



The impact of COVID-19 in small and medium-sized communication enterprises in Spain

El impacto de la COVID-19 en las pequeñas y medianas empresas de comunicación en España

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Abstract

The pandemic caused by COVID-19 has taken a large number of small and medium-sized Spanish companies by surprise. However, these SMEs dedicated to communication have seen how the economic crisis has not only not affected in the same way as the rest of companies and self-employed, but they are getting ahead, in a large majority, with the great hope that the crisis will respect them in this 2021, despite the tough adjustments they have had to make before the majority reduction of income. The study has been carried out in SMEs and self-employed workers in the Community of Aragon, mainly, but a small sample of those in Madrid has also been studied, as they are representative of what is happening in Spain. The aim of this work is to find out what measures have been adopted by these companies to face and weather the global crisis. Through an e-Delphi methodology, the main conclusions obtained were the high degree of positivity in the face of the crisis detected in these companies; their efforts to move forward, despite the economic blow that the drop in income has meant for most of them; and the high degree of solidarity with the rest of society shown by these people.

Resumen

La pandemia provocada por la COVID-19 se ha llevado por delante a buena parte de las pequeñas y medianas empresas españolas. Sin embargo, estas pymes dedicadas a la comunicación han visto cómo la crisis económica no solo no ha afectado de la misma manera que al resto de empresas y autónomos, sino que están saliendo adelante, en una amplia mayoría, con la gran esperanza de que la crisis les respetará en este 2021, a pesar de los duros ajustes que han tenido que hacer ante la reducción mayoritaria de ingresos. El estudio se ha realizado en pymes y autónomos/as de la Comunidad de Aragón fundamentalmente pero también se ha estudiado en una pequeña muestra de las de Madrid, por ser territorios representativos de lo que ocurre en España. El objetivo de este trabajo consiste en averiguar cuáles han sido las medidas adoptadas por estas empresas para afrontar y capear la crisis mundial. A través de una metodología e-Delphi se ha obtenido como principales conclusiones el alto grado de positividad frente a la crisis detectada en estas empresas; sus empeños por salir adelante, a pesar del mazazo económico que ha supuesto para la mayoría la bajada de ingresos y el alto grado de solidaridad para con el resto de la sociedad desplegada por estas personas.

Keywords | palabras clave

Companies, SMEs, communication, COVID-19, competitive advantage, crisis management, communication, resilience. *Empresas, pymes, comunicación, COVID-19, gestión de la complejidad, gestión de crisis, resiliencia.*

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1. Introduction

The unprecedented economic crisis generated by COVID-19 in Spain has fundamentally impacted small and medium-sized businesses. Of every five jobs destroyed in 2020, four were registered with business organizations with fewer than fifty employees.

According to the classification of micro, small and medium enterprises (SMEs) contained in Annex I of (EU) Regulation No. 651/2014 of the European Commission:

1. The category of micro, small and medium-sized enterprises (SMEs) consist of companies employing less than 250 people and whose annual turnover does not exceed EUR 50 million or whose annual balance sheet does not exceed EUR 43 million.
2. In the SME category, a small business is defined as a company employing less than 50 people and whose annual turnover or annual balance sheet does not exceed EUR 10 million.
3. In the SME category, a micro-enterprise is defined as a company employing less than 10 people and whose annual turnover or annual balance sheet does not exceed EUR 2 million.

On the other hand, in Spain, there is also a job category performed by people whose professional work is defined as “self-employed”. According to article 1 of Law 20/2007, of July 11, of the Statute of Self-Employed Work, the following can be classified as Self-employed professional:

Individuals who regularly, personally, directly, on their own account and outside the scope of management and organization of another person, carry out an economic or professional activity for profit, whether or not they give employment to employed workers. This autonomous or self-employed activity may be carried out full-time or part-time.

Based on the data for December 2020, in Spain, there are 3 271 408 self-employed workers who contribute to Social Security within the Special Regime for Self-Employed Workers (RETA).

Of the total volume of companies and workers, this research will be limited to companies dedicated to the integral management of communication for organizations and people, which may contain consulting services, communication auditing, corporate image and brand, reputation, or public relations, among other fields, a classification that is collected, according to the National Classification of Economic Activities (CNAE), in group M of said ranking, called “Professional, Scientific and Technical Activities”, which includes the activities dedicated to “public relations and communication (...) advertising; advertising agencies; media representation services; market research and public opinion polls; specialized design activities and photography activities “. The study will focus on a representation of companies in the Community of Madrid and Aragon, in order to limit the size of the sample, while obtaining a representative sample.

Regarding the number of companies registered with Social Security, according to the report prepared by the Ministry of Labor as of December 2020, the companies engaged in this type of activity in December 2019 went from 94,001 in the whole of Spain to 92,843 in the same month, but 2020. In December 2020, the number of people registered in this Public Relations and Communication sector throughout the country was 763,867. In the self-employed regime, this same section brought together 295,389 people. This is a decreasing trend (Marta-Lazo et al., 2018) that was already being experienced in the sector, even before the current crisis.

In January 2020, in the Autonomous Community of Madrid, there were 243,692 people affiliated with the general regime in this activity and, in Aragon, 14,510. These

figures fell in Madrid in December of that same year to 242,249 people, while in Aragon there was a slight increase when this figure rose to 14,658. Regarding the registration of self-employed workers throughout Spain, in January 2020, their number was 131,395 but it ended the year with an average in December of 295,520 affiliates in category M.

In the autonomous worker's regime in Aragon, 7,703 were registered in January 2020 and they ended the year with a registration of 7,737 people, as can be seen in Table 1.

Table 1. Average affiliates of the month and activity sections CNAE 2009

LOCATION		DECEMBER 2020	DIC. 2020
		Section M CNAE "Public relations and communication"	Section M CNAE "Public relations and communication"
SPAIN	GENERAL REGIME	766 823	763 867
MADRID A.C	GENERAL REGIME	243 692	242 249
MADRID A.C	GENERAL REGIME	14 510	14 658
SPAIN	SELF-EMPLOYED	131 395	295 389
MADRID A.C	SELF-EMPLOYED	27 015	58 083
MADRID A.C	SELF-EMPLOYED	7 703	7 737

Source: Own elaboration

As it is obvious the importance that communication has had and has in any situation and, especially, in times of pandemic, we want to reflect in this work how the economic crisis derived from the health crisis has affected small and medium-sized companies that have made and they make this type of communication possible in numerous organizations, entities, and companies, essential to face and overcome these difficult times.

Given the impossibility of carrying out a scan of all communication SMEs throughout the country, a study has been carried out on most of the communication companies registered in Aragon and on a representative sample of SMEs in the Community of Madrid. Aragon has been chosen because it is a community that is usually used as an average reference in terms of political behavior, as has been recorded in the book "Aragon is our Ohio (2019)", but also because it is a medium-sized community in Spain.

This study has been broadly compared with those carried out by KPMG and CEOE (2020a) and that carried out by DIRCOM (2020) for large companies in all sectors, to determine whether or not there are coincidences with small and medium-sized companies.

1.1. Communication as a tool for companies at the service of society

91.3% of large companies had a communication department in 2010, as shown in the third edition of the report "The state of communication in Spain" (2010) published by the Association of Directors of Communication (DIRCOM), a figure that increased to 100% of companies in 2018, according to data provided by this Association in its latest report (2018). The development of communication is linked, in recent decades, to the field of large companies (Gómez-Nieto, 2011) since when it comes to small and

medium-sized companies (SMEs), according to a report by the consulting firm OAK Power published by the newspaper Cinco Días, (2015) this percentage drops to 55%.

Within this framework, the business volume of communication and public relations consultancies increases every year, both internationally and in Spain, as the number of companies that understand that specialized consultants are the ideal organizations to support, in the case of large corporations or, to organize, in the case of SMEs, the comprehensive communication of their brands. In 2019, 57% of companies claimed to have worked with communication consultancies. Of these, 75% stressed that they would work with one again and 88% consider them the ideal partner to manage the long-term communication and brand strategy.

These are some of the data that emerge from the biennial study “Agency Scope 2019/2020” prepared by the international consultancy Scopen (2020), where it is claimed that communication and public relations companies contribute 16% to the growth of their customers business. In Spain, this sector is made up of agencies with an independent profile and of a very small size that tend to work for SMEs, compared to large multinationals, which are more attractive and competitive for large companies (AxiCom, 2015). The vertiginous changes that the sector has to face have also led to the appearance of collaborative companies, made up of freelancers who specialize in specific areas of communication who offer their services independently but included in a common brand.

This new environment, immersed in the emergence of new business models and marked by the presence of Intelligence Technology, requires that companies be designed based on flexible, efficient and dynamic structures (Ravina-Ripoll et al., 2019). To achieve this, it is essential that the people who make up the team of the new communication and public relations companies accept naturally and without fear (Foncubierta-Rodríguez & Sánchez-Montero, 2019) the new context of digital communication.

As Gómez and Bandrés (2014, p. 144) collect, “communication agencies offer services to those organizations that, due to their size, cannot have their own department, but are aware of how unpredictable the services of communication are today”. Following Marín-Dueñas (2015), SMEs consider the need to invest in communication since they consider it as a success factor that favors good results, as well as the good performance of the organization as it is an essential tool to interact with their public of interest, whether internal or external. For this author, SMEs understand that strategic communication must be managed by specialized and professional personnel, therefore, when they do not have the budget to incorporate a specialist on staff, they outsource the service to communication consultants.

Scopen’s report assures that more and more companies are aware of the need to have communication consultants or public relations agencies to help them manage their image and reputation. Knowledge of the market, the client, and the brand (37%), proactivity and initiative (37%), and creativity and innovative ideas (31%), are the characteristics most valued by companies in a communication consultancy, according to Scopen.

Along the same lines, a report by the specialized magazine *El Publicista* (2019) highlights that Spanish companies value three key aspects of communication agencies very positively: their strategic capacity to generate business from communication management (a key aspect for eight out of ten interviewees), their ability to provide an innovative and creative vision to reach the audience (70%) and the fact that they are perfect interlocutors between the company and its stakeholders.

One of the pieces of evidence that the pandemic has left in the economic and social sphere has been the reinforcement of the involvement of organizations with their interest

groups, in the sphere of social responsibility of their activity. Between March 14, 2020 (the day before the State of Alarm entered into force in Spain) and April 14 of that same year, according to a report by the CANVAS consultancy (2020), more than 650 business initiatives and more than 9000 impacts in the media featuring large companies, SMEs and the self-employed, have been identified as being linked to COVID -19. Some of these initiatives have been donations, solidarity actions, or adaptations of production models aimed at all interest groups, from employees to clients and suppliers, to society in general, especially the most in need or vulnerable sectors, as will be addressed later.

According to this report, 41% of the initiatives have, in general, focused mainly on society as a whole, highlighting the strength that companies can manifest when reacting to urgent situations, as well as their ability to help the most vulnerable sectors.

Faced with this health and social pandemic, more than 39% of the solidarity actions of companies have focused on the health and well-being of their closest interest groups, both external and internal, as shown in Table 2:

Table 2. Business initiatives against COVID-19

TYPES OF INITIATIVES		
CORPORATE	EMPLOYEES	CLIENTS
<ul style="list-style-type: none"> • Specific advertising regarding COVID-19 • Cost adjustment, reduction or readjustment of activity • Suspension of publicity and marketing activities • Public statements from CEO or high management • Salary cuts to directives • Suspension of dividends and/or postponement of purchase of shares • Cancellation or telematic holding of shareholders' meeting • Launching of post COVID-19 plans 	<ul style="list-style-type: none"> • Maintaining employment and activities • Extra bon uses for employees that work through the state of alarm • Measures related to health, well-being and security (includes teleworking) • New hires or shift reinforcements • Corporate voluntary work or initiatives promoted by the employees 	<ul style="list-style-type: none"> • Launching or redefinition of services • Reinforced security and prevention measures • Prioritization of certain collectives in the provision of services • Postponement or delays and moratorium in payments to clients • Provision of free services to disadvantaged collectives
SOCIETY		SUPPLIERS
<ul style="list-style-type: none"> • Economic donation • Donation in kind • Temporal adaptation of production, services or personnel to the needs that arose from the crisis • Accompaniment to vulnerable groups • Sensibilization and information campaigns • Cultural or formative initiatives • Support to innovation 		<ul style="list-style-type: none"> • Advance payments to suppliers

Source: Canvas, 2020

From this general list of initiatives, donations in kind stand out, especially of sanitary material such as masks and hydro-alcoholic hand disinfection gels, as well as food and electronic devices. Also directly monetary actions are outlined, which together

represent more than 19% of the total. Regarding the initiatives with the personnel, the maintenance of activity and employment and the reinforcement of health, safety, and well-being measures stand out. The CANVAS study (2020) also highlights the actions related to the establishment of alliances, adherence to initiatives or social platforms, something that denotes a high level of commitment to the context, with a vocation for permanence and with a strong cooperation component.

Among the conclusions of this report, it is clear that this crisis has strengthened the role and leadership of people within companies. In this way, it raises the need to consolidate the ethical climate generated in the face of the crisis, reinforcing sustainability, organizational resilience, and flexibility as the key vectors of the new business culture to adapt to the new post-COVID scenario.

A macro business initiative launched by a well-known supermarket brand promoted, together with its two hundred supplier companies, the platform #EstoNOtienequePARAR (this doesn't have to stop), to publicly recognize the efforts of companies to continue working and generate a climate of trust, at an internal level. It went online on March 16, 2020, to unite and encourage, as stated on its website, "those who worked guaranteeing essential supplies despite great difficulties." Through this initiative:

It encouraged all companies, entrepreneurs, and freelancers who could not work or open their business to remain active, inspiring them with real success stories that happened at that time, to also innovate, reinvent their business or readjust to the new situation.

In a few months it reached more than 3,000 adhesions and, after the end of the confinement as of June 21, 2020, the date on which the State of Alarm that decreed the total home confinement was concluded, except for crucial sectors, this initiative gave way to a second phase called #EActiVate (E-activate), with the aim of "accelerating and activating our economy to overcome the social and economic consequences of the impact that the health crisis is having on our business and industrial structure and our economy".

More than 3,000 real cases of companies of all sizes, self-employed workers from all over the Spanish state were presented. In Aragon, it also aroused numerous adhesions. As they collect on their website, the dissemination of these experiences was made known through different channels in which a huge amount of news could be seen and that allowed feedback from the public, as they tell on their website: "more than 100 cases published on national and regional television/radio stations; 800 news items in the press; 640 cases explained on the web and 700,000 views of company videos on our channels".

In addition to this project, initiatives such as:

- #AragonenMarcha (Aragon on the march), managed by CEOE Aragón in which economic donations, products, or services were centralized together with the rest of the social agents and the Government of Aragon.
- #LasMarcasSeSalen (Brands go out). With this hashtag, a communication campaign was carried out to pay tribute to the 230 brands that joined this solidarity initiative. The objective was to generate confidence in the future and strengthen the ties drawn between companies and people to recover the "new normal" in which Aragón and the rest of Spain settled, after the end of home confinement.

2. Methodology and sample

The need to obtain information on the impact generated by the health crisis on the activity of communication SMEs, practically at the same time that the pandemic

continues to be suffered, has made it necessary to adopt analysis parameters based on the versatility of the e-Delphi methodology, defined by Lindqvist and Nordänger (as cited in Mamaqi et al., 2010) “as a special type of research in which questionnaires are used for data collection”, and in which “in recent years, the use of e-mail has become more and more frequent to carry out the process”.

The protocol of phases has been followed, collected by Reguant and Torrado (2016, p. 92) initiated by consulting three experts who have helped to validate the criteria of the questions, as well as their formulation. A convenience sampling was established aimed at these companies to obtain specific information through a descriptive form, with basic phase quantitative questions and other qualitative questions to obtain information on personal responses to general problems caused by COVID-19. We also contacted the companies via email and the LinkedIn social network to explain the collaboration with the project and we obtained very valuable opinions from them on specific topics that were not covered in the questionnaire.

The survey carried out consists of six first questions in which the sex, age, size of the company, studies of the leader who answers, the address of the company, and years of creation of the company are determined.

The questionnaire contains ten other questions, which ask how COVID has affected the company; if they have accepted an *erte*¹ and if they are, at the time of answering, in one. He also asks about which of the suggested measures has been taken mainly to adapt to the situation generated by COVID-19 (teleworking; staff reduction; request for financial credit; focusing work on the internet and social networks; change of activity or another measure). Number 6 asks say whether the company has carried out any solidarity initiative during the pandemic. Number 7 requests that, if you have done so, indicate which one (s) they were. 8 asks how much the company billed per year, before COVID. The penultimate, what is the turnover at the end of 2020 and, finally, if they think that the company will be able to stay in business in 2021.

2.1. Sample typology

To locate Aragonese companies, the list included in the agenda of the Association of Journalists of Aragon has been used, as well as the directory of the Association of Communication Directors (DIRCOM-Aragón) of said Autonomous Community.

In order to find the Madrid companies for this work, a screening was carried out of the communication companies included in the ranking of companies in the Public Relations and Communication sector of the “El Economista.es” website, which shows the companies ordered by sales figure. This information comes, according to the page itself:

From the Database of INFORMA D&B S.A.U. (SME), which draws on multiple sources of information, public and private, such as the BORME (Official Gazette of the Mercantile Registry), Deposits of Official Accounts, BOE (Official State Gazette), Official Provincial and CC.AA. Gazettes, National and regional press, ad hoc Investigations, and Various Publications.

The search engine allows you to discriminate the search range by size and city, so this method has been used to find the first twenty small companies and the first twenty, medium-sized ones.

1 *Erte*, defined by the Pan-Hispanic Dictionary of Legal Spanish, is the “procedure for the suspension of the employment contract or the reduction of the working day, of a temporary nature, for economic, organizational or production causes or those derived from force majeure. A figure of labor law regulated in Royal Decree 1483/2012, of October 29.

In total, the questionnaire was sent to 50 companies between December 27, 2019, and January 22, 2021, of which 32 answered. Taking into account that the Delphi method (regardless of its electronic variant) considers adequate the number of 30 experts in order to collect the information on the matter to be investigated, it would be within the optimal sampling parameters. More information has also been obtained through direct contact with various professionals who have particularly evaluated the current situation.

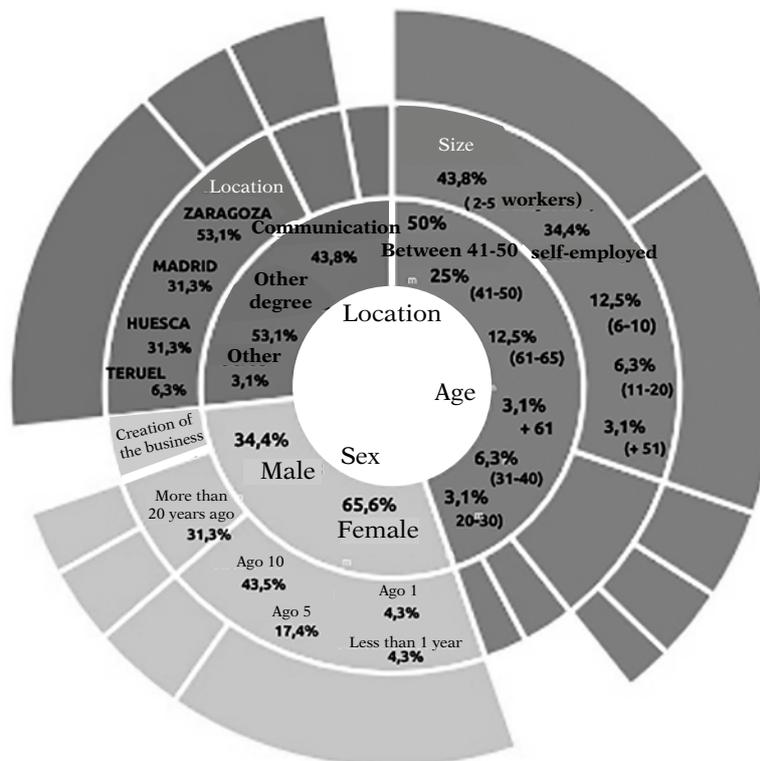
3. Results

From the obtained results, it is extracted that 65.6% are female, compared to 34.4% who are male. 50% are between 41 and 50 years old. 25%, between 51 and 60. 12.5% between 61 and 65 years. 3.1% are over 66 years old. Another 3.1%, between 20 and 30 years of age. 6.3%, between 31 and 40 years old.

Regarding the size of the company, 43.8% have between two and five workers. 34.4% are self-employed. 12.5%, between six and ten. 6.3%, between 11 and 20 and 3.1%, more than 51 workers. Regarding studies, 43.8% have a university degree in Journalism, Communication, or Advertising. 53.1%, their degree or degrees come from other university studies and 3.1%, from other studies.

53.1% of the companies consulted are in Zaragoza, 31.3% in Madrid, 9.4% in Huesca, and 6.3% in Teruel. 30.4% created the company more than 20 years ago. 43.5% ten years ago. 17.4% five years ago. 4.3% one and another 4.3% less than a year ago, as can be seen globally in Figure 1.

Figure 1.



Source: Own elaboration

Table 3 shows the answers to questions 1. How has COVID-19 affected your company? 2. Have you accepted an erte? 3. Are you in an erte right now? 4. Which of these measures have you taken mainly to adapt to the situation generated by COVID-19?

Table 3. Answers to questions 1, 2, 3 and 4

(1)	(2)	(3)	(4)
HOW HAS COVID-19 AFFECTED YOUR COMPANY?	HAVE YOU ACCEPTED AN ERTE?	ARE YOU IN AN ERTE RIGHT NOW?	WHICH OF THESE MEASURES HAVE YOU TAKEN MAINLY TO ADAPT TO THE SITUATION GENERATED BY COVID-19?
Reduced worked 25% 28%	21,9% Yes	93,7% NO	Telework 62,4%
Reduced worked 50% 18,1%	78,1% NO	6,3% Yes	Internet and RSS 18,8%
Reduced worked 75% 3,1%			Credits 6,3%
We have closed 9,4%			Downsizing 3,1%
It has not affected us 21,9 %			Change of activity 3,1%
My work has increased 19,4%			Other measures 6,3%

Source: Own elaboration

While the responses to question 5 (If you have chosen “another measure” in the previous question, please indicate what they are) the majority responses have been, as can be seen in Table 5:

Table 4.

Flexibility
Telework and ICO credit
Closing the business for various months
Financial credits
We have closed one of the branches, therefore the payroll has been reduced and we also teleworked during confinement.

Source: Own elaboration

And Table 5 shows the answers to the questions: 6. As a company, have you carried out any solidarity initiative during the pandemic? 8. How much did your company bill per year, before Covid-19? 9. What is your turnover at the end of 2020 compared to 2019? and 10. Do you think your company will be able to stay in business in 2021?

Table 5. Answers to questions 6, 8, 9 and 10

(6)	(8)	(9)	(10)
AS A COMPANY, HAVE YOU CARRIED OUT ANY SOLIDARITY INITIATIVE DURING THE PANDEMIC?	HOW MUCH DID YOUR COMPANY BILL PER YEAR, BEFORE COVID-19?	WHAT IS YOUR TURNOVER AT THE END OF 2020 COMPARED TO 2019?	DO YOU THINK YOUR COMPANY WILL BE ABLE TO STAY IN BUSINESS IN 2021?
	Between 300.000 and 400.000 € 21,8%	62,6% Inferior	68,7% Yes
56,6% No	Between 15.000 and 30.000 € 18,8%	15,6% equal	6,3% No
3,2% Doesn't know	Between 30.0001 and 50.000 € 18,8%	21,8% Superior	25% Doesn't know
	Between 50.001 and 100.000 € 3,1%		
	Between 100.001 and 200.000 € 11,5%		
	Between 200.001 and 300.000 € 10,5%		
	More than 400.000 € 9,2%		
	Less than 15.000 € 6,3%		

Source: Own elaboration

Question number 7 asked that, in case of having carried out a solidarity action, please indicate which one or which they had been. The responses obtained were:

- Support for clients with problems, NGOs, etc. within our scope of action
- Creation and Production of a motivational video for other people and companies.
- Offering my regular clients, a specific communication plan to help them, but in the end, it has not been of any use and I have to close.
- Various campaigns. To collect funds. Spread the work of others. And to spread the confidence we need to get out of this health and economic crisis.
- We are in process since the pandemic is not over.
- Several with IFEMA.
- Collaboration with the NGO Bokatas Zaragoza.
- Adherence to solidarity initiatives such as the one carried out by CEOE.
- Dissemination of the hotel offer.
- We donated money and collected material for the manufacture of masks.
- Help to communicate solidarity ideas of companies.
- Support to different NGOs that are within the Group's program.
- We have donated advertising space to value all the solidarity initiatives in the area, which have been many, with the aim of getting new collaborators for them.

4. Discussion and conclusions

It can be said that the effects of the economic crisis generated by COVID-19 in the communication companies and self-employed workers studied have not been as harsh as the rest of the small and medium-sized companies since, despite the dramatic situation, they have managed to get out afloat this year, although with considerable losses compared to its pre-pandemic situation.

Half have had to reduce their work between 25 and 75%; almost 10% have closed, while about 22% have not been affected by the crisis and 18.8% have increased their work in times of crisis.

About 22% have taken up an *erte* but at the time of answering the survey, 93.7% were not. Companies have weathered the bad situation by applying measures such as Teleworking (62.5%); turning their activity on the Internet and on social networks (18.8%); while 6.3% have applied for loans and others have reduced the workforce or have changed activity, with 3.1% respectively. Other measures adopted have been “flexibility”, combining teleworking and applying for an ICO credit; closing the business for several months; reduce the staff and teleworking.

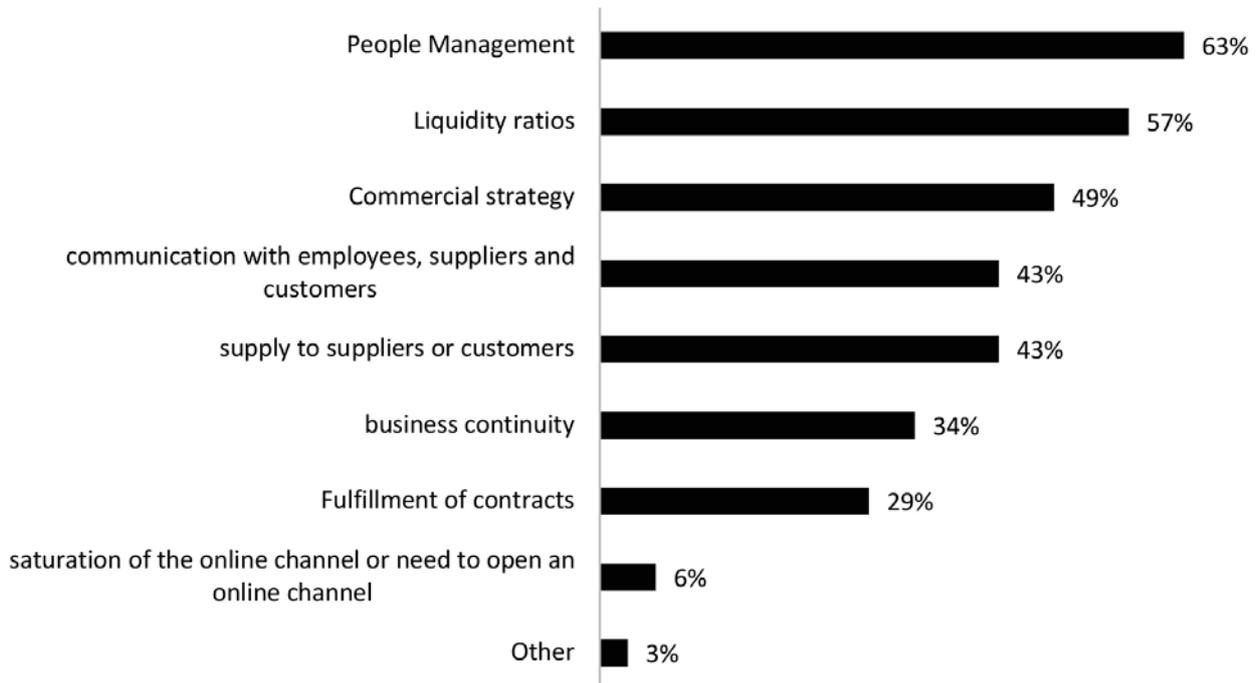
Solidarity is another identifying feature of these companies in which 45.2% have developed some solidarity initiative as an entity, despite the fact that the turnover in 2020 has been lower than that of 2019 for 62.5%. Of the people who have been solidary, 85.7% have carried out initiatives despite the fact that their turnover in 2020 has been lower than the previous year and, the rest presented an income statement equal to that of the previous year.

Despite the bad situation generated by the health crisis, 68.8% believe that their company will endure in 2021, compared to 6.3% who believe that it will not. 25% do not know.

Regarding these data, Spanish companies from all sectors during the pandemic, and especially in the State of Alarm, have a negative assessment of the economic situation and their future forecasts. The business confidence indicator has been, since the first quarter, the lowest value in the historical series (95.5 points), according to the INE (2020). In this unfavorable environment, many companies, especially small and medium-sized ones, have been forced to submit *ertes*. Many companies have suffered a sharp drop in their turnover, as well as the investments they had planned.

In the balance sheet of Spanish companies, which are periodically carried out by KPMG and CEOE (2020b), managers reveal that they have been forced by the pandemic to adopt measures quickly and beyond their strategic plans, with a double objective. On the one hand, to guarantee the health and well-being of their workers, suppliers, and clients, in order to contribute with their responsibility to stop the spread of the virus and, on the other, to maintain their activity as much as possible, trying to contain the adverse aspects that the coronavirus implies for their daily work. Objectives that coincide with the attitudes reflected in the responses gathered from the surveyed small and medium-sized companies.

The companies reflected in the previous report have seen all their areas of activity and their operating systems affected by COVID and also by the Government's measures to combat it, as can be seen in Figure 2.

Figure 2. Areas of companies that are affected by the coronavirus

Source: KPMG and CEOE, 2020

The functional areas most affected by the health emergency have been people management, treasury, and commercial management. Faced with this crisis, large companies have applied different measures, notably teleworking, which has been adopted by the vast majority of SMEs consulted, reaching 96%.

Also, marketing and commercial strategies have been modified and, among other things, commercial trips and those carried out by staff have been eliminated, in addition to suspending events, both internal and external. Likewise, the protocols and communication systems of companies with their stakeholders have been modified and the digital transformation of companies has been streamlined, as well as their digital communication, with the opening of new online channels, in the context of the web 2.0.

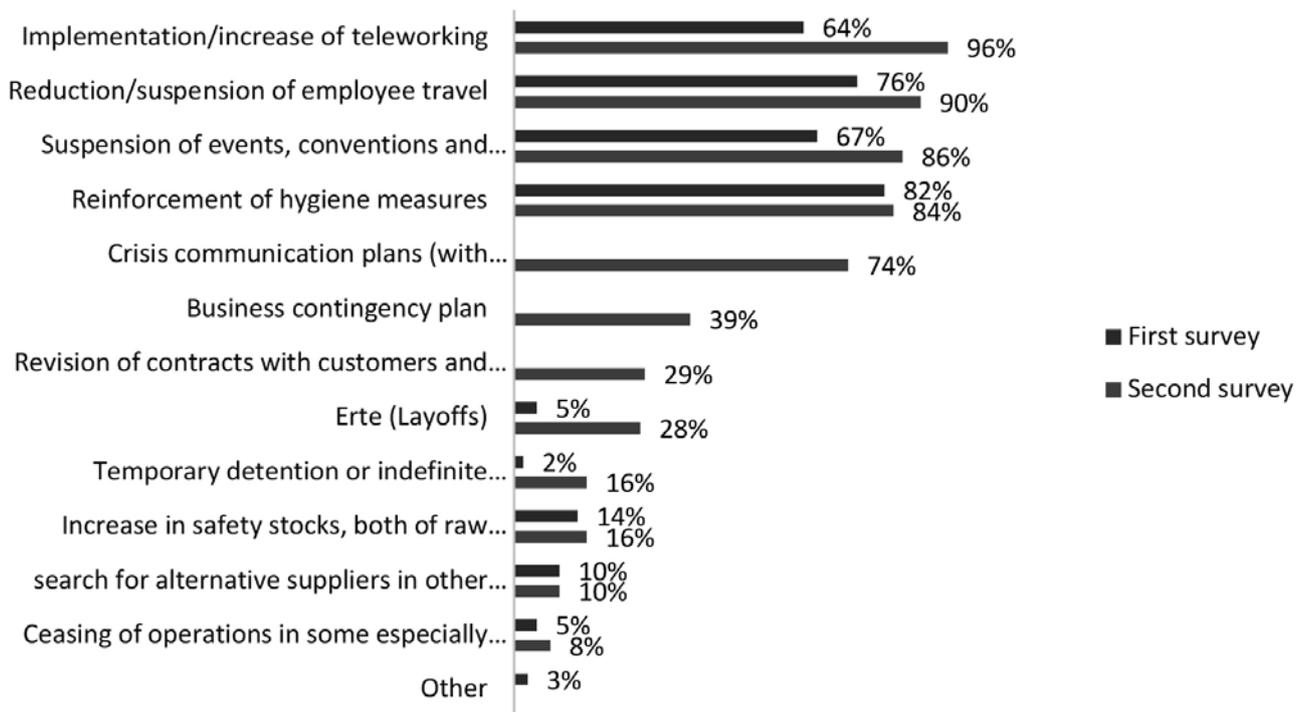
For those surveyed who occupy a managerial position, the current situation is here to stay and is going to transform some aspects of the business in the long term. Communication, digitization, ways of working, and risk management are the areas most sensitive to these changes, as can be seen.

The prolongation of the pandemic, waiting for the administration of vaccines to become a reality in all societies, has meant that these measures continue to be maintained over time, as shown in Figure 3.

However, as can be seen, if a comparison is made between the first and the last report by KPMG and CEOE (2020a and 2020b), the assessment of the evolution of the economy after the COVID crisis is slightly more optimistic than in full confinement, something that coincides with the forecasts of small and medium-sized companies, as well as self-employed workers.

Taking into account this comparison, it can be seen that communication and people management is precisely the main challenge they have had, and that companies will have to overcome in the face of the COVID crisis. Digital transformation is also a primary area for most business man and women, as well as process improvement and other operational restructuring measures.

Figure 3. Evolution of the measures adopted by companies in the face of the coronavirus



Source: KPMG and CEOE, 2020

For DIRCOM at the state level (2020), corporate communication has been revealed during this crisis as an essential tool in society around a triple function:

1. As a tool to inform with rigor and clarity and to calmly educate the population about the health and social situation derived from COVID. In their guidance to countries on the pandemic, the World Health Organization points out that timely and transparent communication, with correct and evidence-based information, but also honest and frank, with empathy and understanding for public concerns, is essential so that people know the risks of COVID-19 and follow the recommendations of the authorities to protect their health and that of others. In this context, consumer habits and trends have been drastically modified. Digital newspapers have received 45% more page views and increased their traffic by 100%. The digital audience of online radio has grown by 112% (which is why it has positioned itself as one of the media that gives the audience the most confidence) and live online television has added 93% of unique users. For its part, television has also become the main source of entertainment and information and news programs have increased 65% in their daily consumption, as recorded by Montaña-Blasco et al. (2020).
2. As an internal communication tool to increase the feeling of belonging of the staff hired on the payroll and taking care of them from the point of view of their physical and emotional health. At the time of the pandemic, practically 100% of the companies, consulted by DIRCOM, established security and protection protocols for their employees, which had to be implemented and, at the same time, communicated.

Multi-channel communication has been a common factor in internal communication protocols. Apps, podcasts, internal social networks, WhatsApp groups, employee helpline ... According to DIRCOM, companies have diversified their communication channels with their staff and have reactivated some of those that had little use. The challenge has been to create a new internal communication narrative, for which new content has been used with different objectives in which credible sources have been used and in which rigorous and truthful information has been offered.

3. As a tool at the service of society, so that companies can transmit their purpose and future challenges in terms of employment, sustainability, or social responsibility. During the pandemic, in addition, most brands communicated their solidarity with the situation, through campaigns focused on corporate purpose, while reducing the commercial communication of their products. To this end, multi-channel external communication actions were intensified, aimed at communicating to society the measures and actions that were implemented from the company itself to help improve the situation, as mentioned above.

In this area, according to a report by Deloitte (2020), almost four out of five people could cite a time when a brand responded positively to the pandemic and, one in five, strongly agreed that it led to a greater brand loyalty from them. On the contrary, more than 25% of those who noticed that the brands were acting in their own interest moved away from them.

In general, the business behavior of small and medium-sized communication companies, together with that of the self-employed who work in this sector, in the midst of the crisis generated by COVID-19, managed to adapt, for the most part, to the harsh consequences generated due to the cessation of economic activity in a large part of the business sector.

If the studies carried out by KPMG and CEOE (2020b) are taken into account, in which the situation of the Spanish company in the face of COVID-19 is analyzed, together with DIRCOM's analysis on communication in times of pandemic, cited above, and compared with the results of the survey of this research, it can be deduced that SMEs and freelancers of marketing and communication companies in our country have benefited from the increase in the needs of companies to communicate about their company and its activity, caused, in a generalized way, by the outbreak of COVID-19.

Almost all Spanish companies have seen their business model upset and have had to adapt quickly to a new complicated, highly changing and flexible organizational situation in an uncertain context. Faced with this situation, these organizations have launched or accelerated their digital transformation process and their communication models, both internally and externally. Likewise, in an extreme situation such as the one that has been experienced in the framework of this pandemic, companies have strengthened their line of social responsibility and help to their context.

Information within companies has become more necessary than ever, not only for the communication of new work situations that occurred with the pandemic but also to launch and organize new remote work processes, the orderly establishment of information flows or new forms of conciliation and relationship with all members of the organization, among other situations. Similarly, communication with the outside world, both with suppliers and with clients, both with public administrations and with the media, has taken a rapid and radical turn and companies have had to adapt to new 2.0 tools, new sales formulas, dialogue and relationship with their stakeholders.

All these changes have a full impact on the communication area, which is in charge of internal communication, together with the human resources department, communication with suppliers and customers, together with the marketing department, and the line of corporate social responsibility (CSR) of the organization. This increase in work in the communication departments of large companies and the emergence of new communication needs in SMEs has caused an increase in the demand for consulting, advisory, and communication services that have benefited SMEs and specialized freelancers in this matter, regardless of the moment of uncertainty and general crisis that has been felt with greater virulence in other sectors of the business fabric.

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