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Insecurity and sales: impact on Holcim Cement, Quevedo

Inseguridad y ventas: impacto en Cemento Holcim, Quevedo

Gustavo Eduardo Cotto Yépez
Universidad Técnica Estatal de Quevedo. Ecuador
gcottoy@uteq.edu.ec
https://orcid.org/0009-0008-6499-0687

Juan Carlos Cano Intriago
Universidad Técnica Estatal de Quevedo. Ecuador
E-mail: jcano@uteq.edu.ec
https://orcid.org/0000-0002-5376-4202

Mariasol Belén Culcay Véliz
Universidad Técnica Estatal de Quevedo
mculcay@uteq.edu.ec
https://orcid.org/0000-0002-9330-8826

ABSTRACT

Holcim, a global leader in the cement industry, has faced unexpected challenges in Quevedo during 2023. Despite its successful track record in Ecuador since 1974, a downward trend in sales has emerged, mainly attributed to increasing insecurity affecting daily life. The research focuses on exploring how insecurity affects Holcim's sales in Quevedo, a key city for the company. The methodology adopted is quantitative, seeking to accurately measure the perceptions of customers and merchants. Data collection is carried out using a statistical approach to objectively describe the reality of security and commercial activity in Quevedo. Preliminary results reveal a decrease in customer traffic, indicating that security concerns have affected visits to retail outlets. Night trade has experienced a significant reduction and distrust in construction sites has led to a drop in sales of cement and other

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materials. In addition, Holcim's reputation is negatively affected, leading to a loss of consumer confidence and loyalty. These findings underscore the complex interconnection between insecurity and Holcim's sales in Quevedo, pointing to the need for effective strategies to address the economic challenges arising from the current security crisis in Ecuador.

RESUMEN

Holcim, líder global en la industria del cemento, ha enfrentado desafíos inesperados en Quevedo durante el 2023. A pesar de su trayectoria exitosa en Ecuador desde 1974, una tendencia a la baja en las ventas ha surgido, atribuida principalmente a una creciente inseguridad que afecta la cotidianidad. La investigación se centra en explorar cómo la inseguridad incide en las ventas de Holcim en Quevedo, una ciudad clave para la empresa. La metodología adoptada es cuantitativa, buscando medir de manera precisa las percepciones de clientes y comerciantes. La recopilación de datos se realiza mediante un enfoque estadístico para describir objetivamente la realidad de la seguridad y la actividad comercial en Quevedo. Los resultados preliminares revelan una disminución del en la afluencia de clientes, indicando que la preocupación por la seguridad ha afectado las visitas a los puntos de venta. El comercio nocturno ha experimentado una reducción significativa y la desconfianza en las zonas de construcción ha llevado a una baja en las ventas de cemento y otros materiales. Además, la reputación de Holcim se ve afectada negativamente, generando pérdida de confianza y lealtad de los consumidores. Estos hallazgos subrayan la compleja interconexión entre la inseguridad y las ventas de Holcim en Quevedo, señalando la necesidad de estrategias efectivas para abordar los desafíos económicos derivados de la actual crisis de seguridad en Ecuador.

Keywords / Palabras clave

insecurity, sales, Holcim, impact, Quevedo

inseguridad, ventas, Holcim, impacto, Quevedo

Introduction

A leader in the cement industry, Holcim's global presence has been consolidated over the years, marking its expansion into international markets. In 1974, Holcim entered the Ecuadorian market through the acquisition of the local cement company Lagfare, owner of the well-

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known Rocafuerte brand. Since then, through its commercial arm "Disensa". According to Holcim Ecuador (2023), the company has maintained an outstanding position in Ecuador, leading the cement solutions market for more than 45 years, especially in the city of Quevedo, a vital development pole in the province of Los Ríos.

However, despite its successful track record, 2023 has posed unexpected challenges for Holcim Ecuador in Quevedo. A downward trend in sales in the construction sector has emerged as a significant concern. This phenomenon is largely attributed to a growing wave of insecurity affecting the daily life of Quevedo. The current context is characterized by a generalized sense of vulnerability, which not only affects the peace of mind of individuals, but also casts shadows on the economic stability of the region.

In this sense, this research aims to investigate in depth how citizen insecurity directly and indirectly affects Holcim's sales in Quevedo. The city, with a projected population of 180,000 inhabitants according to INEC 2010, is immersed in a relatively informal construction market due to the lack of an urban development plan. In addition, the arrival of the COVID-19 crisis in 2020 exacerbated the situation, generating a deep economic crisis that, years later, translated into problems of insecurity stemming from the lack of employment and social work.

The intricate connection between citizen insecurity and commercial transactions not only affects the perception of risk among individual consumers, but also presents substantial challenges for entrepreneurs seeking to maintain the viability and growth of their businesses in an environment marked by uncertainty. In this context, Holcim has experienced a significant decline in sales, largely attributed to the insecurity that is driving away local and foreign investment.

This research was carried out in the urban area of the canton of Quevedo, Los Ríos province, exploring how the perception of security affects purchasing decisions, influences commercial strategies and becomes a critical factor for economic activities. For such reason, citizen security has diverse perspectives, which position it in a multidimensional and multifactorial scenario; which, at the individual level, can be understood from a human dimension as self-providing personal security in the face of threats or violence (Páez, Peón & Ramírez, 2018). The objective is to thoroughly assess the impact of insecurity on Holcim Ecuador's sales in Quevedo, providing a

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comprehensive understanding of the economic challenges derived from the current security crisis that Ecuador is going through.

Materials and Methods

The research was carried out in the Quevedo canton. This study adopts an exploratory and descriptive approach, using as population the 8 people linked to the Holcim agency, including both administrative personnel and distributors. See table 1.

Table 1. *Administrative personnel - distributors, Canton Quevedo 2023*

Area	Number
Administrator	1
Administrative personnel	2
Distributors	5
Total	8

Source: Holcim Quevedo

Also in the research, a quantitative approach was adopted (Zamora, 2019) with the purpose of accurately measuring the variables associated with the perception of Holcim Ecuador customers in Quevedo and its impact on commercial activity. This approach was considered appropriate given the need to quantify and objectively analyze the experiences and opinions of the participants, specifically customers and business managers in the region.

The data processing phase involves, according to Zamora (2019) the use of guaranteed programs allows us to improve the teaching and didactics of statistics and its application in favor of research without incurring in piracy, to perform descriptive and comparative analysis.

With this quantitative approach (Ascona & Mencia, 2023) , we seek not only to understand the subjective perceptions of participants, but also to systematically quantify and analyze the relationships between

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insecurity and commercial activity (Ortega & Pino, 2021). This robust approach allows for informed conclusions and will provide valuable insights to propose effective strategies to address the economic challenges derived from the current situation in Quevedo. See Table 2.

Table 2. *Perception of administrative personnel - distributors, Canton Quevedo 2023*

Ask	Reply		Analysis
Do you believe that crime has had an impact on the drop in sales?	Yes Yes	100%	This suggests that all participants perceive a connection between the incidence of crime and declining sales. This result could indicate a widespread concern within the surveyed sample about how crime may be negatively affecting business performance, which could have significant implications for security and economic viability in the specific area or context analyzed.
Do you think that insecurity affects new distributors?	Yes Yes	100%	The question posed reveals a direct relationship between the perception of insecurity and its impact on the participation of new distributors. In this case, the answer "Yes" by 100% of the respondents indicates unanimity in the belief that insecurity negatively influences the incorporation of new distributors.
Do you believe that the increase in crime is influencing the closure of points of sale?	Yes Yes	100%	The question posed seeks to obtain the perception of the respondents on the possible influence of the increase in crime on the closure of points of sale. The response provided, with 100% of respondents stating that they do believe in this relationship, suggests a uniformity of opinion among the participants.

Prepared by: Authors

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Similarly, this type of research is characterized as an exhaustive analysis of the current state of knowledge. It focuses on the integration, organization and critical evaluation of the theoretical and empirical information available on a particular problem. Its focus can be directed towards the advancement of current research and possible ways to solve it. In addition, it may be oriented towards the analysis of the internal and external consistency of theories and conceptualizations, highlighting their weaknesses or demonstrating the superiority of some over others, or addressing both aspects simultaneously.

For the purposes of this study, the design proposed by Morales (2015) was followed, which is composed of the following stages: a) Selection and delimitation of the topic; b) Collection of information or data sources; c) Organization of the data and development of a conceptual scheme of the topic; d) Analysis of the data and structuring of the document; and e) Writing of the research report. In the development of this research, the following procedures were carried out:

Selection and delimitation of the topic: The research topic selected was "Insecurity and sales: impact on Cemento Holcim, Quevedo". The delimitations of the topic were defined, the problem and the aspects to be considered were specified, and the objectives were constructed to provide clarity on the scope of the research.

Collection of information or data sources: In this phase, a survey was carried out to collect the necessary information in order to meet the objectives set and thoroughly analyze the information collected.

Organization of the information and elaboration of a conceptual scheme of the topic: A conceptual scheme was elaborated to graphically represent the information gathered, allowing to follow a logical structure of the elements presented during the research.

Information analysis and document organization: Each element identified in the conceptual scheme was developed by analyzing documents and synthesizing the most significant aspects. The information was interpreted based on various authors to understand and explain the nature of the problem.

Writing the research document or report and final presentation: Finally, conclusions were drawn and the research report was structured, giving shape to the findings and contributions derived from the study.

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Information gathering techniques

To carry out the research, we used what was suggested by Hernández & Duana (2020), who indicate that when conducting a research work, it is necessary to consider the methods, techniques and instruments as those elements that ensure the empirical fact of the research, where the method represents the path to follow in the research.

Information Analysis Techniques

The data analysis phase involves subjecting the information collected to various operations for the purpose of obtaining accurate conclusions that contribute to the achievement of our objectives. These operations cannot be defined in advance, as data collection may reveal specific challenges that need to be addressed during the analysis process. Furthermore, methodological mastery in data analysis is important in research training (Sousa, Gondim, Carias, Batista, & Machado, 2020).

Results

It is important to consider these findings when addressing strategies to mitigate the adverse effects of crime in the business environment and possibly implement additional security measures to protect both businesses and consumers.

The results suggest that there is a strong perception within the surveyed sample that insecurity, whether at the local or general level, represents a significant obstacle to the expansion or incorporation of new distributors. The homogeneity in responses reinforces the idea that this concern is consistently shared among participants.

For a deeper understanding, it would be beneficial to explore in future research the specific reasons behind this perception. This could involve investigating the previous experiences of current distributors, assessing the relationship between insecurity and distribution logistics, or analyzing how existing security measures may not be sufficient to mitigate concerns.

The uniform "Yes" response highlights the importance of addressing insecurity as a critical factor that directly impacts the participation and expansion of new distributors in the Holcim agency. This result may indicate a strong concern or shared perception about the connection between increased crime and outlet closures. However, it is important

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to keep in mind that accurate interpretation will also depend on the context, the exact wording of the question and the diversity of the sample surveyed. In addition, the possibility of response bias must be considered, as respondents may have different perspectives based on their individual experiences or subjective perceptions.

After conducting a detailed study on the relationship between crime and Holcim's sales in Quevedo, several factors have been identified as contributing to the company's declining sales. See Table 3.

Table 3. *Sales revenue, years 2021 to October 2023*

years	Sales	Growth/Decrease	Compared to previous year
2021	$10.504.000,00	$ 10.504.000,00	100%
2022	$6.404.666,67	$-4.099.333.33	-39%
2023	$2.922.500.00	$-1.176.833,33	-29%

Source: Holcim Quevedo

Elaboration: By authors

Analysis of the data provided reveals a significant decrease in revenue over the years 2022 and 2023 compared to the base year of 2021. Here is a detailed assessment:

Year 2021:

- Revenues: $10,504,000.00
- Variation: $10,504,000.00 (100%)
- This year serves as the benchmark with a total income of 100%.

2. Year 2022:

- Revenues: $6,404,666.67
- Variation: -$4.099.333.33 (-39%)
- There was a significant decrease of 39% in revenues compared to the previous year. The negative variance indicates a substantial reduction in revenues, which is a cause for concern.

3. Year 2023:

- Revenues: $2,922,500.00
- Variation: -$1.176.833,33 (-29%)

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- In 2023, the downward trend persists with a negative variance of 44% compared to 2022. This further decline suggests a possible continued downward trend in revenues.

Revenues have experienced a significant decrease in the last two years, with a negative percentage change of 39% in 2022 and 29% in 2023. This analysis allows us to observe the generalized perception of insecurity that has generated a significant decrease in the influx of customers to Holcim's points of sale. Consumers, concerned about their safety, avoid visiting Holcim stores as often as they did previously.

Business operations during nighttime hours have experienced a substantial reduction due to customer concerns about safety. This has particularly affected sales in night trading, an area that has historically been important to Holcim.

Crime has generated distrust in construction sites where Holcim products are used. Concerns about safety in these environments have led to a decrease in demand for construction products.

The persistent situation of insecurity has negatively affected Holcim's brand perception. The company's association with unsafe areas has led to a loss of consumer confidence, affecting brand loyalty and brand preference. These preliminary results underscore the complex interconnection between insecurity and Holcim's sales in Quevedo. See figure 1.

Figure 1. Correlation of sales revenues, years 2021 to October 2023 with delinquent acts in Quevedo**.**

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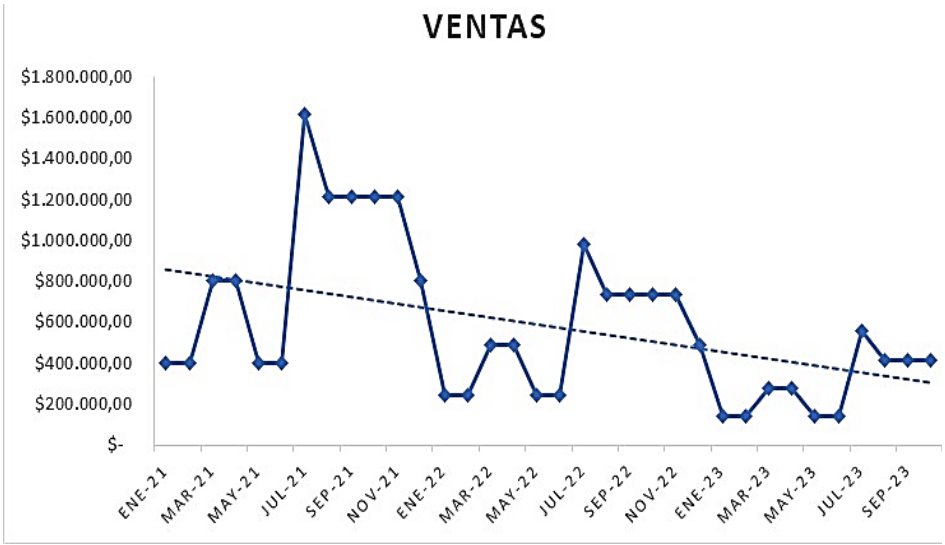

The graph indicates that declining revenues at Holcim are closely linked to consumer perceptions of insecurity. Addressing this concern and rebuilding consumer confidence are critical steps to restoring the company's financial health. Revenues have experienced a significant decline over the past two years, with a negative percentage change of 39% in 2022 and 29% in 2023. This trend indicates a clear decline in Holcim's revenue generation over this period.

The decrease in revenue suggests a negative financial impact for Holcim. The magnitude of the percentage change indicates the severity of the financial situation, with a decline of 39% in 2022 and 29% in 2023. This significant drop may affect the company's profitability, liquidity and investment capacity. The numerical data obtained are also based on Table 4.

Table 4. *Regression analysis*

Regression statistics	
Multiple correlation coefficient	0,617972397
Coefficient of determination R^2	0,381889884
R^2 adjusted	0,362573943
Standard error	3020,488524
Remarks	34

The multiple correlation coefficient is 0.617972397. This value is between 0 and 1, suggesting a moderate positive correlation. The

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closer the value is to 1, the stronger the positive linear relationship between the variables. In this context, it is suggested that there is a moderate positive correlation between the variables in the multiple regression model under analysis. Furthermore, the coefficient of determination R2 is 0.381889884. This means that approximately 38.2% of the variability in the dependent variable can be explained by the regression model. Although this is not a very high value, it does not necessarily indicate a poor model fit. The specific interpretation depends on the context of the problem and expectations in the field of study. The adjusted R2 is 0.362573943. This means that the model explains approximately 36.3% of the variability in the data after considering the number of variables being used. The standard error of 3020.488524 indicates the expected amount of variation in the model predictions. For a more accurate interpretation, it is crucial to consider the scale of the data and the specific context of the problem.

Conclusions

The general perception of insecurity has led to a significant decrease in the number of customers visiting Holcim's points of sale. Consumers, concerned for their safety, avoid visiting Holcim stores as often as they did previously.

Based on the information provided, it can be concluded that the entity or business experienced a significant decrease in revenue during 2022 and 2023 compared to the base year of 2021. The negative variance of 39% in 2022 and 29% in 2023 suggests a continued downward trend in financial performance.

This decline in revenues could indicate economic challenges or difficulties that could affect the long-term stability and viability of the business. The conclusion suggests the need to implement corrective or strategic measures to reverse this negative trend, improve financial health and ensure the long-term sustainability of the business. This could include reviewing and adjusting business strategies, identifying growth opportunities, and adopting measures to mitigate external factors that could be affecting revenues.

Business operations during nighttime hours have experienced a substantial reduction due to customer concerns about safety. This has particularly affected sales in night trading, an area that has historically been important to Holcim.

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