

## **ABSTRACT**

*In the era of globalization, the industrial sector faces many challenges, one of which is AFTA (ASEAN Free Trade Area). Many industrial sectors were adversely affected by AFTA, the small and medium industry sector that felt the most effect of the implementation of AFTA. In 2018 Global Innovation Index report, Indonesia ranks 85 out of 126 countries that are involved in the implementation of innovation. One of the industrial centers that has the potential to reach the international market is Cigondewah Textile Area, but of course Cigondewah Textile Area has several problems in the implementation of its innovation. In the economy of small and medium industries it has an important role in developing the country's economic, which makes these industries important to develop.*

*This study aims to find out how the analysis of innovation cluster mapping formed in the SMIs in the Cigondewah Textile Area based on product innovation, process innovation, and market innovation. The population in this study were business actors in the textile product industry located in the Cigondewah Textile Area, totaling 71 business actors with a sample of 61 respondents. This study uses a non probability sampling technique that is purposive sampling. The data analysis technique in this study was descriptive and cluster analysis by processing data using IBM SPSS Statistics 25.*

*The results of this study are that 63.9% or 39 textile businessmen in Cigondewah Textile Area have made product innovations, as many as 75.4% or 46 textile businessmen in Cigondewah Textile Area have made process innovations, as much as 67.2% or 41 textile businessmen in the Cigondewah Textile Area have made market innovations, and 67.2% or 41 textile businessmen in Cigondewah Textile Area have made product innovations, process innovations and market innovations.*

**Keywords:** *Innovation Product, Innovation Process, Innovation Market, Clustering, SMIs.*