



Characterization Of The Hotel Sector On The Colombian-Venezuelan Frontier

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APA Citation:

Junior, C.R.A., Esmeralda, C.C.M., Vladimir, D.P.M. , (2022). Characterization Of The Hotel Sector On The Colombian-Venezuelan Frontier . *Journal of Language and Linguistic Studies*, 18(4), 819-831.

Submission Date: 01/10/2022

Acceptance Date: 30/11/2022

Abstract

The present research was framed on the quantitative-descriptive methodology, in compliance with the base objective of the study, the objective was focused on characterizing the hotel sector of the city of Cúcuta. The population studied was calculated based on the hotels registered in the city, which are 121, but to guarantee the fulfillment of the objectives, a non-probabilistic sample of 15 hotels was taken for convenience, which guaranteed the collaboration and appropriation in the applicability of the data collection instrument. The results and analysis of the results are presented once the questionnaire and the documentary research were applied to investigate certain aspects that would lead us to characterize certain variables of SMEs in the hotel sector in Cúcuta in the period 2012-2015. The data are analyzed with the support of statistical tables to quantify and interpret the results. The information obtained is related separately. Initially, the results of the questionnaire are presented. Next, the tables of the documentary analysis are presented to contrast the results and determine contrasts if any.

Keywords: financial indicators, characterization, hotel sector.

1. Introduction

Today the process of globalization is influencing almost all sectors of society in conjunction with other factors such as technology, cultural exchange, and the expectations of all members of society whether they are suppliers, consumers, competitors or the state. (Fajardo & Anes, 2022; González Mendoza et al., 2022). Thus, the impact of these factors is leading organizations to implement new administrative management techniques and internalize new trends in organization and administration. According to (Celis, 2006) "globalization has generated a force to be followed rather than opposed, which creates an increasing openness of economies in the world" (p.9).

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Against this backdrop (Sallenave, 2002) stated "Survival, growth, utility define the framework for the study of business policy and the imperative of general management: survive today and grow tomorrow, to survive in the future" (p. 58). Nowadays, in the face of constant external changes, times of crisis and uncertainty, managers pursue the stability of companies mainly through sales; a variable that represents the engine of the operating cycle of finance, ensuring the circulation of the same, increasing profitability, contributing to the growth of the organization and therefore long-term survival. In this scenario, the need to study and analyze the financial performance of organizations is of vital importance (Dávila López et al., 2018a; Riaño-Solano & Francisco De Paula, 2014).

Whereas in (Rosales, 1996) it is noted: (...) the impacts of economic globalization open up a wide field of action for small companies, both in developed and developing countries. As the physical frontiers for the selection of plant locations expand, globalized companies try to reduce their investments and operating costs by considering the existence of local small companies capable of supplying parts, materials and/or services in a timely manner, with world-class quality and at internationally competitive prices (p.4).

According to (Dávila López et al., 2018b; Montoya et al., 2010; Uribe montoya & Gaitan Guerrero, 2013) According to the World Travel and Tourism Council (WTTC), the tourism industry provides more than 220 million jobs and represents 8% of global employment. According to these figures, in proportion, it represents one out of every twelve people employed, contributing close to 10% of the world's Gross Domestic Product (GDP). A large proportion of this employment-generating potential is made up of women and low-income workers (González Mendoza et al., 2022).

Continuing with (Montoya et al., 2010; Uribe montoya & Gaitan Guerrero, 2013) In Colombia, with the opening of the economy, the regulatory framework for the sector was reformed through Law 300 of 1996 (General Tourism Law), which gave the private sector a more active participation in the design of this public policy.

2. Method

The research is based on the quantitative paradigm since the variables financing and financial management can be measured as they are presented. The present research is descriptive. According to (Briones, 2002; Hernández Sampieri et al., 2019), Descriptive research uses systematic criteria that make it possible to reveal the structure or behaviour of the phenomena under study, thus providing systematic information that is comparable with that from other sources. In addition, (Arias, 2006) points out that descriptive research consists of the characterization of a fact, phenomenon, individual or group, to establish its structure or behaviour. The results of this type of research are located at an intermediate level as far as the depth of knowledge is concerned. The purpose of correlational research is to determine the degree of relationship or association (non-causal) existing between two or more variables (Arias, 2006).

2.1. Population

According to Arias (2006), the population is "a finite or infinite set of elements with common characteristics to which the conclusions of the research will be extended" (p. 81). While for (Balestrini, 2002) "In an investigation, the population is the set of units from which information is to be obtained

and on which conclusions are to be drawn" (p. 105). In the present research, the population is constituted by the hotels registered in the city of Cúcuta.

Population: N=121

2.2. *Sample*

Once the population was defined, the sample was selected. Based on the criteria of Ary, Jacobs and Razavieh (1989), cited by (Arias, 2006) In descriptive research, it is recommended to consider between 10 and 20% of the accessible population. In this study, a sample of fifteen (15) persons was considered.

n=15

The selection criteria of the informants was intentional based on their willingness to collaborate and that, in the researcher's opinion, were representative of the sector.

For the analysis of the financial results, the following companies were studied: Promociones Turísticas del Norte Ltda, Hoteles Casa Blanca S.A., Organización Hotelera Arcos y Cia. S.A.S., Casinos y Servicios del Caribe S.A.

2.3. *Techniques and instruments for the collection of information*

According to Arias, the technique is the form or way of obtaining the information, while the instrument is the tangible or material means used to collect and store it. In the research, the technique used was the survey, using as an instrument the structured questionnaire with three-option questions in a Likert scale format. This consists of "a set of items presented in the form of statements or judgments referring to the current event or situation about which the attitude is to be measured".

The reliability of the instrument was determined by means of the Cronbach's Alpha Coefficient statistic, a procedure used for instruments that offer several options. The result obtained was 0.892, which according to (Hernández Sampieri et al., 2019) shows a reliable instrument. The instrument was applied in the selected companies of the hotel sector and by means of the documentary analysis, the selection and registration of data for subsequent analysis was carried out. The design of the questionnaire together with the documentary analysis was structured based on the variables of the study.

2.4. *Data Processing and Analysis Techniques*

Once the information had been classified, the quantitative analysis was carried out in order to respond to the objectives set. The quantitative evaluation was carried out by means of simple frequency distributions and graphs for the identified aspects of the study variables, using Microsoft® Excel. The same treatment was applied for the statistical analysis. The surveys were analyzed using the DYANE® program. Once the information was classified and analyzed, the results were discussed based on the theoretical bases and the works selected as background for this research..

3. **Results**

3.1. *Characterization of the hotel sector*

Initially, a list of the national sector is presented, followed by the regional level. Initially, the income and personnel employed in the hotel sector at the national level are shown.

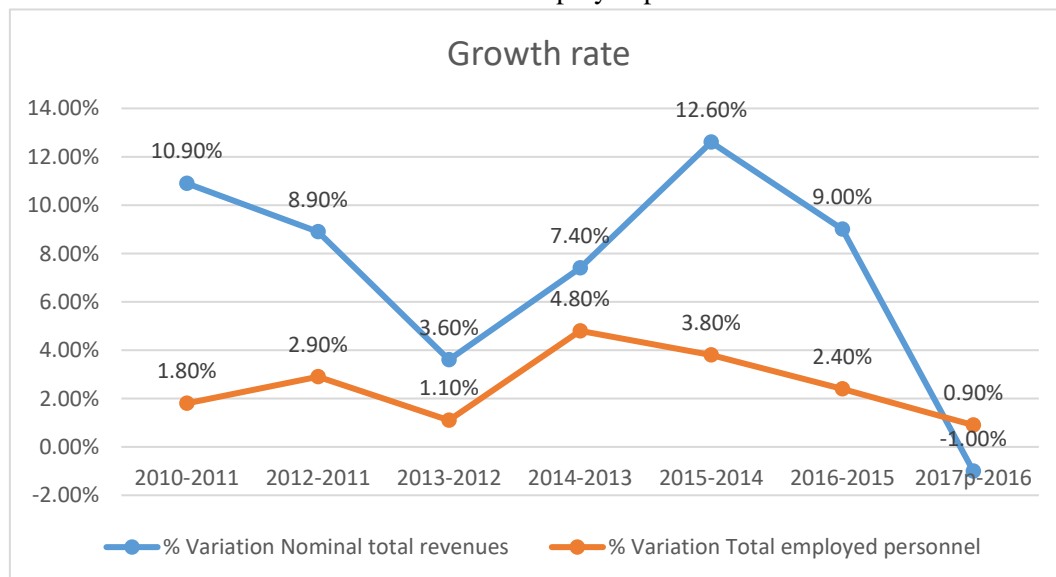
Table 1. Income and Employed Personnel in the hotel sector.

	Revenues total nominal	% Variation	Revenues total actual	% Variation	Staff employed total	% Variation
2010	152,3		116,9		110,2	
2011	169,0	10,9%	126,2	8,0%	112,2	1,8%
2012	184,0	8,9%	134,9	6,9%	115,4	2,9%
2013	190,7	3,6%	135,4	0,3%	116,7	1,1%
2014	204,9	7,4%	143,6	6,0%	122,2	4,8%
2015	230,8	12,6%	156,6	9,1%	126,9	3,8%
2016	251,5	9,0%	164,1	4,8%	129,9	2,4%
2017 pr	249,0	-1,0%	157,1	-4,3%	131,0	0,9%
% Var 17/10	63,5		34,5		18,9	
Average	204,0		141,9		120,6	

Source: the author with information taken from DANE. Monthly sample of hotels. A.10 Hotels. Index series of the Monthly Hotel Sample. Base 2005=100

It is observed that revenues in current terms increased 63.5% between the years 2010 and 2017 (May), while employed personnel increased by 18.9%. To visualize its behavior, the percentage of inter-annual variation is presented in Figure 3. It is detailed in the behavior of the sector three regions. Revenues between 2010 and 2013, although they grew, showed a deceleration. From 2013 to 2015, the revenue growth rate recovered and presented an upward trend. However, from that year onwards, the growth rate was depressed and in the first half of 2017 there was a decrease in revenues with respect to the previous year.

In relation to the occupied personnel its cyclical behavior resembles that of revenues. This could be explained by the temporary occupation that occurs in the sector during special seasons. However, the growth of employed personnel in the sector decreased its growth rate as of 2013. Although the growth rate has decreased in intensity, there has been no loss of jobs.

Figure 1. Growth rate of nominal revenues and employed personnel in the domestic hotel industry

Source: the author with information taken from DANE. Monthly sample of hotels. A.10 Hotels. Index series of the Monthly Hotel Sample. Base 2005=100

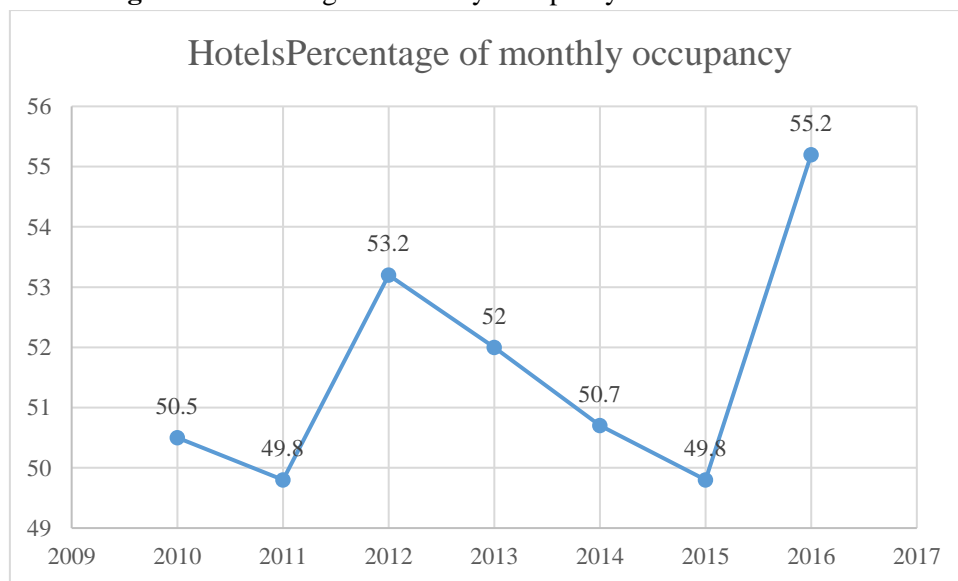
In relation to the monthly occupancy rate, it was found that at the national level the average between 2010 and 2016 was 51.6%. There was a decrease in hotel activity between 2012 and 2015, with a rebound in hotel occupancy in 2016.

Table 2. Hotel sector occupancy rates

Year	% of occupation
2010	50,5
2011	49,8
2012	53,2
2013	52
2014	50,7
2015	49,8
2016	55,2

Source: the author with information taken from DANE. Monthly sample of hotels.A.3. Percentage of occupancy forced companies

Figure 2. Percentage of monthly occupancy. National hotel sector



Source: the author with information taken from DANE. Monthly sample of hotels.A.3. Percentage of occupancy forced companies

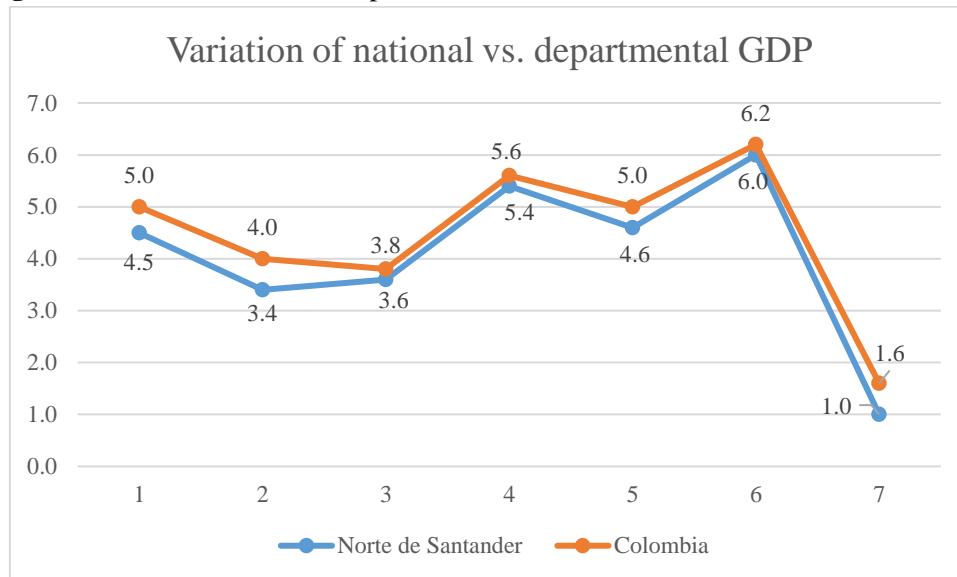
The analysis of the sector at the national level is considered important to establish comparisons with the hotel sector in the region under study and to establish the corresponding comparisons.

The results for the Department of Norte de Santander and the city of Cúcuta are shown below. With respect to the behavior of the GDP of the hotel sector, Figure 5 shows that the contribution of the hotel sector to the departmental GDP has the same behavior as the contribution of the national hotel sector to the national GDP. It was also found that the contribution of the regional hotel sector to the GDP of the national sector has remained at 2.7%, which shows that in the region the hotel sector follows the rhythm of the national hotel sector without showing different behaviors during the study period.

Table 3. Annual variation of departmental and national GDP in the hotel sector

Year	Norte de Santander	Colombia
2010	4,5	5,0
2011	3,4	4,0
2012	3,6	3,8
2013	5,4	5,6
2014	4,6	5,0
2015	6,0	6,2
2016	1,0	1,6

Source: the author with information taken from DANE. Departmental Accounts - Colombia. Hotels, restaurants, bars and similar. 2000-2016pr, Base 2005. Annual variation

Figure 3. Annual variation of departmental GDP and national GDP in the hotel sector

Source: the author with information taken from DANE. Departmental Accounts - Colombia. Hotels, restaurants, bars and similar. 2000-2016pr, Base 2005. Annual variation

In relation to the percentage share of value added within the departmental GDP, it was found that on average it was 5.42% with a standard deviation of 0.25. It is observed that between the years 2012 and 2016 it has been in the order of 5.5% without presenting major variations. The behavior is shown in Figure 4.

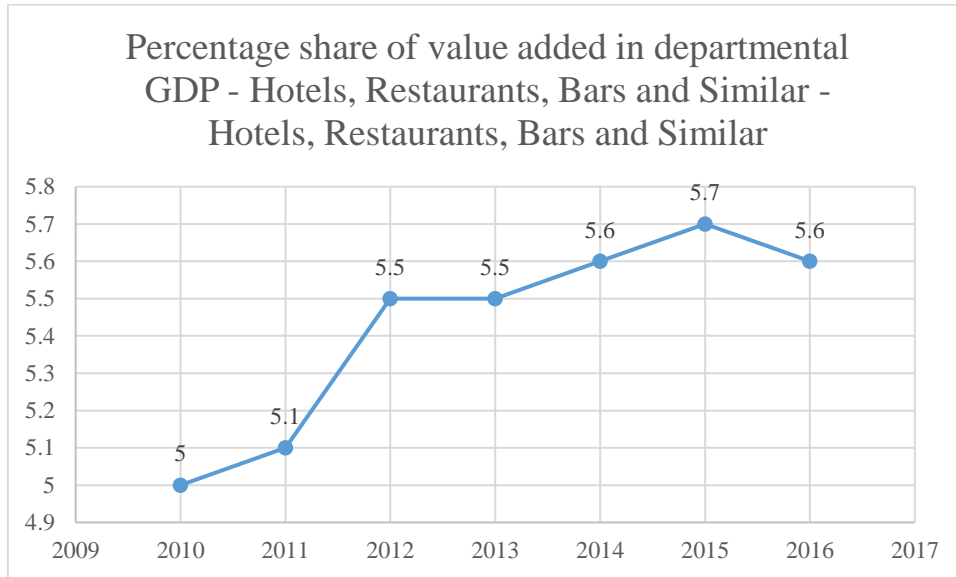
Table 4. Percentage share of value added in departmental GDP

Year	Percentage participation
2010	5
2011	5,1
2012	5,5
2013	5,5
2014	5,6
2015	5,7

2016 5,6

Source: the author with information taken from DANE. Departmental Accounts - Colombia. Norte de Santander. Value added by economic activity, at current prices. 2000 - 2016pr

Figure 4. Percentage share of value added in departmental gdp - hotels, restaurants, bars and the like



Source: the author with information taken from DANE. Departmental Accounts - Colombia. Norte de Santander. Value added by economic activity, at current prices. 2000 - 2016pr

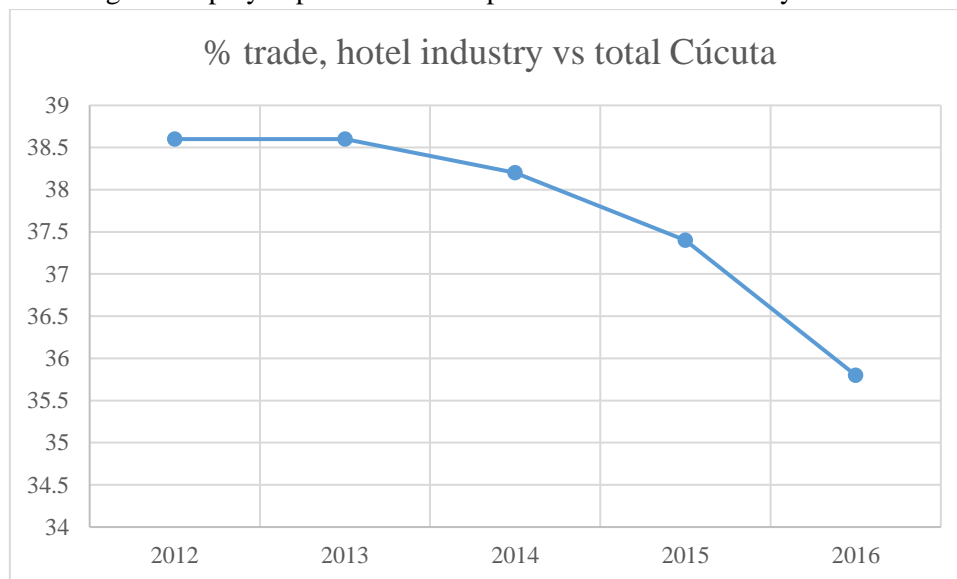
Regarding employment generation, according to information taken from the Gran Encuesta Integrada de Hogares (GEIH) it was found that in the city of Cúcuta the hotel sector contributes on average 37.72% of jobs.

Table 5. Employed population in the hotel sector. Percentage participation

	% trade, hotel industry vs total Cúcuta
2012	38,6
2013	38,6
2014	38,2
2015	37,4
2016	35,8

Source: the author with information from Gran Encuesta Integrada de Hogares Población ocupada según ramas de actividad. 23 cities and metropolitan areas. Mobile quarter series 01 - 17

When analyzing the behavior between the years 2012 and 2016, it was evidenced that the contribution in employment has been decreasing steadily. In 2014 it fell 1.04% with respect to 2013. For the year 2015 when comparing with the year 2014 it decreased 2.09% and when contrasting the year 2016 with respect to the year 2015 it was found that the drop was more pronounced reaching 4.28%.

Figure 5. Percentage of employed persons with respect to the total of the city of Cúcuta.

Source: the author with data taken from DANE. Large Integrated Household Survey

This behavior can be attributed in part to the situation on the frontier with Venezuela, which impacted the flow of tourists to and from that country, also influencing the hiring of personnel in the sector. Figure 7 shows the behaviour.

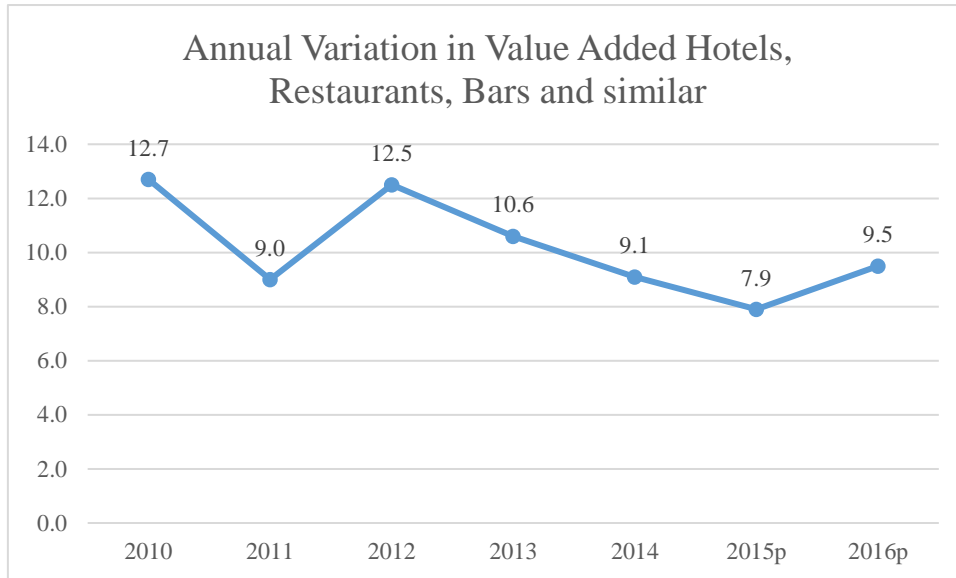
With respect to the sector's Added Value, there is evidence of a sustained drop in its participation in the departmental economy in 2012, when it reached 12.7%, one of its highest levels in the study period. In 2013 it decreased to 10.6% showing a drop of 29.7% with respect to 2010. In 2012 it rebounded to 12.5%, recovering 39.9% with respect to 2011. From the year 2012 the participation in the departmental value added had a sustained fall until the year 2015 showing 10.6% in the year 2013, 9.1% in the year 2014 and 7.9% in the year 2015 reducing its participation 36.7% between the years 2012 and 2015. At the end of 2016, the contribution to value added recovered to 19.6%.

Table 6. Annual change in Value Added Hotels, restaurants, bars and similar.

Years	Annual change in value added
2010	12,7
2011	9,0
2012	12,5
2013	10,6
2014	9,1
2015p	7,9
2016p	9,5

Fuente: el autor con información del DANE. Cuentas departamentales - Colombia. Norte de Santander. Valor agregado por actividad económica, a precios corrientes. 2000 - 2016pr

Figure 6. Annual Variation in Value Added Hotels, Restaurants, Bars and similar



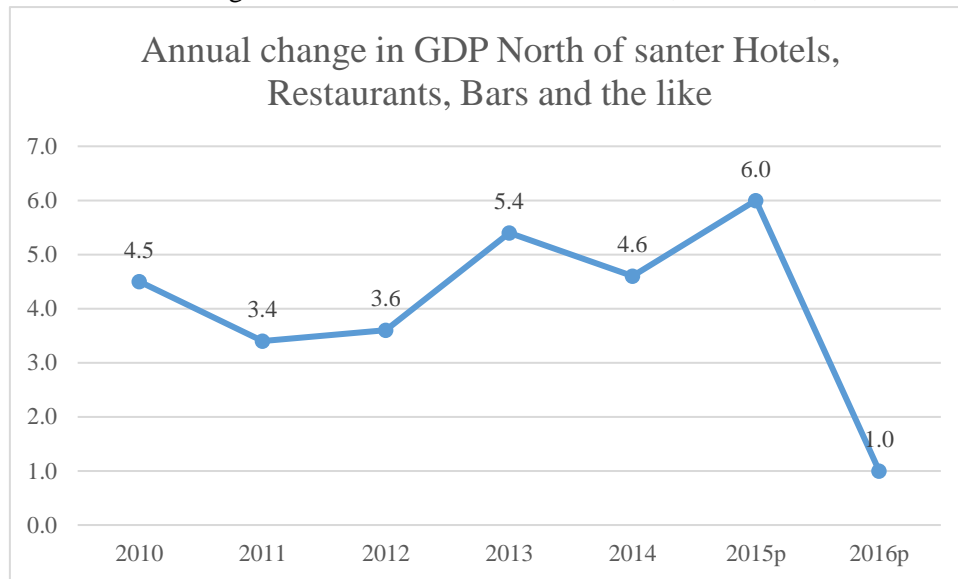
Source: the author with information from DANE. Departmental Accounts - Colombia. Norte de Santander. Value added by economic activity, at current prices. 2000 - 2016pr

When analyzing the participation of the hotel sector in the regional GDP, it is evident that in 2016 it fell significantly. Figure 9 shows this behavior. Between the years 2010 and 2015 it presented an average participation of 4.6% but in 2016 it decreased drastically to reach a participation of 1% in the departmental GDP.

Table 7. Annual change in GDP North of santer Hotels, Restaurants, Bars and the like

Years	Annual change GDP
2010	4,5
2011	3,4
2012	3,6
2013	5,4
2014	4,6
2015p	6,0
2016p	1,0

Source: Departmental Accounts - Colombia. Hotels, restaurants, bars and similar. 2000-2016pr, Base 2005. Annual variation

Figure 7. Annual change in GDP Norte de Santander Hotels, restaurants, bars and the like

Source: Departmental Accounts - Colombia. Hotels, restaurants, bars and similar. 2000-2016pr, Base 2005. Annual variation

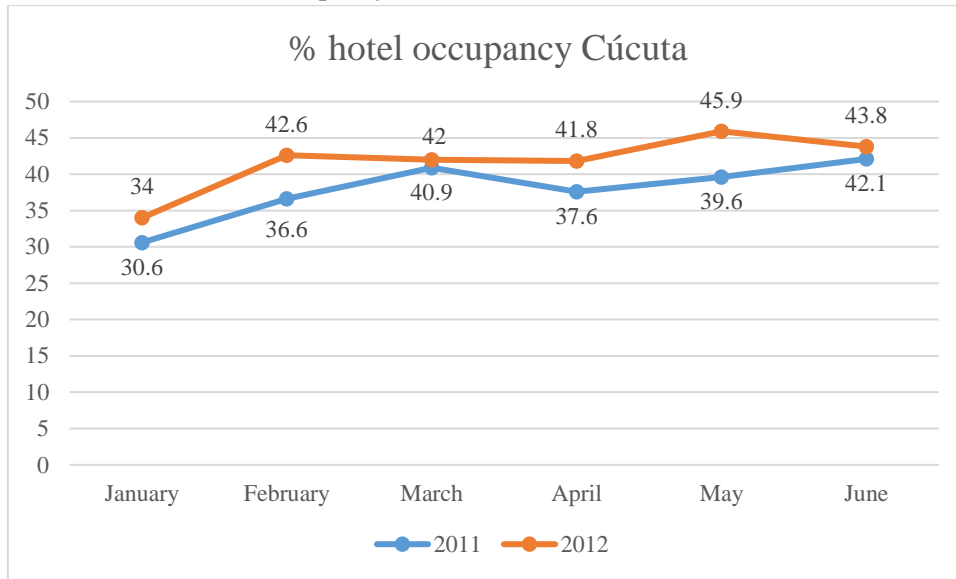
Another important factor when studying the hotel sector refers to the percentage of occupancy given that it is the main source of income. Upon inquiring about this variable, it was found that occupancy in the hotel sector in the city of Cúcuta has been in the order of 20% below the national average as can be seen in Figure 10. According to information taken from the Cúcuta Chamber of Commerce, hotel occupancy in Cúcuta improved its behavior in 2012 compared to 2011. The occupancy rate in 2012 averaged 42.1%, while in 2011 it averaged 31.79%.

Table 8. Hotel occupancy behavior in Norte de Santander 2011 - 2012

	2011	2012
January	30,6	34
February	36,6	42,6
March	40,9	42
April	37,6	41,8
May	39,6	45,9
June	42,1	43,8

Source: Cúcuta Chamber of Commerce. Regional Indicators. Tourism.

Figure 8. Hotel occupancy behavior in Norte de Santander 2011-2012.



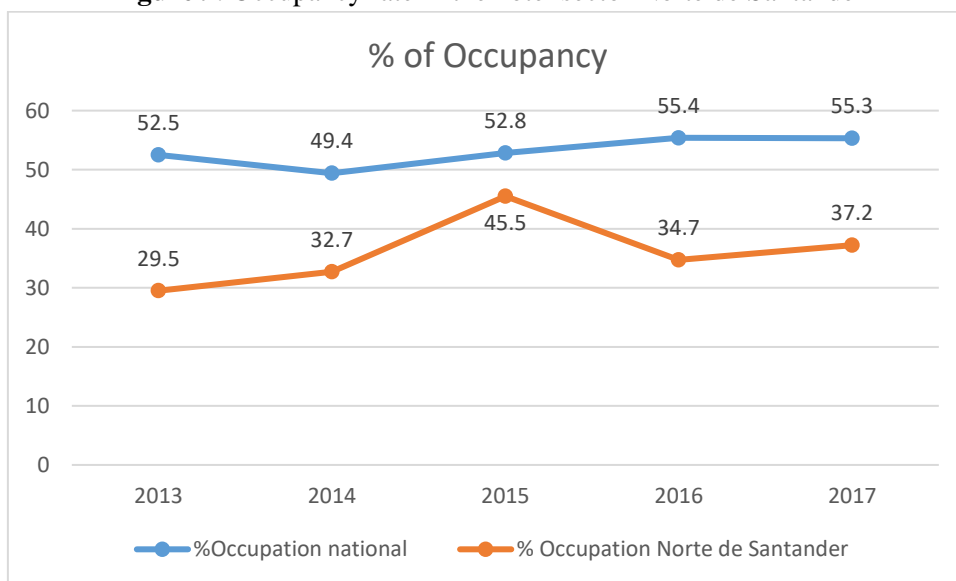
Source: Cúcuta Chamber of Commerce. Regional Indicators. Tourism

In the following years, the decrease in hotel occupancy can be seen. The occupancy rate drops in 2013 to 29.5% decreasing 70.7% with respect to 2012 and remained in that order until 2015 where it rebounds to 45.5%.

Table 9. Occupancy rate in the hotel sector Norte de Santander

	% National occupation	% Norte de Santander Occupation
2013	52,5	29,5
2014	49,4	32,7
2015	52,8	45,5
2016	55,4	34,7
2017	55,3	37,2

Figure 9. Occupancy rate in the hotel sector Norte de Santander



Source: the author with information from the Cúcuta Chamber of Commerce.

A decrease in hotel occupancy has been evident since 2012, which could be influenced by the border crisis with Venezuela and the subsequent closure of the frontier. According to Cotelco, as of 2015 the cancellation of package tours to Margarita Island and other destinations in Venezuela where domestic tourists spent a night in the city until the transfer to their destination in the neighboring country may have impacted the indicator. As a strategy to maintain the occupancy rate, the guild has not raised rates or prices to its customers beyond an inflationary adjustment.

In general terms, it was found that the hotel sector in Cúcuta makes an important contribution to the regional economy in terms of value added. In social terms, it is a significant generator of permanent and temporary employment. However, it has been impacted by the border crisis, which has affected its occupancy rates due to tourism to and from Venezuela. This has led the sector to implement cost-reduction strategies that make it attractive to its customers.

4. Discussion and conclusion

Having concluded the study related to evaluating the financial performance and indebtedness of the hotel sector in the city of Cúcuta between 2012 and 2015, it can be noted that the sector studied has an important contribution to the economy of the region due to its capacity to generate employment and its contribution to the economic value added. It is a sector that follows the behavior of the sector at the national level. In other words, its contribution to the departmental GDP does not differ from that shown by the sector at the national level.

The drop in the hotel occupancy rate was corroborated, which began in 2012 and intensified as of 2015, when it is presumed that the closure of the frontier with Venezuela had a major impact on the hotel sector, as the possibility of tourism to and from Venezuela was closed.

In the analysis it was found that the growth of the hotel sector decreased, impacted by the decrease in sales of services as well as the decrease in fixed assets, operating assets and operating profit. Gross profit was maintained, which indicates that despite the decline in sales, the reduction in cost of sales was able to compensate for the greater impact on gross profit. The decrease in the growth of the sector was supported by the results of the financial analysis of the companies that reported to Supersociedades.

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