

RESEARCH

<https://doi.org/10.15198/seeci.2021.54.e660>

Received: 01/08/2020 --- Accepted: 19/02/2021 --- Published: 12/04/2021

THE USE OF SOCIAL MEDIA IN MICRO-ENTERPRISES IN THE FACE OF COVID-19 EFFECTS

EL USO DE REDES SOCIALES EN MICROEMPRESAS ANTE EFECTOS COVID-19

  **María del Rosario Demuner Flores**¹. Autonomous University of the State of Mexico. Mexico.
mrdemunerf@uaemex.mx

Acknowledgment. *This research was carried out with the support of Mr. Arcadio Andrade, Administrator of the WhatsApp group "El Mercado Virtual de las y los Cordobeses", #AquisiNosapoyamos. And the president of CANACO SERVYTUR CORDOBA, Eng. Carlos Lara Álvarez.*

How to cite the article:

Demuner Flores, M. R. (2021). The use of social media in micro-enterprises in the face of COVID-19 effects. *Revista de Comunicación de la SEECI*, 54, 97-118.
<https://doi.org/10.15198/seeci.2021.54.e660>

RESUMEN:

La economía mundial sufre una crisis sanitaria y económica donde la vulnerabilidad de la MIPYME es evidente. El objetivo fue analizar el uso de las redes sociales que eligieron las microempresas en respuesta a los efectos causados por la pandemia COVID-19 en una localidad mexicana. El estudio transversal con técnica narrativa describe los resultados de una encuesta a empresarios. El confinamiento social y el cierre obligatorio afectaron la actividad de las microempresas (48%), provocaron disminución de sus ingresos (31%), incrementaron las necesidades de financiamiento (24%) y obligaron al despido de empleados (16%). En respuesta a los efectos causados, la estrategia fue incrementar 30% el uso de redes sociales. Principalmente Facebook y WhatsApp se usaron para promoción, seguimiento de clientes, posicionar productos y explorar mercados. La principal aportación de esta investigación es evidenciar empíricamente los efectos de la pandemia y el uso de redes sociales como alternativa de las microempresas para lograr su subsistencia.

PALABRAS CLAVE: -Redes sociales – Digitalización- Crisis económica – Microempresas – COVID-19

¹ **María del Rosario Demuner Flores:** Profesora investigadora de la Facultad de Contaduría y Administración de la Universidad Autónoma del Estado de México, miembro del Sistema Nacional de Investigadores, líneas de investigación: Gestión del capital intelectual, competitividad PYME. Directora de RECAI Revista de Estudios en Contaduría, Administración e Informática. mrdemunerf@uaemex.mx

ABSTRACT

The world economy suffers a health and economic crisis where the vulnerability of SMEs is evident. The purpose was to analyze the use of social networks chosen by micro-enterprises in response to the effects caused by the COVID-19 pandemic in a Mexican town. The cross-sectional study with a narrative technique describes the results of a survey of entrepreneurs. Social confinement and mandatory closure affected the activity of the micro-enterprises (48%), caused a decrease in its income (31%), increased financing needs (24%), and forced the dismissal of employees (16%). In response to the effects caused, the strategy was to increase the use of social networks by 30%. Mainly Facebook and WhatsApp were used for promotion, customer tracking, positioning products, and exploring markets. The main contribution is to empirically evidence the effects of the pandemic and the use of social networks as an alternative for micro-enterprises to achieve their survival.

KEYWORDS: - Social networks - Digitization- Economic crisis – Micro-enterprises. COVID-19

O USO DAS REDES SOCIAIS EM MICROEMPRESAS PERANTE EFEITOS DO COVID-19

RESUMO

A economia mundial sofre uma crise sanitária e econômica onde a vulnerabilidade das PIME é evidente. O objetivo foi analisar o uso das redes sociais que escolheram as microempresas como resposta aos efeitos causados pela pandemia COVID-19 em uma localidade mexicana. O estudo foi transversal com a técnica narrativa que descreve os resultados de um questionário a empresários. O confinamento social e o fechamento obrigatório afetaram a atividade das microempresas (48%), provocaram a diminuição dos seus ingressos (31%), incrementaram as necessidades de financiamento (24%) e obrigaram a demissão de empregados (16%). Em resposta aos efeitos causados, a estratégia foi incrementar 30% o uso das redes sociais. Principalmente Facebook e WhatsApp se usaram para promoção, segmento de clientes, posicionar produtos e procurar novos mercados. O principal aporte desta pesquisa é evidenciar empiricamente os efeitos da pandemia e o uso das redes sociais como alternativa das microempresas para atingir sua subsistência.

PALABRAS CLAVE: - Redes sociais – Digitalização - Crise econômica – Microempresas – COVID-19

Translation by **Paula González** (Universidad Católica Andrés Bello, Venezuela)

1. INTRODUCTION

The economy in the world suffers a health crisis derived from the effects of the COVID-19 pandemic, to date, it has claimed many lives. The possibility of contagion has led governments to implement drastic measures, such as social isolation, heavy investment in medical equipment, and the closure of companies that have paralyzed the world economy.

The COVID-19 Observatory in Latin America and the Caribbean, of ECLAC, reports on the situation and the policy measures it has established to face the crisis. The most important action that he has suggested to flatten the contagion curve and face the pandemic is to contain the spread of the virus through self-isolation, quarantine, and social distancing. Sanitary measures that affect the economy regarding working hours, wages, factory closures, layoffs of personnel, decrease in private investments, cessation of public services operations, cancellation of activities and social events, among others (ECLAC, 2020).

The magnitude of the aggregate demand shock due to the reduction in the consumption of goods and services caused by the pandemic has become the biggest economic crisis that the world has experienced since the 1930s (IMF, 2020). As a result of the uncertainty, domestic demand has caused a decrease in liquidity, the paralysis of economic activity, disruptions in payment chains, loss of profitability and wealth, the volatility of financial markets, even economic paralysis in some regions (ECLAC, 2020).

Latin America and the Caribbean have faced the pandemic from a weaker position than the rest of the world. The region has suffered a decrease in economic activity with its main trading partners; The effects translate into the fall in the prices of their primary products, the interruption of global value chains such as the manufacturing sectors, which in Mexico and Brazil are the largest in the region, tourism, and financial conditions. Social distancing measures have affected sectors in different ways, some have been more damaged than others. For example, services that, to a large extent, depend on interpersonal contacts, such as transport, tourism, entertainment, informal employment, and manufacturing, because it is difficult to do it remotely (ECLAC, 2020).

In 2020, due to COVID-19, Mexico suffered a drop in GDP of 8.3% (INEGI, 2020). The consequences overflowed in the decrease in remittances, in the fall in the prices of raw materials, decrease in tourism income, increase in risk aversion on the part of international investors, increase in capital outflows, the volatility of financial markets, and detriment in industrial activity (-3.3%) (INEGI, 2020a). In March 2020, the Mexican automotive industry announced a 30% drop compared to March 2019 (AMIA, 2020), a result that caused the closure of its supply chain -one of the most important in Mexico due to its proximity to one of its best clients, the United States- due to the lack of essential inputs and the confinement of workers to their homes (INEGI, 2020). Results also attributed to the health crisis caused by COVID-19.

The crisis affected the Mexican business sector in its income, solvency, and loss of jobs. The unemployment rate rose to 5.5% in June 2020, the total of jobs at high risk exceeded 24 million (44% of total employment in Mexico) (ILO, 2020). Some population groups were more vulnerable, including micro, small, and medium-sized enterprises (MSMEs). The MSMEs suffered a drop in their sales, in part, due to the effects of social isolation and also due to government regulations for mandatory closure. However, some of them reconsidered their activity, resorting to the massive use of social networks as an alternative for commercial exchange and to promote their products in the face of the experienced contingency (González and Flores, 2020). While large companies can afford to sit still and be resilient, MSMEs must adapt nimbly if they don't want to collapse. Because of COVID-19, 34% of Mexican companies with less than 10 employees and 26% of those who employ between 10 and 20 people, had an impact classified as "serious" (Konfio, 2020).

For their part, the micro-entrepreneurs of Córdoba Veracruz also received the effects caused by the health contingency. Their decisions to close their establishments and lay off employees did not wait. However, some entrepreneurs adapted their activities of attention, promotion, commercialization, and distribution. They joined in groups and used social networks to spread their products and services. Besides obtaining income -although not in the amount they expected- they managed to benefit a society confined to staying at home, where the supply of basic necessities became a problem. The intention of using social networks (SN) adheres to the inclusion of those technologies related to all types of communication modalities that derive from the Internet, and that for the scientific literature mean a great benefit to strengthen the results of companies (Rodríguez and Da Cunha, 2018).

In this line, the objective of this research is to analyze the use of social networks chosen by microenterprises in response to the effects caused by the COVID-19 pandemic in a Mexican town. After the introduction, the scenario in which Mexican micro, small, and medium-sized enterprises operate is presented; conceptualization of social networks and their implications; the methodology used in this study; results found and their respective discussion; to finish, mentioning some conclusions.

2. CONTEXTUAL AND THEORETICAL REVIEW

2.1. MSME context

MSMEs play a very important role within the Mexican economy, during 2019 they represented 99.8% of companies and participated with 67.9% in employment (INEGI, 2019). In the State of Veracruz in 2019, MSMEs occupied a universe of 99.9% and were also the main source of employment (85.2%) (Table 1).

Table 1. *Economic units and employed personnel at the national level and the State of Veracruz*

	Economic units		Employed personnel	
National total	4,800,157	100%	27,132,927	100%
Micro	4,555,263	94.9%	10,086,104	37.2%
Small	193,423	4.0%	4,022,649	14.8%
Medium-sized	40,824	0.9%	4,309,526	15.9%
Large	10,647	0.2%	8,714,648	32.1%
Veracruz total	438,213	100%	1,701,915	100%
Micro	418,766	95.6%	867,116	50.9%
Small	16,547	3.8%	331,309	19.5%
Medium-sized	2,511	0.6%	252,192	14.8%
Large	389	0.1%	251,298	14.8%

Note: 2018 data.

Source: *Self-made based on INEGI (2019)*

The municipality of Córdoba is in the fourth position in the State of Veracruz. It participates with 4.7% of the companies in the State, its contribution to employment was 5.1% with salaries of 3.4%, its total gross production was 3.5%, the gross added census value 3.1%, and in total fixed assets it contributed 1.6% (INEGI, 2014).

In Córdoba, State of Veracruz, MSMEs make up around 98% of the enterprises - the micro-sized have the highest representation-, on average they house 4 people, the average annual remuneration per person in thousands of pesos is 69.9, the total gross production per person employed in thousands of pesos is 502.8, fixed assets per person employed correspond in thousands of pesos to 140.2, and machinery and equipment per person employed in thousands of pesos is 59.6, with the municipality's operating margin being 18.2% (INEGI, 2014).

As at the national level, in Córdoba, this group of companies is the main source of employment and self-employment, besides hosting unskilled labor despite some limitations in their performance, such as accessibility to financing, lack of planning, high birth and death rates, un-professionalized accounting, and resistance to change (Demuner, 2011). The economic situation of MSMEs in Córdoba also worsened with the presence of the pandemic. In general, in Mexico the temporary closure of some companies and the definitive closure of others affected the social fabric, leaving many families in distress. Especially this group of companies exhausted their cash reserves. In response, the government implemented aid measures, such as financing through loans with low-interest rates, advance capital for new projects, expedite VAT refunds, postpone or defer the payment of some taxes, and/or temporarily suspend the payment of some services (ALAMPYME, 2020).

The stimulus was not only the implementation of government policies to help MSMEs, the owners of the surviving companies responded with strategies aimed at a more efficient work, a change in the way of doing things, such as, for example, venturing into electronic commerce. Becoming aware of the path helped to respond to the situation, they rethought activities, reduced and optimized costs and expenses, thought of new business models, ventured into other market niches, tried to change their product or service for another necessary at that time. These actions properly correspond to the development of their know-how. The accumulation of knowledge and experience allows small companies to improve their management activities and significantly contribute to achieving competitiveness (Ibarra, González, and Demuner, 2017).

Responding to the demands of a globalized market urges MSMEs to rethink their strategies to face risk based on competitiveness, the market, and sustainability (Pereira and Cuero, 2018). The implementation and periodic review of their actions, and consistency in acting with the set objectives to focus on the turbulence of the environment, implies developing a set of differentiated skills and routines that guide them to react quickly and more efficiently to changes in the environment (Demuner, Becerril, and Ibarra, 2018).

The profile of the Mexican microentrepreneur includes a structure of values from the environment in which it operates, which explains the dynamism and permanence of their companies. Sometimes, they take advantage of natural spaces to develop the role of entrepreneurs (Ugalde, 2009). Other times, these entrepreneurs manifest themselves through the need to self-employ and create their own business where they shelter family and friends; There is evidence that both groups constitute the most important personnel for their operation (Zúñiga, Soza, and Soria, 2015).

It is common to perceive micro-sized companies that arise from the initiative of someone who masters some technical skill to manufacture a product but does not know administrative tactics. Ibarra et al. (2017) conducted a study on the competitiveness of MSMEs in Baja California in Mexico and found that the companies that make their products direct their attention more to production and operations related to the manufacturing process; and neglect planning, accounting, and finance activities; that is, they do not realize -until it is too late- the importance of management.

There is also a certain difficulty in teamwork, collaborative work becomes weak; Sometimes among employees belonging to the same family, there is a power struggle, and distrust of the control of the company is manifested, avoiding delegating. The counterpart defends the culture of the clan, where people share much of themselves (Salas, García, and Murillo, 2017). Despite the difficulties faced by MSMEs, their entrepreneurs must implement internal guidelines that improve their different processes to positively reflect their efforts on sales results, the level of satisfaction of customers, and their own employees (Vega, Martínez, and Parga, 2019). Although organizational structures are indeed marked by size and open a gap

that identifies management efficiency, nothing is impossible for a micro-enterprise, from its rostrum, to focus on the areas that define its competitiveness.

MSMEs must focus on the vision of reaching a competitive level, taking advantage of their strength of having direct control over the operations of their business. In this way, they will be able to establish themselves in the market. Furthermore, if they promote and drive investment in learning, they will be open to new ideas to generate change (Vega et al., 2019). One way to understand and pay attention to all areas is business management training. It has been shown that if organizations develop their dynamic capacities (of adaptation to the environment, innovation, and absorption capacity) they will be able to respond to the changes that arise in the environment in which they operate (Barrios, Olivero, and Figueroa, 2020; Feijoo and González, 2020).

The exploration of the market in which they compete, the observation of the behavior of the competition, the interest in knowing the economic indicators, social and political aspects, and the novelties in technology, will be reflected in the creation of value in their activities, products, processes, and services. Actions that will surely result in more sales, more clients, more profits, better performance (Olea, Contreras, and Barceló, 2016). In this sense, the idea is to explore the environment of the current pandemic, not only to detect the damage caused but also to detect opportunities and generate new ways of doing business. For example, entrepreneurs changed the way they market and distribute their products. They found, in social networks and Internet platforms, a means for the continuity of their business.

2.2. Use of social networks (SN)

Companies face challenges in a highly competitive context where the use of technology is a medium that can mean an increase in the modernization and streamlining of their operation, which will have an impact on an increase in competitiveness (Aguilera, Ávila, and Solano, 2017; Real, Leyva, and Heredia, 2018). Castellanos (2012) ensures that the immediacy of information through technological applications allows companies to improve service and increase quality; Moreover, different applications available on the Internet allow you to approach your customers and suppliers. The use of technology triggers an effect of change and improvement within the company, which strengthens it and contributes to its success, good performance, and survival (Mojica and Martínez, 2017).

Social networks as part of the new technologies have assumed a determining role that is changing the way of implementing commercial strategies. In addition to being a medium that facilitates communication and the dissemination of information, they are an important alternative for the implementation of marketing strategies (Fonseca, 2014; Palacios, Soto, and Merigo, 2015; Pico and Coello, 2017; Villagómez and Acosta, 2020) since they allow massive and direct interaction with customers to spread their services and products (Akdogan and Altuntas, 2015).

In companies, the use of social media can improve performance, describe and promote products or services, and develop innovative business ideas (Tussyadiah and Zach 2013). In consumers, this medium helps to research the characteristics of the product or service, find the required products and services; even on some occasions, thanks to social networks, consumers themselves play an active role in promoting innovations (Pico and Coello, 2017; Sigala and Chalkiti, 2012).

The use of social networks favors the detection of ideas conducive to innovation with minimal cost and effort (Audretsch, Kuratko, and Link, 2016). Through social networks, companies explore the environment in which they participate and extract new knowledge that improves the skills of employees to create value in products and services, serve diverse and complex markets (Camisón and Forés, 2010) that involve satisfying the needs of increasingly demanding consumers (Díaz, et al., 2020; Palacios, et al., 2020). Social media are part of the structure of a virtual network that supports the long-term innovation process and can make it successful enough (Scuotto, Ferraris, and Bresciani, 2016).

The use of social networks offers great opportunities to small companies, allowing them to communicate their message globally at low cost through Web 2.0 tools such as websites and social networks (Rivera, Gutiérrez, and Olvera, 2020). Scuotto et al. (2017) defend that social networks improve the management of internal and external knowledge; their proper use reduces uncertainty in investments in innovation. For their part, Zhou, Wu, and Luo (2007) defend the position of social networks as a mechanism for SMEs (small and medium-sized enterprises) to improve the internationalization process. SMEs resort to the use of social networks for marketing purposes, attracting new clients, interacting with their clients and suppliers, as well as to increase their audience (Ainin et al., 2015) in the search for innovations in their products or services (Scuotto et al., 2017).

The effect of the use of social networks in SMEs has been studied based on the number of sales achieved, the generated profitability, the market share, the obtained positioning, the satisfaction of the clients, the efficiency in the processes, the quality of the product, the image of the company, the adequate organization of tasks, the speed of response, the motivation of the workers, among others (Aldape, Abrego, and Medina, 2016; Demuner, 2011). The social networks preferred by MSMEs for marketing activities are: Facebook (81.3%), followed by WhatsApp (79.8%); the third place was occupied by YouTube (52.80%); fourth place Facebook Messenger (45.7%) (iLifebelt, 2017).

3. OBJECTIVE

Although digitization shows an important advance in its coverage in recent years, for SMEs, the technology gap is still high when compared to large companies. The penetration of SMEs to digitization is still deficient, there are great lags, even since the incorporation of mature digital technologies, such as the availability of websites, use of email, and digital platforms (Heredia, 2020; OECD, 1919). In 2020, due to the

pandemic caused by COVID-19, digitization was an option to counteract it. The use of social networks and digital platforms increased (Katz, Jung, and Callorda, 2020).

In this context, the objective of this research is to analyze the use of social networks chosen by microenterprises in response to the effects caused by the COVID-19 pandemic in a Mexican town. It is intended to provide empirical evidence that helps the performance of the microenterprise, which has been limited during the health contingency.

4. METHODOLOGY

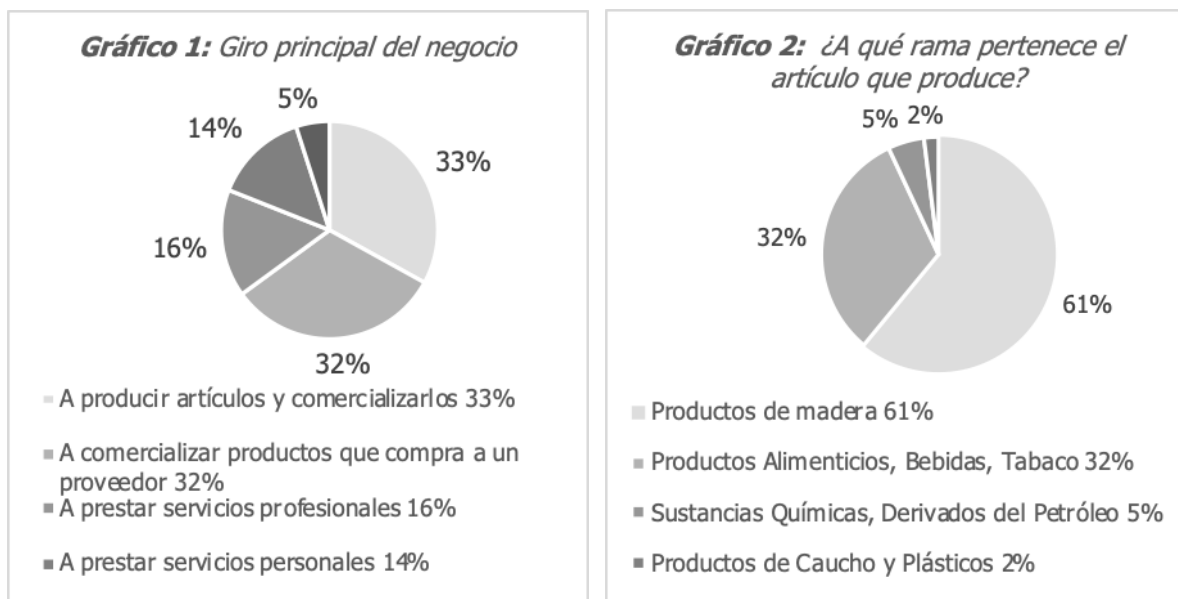
To meet the objective of this research, a cross-sectional study was used with information collected between March and May 2020. A questionnaire was designed to be answered online. An invitation to answer the survey was sent to the "contacts" of two WhatsApp groups. These groups are led by an entrepreneur. The objective of the groups has been to support themselves in the promotion, commercialization, and distribution of their products, among other activities, in response to the effects caused by the COVID-19 pandemic. The questionnaire was also sent to micro-business entrepreneurs registered in the directory of the Córdoba Chamber of Commerce.

The design of the questionnaire was based, first, on the information gathered from three semi-structured interviews with three local businessmen. Second, this information was used and complemented by the works of Valdez et al. (2012), Díaz (2014), ECLAC (2020a), and Strauss (2012). Finally, the questionnaire included 14 closed multiple-choice questions. The first part of the questionnaire included two questions to collect sociodemographic data from the participants. The second part included four questions aimed at identifying the effects caused by COVID-19, a question about the impact on income, two questions aimed at detecting innovation activities, and five questions regarding the use of social networks.

For the analysis of the results, a descriptive study was specifically used that made it possible to report the effect caused by the pandemic on business activity and the use that microentrepreneurs gave to social networks and digital platforms. The next section explains the results and their contrast with other studies. Their presentation follows the order of the questions in the questionnaire.

5. RESULTS AND DISCUSSION

The application of the questionnaire resulted in 84 responses: 30% of those surveyed are dedicated to the provision of personal and professional services, 32% are dedicated to commerce, and 33% are dedicated to developing their products. The manufactured products that stand out are derived from the use of wood (61%) and those directed to the elaboration of food products (32%) (Graph 1 and 2).

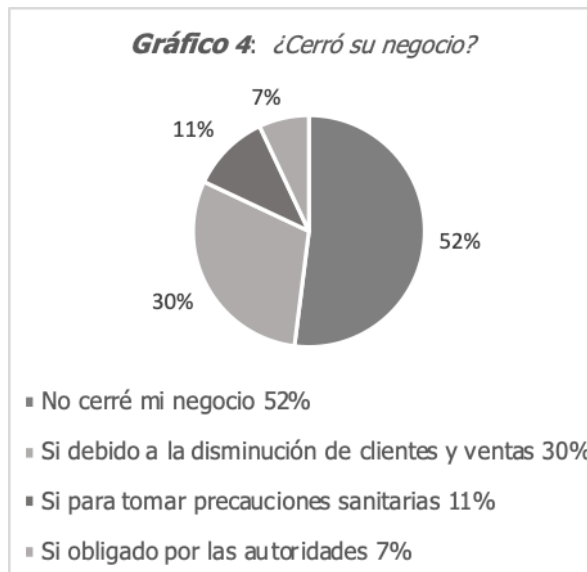
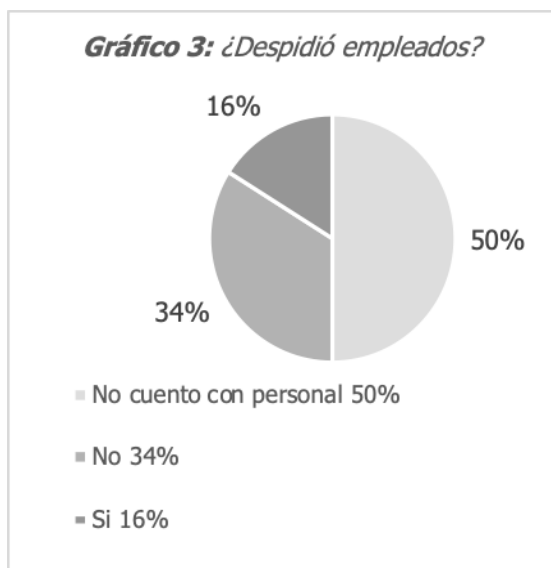


50% of the surveyed microentrepreneurs do not have staff; the rest had to lay off 16% of their employees due to lack of working capital to pay their salaries (Graph 3). A similar situation was presented in the study carried out on Mexican SMEs by GS1² and AMVO³ (2021), where the permanent dismissal of the surveyed companies turned out to be 12% and the workers who kept their jobs (31%) accepted the decrease in their salaries and benefits. The pandemic surpassed the importance of human resources as a necessary input to undertake any objective of the organization (Mojica and Martínez, 2017). A peculiarity of microenterprises is the staff made up in part by the family or by the owner himself (Zúñiga et al., 2015), in this case, not only the company but also the family nucleus was affected.

In Córdoba, as in other parts of the world, the contingency forced entrepreneurs to rethink or suspend their way of doing business. On March 24th, Mexico entered phase 2 of the pandemic and the government established the "National Day of Healthy Distance" to promote basic hygiene and social distancing measures, urging citizens to stay at home (#quédateencasa) and suspend non-essential activities in the public, private, and social sectors (Clavellina, 2020). The pandemic forced 48% of the companies in this study to go out of business. 11% argued that they had closed to follow the guidelines of social isolation, 7% forced by the authorities. And perhaps the most serious cause was closing the business due to the decrease in sales and customers (30%) (Graph 4). Similar to the 25% reported by the GS1 and AMVO survey (2021), whose surveyed SMEs also closed their establishments due to COVID-19.

² GS1 Mexico (The Global Language of Business) has operated for more than 30 years as the business organization that facilitates traditional and electronic commerce. It stands out for assigning the Bar Code and managing the country's identification system.

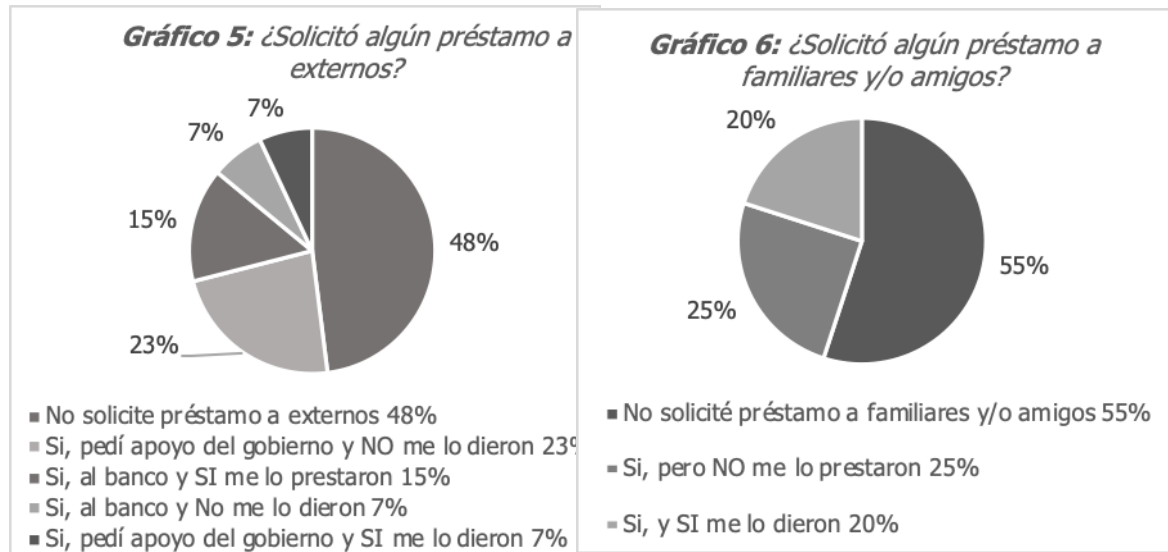
³ AMVO (*Asociación Mexicana de Venta Online*) is a non-profit civil organization established in 2014 to support and promote the development of Electronic Commerce in Mexico.



Faced with the decrease in their cash flows and the government's offer of support, 52% of the entrepreneurs rushed to submit applications to receive the benefits, but only 22% of them succeeded. 30% of the requesting microenterprises were rejected due to the entry of incorrect documentation, coupled with the immediate closure of the platform that received the requests (Graph 5). Under normal conditions, when MSMEs are offered some bank credit, according to ENAPROCE (2019), 7 out of 10 do not accept it, the main reason is the cost of financing and the complexity of the requested requirements.

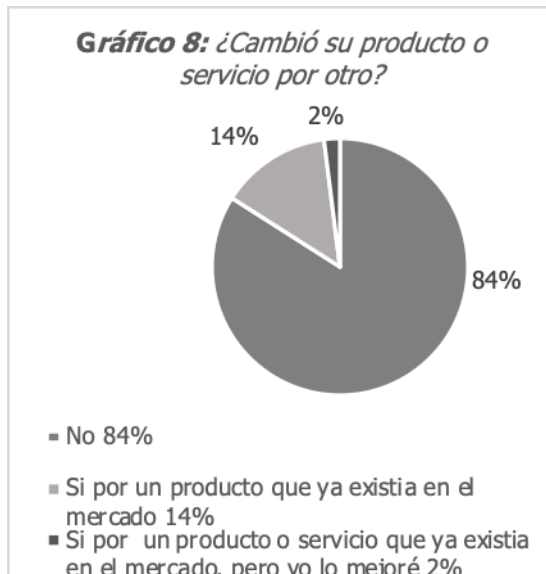
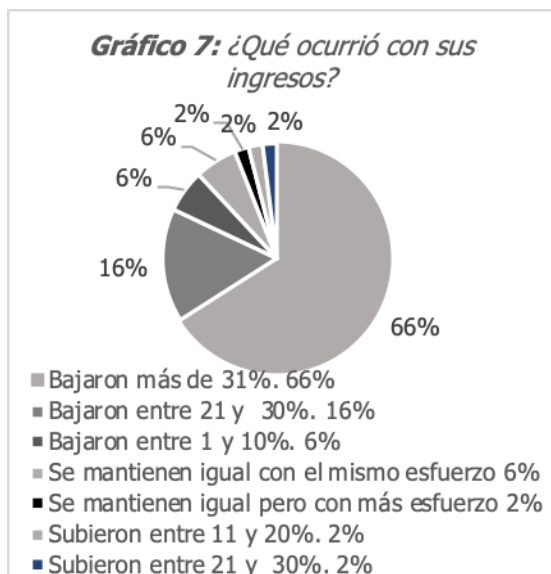
In itself, financing is one of the main problems faced by MSMEs in Mexico (Demuner, 2011). Although during the pandemic, regardless of size, companies faced significant difficulties in accessing credit (ECLAC, 2020a), the smallest were the most vulnerable companies. 73% of SMEs reported an impact on their cash flow due to the suspension of their activity, due to late payment from their clients, order cancellations, among others (GS1 and AMVO, 2021). To this end, although the government and the financial system implemented some support policies, among which micro-loans stand out (Clavellina, 2020), whose acceptance promised to be quick, few companies were benefited.

Due to the complexity of the requirements, it is common for MSMEs to seek financing from their friends and/or family. An alternative that coincides with their particular interests, in the sense that the leaders of these companies tend to minimally manage risk (Pereira and Cuero, 2018). Of the surveyed entrepreneurs, 45% requested loans from family and/or friends (20% did obtain it and 25% did not) (Graph 6). In the case of GS1 and AMVO (2021), 43% of their respondents applied for loans.

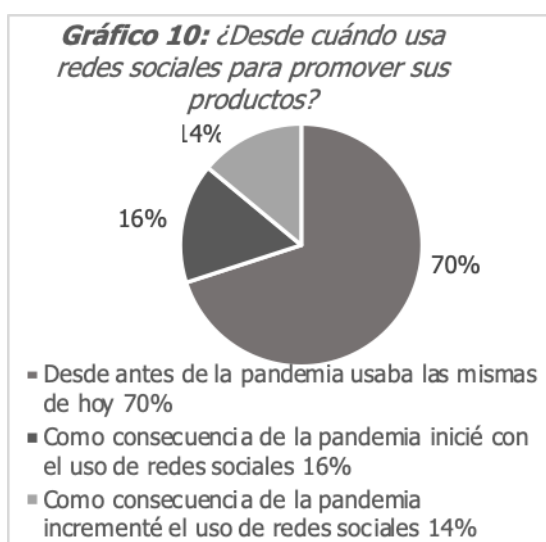
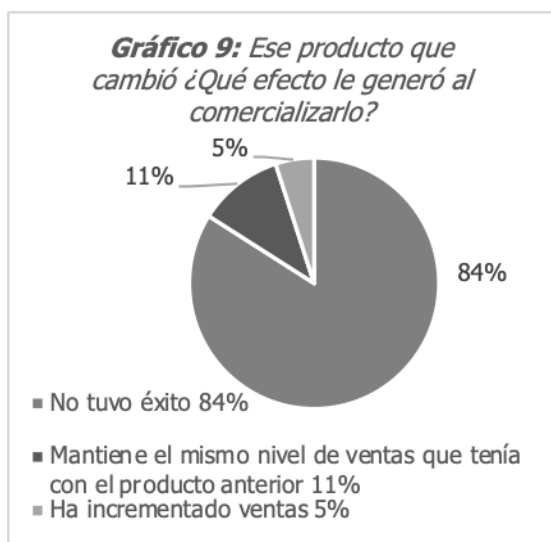


The OECD (2020) predictions regarding the severity in the economy caused by COVID-19 were fulfilled. As the pandemic passed, 90% of the surveyed microentrepreneurs suffered a decrease in their income; of them, 66% suffered a decrease of more than 31% (Graph 7). The low demand, the production brake, the decrease in the supply of raw materials, the cancellation or delay of promotional activities, and logistics and delivery problems were the main causes argued by the entrepreneurs.

Only 16% of the microentrepreneurs sought as an alternative to obtaining income, to venture into another type of product; of this 16%, only 2% attempted incremental innovation (Graph 8). These results are critical, the entrepreneurs did not react with innovation to changes in the environment (Rodríguez and Da Cunha, 2018). In line with the prospect of knowledge-intensive entrepreneurship, companies have a dynamic entrepreneurial spirit that leads their ability to exploit opportunities using intensive external knowledge in combination with internal knowledge to introduce innovation (Audretsch et al., 2016). In this context, the acquisition of knowledge, defined as the ability of the company to capture and appropriate information from abroad (Feijoo and González, 2020) allows the entrepreneur to capture new ideas, explore the competition, know macroeconomic indicators, know the technological advances, etc. However, in this study, perhaps due to the haste in the change of strategy to recover sales, 84% did not venture into innovation (Graph 8) and of the low percentage that did (2%), 84% were unsuccessful with their innovative product (Graph 9).



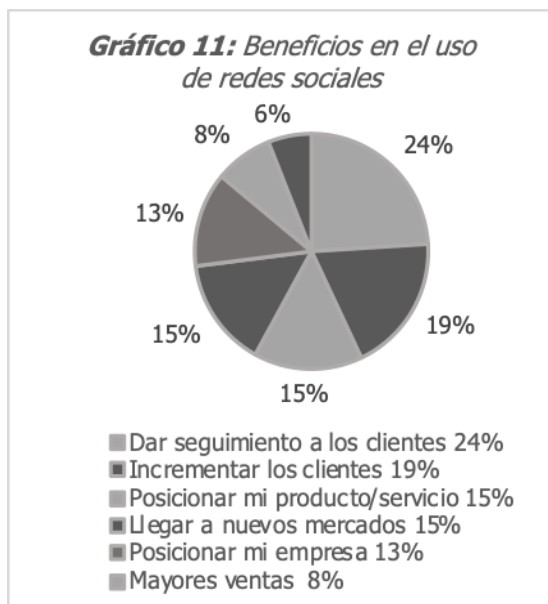
As a result of the pandemic, 3 out of 10 entrepreneurs started or increased the use of social networks (Graph 10). In the first place, they were used to achieve a digital presence that allowed them to share valuable information about their company and their product, advertise their product or service, attract customers, and trigger possible purchases, furthermore, they used the information from the users' profiles and their relations; In this way, if an ad reaches a member of a network that considers it interesting, he will share it with his contacts, causing a viral distribution. 70% of those surveyed, before the contingency, were already using social networks. These companies know that having a digital presence is a must today.



Surveyed entrepreneurs reported the benefits they obtained from the use of social networks, including: monitoring their customers (24%), increasing customers (19%), positioning products and/or services (15%), and accessing new markets (15%) (Graph, 11). Results coinciding with the study of SMEs by González and Flores (2020) that also reacted to the COVID-19 contingency using a series of business strategies aligned with the use of electronic commerce and massive use of social networks.

Once again, it is confirmed that social networks are important loyalty tools, which generate external links that allow obtaining feedback on products and services (Díaz, 2014). Correa (2020) suggests their use for increasing sales and better management of business identity.

Although social networks attract entrepreneurs to serve and keep their customers satisfied, as well as to achieve loyalty to lead the business to be sustainable, successful, and conscious (González and Flores, 2020; Real et al., 2018), they cannot avoid acknowledging that they must invest time in their use (32%), are distracted in their activities (31%), and fear disclosing information about their business (12%) (Graph 12). In this regard, Strauss (2012) suggests that small business owners use the Pareto 80-20 norm: 80% of the information content that is distributed through social networks must be about customers, because what matters is knowing their interests, what their needs are, and new solutions for their problems; The important thing is to research what can be sold to someone who you do not know what they are willing to buy; and 20% should only be business information (Strauss, 2012).



The use of social media is popular. According to the annual report of *The Global State of Digital*, in 2020 52% of the world population uses social networks, for communication between people and to position a company -regardless of its size- (Digital, 2020). Mexico has a population of 128.3 million inhabitants, 114.3 million use a mobile connection, 89.00 million are Internet users, and 89 million use social networks (69%) (Digital, 2020a). Of the most used social networks in the world, Facebook, YouTube, and WhatsApp occupy the first three places, a similar situation in Mexico (Table 2) and the present study.

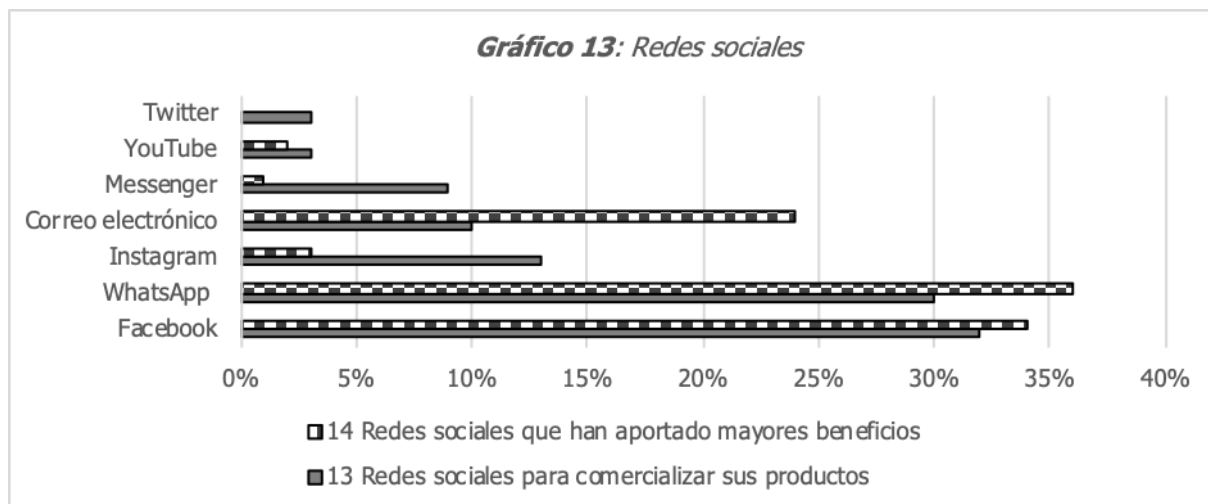
Table 2. Most used social networks.

In the world	In Mexico
1. Facebook: 2.449 million	1. YouTube 96%
2. YouTube: 2.000 million	2. Facebook 94%
3. WhatsApp: 1.600 million	3. WhatsApp 89 %
4. FB Messenger: 1.300 million	4. FB Messenger 78%
5. WeChat: 1.151 million	5. Instagram 71%
6. Instagram: 1.000 million	6. Twitter 61%
7. TikTok: 800 million	7. Pinterest 46%
8. QQ: 731 million	8. LinkedIn 36%
9. Ozone: 517 million	9. Snapchat 35%
10. Sina Weibo: 497 million	10. Skype 32%
11. Reddit: 430 million	11. Tumblr 22%
12. Snapchat: 382 million	12. Twitch 22%
13. Twitter: 340 million	13. WeChat 21%
14. Pinterest: 322 million	14. TikTok 20%
15. Kuaishou: 316 million	15. Reddit 17%
	16. Line 16%

Source: Self-made by Digital (2020, 2020a). Slides 11/92 and 43/92.

In this study, MSMEs use social networks as a first step to sell without intermediaries, they also go to digital platforms, for example, *Mercado libre* and Amazon, as they are the most popular. The surveyed group went to Facebook first (32%), a result that coincides with those obtained by Aldape et al. (2016) the use of Facebook is a tool that encourages marketing activities. In the second place, they used WhatsApp (30%), followed by Instagram (13%). The results obtained confirm the benefits of using social networks: an approach to consumers, promotion and dissemination of products and services (Díaz et al., 2020; Villagómez and Acosta, 2020) with low costs (Correa, 2020) (Graph 13).

Entrepreneurs acknowledge that WhatsApp has brought them greater benefits (36%), this is explained by the help that surveyed entrepreneurs received when they were invited by a leader to form groups to promote their products and use this network as direct communication with their customers. Facebook (34%) and email (24%) also participated as technological tools in helping these entrepreneurs during the pandemic (Graph 13).



Graph 13: Social networks

6. CONCLUSIONS

The magnitude of the effects caused by the COVID-19 pandemic is considered the largest economic crisis in the world since the 1930s. All economies have suffered the consequences, some countries more than others, some companies more than others, but vulnerable groups have been especially affected. Although the government and world organizations have implemented different strategies to reduce human and economic losses, the future still generates uncertainty.

Although the contingency has indeed affected the business sector in a relevant way, microenterprises have suffered significant losses. It is obvious the reflection that entire families with few resources participate in this sector who depend solely on the income generated by their business. Despite the measures implemented by the Mexican government in support of MSMEs, there is still a long way to go.

The present study, under the auspices of a deductive methodology, described the found results, empirically contributes negative effects that accumulate to the weaknesses of MSMEs. The contingency further affected their performance, reducing their income by more than 31%. In the search for income-generating measures, only 16% of these entrepreneurs ventured into another product; the use of social networks increased by 30% as an incentive to promote products and services, increase and monitor their customers, position their product, and enter other markets. The social networks preferred by this group are not far from the generality, Facebook, Instagram, and WhatsApp, the latter being the network that provided the greatest benefits.

Moreover, with the practical implications of this study, the importance and relevance of the use of social networks that have been manifested by micro-businesses in Córdoba are revealed. This study contributes to the empirical research of MSMEs, provides evidence to potentiate the use of new technologies to minimize their weaknesses, and sustain or increase their strengths.

The use of a relatively small sample and aimed only at microentrepreneurs in a town is recognized as a limitation of the study. The need to carry out research with MSMEs on possible relationships of the use of social networks with variables such as training, culture, knowledge management, innovation processes, etc., that participate in ideas to promote their economic sustainability is visualized.

7. REFERENCES

- Ainin, S., Parveen, F., Moghavvemi, S., Jaafar, N. I. & Shuib, N. L. M. (2015). Factors influencing the use of social media by SMEs and its performance outcomes. *Industrial Management and Data Systems*, 115(3), 570–588. <https://doi.org/10.1108/IMDS-07-2014-0205>
- Aguilera, A., Ávila, P. & Solano, J. (2017). Las TIC en la formulación estratégica de las pymes de Santiago de Cali – Colombia. *Entramado*, 13(1), 102-111.
- Akdogan, M. & Altuntas, B. (2015). Covert Marketing Strategy and Techniques. *Procedia-Social and Behavioral Sciences*, 207, 135–148. <https://doi.org/10.1016/j.sbspro.2015.10.162>
- ALAMPYME. (2020). Asociación latinoamericana de micros, pequeños y medianos empresarios. <https://integraa.org/2020/03/asociacion-latinoamericana-de-micros-pequenos-y-medianos-empresarios-alampyme> Consultado el 20 de mayo de 2020.
- Aldape, N. K. A., Abrego, A. D. & Medina, Q. J. M. (2016). Análisis de la percepción de uso de las redes sociales como herramienta de marketing en las MiPYMES de Tamaulipas. *RISTI*, No. 18(6), 49-65. <http://dx.doi.org/10.17013/risti.18.49-65>.
- AMIA. (2020). Asociación Mexicana de la Industria Automotriz. Noticias. <http://www.amia.com.mx/>. Consultado el 20 de mayo de 2020.
- Audretsch, D. B., Kuratko, D. F. & Link, A. N. (2016). Dynamic entrepreneurship and technology-based innovation. *Journal of Evolutionary Economics*, 26, 603–620. <https://doi.org/10.1007/s00191-016-0458-4>
- Barrios, H. K. C., Olivero, V. E. & Figueroa, S. B. (2020). Condiciones de la gestión del talento humano que favorecen el desarrollo de capacidades dinámicas. *Información tecnológica*, 31(2), 56-62. <http://dx.doi.org/10.4067/S0718-07642020000200055>
- Camisión, C. & Forés, B. (2010). Knowledge absorptive capacity: New insights for its conceptualization and measurement. *Journal of Business Research*, 63, 707-715.
- Castellanos, P. (2012). La nueva forma de servicio al cliente. *Revista Merca 2.0*. 10(119), 60-61.

- CEPAL. (Comisión Económica para América Latina y el Caribe). (2020). América Latina y el Caribe ante la pandemia del COVID-19. Efectos económicos y sociales. Informe especial COVIT-19, No. 1. Editorial: CEPAL, 3 de abril. <https://www.cepal.org/es/publicaciones/45337-america-latina-caribe-la-pandemia-covid-19-efectos-economicos-sociales>
- CEPAL. (Comisión Económica para América Latina y el Caribe). (2020a). Dimensionar los efectos del COVID-19 para pensar en la reactivación. Informe especial COVIT-19. No. 2. Editorial: CEPAL, 20 de abril. <https://www.cepal.org/es/publicaciones/45445-dimensionar-efectos-covid-19-pensar-la-reactivacion>
- Clavellina, M. J. L. (2020). Medidas de contención y de política económica ante la pandemia de COVID-19 en México. Instituto Belisario Domínguez, Senado de la República, Dirección General de Finanzas, No. 94, 1-9. <http://bibliodigitalibd.senado.gob.mx/handle/123456789/4867>
- Correa, G. L. A. (2020). Relación entre la tecnología y la comercialización en la PyME ubicada en Zacatecas, *Mercados y Negocios*, 1(41), enero-junio, 107-124. <https://dialnet.unirioja.es/servlet/articulo?codigo=7430148>
- Demuner, F. M. R. (2011). *PYMES Competitivas*. Eae Editorial Academia Española.
- Demuner, F. M. R., Becerril, T. O. U. & Ibarra, C. M. A. (2018). Capacidad de respuesta y capacidad de absorción. Estudio de empresas manufactureras en México. *Nóesis Revista de Ciencias Sociales y Humanidades*, 27(53), 61-77. <http://dx.doi.org/10.20983/noesis.2018.4.4>.
- Díaz, B. J. L., Armas, T. V., Morales, C. J. C. & Ortigoza, H. A. (2020). Estudio de la mezcla de promoción en las PYMES Poblanas. *Revista Relayn Micro y pequeña empresa en Latinoamérica*, 4(2), 102-112. <https://doi.org/10.46990/relayn.2020.4.2.106>
- Díaz, L. J. A. (2014). Propuesta de red social como herramienta del marketing relacional: fidelización de clientes en pequeñas empresas de calzado. *Ciencia y Tecnología*, 10(1), 31-46.
- Digital. (2020). Global Digital Overview v01. <https://www.slideshare.net/DataReportal/digital-2020-global-digital-overview-january-2020-v01-226017535>
- Digital. (2020a). Digital 2020: México. <https://datareportal.com/reports/digital-2020-mexico>

- ENAPROCE. (2019). Resultados de la Encuesta Nacional sobre Productividad y Competitividad de las Micro, Pequeñas y Medianas Empresas. INEGI. <https://www.inegi.org.mx/programas/enaproce/2018/>
- Feijoo, P. D. y González, I. M. (2020). Las capacidades dinámicas: análisis de las empresas exportadoras en América Latina. *INNOVAR Research Journal*, 5(1), 198-209. <http://dx.doi.org/10.33890/innova.v5.n1.2020.1179>
- FMI. (Fondo Monetario Internacional) (2020). Fiscal Monitor, abril de 2020. <https://www.imf.org/es/Publications/FM/Issues/2020/04/06/fiscal-monitor-april-2020>
- Fonseca, A. (2014). *Marketing Digital en redes sociales: Lo imprescindible en Marketing Online*, Calendar, Palma Área, España.
- González, D. R. R. & Flores, L. K. N. (2020). Cultura organizacional y Sustentabilidad empresarial en las Pymes durante crisis periodos de confinamiento social. *Revista Internacional Multidisciplinaria*, CIID Journal, No. 1, 28-41.
- GS1 México (The Global Language of Business) y AMVO (Asociación Mexicana de Ventas Online). (2020). Estudio sobre venta Online en PyMEs. Segunda edición. www.gs1mexico.org y www.amvo.org.mx/estudios
- Heredia, A. (2020). Políticas de fomento para la incorporación de las tecnologías digitales en las micro, pequeñas y medianas empresas de América Latina: revisión de experiencias y oportunidades. *Documentos de Proyectos* (LC/TS.2019/96), Santiago, Comisión Económica para América Latina y el Caribe (CEPAL).
- Ibarra, C. M. A., González, T. L. A. & Demuner, F. M. R. (2017). Competitividad empresarial de las pequeñas y medianas empresas manufactureras de Baja California. *Estudios Fronterizos*, 18(35) enero-abril, 107-130. <https://doi.org/10.21670/ref.2017.35.a06>
- iLifebelt. (2017). 7º Estudio de uso de redes sociales en Centro América y el caribe. Engagement República. <https://nestoraltuve.files.wordpress.com/2018/02/estudio-rsca18.pdf>
- INEGI. (2014). Censos económicos 2014. Veracruz de Ignacio de la Llave. SNIEG. Información de Interés Nacional. Instituto Nacional de Estadística y Geografía. https://www.inegi.org.mx/contenido/productos/prod_serv/contenidos/espanol/bvini/inegi/productos/nueva_estruc/702825083458.pdf
- INEGI. (2019). Censos Económicos 2019. Micro, pequeña, mediana y gran empresa : estratificación de los establecimientos. Instituto Nacional de Estadística y Geografía. México: INEGI, c2020. <https://www.inegi.org.mx/programas/ce/2019/>

- INEGI. (2020). Atribuyéndose a los efectos del COVID-19. Instituto Nacional de Estadística y Geografía. <https://www.inegi.org.mx/default.html>. Consultado el 11 de mayo.
- INEGI. (2020a). Indicador Mensual de la Actividad Industrial, Sistema de Cuentas Nacionales de México. Instituto Nacional de Estadística y Geografía. www.inegi.org.mx/temas/imai/. Consultado el 11 de junio de 2020.
- Katz, R., Jung, J. & Callorda, F. (2020). *El estado de la digitalización de América Latina frente a la pandemia del COVID-19*. Ed: CAF (Banco de Desarrollo de América Latina), mayo.
- Konfio. (2020a). Reporte Pyme 2020: Haciendo frente y pronosticando el futuro. Junio. www.konfio.MX
- Mojica, C. E. P. & Martínez, S. M. C. (2017). Orientación al mercado, innovación y capacidades competitivas, determinantes del desempeño de las PYMEs del Estado de Aguascalientes. *RICEA, Revista Iberoamericana de Contaduría, Economía y Administración*, 6(11), Enero - Junio. <https://doi.org/10.23913/ricea.v6i11.93>
- OCDE. (Organización para la Cooperación y el Desarrollo Económicos). (2019). *América Latina y el Caribe 2019. Políticas para PYMEs competitivas en la Alianza del Pacífico y países participantes de América del Sur*. OECD Publishing, París. <https://www.oecd.org/publications/america-latina-y-el-caribe-2019-60745031-es.htm>
- OECD. (Organisation for Economic Co-operation and Development). (2020). Interim Economic Assessment, Press conference Laurence Boone, OECD Chief Economist. March, 2th. <https://www.oecd.org/economic-outlook/march-2020/> Consultado el 1 de febrero 2020.
- OIT (Organización Internacional del Trabajo). (2020). *México y la crisis de la COVID-19 en el mundo del trabajo: respuestas y desafíos*. Feix, N. (Coord.) Panorama laboral en tiempos de COVID-19. Nota técnica. Octubre. https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---ilo-mexico/documents/publication/wcms_757364.pdf
- Olea, J., Contreras, O. & Barceló, M. (2016). Las capacidades de absorción del conocimiento como ventajas competitivas para la inserción de pymes en cadenas globales de valor. *Estudios Gerenciales*, Vol. 32, 127-136. <http://dx.doi.org/10.1016/j.estger.2016.04.002>
- Palacios, M. D., Soto, A. P. & Merigo, J. M. (2015). Analyzing the effects of technological, organizational and competition factors on Web knowledge exchange in SMEs. *Telematics and Informatics*, 32(1), 23–32. <http://dx.doi.org/10.1016/j.tele.2014.08.003>

- Palacios, M. D., Ponce, A. J., Villamrin, V. W. & Palma, A. A. M. (2020). Las redes sociales y su influencia como estrategia de marketing en las PYMES de Manabí – Ecuador. *Revista Observatorio de la Economía Latinoamericana*, abril, 1-23. <https://www.eumed.net/rev/oel/2020/04/redes-sociales-marketing.pdf>
- Pereira, O. L. E. & Cuero, A. Y. A. (2018). Gestión empresarial en la prevención de riesgos por parte de mipymes. *SUMA DE NEGOCIOS*, 9(19), 68-76. <http://dx.doi.org/10.14349/sumneg/2018.V9.N19.A8>
- Pico, V. L. M. & Coello, Y. R. R. (2017). Relación entre el ciclo de vida de las Pymes en redes sociales y el emprendimiento en la ciudad de Guayaquil. *INNOVA Research Journal*, 2(5), 125-136.
- Real, P. I., Leyva, C. A. B. & Heredia, B. J. A. (2018). Uso e impacto de las redes sociales en las estrategias de marketing de las PyME's. *Revista De Investigación Académica Sin Frontera*, 7(19), Julio-diciembre, 1-24.
- Rivera, T. I., Gutiérrez, A. J. & Olvera, L. M. D. (2020). *Websites and Social Networks. A Study of Healthcare SMEs in Andalusia*. In: Rocha Á., Ferrás, C., Montenegro, M. C. & Medina, G. V. (eds) *Information Technology and Systems. ICITS 2020. Advances in Intelligent Systems and Computing*, vol 1137. Springer, Cham.
- Rodríguez, P. L. & Da Cunha, C. (2018). Impacts of Big Data Analytics and Absorptive Capacity on Sustainable Supply Chain Innovation: a Conceptual Framework. *Scientific Journal of Logistics*, 14(2), 151-161. <https://hal.archives-ouvertes.fr/hal-01757102/document>
- Salas, A. L., García, S. M. & Murillo, V. G. (2017). Efecto de la cultura organizacional en el rendimiento de las PYMES de Cali. *SUMA DE NEGOCIOS*, 8, 88–95. <http://dx.doi.org/10.1016/j.sumneg.2017.11.006>
- Scuotto, V., Ferraris, A. & Bresciani, S. (2016). Internet of things: Applications and challenges in smart cities. A case study of IBM smart city projects. *Business Process Management Journal*, 22(2), 357–367. [10.1108/BPMJ-05-2015-0074](https://doi.org/10.1108/BPMJ-05-2015-0074)
- Scuotto, V., del Giudice, M., della Peruta, M. R. & Tarba, S. (2017). The performance implications of leveraging internal innovation through social media networks: An empirical verification of the smart fashion industry. *Technological Forecasting and Social Change*, (120), 184–194. <https://doi.org/10.1016/j.techfore.2017.03.021>
- Sigala, M. & Chalkiti, K. (2012). *Knowledge management and web 2.0: Preliminary findings from the greek tourism industry*. In M. Sigala, E. Christou, & U. Gretzel (Eds.), *Web 2.0 in travel, tourism and hospitality: Theory, practice and cases*. Farnham: Ashgate Publishers.
- Strauss, D. S. (2012). *The Small Business Bible*. Third Edition. Editorial Wiley

- Tussyadiah, I. & Zach, F. (2013). *Social media strategy and capacity for consumer co-creation among destination marketing organizations*. In L. Cantoni & Z. Xiang (Eds.), *Information and communication technologies in tourism*. Berlin: Springer.
- Ugalde, N. (2009). El impacto de la cultura en el desarrollo de las PYMES. *Ciencias Económicas*, 27(1), 293-301. <https://revistas.ucr.ac.cr/index.php/economicas/article/view/7131/6815>
- Valdez, J. L. E., Rascón, R. J. A., Ramos, E. E. A. & Huerta, G. J. E. (2012). Redes Sociales, una estrategia corporativa para las PyMES de la región de Guaymas Sonora México. *Revista FIR, FAEDPYME International Review*, 1(1), Enero – Junio, 62-74. <http://faedpyme.ojs.upct.es/index.php/revista1/article/view/15>
- Vega, M. J. E., Martínez, S. M. C. & Párga, M. N. (2019). Influencia del aprendizaje organizacional y los resultados de las Pymes. *Investigación Administrativa*, 48(124). <http://www.redalyc.org/articulo.oa?id=456059299003>.
- Villagómez, M. A. R. & Acosta, G. E. (2020). Uso de redes sociales digitales como estrategia de mercadotecnia en pymes pirotécnicas de Tultepec en el Estado de México. *Revista de Comunicación de la SEECI*, (52), 73-93. <http://doi.org/10.15198/seeci.2020.52.73-93>
- Zhou, L., Wu, W. P. & Luo, X. (2007). Internationalization and the performance of born-global SMEs: The mediating role of social networks. *Journal of International Business Studies*, 38(4), 673–690. <https://doi.org/10.1057/palgrave.jibs.8400282>
- Zúñiga, J. S., Soza, A. S. & Soria, B. K. (2015). Dinámica del emprendimiento y el desempleo en la Patagonia Chilena. *Magallania*, 43(1), 103-115. <http://dx.doi.org/10.4067/S0718-22442015000100007>

AUTHOR

María del Rosario Demuner Flores

Doctor in Administrative Economic Sciences. Teacher and researcher at the Coordination of Research and Advanced Studies of the Faculty of Accounting and Administration. Member of the National System of Researchers CONACYT.

mrdemunerf@uaemex.mx , demuner7@yahoo.com

Orcid ID: <https://orcid.org/0000-0002-4542-9113>

ResearchGate ID: https://www.researchgate.net/profile/Maria_Demuner-Flores

Autores Redalyc: <https://www.redalyc.org/autor.oa?id=320>

Google Scholar: <https://scholar.google.com/citations?user=FfxkejUAAAAJ&hl=es>