Market Based For Salt Business In Takalar District

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Abstract. This research departs from the fact that MSEs have been a pillar of economic growth to date, but their business growth has spanned the problems of control and limited market access. The purpose of this research is to study and determine the formulation of business competitiveness based on the potential and market share of salt business in Takalar Regency. This research approach is descriptive quantitative research with the type of survey research. The sample unit is a salt business located in Takalar District. Collecting data using a survey with a questionnaire instrument through Likert scale measurement. Respondents were asked to provide answers to closed statements. The respondents are salt business owners. The data analysis method in this study uses descriptive statistics to describe the research variables. The results showed that the market potential for salt was very large, but market control was not optimal, so the increase in business competitiveness was still low. Salt business owners must innovate in building their business starting from controlling internal resources to optimize market control.

Keywords: Market Based, Salt Business

INTRODUCTION

Micro and Small Enterprises (MSEs) are an important component in supporting economic progress in Indonesia. In macro terms, this sector can create huge job opportunities, calculated that over the last five years (2015-2019) it can absorb 97.30% of the workforce and creates added value to GDP of 56.53% compared to large industries (Ministry of Cooperatives and SMEs, 2019). This reality is in line with the opinion of Kuncoro (2000) that Indonesian MSEs significantly promote new jobs, new businesses, and make a major contribution to reducing poverty. These figures reflect how Indonesia really depends on the growth of micro and small enterprises and will be a key factor in developing the Indonesian economy.

The existence of MSEs is proven to be able to move the wheels of the economy, but the competitiveness of small businesses is not as expected. Various problems that generally hinder industrial growth, as well as those specifically faced by certain industries are internal problems regarding non-optimal operations (from raw material supply, production capability, technological mastery, to product

competitiveness) and external problems regarding alignments. as well as public awareness of using domestic products (Ministry of Industry, 2019). This means that high performance of small businesses is an important necessity in survival, so that attention is needed in understanding how to improve the performance of small businesses in the economic market (Pribadi and Kanai, 2010).

As is the case with the salt business in Mangarabombang District, Takalar Regency, it has to compete with domestic salt from Sumenep, Pati, Indramayu, Sampang, Cerebon and other areas, even salt from Australia and India. Capital constraints and market access are still the main constraints, so it is necessary to map the basis of advantages and disadvantages from the market side in anticipating future business competition. Salt business owners are required to be more competent and professional in carrying out business development.

The solution that can be given regarding the problems faced by MSEs is through market-based business management. Market position can be understood through the Industrial / Organizational (I / O) model. Market-based (market-based) with the I / O approach sees that the company's strategy development will be strongly influenced by the industrial structure in which the company is located. Likewise, the success of implementing the company's strategy (in the end it will greatly affect the company's performance) is influenced by the industrial structure in which the company operates.

RESEARCH METHODS

This research approach is descriptive quantitative research with the type of survey research. This research variable is measured by research instruments, so that data consisting of numbers can be analyzed based on statistical procedures (Creswell, 2010).The population of this research is 185 salt business in Mangarabombang District, Takalar Regency, so the entire population is used as research sample (saturated sample).In this study, data collection methods used were questionnaires and interviews.The data analysis technique design used in this research is descriptive statistical analysis, namely the analysis used to describe the research respondents and research variables. The data collected was then edited and tabulated in tables and a descriptive discussion was carried out.

RESEARCH RESULT

The industrial environment is a description of the competitive forces that affect business in an industry. These strengths consist of barriers to entry (threats of new competitors), bargaining power of suppliers, bargaining power of buyers, threats from substituted products, and competition from existing competitors. Descriptions of respondents' perceptions of the business environment are shown in the following table:

Table 1. Description of Respondents' Perceptions in the Industrial Environment

Indicator	Frequency										Mean (Mean)	Index (%)
	STS (1)		TS (2)		KS (3)		S (4)		SS (5)			
	f	%	F	%	f	%	f	%	f	%		
X11.1	1	0.54	13	7.03	43	23.24	72	38.92	56	30.27	3.91	78.2
X11.2	4	2.16	7	3.78	32	17.30	69	37.30	73	39.46	4.08	81.6
X11.3	5	2.7	9	4.86	29	15.68	83	44.86	59	31.89	3.98	79.6
X11.4	2	1.08	7	3.78	44	23.78	70	37.84	62	33.51	3.99	79.8
Entry Barriers (X11)											**3.99**	**79.8**
X12.1	10	5.41	16	8.65	47	25.41	63	34.05	49	26.49	3.68	73.6
X12.2	7	3.78	14	7.57	44	23.78	58	31.35	62	33.51	3.83	76.6
X12.3	1	0.54	4	2.16	64	34.59	84	45.41	32	17.30	3.77	75.4
Bargaining Power of Suppliers (X12)											**3.76**	**75.2**
X13.1	1	0.54	6	3.24	59	31.89	84	45.41	35	18.92	3.79	75.8
X13.2	1	0.54	18	9.73	47	25.41	72	38.92	47	25.41	3.79	75.8
X13.3	2	1.08	14	7.57	50	27.03	56	30.27	63	34.05	3.89	77.8
Distribution Products (X13)											**3.82**	**76.46**
X14.1	5	2.7	7	3.78	38	20.5	83	44.9	52	28.1	3.92	78.4
X14.2	6	3.24	27	14.6	45	24.3	65	35.1	42	22.7	3.59	71.8
X14.3	2	1.08	9	4.86	41	22.2	75	40.5	58	31.4	3.96	79.2
Bargaining Power of Buyers (X14)											**3.82**	**76.4**
X15.1	4	2.16	8	4.32	39	21.1	82	44.3	52	28.1	3.92	78.4
X15.2	2	1.08	12	6.49	36	19.5	68	36.8	67	36.2	4.01	80.2
X15.3	3	1.62	10	5.41	60	32.4	67	36.2	45	24.3	3.76	75.2
X15.4	1	0.54	9	4.86	43	23.2	68	36.8	64	34.6	4.00	80
Existing Competitors (X15)											**3.92**	**78.45**
Perception Index of Average Industrial Environment Variables (X1)												**77.26**

Index Value Interpretation: 10 - 40% = Low; 41 - 70% = moderate; 71 - 100% = High

Source: Data processed, 2020

DISCUSSION

Respondents' perceptions of the industrial environment indicate that the intensity of competition in the salt business environment in Takalar Regency is high based on the consideration that the average perception index value obtained is 77.26 percent. The barrier to entry indicator received the highest response with a mean value of 3.99 with an index value of 79.8. This illustrates that the ability of the Takalar Regency salt production business provides an obstacle for new competitors to enter the weak industry or in other words the potential threat of new competitors to enter the salt production business is very large. Meanwhile, the average of other indicators for each supplier bargaining power is 3.76, buyers bargaining power is 3.82, existing competitors are 3.92 and distribution products are 3.82.

Description of respondents' perceptions of the barriers to entry indicators measured by quality of production, financial strength, production capability and consumer loyalty. The financial strength item received the highest response with an average of 4.08. The consumer loyalty item received a response with an average of 3.99 and the production capability received a response with an average of 3.98 and the production quality item received the lowest response with an average of 3.91. These results indicate that the main weaknesses of the salt production business are the quality of production and consumer loyalty which provide a great opportunity for new competitors to enter the salt production business. In addition, the salt production business also has difficulties in terms of using technology so that this is one of the reasons why the salt quality is not that good. The main obstacle in this salt production business is the poor quality of production. Salt farmers mostly rely on sunlight for evaporation of sea water, this method is one of the traditional ways where things like this can also be an obstacle to the poor quality of the salt produced.

Description of the respondent's perception of the supplier's bargaining power indicator as measured by the supplier's ability, price negotiation, and supplier profit. Supplier profit items received the highest response with an average of 3.83. Meanwhile, the items of supplier ability and price negotiation items each received responses with a mean of 3.68 and 3.77. Overall, the average respondent's response to the supplier's bargaining power was 3.76. These results indicate that the high bargaining power of suppliers on salt production businesses in terms of the priority of supplier profits can also make salt farmers gain profit. This supplier will later become an intermediary between salt farmers and consumers. The fact is even though the supplier gets a pretty good profit,

Description of respondents' perceptions of the distribution product threat indicators as measured by product distribution, distribution product intermediaries, and distribution product availability. Distribution product availability items received the highest response with an average of 3.89. Then the product distribution item and the distribution product intermediary received a response with the same average of 3.79. Overall, the average respondent's response to the threat of distribution products was 3.82. This result means that the high threat of distribution products to the salt production business is through the availability of distribution products in the market which is supported by cheaper product prices, but not with better product quality.

On Bargaining power indicator of buyers, items of decreased demand get the highest response with an average of 3.96. Then the item demands for concession of payment and the item demands for product information each received a response with an average of 3.59 and 3.92. Overall, the average respondent's response to the bargaining power of buyers is 3.92. These results indicate the high power of buyers to influence the profits of the salt production business with a decrease in salt purchases. Customers are still in charge of making bids for payment concessions and

play an important role in determining product prices. This is in line with the conditions that occur in which salt production business owners depend a lot on customer market information, so that transactions between owners and customers are more trustworthy.

The description of existing competitor indicators is shown by the product reputation competition item which received the highest response with a mean of 4.01 and the production innovation competition item received the lowest response with an average of 3.76. The product quality competition items and price competition items were respectively 3.92 and 4.00. Overall, the respondents' responses to the existing competitor indicators with a mean of 3.92. This means that the high competition among salt production businesses is more indicated in the product reputation. In addition, there is also competition among existing competitors in terms of quality and price offerings. But on the other hand, the lack of competition in terms of production innovation. These results illustrate the existing reality in which price competition is at the forefront, but supported by good product quality. The existing fundamental weakness shows that the production innovation has not undergone a significant change because the existing production patterns tend to be the same as the hereditary pattern of their predecessors.

Strategic resources are the ability of micro and small enterprises to control and manage all assets (both tangible and intangible) as well as capabilities identified as key resources to carry out their business activities. Descriptions of respondents' perceptions of strategic resources are shown in the following table:

CONCLUSION

The difference in the competitive environment faced can give different results. Increased competition in the industrial environment is indicated by low entry barriers, strong bargaining power of suppliers, high threat of substituted products and strong bargaining power of buyers. It can be said that increased competition in the salt production business environment poses a serious threat to business sustainability.

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