluster patterns and the factors that influence the market orientation in Bantul batik industry. The data used in this study is primary data from 46 respondents who are batik bussiness owner in Wijirejo, Wukirsari, and Girirejo collected through questionnaire. This study uses pattern cluster analysis and logistic regression Markussen.

From the results of research using cluster patterns Markussen, it can be concluded that the batik industries in Bantul follow the Marshallin pattern cluster and Hub and Spoke. Logistic regression analysis results in this study showed that of the seven independent variables, there is one variable that influence significantly to the market orientation. The influential variable is the amount of labor and the insignificant six variables are largest buyer network, network of promotion, network of raw material suppliers, business training, and the sales value.

Keywords: Cluster, Batik Industry, Market Orientation