Review Paper

Market Potential Analysis in Kutalimbaru District

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ABSTRACT

Kutalimbaru is one of the sub-districts in Deli Serdang Regency, Sumatra Province North, has 14 villages. This research is a qualitative descriptive research with a literature study research method through literature studies. Market potential is a valuation of potential revenue for a particular product or service at a given time. The market size can include a target market or a market segment, and you can measure it in terms of the total value or units of a particular product. There are several business sector opportunities that ultimately generate benefits for the community in Kutalimbaru sub-district in improving welfare, namely: Culinary, Traditional Crafts and Arts, Transportation Services, and Construction Services. Kutalimbaru, which has many villages, has the opportunity to maintain market potential.

Keywords: District, Kutalimbaru, Market, Potential

INTRODUCTION

One way to meet human needs is to carry out activities economics. Trading is one type of business carried out by many people in all over the world (Sya'Roni, 2022). It can be anything from trading various primary or daily needs to sell very expensive goods for human satisfaction.

Market potential is an assessment of sales revenue from all supplier channels in the market. Market potential is the population that is interested in the products/services that are being created or offered by a company. In other words, market potential is the potential ability to make money from a company if it capitalizes on all profits and everything goes as desired. It is usually measured in units of sales/sales volume or potential revenue.

Kutalimbaru District is included in the area of Deli Regency Serdang, North Sumatra Province. Natural condition of Kutalimbaru District in general has 2 (two) seasonal climates, namely the dry season and rainy season where both climates are influenced by sea breezes and mountain breeze. Administratively, Kutalimbaru District borders with several areas, namely: the north border with the District Sunggal and Pancur Batu, south border with sub-district Sibolangit, bordered to the east of Pancur Batu District, next to the west is bordered by Langkat Regency (BPS Deli Serdang, 2021).

LITERATURE REVIEW
Market Opportunities
One of the factors that every entrepreneur or aspiring entrepreneur needs to analyze is his ability to know the opportunity or market potential. If as an entrepreneur you are less able to analyze market potential, then most likely the existing potential will be used by competitors or other entrepreneurs. This of course can result in business activities that are carried out will experience many obstacles or even less successful in carrying out their business functions.

Market Opportunity Definition
According to Wikipedia, market opportunities can arise if a product or service can meet the needs and desires of the market better than its competitors.

Market opportunity is a state of demand for the output of the production process in the form of goods or services, and can be sold to buyers at a minimum price equal to the market price in a relatively short span of time or according to opportunities, this is usually expressed in the form of levels that are likely and not probable.

The Importance of Market Potential
It is very important for a new business to know and determine the market potential of the product or service offered. If the market potential is very low then there is no point in spending a lot of money on the product. One of the most important aspects of market potential is the amount of business a product can generate in the future compared to the present. The company can also evaluate the company's market share in the market.
The most relevant question is the growing target market for the offering. Market potential helps better business planning and launching their products and services with better preparation. Depending on the overall market potential, companies can identify potential sales, or the number of sales they will make in that identified market.

Determination of Market Potential
It is a part of the total population, where the market potential is the population, all of which can be potential consumers of a product or service. The market potential is the maximum population that will be interested in the product/service, and provides a good insight into the growth possibilities as well. The total market potential can be calculated in units or money.

Factors for calculating Market Potential
There are various factors that are important to know the true market potential:
1. Total Size of the Market
   This means the total value of customers or clients for a particular offer. The higher the number, the better.
2. Return of Investment

This means is the market profitable to invest in? A market that will provide a good return on costs incurred will only result in good business today as well as in the future.
3. Growth Rate of the Market
   The target market may be good today in terms of size and ROI but will it increase as well in the future? Therefore growth rates and trends are very important to determine market potential
4. Category Competition
   How many and how big are the competitors for our product/service? Competition will determine market potential. The greater the number of competitors, the fewer shares a new company can take.
5. Entry Barriers
   Are there any real barriers to entry into existing markets? For example, very high licensing fees can be a problem. Large operational or setup costs can also be barriers to entry.
6. Political Environment
   In international markets, the political environment is a very important factor in determining market potential.
7. nternal Environment
   Overall the market potential may be very good but the question arises whether we are strong enough to compete in the market with appropriate supply, cost, competition.

MATERIALS & METHODS
This research is a qualitative descriptive research with a literature study research method through literature studies sourced from journals from previous research results (Kurniawan, 2014) related to the title, also through access to data obtained from website as an informational publication. Qualitative descriptive research can mean that researchers as a key instrument by which data collection techniques are carried out by combining and inductive data analysis (Sugiyono, 2012) so as to produce and process data that It is descriptive such

as narrating the results of interviews and/or observations.

RESULT

Kutalimbaru is a sub-district in Deli Serdang Regency, North Sumatra, Indonesia. Kutalimbaru. District. Country, Indonesia. The community in Kutalimbaru District consists of various tribes Culture, such as: Batak, Karo, Javanese, Mandailing, etc. District area Kutalimbaru is 174.92 Km2, consisting of 14 villages. As for the villages found in Kutalimbaru District are as follows (Rangkuty dkk., 2023);
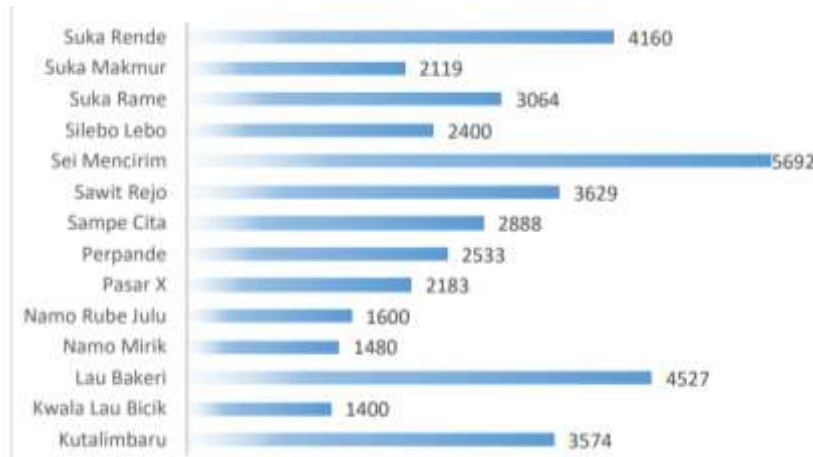
Source: Data, Kutalimbaru Sub-District Village Head Office
Figure 1. Village Name and Number of Population in Kutalimbaru District, Deli Serdang Regency

Administratively, Deli Serdang Regency has 22 sub-districts, one of the sub-districts of Deli Serdang Regency is Kecamatan Kutalimbaru. In Kutalimbaru District, there are 14 villages/villages that where the whole of the village is the location of study in research .ini. The area of Kutalimbaru District is 178.81 km^2, of which 85% is land and 15% is hills. The distance of the sub-district office to the capital city The district is 124 km while the distance between the sub-district office and the capital city Province 68 km. Kutalimbaru sub-district has a climate like other villages in the territory of Indonesia has a dry climate that lasts for 222 days and rain lasted for 143 days (Data: Central Bureau of Statistics Kecamatana Kutalimbaru in 2020 Figures).

Figure 2. The traditional market in Kutalimbaru

The economic situation of the Kutalimbaru District community has Different categories, starting from the category of very poor, poor, medium, and rich. This is because his livelihood comes from the sector Different businesses, some in the non-formal sector such as labor Buildings, Farm Laborers, Rain-Bearing Rice Farmers, Rubber

Plantations and Palm Oil, Cattle Farmers, Goats, Sheep and Pigs. While a small part others are in the formal sector such as civil servants, honorary, teachers, medical personnel, TNI/Polri, and others.

DISCUSSION
Market Opportunity Analysis
Market opportunities can be analyzed through two approaches, namely the demand and supply approaches. The definition of both approaches is as follows:
a. Demand approach
   The demand approach emphasizes human needs that until now have not been fully met or are likely to have been met but are less satisfactory. For example, many people in rural areas go to the city to shop for clothes. That is, these groups of people need clothes according to their tastes that cannot be obtained in the village or may be obtained in the village, but the price is too expensive. So, in this village there is a business opportunity to provide clothing for the village community.
b. Bidding approach

The supply approach starts from the entrepreneurial ability to make a product/item, provide services or a combination of the two. Then from here it is only sought whether there is a market or people who need it. For example, an entrepreneur produces tiles of competitive quality. With the quality of these competitive tiles, then does it mean that potential consumers, developers, contractors of house construction and so on are approximately interested in buying, because the price of tile produced by entrepreneurs turns out to be more expensive than tiles of the same quality on the market today. Through this bidding approach, entrepreneurs can also identify the number of competitors who make the same product/service.

Market potential is an estimate of the amount of money that will come into your business from your customers who buy your products or services. The estimated amount of potential market depends only heavily on the information about customers collected and the associated assumptions.
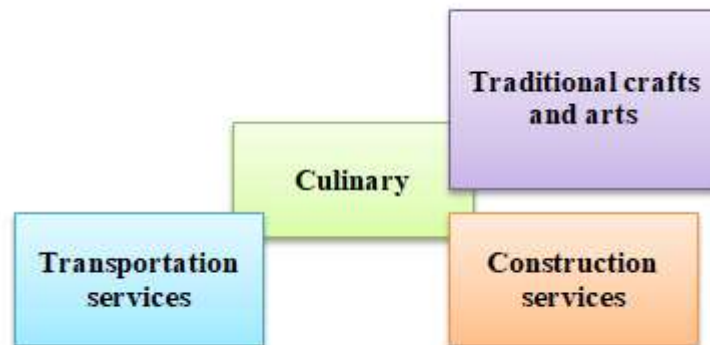
Source: Rangkuty dkk., 2022
Figure 3. Business sector opportunities

There are several business sector opportunities that ultimately generate benefits for the community in Kutalimbaru sub-district in improving welfare (Rangkuty dkk., 2022), namely: (1) Culinary, one of the easy businesses to carried out by the community in Kutalimbaru sub-district; (2) Traditional Crafts and Arts, becoming business potential community in the family of artisan community in Kutalimbaru sub-district; (3) Transportation Services, the type of business that be considered based on the decisions of market participants; (4) Construction Services, also a type of business that become a consideration based on the decision of market participants in Kutalimbaru sub-district.

CONCLUSION

Market potential is a valuation of potential revenue for a particular product or service at a given time. The market size can include a target market or a market segment, and you can measure it in terms of the total value or units of a particular product. There are several business sector opportunities that ultimately generate benefits for the community in Kutalimbaru sub-district in improving welfare, namely: Culinary, Traditional Crafts and Arts, Transportation Services, and Construction Services. Kutalimbaru, which has many villages, has the opportunity to maintain market potential.

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