ABSTRACT

Indonesia as a rich country with its culture and tradition has a potential chance to develop continuously through tourism and creative industry. The developing of tourism world usually followed by sales activity of local handicrafts, one of them is batik. Since declared by UNESCO as the world heritage, batik became more popular and its sales increased drastically. One of batik producing region is Lamongan that located in Jawa Timur Province, although it does not have a high popular batik product compared with some region in Jawa Tengah Province but still has a chance to participate in utilizing market condition.

Society factor that more interests in batik and also factor of Lamongan commitment for developing its region continuously, those are such a supporting factor for Lamongan batik industry development. For utilizing that condition, it is needed some strategies for attracting as much of market attention. Because of this the research held. Before making strategy it is important to know some of variables in business environment those will influence batik business. For knowing those variables influence degree, Analytical Hierarchy Process approach is used. The analysis result of this approach will be used to formulate some of appropriate strategic plannings to develop batik of Lamongan.

The research result shows about 74 variables of last level of business environment hierarchy have possibility to influence batik business, some of them are design development, application of enterprise standard, business infrastructure, and enterprise image. There are several with high weight of influence at each group, some of them are design quality, economic segment, bargaining power of suppliers, and human resources. So that several of strategies those can be used are increasing the function of research and development, improving knowledge about market, and raising competitive advantage.

Key Word: Analytical Hierarchy Process (AHP), business environment, strategic planning.
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