

NEW NORMAL

CHALLENGES
SERIES

IDEAS LLYC

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CHALLENGES
S E R I E S

**CHALLENGE:
NEW NORMAL**

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The *New Normal* book has been produced by LLYC's Corporate General Management. This book is the fifth in the Challenges series, which has covered the following topics: *Citizenship, Radical Transparency, Disruption, COVID-19* and *New Normal*. The Challenges series is an IDEAS LLYC initiative to compile articles published in IDEAS LLYC and in the media by executives of the firm in the 13 countries where it operates.

Nonvenal edition

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PROLOGUE

New Normal

Fátima Báñez

CEOE Foundation President
Former Minister of Employment and Security
of the Government of Spain

The health crisis we have been going through in Spain has taught us that the best solutions, those with the greatest impact and power to transform, are those founded on pooling our efforts. Success is always collaborative.

In this regard, the CEOE Foundation has set several initiatives into motion since the outbreak began, all focused on coordinating companies in taking a step forward for the common good. First, it did so through the “Companies that Help” program. Now, it has developed a powerful public-private partnership tool to combine our efforts to protect our collective health and economy from the coronavirus crisis: The Sumamos (United) Plan.

For its part, firm LLYC published a compilation of articles on COVID-19 in July 2020 as part of its Challenges

Series. These works reflected on the need to communicate in a tremendously disruptive environment characterized by uncertainty.

There are still a great many aspects we can neither understand nor explain. But, in short, we are well aware that all countries around the world have been hit head-on. The current global crisis is not taking place thousands of miles away, nor is it something we can put off. It is affecting all of us right now. These circumstances demand we heighten our ingenuity, listen and observe carefully, and propose solutions more quickly than ever before.

While July's publication provided an intellectual approach to the question, the learning process is now underway – although clearly, some lessons have already been learned. On this path to understanding, we find people to be disciplined, supportive, and resilient. We bore witness to how the Spanish people responded from the outset of the health crisis, acting with responsibility, respecting lockdown rules, and working from home or on the front line, as essential workers (particularly healthcare workers) did. We learned that people would rather have straightforward and genuine leaders. We learned to better appreciate good neighborliness, and that numbers are soulless and approaches are visceral. The importance of managing information, anticipating, and listening became patently obvious. The managerial art of weathering storms and turning threats into opportunities became a need for survival.

As companies, we also learned that it was a time, more than ever before, to care for people, whether by fighting to keep their jobs or redirecting production

lines to manufacture respirators, screens, face masks, or a host of other supplies and services. This crisis had the virtue of once again showing the social side of companies. We learned that, in short, the learning curve we were on as individuals was equally useful for companies and brands in their internal and external relationships with customers, suppliers, and workers. Studies showed the need to connect through consistent principles and to have purpose that guides economic operators' actions.

LLYC gathered all these reflections six months ago. And now, its new publication is on the New Normal.

The first thing to note is that we are still learning. Perhaps this is the first coordinate – to continuously learn from this tremendously important process of change. We must also take onboard that we are not simply facing a series of changes this time, but we should actively embrace them. It is not enough to merely resist; we must internalize and grow with them.

Companies, brands, and businesses must be aware of what is on the horizon, what is new, and what information will serve us in the future. Furthermore, both the narrative and the areas in which this takes place have changed. The perspective on managing talent, the cornerstone of reputation, has changed, and technological needs have become pressing. But we are not without resources on this journey. We are accompanied by preexisting company values, such as effort, collaboration, the capacity for adaptation, resilience, and commitment.

And there are other values, in addition to these essential ones. The chairman of LLYC writes about a new model of leadership. He speaks to us about the

rise of the responsible, assertive, idealistic leader, one who handles emotions well and has a great capacity for bringing people together. Future leaders will act with purpose, commit, put rhetoric aside, and act with their “feet on the ground,” to put it colloquially. They will act and say how they are acting, and their stories will connect with audiences in a genuine fashion.

This series of articles leads us to other concepts that are gaining ground as well: Corporate activism, new influencer marketing, and long-distance relations. The New Normal means a new way of doing things, including living, consuming, relating, and selling. This is a reality marked by COVID-19, but one that could become an irreversible process.

In short, the results of LLYC’s dig data analysis show the emergence of new paradigms, and the pandemic has done nothing more than speed them up. And this has taken place, according to the book, amid noise, fake news, and pressure from binary approaches, together with new forms of intransigence linked to what is politically correct. Communication, in this state of things, becomes a vital and complex element for modern societies and all economic operators.

In this changing and turbulent framework, all clues are welcome. The future seems to have become blurred. We now need, more than ever, a compass to continue exploring and finding our place in a world that seems to have mutated without remedy. And this applies to those who operate in traditional and emerging markets alike.

The New Normal is the stage, but it varies depending on the sector. On it, we must anticipate vital questions for areas such as tourism or the pharmaceutical

industry. This book investigates all these questions so we can mobilize ideas and resources in the smartest and quickest possible way.

As my friend and new company executive Jose Luis Ayllon pointed out in an article he wrote with Joan Navarro for ABC, "let's not limit ourselves to dusting off the same old projects, but address those that help us transform the Spanish economy's traditional frameworks."

At the CEOE Foundation, this transformative adventure has now begun through a public-private partnership within the framework of the Sumamos Plan. You put together the ideas.

I congratulate the whole LLYC team for this book, and I am truly grateful for the chance to express myself in its prologue. It is important to unite our efforts, ideas, and experiences so we can learn to face new challenges each day and restore the confidence of both people and consumers, with our focus always on the present and future wellbeing of us all.

**A NEW LEADERSHIP:
BRANDS AND PEOPLE**

1

Changes in the leadership model

El Mundo

Sept. 18, 2020

José Antonio Llorente

Founding Partner and Chairman of LLYC

History is full of turning points. These tend to act as catalyzers, capable of changing the mentality, conventions, fears, hopes, and even dynamics of society as a whole. From the very outset, it was clear that COVID-19 was going to be on this list. Now that the first studies on the social effects of the pandemic are flying around, it is clear we are facing the largest and most drastic change in benchmarks, values, habits, and forms of collective conduct that we have seen in a long time. The first direct and immediate consequence is that, in just six months, the demand for new political, business, and social leadership models has consolidated. We are facing a paradigm shift that will likely force us to draw up a new social contract,

as well as cause many other new consequences in the medium and long terms.

At LLYC, we just published the results of Future Leaders, a study that used linguistic processing and artificial intelligence techniques on social media narratives and content, looking at both current leaders and a selection of young people under 30 who have already stood out for their leadership. In collaboration with our frequent partner Trivu, an organization that develops young talent, our teams chose 120 candidates from this new generation located across 12 Spanish- and Portuguese-speaking countries, including the United States. We analyzed more than 20,000 of their tweets, posts, and recent dialogue on social media. More than 1 million words were segmented, classified, and evaluated. Both due to its multinational presence and the quantitative and qualitative power of its analysis, this turned into an important study, one that surprised us with the clarity and intensity of the differences between the two groups.

In regard to this fieldwork, the study shows that today's leaders are people with great emotional resilience who operate in the world of ideas and innovation. Their assertiveness and pragmatism stand out, along with their need to surround themselves with order and structure. Furthermore, these new leaders are responsible and hardworking, have a great sense of duty, are open-minded, tend to promote abstract ideals, and show high levels of curiosity. They are assertive, but also friendly, highly cooperative, and respectful of others' wellbeing; they are aware of the impact people can have on the outside world and of the need to transcend from thinking of oneself to thinking about the greater good.

Accordingly, the main difference is found in their emotional management, which is less apparent among them than in traditional leadership. Future leaders do not share this old model. They believe that integrating and managing emotions and feelings is a major part and positive aspect of leadership. Meanwhile, this attitude enhances their sense of belonging to the community, the social scope of their decisions, their respect for individuals, and their use of habits as principles behind action. For these leaders, collective attitudes prevail over and above strictly individual ones. They are equally innovative, but more idealistic.

In short, future leaders are better positioned to interact on a level that incorporates both the individual and the collective, and their narratives internalize the presence, inclusion of, and call to the feminine. They are also more participative, less hierarchical, and more interested in technology. And they relativize more; while truth is the 8th most-used noun among today's leaders, it is only 42nd among future leaders.

In general, older people seem colder and confine themselves to more professional and technical semantic fields. It is particularly important to note that mentions of basic structures, such as education and health, are much more common among young people. Something similar happens with verbs. Future leaders are more likely to use verbs that denote interaction. They frequently talk about helping, sharing, feeling, or participating. They also discuss loving, losing, achieving, learning, finding, knowing, seeking, understanding, and listening. In contrast, the most commonly used verbs among today's leaders are more utilitarian, hierarchical, and, you could say, dominant. They use verbs such as allow, win, use, pay, mean, and seem.

It is hard to determine to what extent COVID-19 has sped all these changes in perceptions of and social mentality regarding leadership. In any event, the generational difference is so well-defined that we are now at the start of a genuine revolution in conduct, one which will henceforth be demanded of political, business, and social leaders. The time for hierarchy, membership, and unanimity is over. We are now heading toward a more emotional, participative, and efficient form of leadership. We are looking for potentially more vulnerable leaders than in the past, but ones who are also more empathetic, closer to us, and more committed than has been common before now. It is often said that only change lasts. As such, the companies that anticipate this new normal and find ways to interpret and apply these new leadership models before others will find a good part of their early success guaranteed.

2

Brand or corporate activism: what it consists of, why it should interest you and how can you apply it

Oct. 15, 2020

Iván Pino

Partner and Global Digital Senior Director

How can we best strengthen our brand's value in a world where society demands the utmost civic and ethical commitment from the company? During the coronavirus crisis, most businesses and brands saw the need to publicly mobilize their clients, employees, suppliers and shareholders in support of a key shared interest – protecting people's lives and jobs.

Many organizations were pushed into exercising corporate activism by exceptional circumstances, but social demand for greater commitment from companies to a common cause has only sped up. This had already been escalating in recent times, but what will happen now? It is likely that clients will continue demanding the same level of ethical and civic commit-

ment from brands. Does it make sense to commit to activism as a communications and marketing strategy? Will this help strengthen business' and companies' reputations? And if so, why?

VISION

We do not know whether your brand should embrace activism or not. What we do know is that you must define and activate your purpose to legitimize your brand in society and differentiate yourself in the market. This is even more true in today's volatile and uncertain environment.

Back in May 2014, the Harvard Business Review published the article "From Purpose to Impact," written by Nick Craig and Scott A. Snook. It stated that purpose is "key to navigating the complex, volatile and ambiguous world we now face, where the strategy is in constant flux and few decisions are obviously correct or incorrect."

Purpose is present in business schools, in renowned publications, on boards of directors... and even in the World Economic Forum's Davos Manifesto 2020. At this meeting of political, social and business leaders from around the world, they agreed upon the following statement:

The purpose of a company is to engage all its stakeholders in shared and sustained value creation. In creating such value, a company serves not only its shareholders, but all its stakeholders – employees, customers, suppliers, local communities and society at large.

In fact, your brand will need to define a *raison d'être* beyond its financial results to connect its goals with

those of society. To compete in the realm of client and collaborator preference, you must contribute to resolving challenges of general interest. You will also have to activate this *raison d'être* through real experiences and content to mobilize the people who make up the company's stakeholders – in other words, engaging them to commit to the viability and sustainability of your business.

This mobilizing approach is the most noteworthy differentiating factor we have found in brand or corporate activism, as compared to somewhat similar strategies such as social marketing or social responsibility. As Jay Curley explains in "The 6P's of Brand Activism," it is a question of "advocating for real change through policies that address root causes of problems" and "connecting with social movements to become important."

LEADERSHIP

We could call this activism or give it another name, but "activating your purpose" will lead brands to defend and promote social causes that enhance the ties with the clients, employees, suppliers and investors who share your values and reasons. Defending these causes will also require a certain exercise in leadership to ensure you are open, collaborative and pro-dialogue. This also leaves you more exposed to the risks of a society in which being transparent is no longer an added value, but a necessary prerequisite to existing as a company.

This leadership must know how "to dominate the complicated, creative and more collaborative game of administering intangible capital," as claimed by *The Economist* in its "What it takes to be a CEO in the

2020s" edition (2020). Or, as expressed by The BCG Henderson Institute in "A Leadership Agenda for the Next Decade," it should perform "a more relevant role in addressing social challenges," recognizing that "in an era characterized by polarization, everything in business will probably turn out to be 'political.'"

STRATEGY

For all the above, we understand brand activism as a sustainable strategy, not as an opportunistic tactic. Beyond a one-off campaign, the company must act in line with its values and be consistent in its actions over time. Due to its strategic nature, we do not see activism as being unconnected to the company's governance model, but rather as a constant dialogue with the risk systems, decision-making processes and governing bodies of the company. This will help guarantee stability for the chosen causes.

We do not believe brand activism is possible when it is limited to projects run by isolated company departments. It should be structured to involve the company as a whole, with leadership from executives and voluntary participation from employees and collaborators. Nor do we think activism can be exercised by companies acting alone; they must form alliances with other public and private parties. This legitimizes their defense of their chosen social causes and allows other brands to sign up based on their shared values.

BENEFITS

When strategically addressed in this way, managing risks and involving the organization, activism helps increase the social and relational capital of brands

– from the company itself to its products and solutions to its executives and professionals.

It is here, in the creation of relational and social capital, where brand activism becomes a strategic asset for the company. Even professor Kotler, considered to be one of the masters of modern marketing, stressed that “brand activism is the future of marketing” (Kotler and Sarkar, 2020).

Kotler considers the importance of mobilizing consumers in his book “Marketing 4.0. Transforma tu estrategia para atraer al consumidor digital [Transform your strategy to attract the digital consumer].” In it, he claims the following (Kartajaya; Kotler and Setiawan, 2018):

Companies that look to the future are facing a dual challenge. Firstly, it will be even more difficult to send out a brand message to recipients. The attention span of consumers will become increasingly limited [...] Secondly, they must ensure that when consumers ask others about different brands, loyal proponents exist who will tip the balance when making purchasing decisions [...] The aim of marketing 4.0 is to move consumers from attention to justification.

In the end, this is a question of creating intangible capital in the forms of trust, reputation and recommendations. In other words, the “data that flows between companies and their counterparts,” as said in The Economist in its look at the CEO of the 2020s. This must align with key targets and results, such as:

- Gaining brand importance in areas of social interest for consumers and citizens. Patagonia does this in the competitive market of sports fashion by

embracing the environmental protection causes important to its clients.

- Increasing influence in communities of clients and professionals sensitive to civic causes. Ben and Jerry's connects with very different activist sensitivities, allowing it to enhance its target market in a cross-cutting fashion.
- Counteracting reputational threats from social and political activism on social media. This happened with the #StopHateForProfit campaign (summer of 2020), in which more than 900 advertisers signed up to combat hate and fake news on social media that harmed their reputations.
- Attracting financial capital interested in ESG (Environmental, Social and Governance) criteria. This is in line with BlackRock President and CEO Laurence D. Fink's recommendations in his annual letter to clients.

FUNDAMENTALS

We believe any company or brand can become an activist if it seeks to do so. You do not need to be a P&G or Nike to join this trend, but you do require certain fundamentals to build a sound and sustainable strategy. There are at least six fundamentals many brands have used to build their activism in a disaggregated fashion, but when managed in a comprehensive and coordinated fashion, they can become a genuine roadmap toward brand or corporate activism:

1. A clear definition and public display of the company's and brands' purpose. To be consistent, brand or corporate activism must activate the company

- purpose, developed based on its culture, personality and differentiating values.
2. Top executive visibility and leadership on social media. To be credible, brand or corporate activism requires active participation and public visibility from company leaders. It is they who can best showcase their brand's effective commitment to its cause(s).
 3. Clear commitment to the responsibility and sustainability of the company and its brands. To be viable, brand or corporate activism must be supported by resources and company processes that will help it face the challenges of corporate responsibility and sustainability.
 4. Positioning of the brand in relevant spaces and conversations of public interest. To be a major player, brand or corporate activism must successfully leverage a forum for dialogue around the brand. This space must contain content and deliver experiences tied to the brand's or company's cause(s).
 5. Connecting the company to communities linked to social activism. In order to successfully mobilize, brand or corporate activism needs to build relationships and alliances with influential players in third-party communities, civil society and the political world.
 6. Involving company employees in public and supportive initiatives. To be genuine, brand or corporate activism requires the involvement and participation of company employees and collaborators.

FRAMEWORK

Based on these foundations, it is possible to develop a brand or corporate activism strategy. In this, you will

need to resolve four key questions, applying strategic frameworks like those we offer at LLYC:

- **Why?** What drives stakeholders to tackle sociopolitical challenges and foster sustainable business development? This is a question of choosing a corporate cause relevant to public interest, based on an understanding of our business environment and model, the social and political environment and market and consumer trends.
- **Who?** Which company or market stakeholders can we mobilize to enhance their support for the brand or business? We must identify these public activists by defining of the advocates connected to our brand pillars, as based on a study of their communities and conversation forums.
- **What?** What stories can we use to attract, connect and mobilize people around the brand or company cause? This consists of a narrative around the cause that is legitimate, relevant and differentiating for public activists. It must be based on specific brands, offering narrative arcs for each one in the form of a declaration or similar statement.
- **How?** What content or activity can we use to convert people into proponents of the brand's or company's cause? It is key to prototype a platform for activism that uses the cause's narrative to develop content designed to attract, provide memorable experiences and call users to action across different points of contact with the brand.

3 CMO challenges

July 08, 2020

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LLYC, in partnership with Wakigami, is presenting this international study with the goal of identifying and clarifying the key challenges stemming from the COVID-19 pandemic that face chief marketing officers (CMOs). Through this, we hope to clarify the facts of today's reality, giving marketing professionals and their organizations the space they need to respond.

Today's world has put an even heavier burden on marketing departments around the globe, as clients and consumers come to them demanding more transparency, action and trust than ever before.

In this study, we examine the following key points, based on first-hand data:

- Changes in CMO challenges and priorities with regard to:
 - Marketing and communication investment formats
 - Consumer safety and confidence measures
 - Effective brand scope
 - Organization and industry challenges
- Likely external risks over the coming months
- Key actions already being developed

The report is based on information provided between May 21 and June 5, 2020, by nearly 100 marketing managers at leading companies across eleven markets (Argentina, Brazil, Chile, Colombia, Ecuador, the Dominican Republic, Mexico, Portugal, Panama, Peru and Spain). A full list of participants can be found at the end of this report.

KEY PRINCIPLES

1. Most participating companies have made a commitment to increase advertising efforts, offers and

promotions via both their own and third-party digital media channels.

Influencer marketing has remained stable and public relations efforts have increased significantly.

Advertising strategies with better returns on investment (ROIs) are being prioritized in order to safeguard financial health and cash flow, while other strategies are curtailed.

2. Consumer experiences, as well as consumer safety and confidence, have become a universal challenge for CMOs.

To overcome this, strengthening customer services and committing to quality and safety certifications are now of the utmost priority.

3. Purpose-driven companies have seen their commitments further strengthened by this health crisis.

Ideas that stand out include considerations for personal safety and social interaction, as well as empathy toward the vulnerable elderly demographic.

4. CMOs perceive changes brought about by current events to be extremely significant.

In the eyes of marketing departments and CMOs, the keys to facing these changes are improving existing business models, adapting existing products and generating new clients and opportunities.

5. Those surveyed pin their hopes on a trifecta of goals: 1) Collaboration between all company areas, 2) Anticipation through examining potential future scenarios and 3) Overcoming challenges more quickly and efficiently.

6. The key imminent challenges facing CMOs stem from the emergence of new business models and changing consumer values.

These external factors will prove even more influential than new technologies, the potentially worsening health climate or global legislative regulation.

7. CMOs and their organizations view the current pandemic as a catalyst for the development and cultivation of a more integrated business culture, one that quickly identifies challenges, reacts promptly and remains focused on customer experience and communications.

COMMUNICATION AND MARKETING: DIGITAL MEDIA, PROMOTIONS AND PR

Advertising via internal channels (such as newsletters), third-party platforms (such as Google Ads or Facebook Ads) and digital media have all shined in an industry area otherwise in decline. Most companies' communication efforts have been cut significantly, but these three forms of messaging stand in stark contrast, seeing a 66% increase against a reduction of just 13%.

These cuts are in response to:

- Global lockdown mandates and the subsequent impossibility of reaching overseas consumers. This has led to a 99% decline in sponsorship for in-person events and a 90% decline in overseas advertising.
- The uncertainty that characterizes the global climate and the struggle for reliable cash flows. The costliest messaging techniques, including conventional media advertising, have declined by 64%, while "branded content" efforts have declined by 60%.

Despite this, many companies have committed to actively reaching consumers via digital channels.

Beatriz Navarro from Fnac España in Spain supports this idea, focusing on “new automated marketing tools, new e-commerce tools and new development tools for the mobile market,” among other projects.

Javier Sanchez from Multiópticas in Spain underlines his company’s efforts to create “content adapted to today’s world and [enhance] online sales in areas where only traditional retail was possible.”

Resources devoted to digital channels have seen a significant increase, with a subsequent 49% surge in digital channel maintenance efforts and associated promotions. The most successful of these promotions facilitate hyper-focused, efficient communications, an arrangement that creates streamlined ROI and enhances sales opportunities.

Susana Calero from La Fabril in Ecuador believes her greatest challenge is “increasing sales while decreasing advertising costs.” Javier Santiago Reina Duran from Ferrero in Colombia believes “effective communication” is key, a view shared by manager Maria Teresa Carrizo from Caja de Ahorros and Alexis Espino from Canal de Panamá.

In the digital planning field, the prioritization of influencer marketing has remained stable. The percentage of managers responding that they had reduced their investments in influencers was equal to the number who had increased these investments.

Lastly, it is worth noting that 46% of those surveyed reported an increased focus on public relations, while 32% have maintained a stable level of focus. This tends to be a higher priority area due to the newfound necessity for a consumer dialogue in a constantly changing environment.

CONSUMER SAFETY AND CONFIDENCE

Predictably, the COVID-19 pandemic has significantly changed consumer behavior, pushing them further toward increased caution in spending.

CMOs and their organizations are fully aware of this. They have responded by doubling down on promoting safety and fostering trust at every level of the customer experience.

Strengthening customer services is the undisputed top priority for companies, seeing a 79% increase with no decrease whatsoever.

Paulimar Rodriguez from Appetito24 in Panama emphasizes this field's even greater significance in areas of high demand.

Survey participants broadly shared a commitment to quality and safety certification, whether in-house or via third-party guarantors. Guarantee, cancellation and exchange policies have somewhat fallen to the way-side in favor of certification efforts, seeing increased resources in only 50% of cases, with 41% keeping resource allocation stable.

It is thus clear that safety has become a high priority, especially in leisure sectors, where the effects of the pandemic are most deeply felt. Sandra Melgoza from Cinemex in Mexico and Maria Dolores Leon from Multicines S.A. in Ecuador strongly emphasize this point.

Maria Elena Paez from The Wellness Group highlights the importance of "re-educating people on two aspects of the gym format: Firstly, that they are health partners and, secondly, that they are safe."

In certain sectors, such as tourism, consumer reactions to these decisions and the efficacy of already-implemented measures remain to be seen.

Natalia Zarate from Sephora México and Cristina Burzako from Movistar in Spain both believe it is important to note that safety and confidence concerns are not the solely domain of consumers; they are a top priority for employees and partners as well.

It is also worth noting the 50% increase and 35% maintenance in the traceability of raw materials, production chains and distribution chains. This is especially true in the food and drink sector, where, as Ana Vicente from Pescanova in Portugal points out, a product's creation process is paramount to consumer safety. "The greatest challenge is giving our products an image of safety and quality," she shares. Meanwhile, Ana Moita from Sonae Sierra talks about facing the unique challenges of "moving beyond merely functional relations between customers and businesses while maintaining all the emotional territory we already share."

PRIORITIZING PURPOSE AND SOCIETAL CONNECTIONS

Without a doubt, this pandemic has spurred companies to make greater commitments to societal improvement. Fewer than 10% of survey participants reported a decrease or lack of change in priority for these issues. In all other cases, many more resources have been shifted toward connecting with communities and society at large.

Cristina Burzako from Movistar in Spain identifies the most important aspect as being "sustainable growth and loyalty to brand purpose." Vanesa Robles Iglesias from Banco Sabadell in Mexico adds to this, saying, "We need to stay relevant to users through

both our purpose and by forming genuine connections. New users emerging during this crisis are far more conscientious about where they put their money.”

Eduardo Quintana from Vans España in Spain explains that his focus is on “how to adapt our structure to changing times, assess where we provide the most value and demonstrate flexibility at every level, while remaining committed to our purpose and our communities.”

One stand-out finding is a 53% increase in respect for and awareness of issues facing the elderly, the group undoubtedly affected most harshly by the pandemic.

Challenges and strategic actions regarding personal safety and social interaction have seen an overall 75% increase. As discussed in the previous section, these areas are of particular importance to a positive customer experience.

Regarding other areas, CMO priorities are ranked as follows:

- Equality, diversity and women’s empowerment
- Support for youths
- Child safety
- Environmental sustainability, waste and climate change
- Schooling and education

BUSINESS SOLUTIONS: ANTICIPATION AND TRANSFORMATION

All participants are clear on the issue of adaptation. Improving the efficiency and impact of their existing business models and adapting their existing products and services to the current reality are key strategic

factors in successfully facing extraordinary change. These two concepts have seen a massive 91% and 88% priority increase, respectively.

By their nature, CMOs and their companies are committed to adapting their existing market proposals, business models and consumer bases, favoring these activities over seeking new customers. The former saw an 88% increase in priority, while the latter saw only a 69% increase (the smallest increase in this segment of the study).

Marcos Linares from Telcel México discusses “adapting to new forms of consumption,” Yurani Tapias from Nestlé Colombia focuses on “swiftly understanding consumers, their new needs and their mindset” and Silvana Orezzaoli from Positiva Seguros in Peru shares her greatest challenge: “Producing what the consumer expects.”

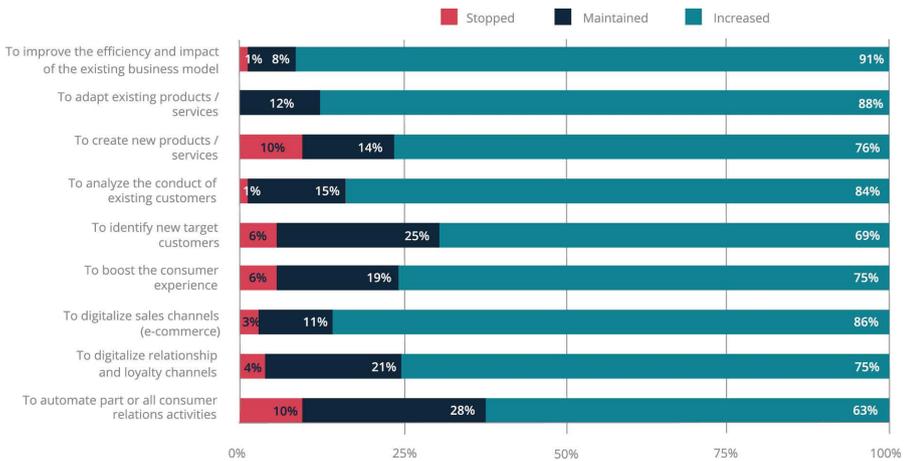
Survey results show that streamlining and business model efficiency efforts most often entail digitizing sales channels and developing online sales solutions, which saw an increase of 86%. Meanwhile, business automation increased by only 63% (with 28% reporting no change), and the digitization of relationship and loyalty channels rose by 75% (with 21% reporting no change).

Sandra Veludo from Delta Cafés in Portugal comments on the need to “adapt the products and experiences being offered,” and Rui Coutinho from the Porto Business School stresses that the key lies in “quickly anticipating a profound transformation of business models, accelerated by the crisis.”

This section features multiple high-percentage priority increases, clearly illustrating the impact of today's

volatile environment and the importance of business model recovery and growth in the coming months.

Patricio Jaramillo from Alicorp in Peru makes a point of discussing the “significant research into the ‘now’ to identify signs of what lies ahead,” and Manuel Musi from Marsh México says the key is “staying one step ahead and understanding the very rapid changes taking place in order to maintain both leadership and a consistent value offering for our customers.”



ORGANIZATIONAL CHALLENGES: AGILITY AND ANTICIPATION

The importance of knowledge regarding the nature of business challenges is self-evident, but even more important is the potential impact of those new difficulties on an organization’s existing hurdles.

With a 98% priority increase, fostering interdepartmental collaboration stands out as organizations’ foremost challenge. In addition, collaboration efforts are the second most quickly growing area

(71%), following the consideration of future scenarios for anticipatory measures (76%).

Taken together, collaboration, anticipation and agility form a shield that allows organizations utilizing them to actively fight both the challenges of the current pandemic and any new challenges arising in the future.

Mercedes Valdes from the Mahou San Miguel Group in Spain reflects on this when she talks about “adapting to a new normal, in which behavior patterns are going to change, requiring us to anticipate those changes.”

Marta Quelhas from Unilever Fima in Portugal even mentions “the creation of multifunctional teams dedicated to working on post-COVID scenarios, developing rapid response plans for the burgeoning environment.”

Rather than talking about the traditional separation between departments, numerous marketing managers, including Mariano Orero from Zurich in Argentina and Sofía Vinagre from JLL in Portugal, highlight internal communications and company relationships with employees as key challenges.

In general, many respondents agree on the importance of speed in strategic evolution, with an emphasis on the key role of communications in the development process. This view was expressed by Esther Morillas, who stressed that, “following a few months of the downturn, during which our highest priority was the safety of employees and our community’s most vulnerable members, we are now resuming our communication efforts and putting resources toward empathetic messaging in order to become guides to the future.”

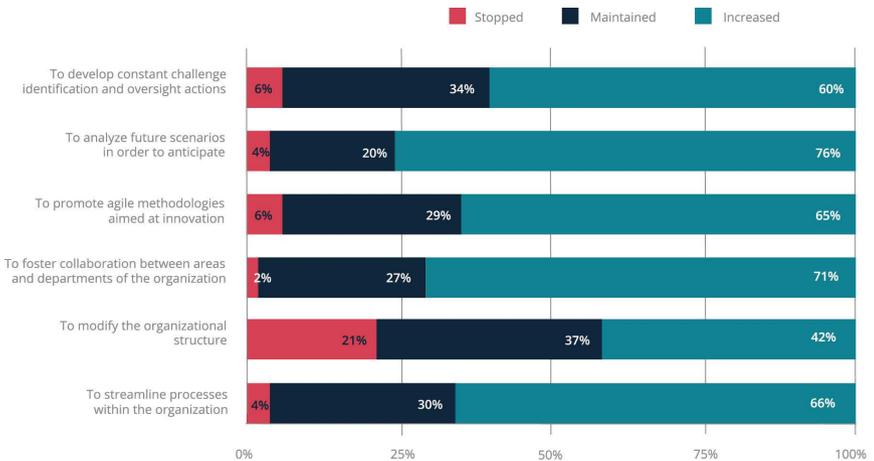
Francisco Rionda from Deoleo in Spain explains this idea concisely: “Communicate, communicate and communicate!” He further adds that organizations can “bolster these efforts by implementing processes to support consistency and agility in day-to-day operations.”

Further examples of organizations’ widespread search for agility can be seen in the results below:

- Process optimization: 96% cumulative priority, with a 66% increase.
- Fostering agile methodologies centered on innovation: 94% cumulative priority, with a 65% increase.
- Continuous challenge identification and oversight: 94% cumulative priority, with a 60% increase

Notably, all of this is occurring alongside a 21% priority reduction to changing and reforming organizational structures, the largest reduction in this section.

It is clear that in this climate of extreme uncertainty, companies wish to minimize structural changes and all of the associated risks thereof.

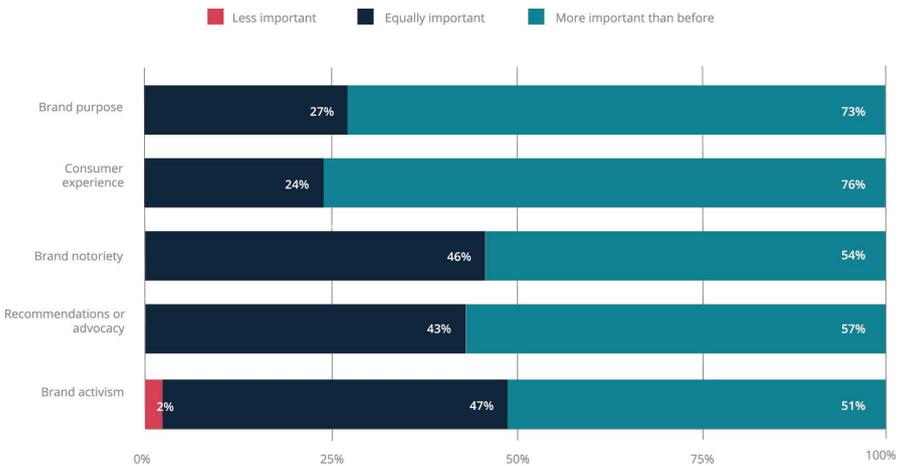


KEY ISSUES IN THE NEW NORMAL: PURPOSE AND CONSUMER EXPERIENCE

Following the arrival of COVID-19, the two issues that have consistently stood above the rest are consumer experience and brand purpose (76 and 73% respectively).

Marketing managers are now more keenly aware of reputation and its significance than ever before. This view was expressed by Adriana Rius from 3M in Mexico, who identified one of her primary challenges as “resuming reputation management and brand repositioning plans in an uncertain climate.” This was echoed by Claudia Aranda from Direct TV in Colombia, who spoke of prioritizing “boosting brand reputation.”

Brand advocacy, awareness and activism are next on the list. Matias Senoran from Philip Morris Argentina discusses the newfound priority of “evolving conversations in communities of interest,” and Paula Marco from GSK emphasizes “capturing our target audience’s attention amidst a sea of digital information.”



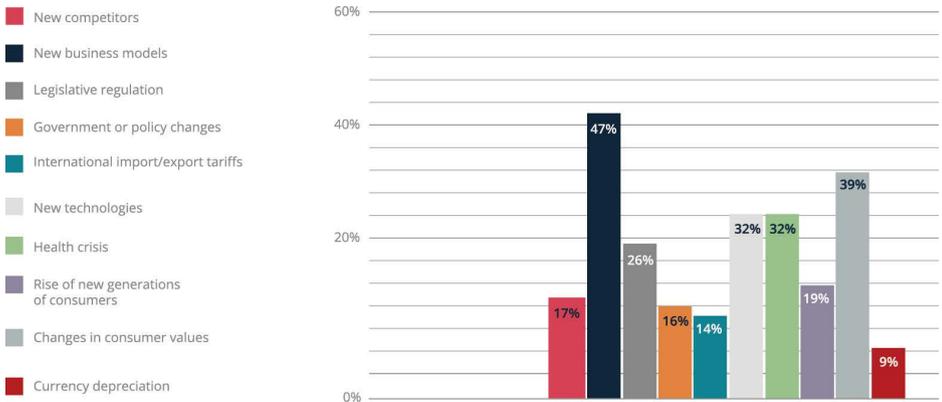
CRITICAL FACTORS FOR THE FUTURE

Among the CMOs surveyed, the most concerning external factor for many (47%) was market changes stemming from the emergence of new business models.

Critically, said new business models tend to be intimately tied to the second most important external factor: Changing consumer values (39%).

Emerging technologies, the potential for further health crises and global legislative regulation all rank highly as well, with percentages ranging from 32 to 26%.

All other factors, which fall significantly behind those listed above, are included here in order of their relative priority: Emergent consumer generations, new competitors, governmental and legislative changes, international tariffs and currency depreciation.



4

Social responsibility in the face of COVID-19: company challenges in helping combat the pandemic

Aug. 19, 2020

Juan Carlos Gozzer

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Adelia Chagas

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In this time, which has seemed to go on forever, it is no exaggeration to say that a revolution has taken place in our lifestyles. We cannot yet pinpoint which changes will endure and which will fall away; it is still too early to do that, despite the pandemic speeding up and creating certain trends.

However, it is possible to analyze the global phenomenon that has taken society by surprise. One positive aspect we can identify, remembering that “we fell asleep in one reality and woke up in a very differ-

ent one," is the fast and immediate mobilization of companies and individuals to help combat COVID-19.

In the United States, philanthropy forms an integral part of the culture. This is especially true regarding wealthy individuals – we need not look further than emblematic names as Warren Buffett and Bill Gates, to give just two examples. The situation is different in Europe, mainly due to the fact that Welfare States have predominated for many years.

The panorama is also different in Latin America. Since many countries in the region are still developing themselves, companies, working together with governments, frequently play a key role in contributing to important areas such as healthcare, education and housing.

In Brazil in particular, a major movement – one different from philanthropy – began in the 1990s. It was based on companies' social responsibility and its link to their reputations. This movement initially gained importance in the media through news items and special reports, but over time, it ceased to be news. CSR became pervasive, forming part of companies' standard, expected activities and ceasing to be a differentiating factor. Instead, it became unusual for companies not to have some kind of social responsibility program. After that, not acting in a socially responsible manner directly or indirectly impacted public perceptions of companies.

Regardless of the culture or continent in question, COVID-19 donations included basic supplies, products, equipment and large sums of money, as well as many manhours of volunteer work. Take Brazil for example. There, companies all acted in a similar fashion. The

quarantine began in mid-March, and the mobilization of resources started to show results by April. Civil society organized itself, acting together to boost the process.

The Brazilian Association of Resource Collectors (ABCR), which worked to ensure the country, like many others, quantified such donations, set up the COVID-19 Donation Monitor. This helped mobilize additional companies and give visibility to those that had already acted. Between May and July, Brazilian companies collected close to \$1.2 billion.

At the same time, main Brazilian television broadcaster Rede Globo, which had never before divulged the names of companies on the grounds of journalistic policy, created a special show called Solidariedade/SA. Airing on the news program with the largest audience, it highlighted the details of various business initiatives each day. This spurred yet more companies to take part in the campaign, thereby further driving their visibility.

In parallel to this supportive movement, however, it was not unusual to hear news discussing the lack of protective equipment available in the healthcare sector, both on the public and private levels. There were also stories about problems in hospitals and public powers' diversion of funds from those sectors where most resources should have been allocated.

This scenario is complicated not only by the pandemic, but also by uncertainties surrounding each donation's destination. Certain pending questions also exist, such as how to guarantee "storydoing" (ensuring a product or brand plays a key role in a client's life) and "storytelling" (generating an emotional connection

between a company or brand and its clients through a narrative), or how to determine whether a planned action is properly linked to the target purpose. It goes beyond this as well – in the midst of so much information, it is necessary to know how to build or maintain a company's legacy through its activities.

To achieve this, companies face at least three challenges:

1. IDENTIFYING AND CONFIRMING A DONATION'S BENEFICIARY

There is a list of elements that must be taken into account, one of which is "coherence." It is not useful to undertake an external action (visible or not) if, just months later, it becomes necessary to dismiss those who collaborated on it. Providing benefits to the company and then implementing internal cuts is a contradiction.

Also regarding coherence, the chosen NGOs and/or organizations must somehow relate to the company's purpose. If not, the action is a waste. Furthermore, it makes creating storydoing and storytelling (and guaranteeing the company's legacy) much more difficult.

Confirming the recipient's reputation, work carried out and credibility are vital to avoiding any harm to the company's image.

Integration and speed

Today's situation demands new working methods and close collaboration between all areas involved (Marketing, Communications, Social Responsibility and Compliance) to guarantee speed and high levels of performance for each activity. Furthermore, it is

necessary to provide support for even more complex initiatives, such as equipment imports, and their associated problems in order to ensure rapid resolutions.

2. MONITORING DONATIONS UNTIL THEIR FINAL DESTINATIONS

Once the recipient organizations and institutions have been chosen, the challenge lies in knowing whether the donated resources are reaching their destinations. To achieve this, it is necessary to implement a system of checks and controls throughout the process. It is fundamental to map out the entire process and warn of any potential problems in it well beforehand.

If a problem is detected, companies must work to immediately understand what has happened, warn the personnel working on the project and be internally transparent to offer quick solutions. If not, noise may be generated in the communications flow.

If the donation reaches its intended destination, that is excellent. But that is not all; it is also necessary to know what made a difference for the community and beneficiaries, as well as to clearly outline the process' transparency. Otherwise, the ensuing report listing the total number of beneficiaries will, unfortunately, be just another number.

3. SHARE THE STORYTELLING AND STORYDOING WITH ALL COMPANY SHAREHOLDERS.

Planning is vital to ensuring a shipment reaches its final destination. This is doubly important given that it is practically impossible to discuss storytelling and storydoing and their results if the company's legacy is put at risk.

Instead of narrating human stories, many of today's reports are limited to accounting for the total amount donated and, with a bit of luck, the number of beneficiaries of the initiative.

A news item in a media outlet with a large audience or a publication on a website and the company's own social media channels will not cause a big stir, since, unfortunately, these are easily forgotten. They do not add to the company's legacy.

Since many such pieces of content are solely descriptive, their information is similar to that of other companies. In this context, each company becomes just another number.

If the most difficult thing is doing something good, why not communicate it better?

Opportunity

The time for companies to assume a responsible role in society has not only arrived, but has become more favorable than ever before. Now, there are several factors supporting these efforts.

In Brazil, for example, a significant increase took place. This is clear when comparing the \$1.2 billion donated by the end of June 2020 with the \$640 million accounted for by the Group of Institutes, Foundations and Companies (GIFE) census in the whole of 2018 (the most recent figure). Another piece of good news is the 7% increase from August 2018 to August 2019 in the Brazilian public's positive perceptions of NGOs' work. These figures are from the Brazil Giving Report 2020, which is responsible for determining the country's donation culture.

This report is part of an international CAF Global Alliance series that gathers data from Australia, Brazil, Bulgaria, Canada, India, South Africa, the United Kingdom and the United States. In Brazil, an online survey was carried out on 1,000 people in line with different demographic profiles. In the other countries, the Giving Report is part of the national culture, as its use is more consolidated.

Against this backdrop, it is clear there is still room to work on the legacy and reputation of companies as a whole to better communicate these important topics.

5

The post COVID-19 era: The New Normal in talent-company relations

May 26, 2020

María Obispo

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In Donald A. Schön's book "The Reflective Practitioner: How Professionals Think In Action," he defined three types of knowledge. One of them is reflection on and during action, meaning the knowledge we acquire while we act.

The COVID-19 crisis has highlighted a need to make quick decisions against a largely uncertain backdrop. According to Schön's theory, we have been learning and gaining insights into a new way of doing things while making those decisions, which will undoubtedly impact the relationships between companies and their professionals.

At LLYC, we would like to harness that learning and shared knowledge to try to shed some light on a complex context. We have spoken with communications and human resources experts from companies such as Bankia, Coca-Cola, Cosentino, Ecoembes, Enagás, EY, IBerdrola, Ikea, Indra, Naturgy and Novartis to understand their perspectives and gather best practices. This article contains the results of those conversations, with the goal of further delving into the post-COVID reality and the challenges companies will need to tackle in their relationships with talent.

EIGHT NEW SCENARIOS IN TALENT-COMPANY RELATIONS

1. The rise of a new form of leadership
2. The transfer of control over messages
3. Digital: A transformation that has become a cultural shift
4. People and their emotions at the heart of decision-making
5. Going back to basics to respond to uncertainty
6. From latent to patent pride in belonging
7. Internal communications for building trust
8. The birth of a new values system

THE RISE OF A NEW FORM OF LEADERSHIP

On May 3, the New York Times published a very revealing article about a new way of leading with an even more revealing title: "Leaders Are Crying on the Job. Maybe That's a Good Thing." Among other things, it includes a reference to the video Marriott CEO Arne Sorenson shared with his team. For many, it was a lesson in leadership based on honesty, clarity and transparency.

The article's conclusions are very similar to those reached by experts. "We are not in the midst of a conventional crisis, which is why we've seen leaders acting differently," says Luisa Alli, Head of Communications for IKEA Iberica. "And that has highlighted the need for a new form of leadership, a form of leadership that comes from a profound understanding of the situation others are in. This requires building a climate that encourages rather than penalizes the verbalization of weakness. Many employees have felt guilty about working from home while their colleagues work in-store or at depots, or for not getting as much work done as they would have liked. In a climate of trust, empathy and solidarity, where family issues, for example, have become normal, there is room for understanding rather than blame."

In turn, Teresa Gallastegui, Head of Talent and Organization for Ecoembes, is convinced this crisis will be a real trial by fire for leaders. "Genuine leaders emerge in situations of crisis," she states. "Communication, collaboration, transparency and innovation are essential levers organizations need to have right now. I would also include two other things that are gaining importance and will become critical: Managing uncertainty and learning 'in flight.' We live in an increasingly changing, complex and uncertain environment, and we need people who are capable of looking toward the future with optimism and generating opportunities around change."

Delfina Perez, Head of Development and Talent Recruitment for Bankia, adds, "I believe we are heading toward a form of leadership that is increasingly inclusive and aimed at fostering growth and responsibility

in teams. A form of leadership based on individual responsibility, trust and delegation. A form of leadership that is aware of how important cohesive and diverse teams are.”

Communication is another attribute of this new form of leadership. Esther Castaño, Head of Global Internal Communications for Iberdrola, insists that “a leader who does not communicate is not a leader, even more so under these circumstances. Leaders must convey messages of calm and mitigate uncertainty while using a very human approach, very informally.” Inmaculada Vela, Head of Internal Communications at EY Spain, adds the qualities of honesty and transparency as well. “It’s about telling things exactly how they are while conveying a sense of responsibility, approachability and humility,” she shares. “Our professionals have to know that they are our priority, that we are a team, one big family, and that we’re all rowing in the same direction to overcome adversity together.”

New leaders are setting paternalism aside to adopt more approachable, accessible and transparent methods, which brings us to an extremely interesting concept that could be considered contrary to that of a leader: Vulnerability. “If you ask me what will happen, I’ll tell you that I don’t know,” says Jordi Garcia Tabernero, Head of Communications and Institutional Relations for Naturgy. “That sentence might be surprising coming out of a leader’s mouth, but isn’t it more courageous to recognize our own limitations? In a crisis situation such as this one, it’s about providing information on everything we’re doing, as well as saying we’re making every effort to find solutions and get ahead of the problems... And when we’re asked about

something we don't have an answer for, just saying so." This executive believes the key lies in "acknowledging the uncertainty and providing certainty wherever possible, because silence generates anxiety, restlessness and rumors. Communication with employees is essential. The company should be one of their most reliable sources of information."

THE TRANSFER OF CONTROL OVER MESSAGES

If approachability is a growing trend, it might seem obvious to think that the role played by middle management will become increasingly important. These people are great allies for communication, as they are the ones who provide a link between the company and its talent, becoming the first point of reference within an organization.

At Cosentino, Maria Luisa Garcia, Head of Internal Communications, and Santiago Alfonso, Head of Communications and Marketing, are convinced that middle management positions are being empowered. "Whether teleworking is here to stay or the workforce will be back on the factory floor, a manager's role is essential in conveying trust," the two executives say. "They are the facilitators and the ones who ensure messages filter throughout the organization. Although all our professionals have access to corporate messages via the company's app and information notice boards, factory managers are responsible for mobilization. They make sure the messages have filtered down and, if necessary, reinforce them."

Luisa Alli from IKEA adds that this also involves being aware of and even encouraging a loss of control over these messages. "Communications success

depends on 300 professionals directly,” she states. “These middle management positions are the network that conveys encouragement and builds trust. There are countless rules and regulations for not crossing the line, being correct and obedient, but the time has come for managers to take control of the team and not be afraid of taking risks. Although it might look like a big risk, what we have to gain is much more powerful. Things are happening at the bottom of the pyramid, and we should harness spontaneous leaderships to support communication.”

DIGITAL: A TRANSFORMATION THAT HAS BECOME A CULTURAL SHIFT

We have been talking about digital transformation for years, trying to implement it with action plans, pilot schemes, expert help and company processes. However, the transformation never truly took hold at many organizations. In fact, an overwhelming study by Harvard Business Review states that 91% of organizations fail in this type of process.

However, during the COVID-19 crisis, companies have evolved quickly along the digitalization path to maintain the pace and quality of their work. “We’ve taken a giant leap forward in digital transformation,” says Teresa Gallastegui from Ecoembes. “We have gone digital all of a sudden. When all this is over, we will be more digital, agile and efficient. You might say that we are evolving toward approachability.” There is only one question that follows: What was stopping us from completely transforming ourselves into a digital company before the crisis? “We had the tools but not the culture. Any reticence about using those tools has

evaporated now, and, although we are supporting our talent with trainings, this ‘forced digitalization’ is becoming a driving force for our digital culture,” she adds.

Also regarding digitalization, Juan Jose Berganza, Head of Communications and Brand for Indra, says that the new work model also requires a greater level of training and effective time and schedule management. “Team management is undoubtedly different now, requiring a more structured model,” he says.

Teleworking is clearly important in this new digital culture, says Jordi Garcia Tabernero from Naturgy. “COVID-19 has led to a paradigm shift in how we work and interact with others, something that is here to stay,” he shares. “Before this crisis, teleworking was seen as a lesser category of working. Neither organizations nor people had thought that it could be combined with on-site working for genuinely effective results. Nonetheless, it has been shown that office work can indeed be efficiently and productively continued from home.”

PEOPLE AND THEIR EMOTIONS AT THE HEART OF DECISION-MAKING

“Having an in-depth understanding of what is happening to our professionals is essential,” explains Maria Luisa Benlloch, Head of Internal Communications for Novartis. “For that, you must first listen to and identify their problems and build according to what people need to hear. The key lies in making sure the message conveyed by the company meets the needs of its talent.”

Sara Blazquez, Head of Communications and Media Relations for Coca-Cola Iberia, agrees. “You must build

closer personal relations to understand the reality for the people in your team, and thus connect with the each one's interests," she says. "Any issue we identify in the teams, whether on a professional or personal level, is communicated to our executive committee to ensure its decisions can be based on our professionals' individual circumstances."

Along the same lines, Jordi Garcia Taberero from Naturgy explains how the company applies its "employee first" approach, showing us how it is more than just pretty words. "Whenever a committee meets, whether it is an ad hoc committee for operational crisis monitoring or the senior management committee, or the board of directors, at all of them, the first point on the agenda is a question: How are our employees today, and what more can we do for them?" he says.

Victoria Cortes, Head of Internal Communications for Enagás, believes that "the goal has always been to provide information transparently and convey security. However, we have also taken great care to highlight our professionals' work, effort and commitment in all corporate communications, both internal and external."

BACK TO BASICS TO RESPOND TO UNCERTAINTY

"We have seen that the values of Coca-Cola, with a 134-year history, still apply to overcoming this difficult situation," says Sara Blazquez. "We have shown that we are a resilient, empathetic, universal and democratic company. A capacity to adapt forms part of our DNA, and we have seen that yet again."

The uncertainty has forced us to look at our purposes as companies, lean on our values and recognize our deeper cultures. "It is essential to have done your

homework when an unexpected crisis hits,” says Esther Castaño from Iberdrola. “That way, you can forget about what you have already internalized or learned and can focus on other problems. Communications, for example, was already part of our organization’s DNA. Not communicating was never an option before, much less so now. As a result, we have not needed to create new channels, but only strengthen what we had already been doing naturally.”

Teresa Gallastegui from Ecoembes says something similar. “This situation has highlighted and shone a spotlight on things that we worked on before,” she shares. “If you haven’t already worked hard on commitment with your talent, you run a very high risk of having your professionals disconnect. In our case, the Ecoembes’ team’s response to this crisis has been exceptional.”

For companies, the COVID-19 crisis has been a moment to demonstrate whether what they said so often in the past is actually true, and professionals are more aware of this than ever.

FROM LATENT TO PATENT PRIDE IN BELONGING

Employees have reconnected with their companies during the search for answers and security. In the case of Novartis, Maria Luisa Benlloch says they received hundreds of thank-you messages. “This doesn’t happen every day or at every company,” she says. “It’s only when you see that your company can deal with the circumstances and, above all, look after its employees.” In turn, Sara Blazquez knew Coca-Cola Iberia was a company with a strong sense of belonging, “but that has been made clearer during this period through

comments and messages across all channels. People have gone from feeling it to needing to express it, to share it.”

In the same regard, Victoria Cortes from Enagás has not only noticed a significant increase in talent engagement with corporate communications, but also that “this crisis will only enhance their pride in belonging, because the key role we are playing as an organization has been demonstrated. Something similar will also happen at all those companies with professionals who are committed to others and who are, themselves, committed to the future of society and value creation.”

Delfina Perez from Bankia is clear that “the relationship with our talent has been enriched and profoundly and suddenly transformed. Everything we’ve seen, and are still seeing, has precisely been used to strengthen the relationship with our talent and their commitment, because the importance of absolutely everyone who works in the Bankia team has been made crystal clear. The organization has shown itself to be a cohesive, committed and responsible team.”

Jordi Garcia Tabernero from Naturgy adds, “Our response as a company, not only because of the internal measures we have taken to protect our employees but also because of the commitment we have shown to society, has produced a spectacular boost to the pride in belonging our professionals express. They have been more receptive, supporting many of the actions we set in motion, and they have been more proactive, continuing to promote solidarity initiatives and offering their work to society. Moreover, they did all this with their brand held high, becoming one of

its best ambassadors. We have all, company and talent, been pulling in the same direction.”

Luisa Alli from IKEA points to a possible reason. “In these complicated times, professionals can tell what you’re like,” she states. “During this time, at the moment of TRUTH in capital letters, this is when you either strengthen that commitment or, perhaps, lose it forever.”

INTERNAL COMMUNICATION FOR BUILDING TRUST

“If this crisis has revealed anything, it’s the importance of having a committed workforce, a workforce that works hard and gives its best every day, a workforce where everyone is pulling in the same direction and understanding how to adapt to the circumstances,” says Victoria Cortés at Enagás. “That can only be achieved by creating environments of trust through constant, simple and direct communication with employees. That’s what internal communications should be. That’s why I’m convinced communicators will be essential to any company while conveying the challenges we are going to face and for achieving objectives.”

All the experts agree that the role of communications (and more specifically, the role of communications with talent) has gained considerable importance during this tough period—importance that will no doubt remain in the future. “It was essential to communicate in real time, empathetically, transparently and innovatively,” says Inmaculada Vela from EY. “We’ve strengthened our connections with our internal audiences, and our messages are being heard louder. However, this result is undoubtedly

also due to coherence. The messages conveyed were fully aligned with our culture and attitudes, the DNA that makes us unique and that can be found in every single one of our professionals.”

Maria Luisa Benloch from Novartis says something very similar. “You need support through difficult times,” she adds. “This is achieved by being less corporate and more human, as well as communicating constantly. The frequency should be increased, but companies also need to construct more friendly and empathetic messages.”

On this point, Delfina Perez from Bankia highlights the potential words have to create realities. “We have the choice to work on positive communications that highlight successes and celebrate good results while not forgetting to leave room for dealing with any doubts or fears that might arise in our teams, helping them grow as professionals,” she says.

In turn, Maria Luisa Garcia and Santiago Alfonso from Cosentino say the transformation will be accompanied by target-based working methods as a result of employee dispersal. This means trust will play an essential role at companies in their employee relations. “Nowadays, internal communications have been strengthened, and it’s being appreciated again,” they say. “We are convinced it will be a strategic ally for all parts of the company.”

Internal communications will need new channels for talent relations. “Lack of a physical presence will clearly have an impact on the communication model,” states Juan Jose Berganza from Indra. “We need to rethink the tools we use. It’s not about forcing a new channel into existence, but rather intelligently harnessing those that our professionals already use naturally.”

THE BIRTH OF A NEW VALUES SYSTEM

People's priorities have been deeply impacted by this crisis. "The meaning of life, both personally and professionally, has been questioned," reveals Delfina Perez from Bankia. "This reflection on our lives will have an impact on our values system, and employees, people, society and companies cannot ignore this change."

Jordi Garcia Taberero agrees that the things we value from companies and what we look for from them has changed. More than ever, we are demanding they be solidarity-focused, responsible with regard to the environment and capable of dealing with today's circumstances. Some, such as Naturgy, have seen a strong boost to their reputations during this crisis when compared to the pre-crisis period. "Employees are our main asset," the executive states. "This crisis has shown us that we need to empower them so they can also offer their visions of the company. What is clear is that they expect leadership from their company, and for the company to act not only to protect its own interests, but also those of society as a whole. We are no doubt witnessing a rise in 'employee activism' tied to sustainability, social issues and good governance."

"Will this also change our employer branding?" wonders Juan Jose Berganza from Indra. "It's too soon to know, but we'll probably see how values that were previously further toward the backs of our minds, such as security, become more prominent when choosing somewhere to work in the future."

A future full of reflection and analysis is opening up before us. It might seem too soon to take stock given that we will need a broader perspective to analyze some of these changes. However, there is no doubt

whatsoever that the crisis will lead to new challenges in company-talent relations. Only if we tackle and resolve them now will we be able to successfully work on the new normal because, if professionals have been essential during the crisis, they will be even more so during the recovery.

6 Reputation as a pillar of corporate transformation

Nov. 18, 2020

Cleber Martins

Partner and Managing Director at LLYC Brazil

The new reality in the business world increasingly involves embracing a concept that has gained enormous traction in recent times: Best practices in Environmental, Social, and Governance (ESG). This vision helps determine how companies and investments impact society and the world. More than just a decisive factor for making investment decisions in companies or countries, ESG reflects the complete interpenetration of positioning, action, and reputation.

The importance of ESG practices has been gaining ground as a result of demands made on institutional investors, financial institutions, pension plans, mutual funds, and endowments. It is also becoming a general and growing concern for other stakeholders in the companies. The pandemic and recent social

conflicts around the world will help speed up these shifts, amplifying the debate on sustainable and social development.

Before the global COVID-19 crisis, responsible capitalism had already been a subject of growing interest in society. Since 2019, strong measures have been taken in this transformation. One of them was the Business Roundtable's Statement on the Purpose of a Corporation, which pointed to the urgent need for management to be geared to all stakeholders. The Roundtable is an organization representing the CEOs of major U.S. companies. In 2020, this ESG vision was highlighted in the debates at the Davos Economic Forum. It was also echoed in emblematic business initiatives, such as when BlackRock, the largest asset manager in the world, announced that it would give priority to responsible and sustainable investments in the US\$7 trillion of assets it manages. "Awareness is rapidly changing, and I believe we are on the edge of a fundamental restructuring," announced Larry Fink, CEO and president of the board of BlackRock, in his annual letter to CEOs.

Now, with the lethargy induced by the pandemic, pressure for a stronger connection between the purposes of the corporate sector, the financial world, and society have grown even more. The global Stop Hate for Profit initiative transferred the pressure to Facebook, which had to deal with a boycott of hundreds of large advertisers that accused it of promoting the spread of hate speech and offensive content. Social media was also a means of pressure used by the Sleeping Giants movement, which denounces brands and forces them to cancel ad placements on sites identified as spreading fake news and radical messages.

In the environmental field, the power of this ESG transformation has focused not only on companies, but also entire industries and countries. Brazil is a clear example of this. Brazilian companies whose commitment to environmental preservation is in doubt are being excluded from the investment decisions of several international funds.

The pressure is also on the government itself. With the leadership of the Investor Initiative for Sustainable Forests, international investment funds that manage almost US\$4 trillion have started to put pressure on the Jair Bolsonaro government to take more effective measures against deforestation, warning of the growing “systemic risk” to investments. A group of leaders from large Brazilian companies have also issued a national statement calling on the post-pandemic economic recovery to take a low-carbon path.

As a result, it is hardly an exaggeration to say that fires in green areas also destroy reputations – and not only in Brazil. The Amazon rainforest extends over more than eight countries in South America, which have repeatedly been asked to demonstrate their commitment to sustainable development regarding issues such as combating deforestation, protecting biodiversity, and including local and indigenous communities.

A NEW SCENARIO OF OPPORTUNITIES

There are opportunities for companies and countries attuned to the new reality. Among them is the possibility of attracting funds from the international market by issuing Green Bonds. This alternative form of finance has already been used in the market by more than 50 countries and supra-national institutions.

The transformation to the “new ESG world” is clearly driven by the private sector, but it is not only the reflection of an altruistic conscience. As Fink said, for BlackRock, “climate risk is investment risk.”

There are examples showing that a number of investors are no longer content to interact with companies that limit themselves solely to corporate compliance. As ESG evolves, “impact investing” is gaining ground. Its aim is to generate financial returns allied with positive and specific contributions to the environment and society.

The concern over environmental, social, and governance aspects has drawn the attention of consultancies and law firms, which are creating task forces to guide their clients. These are supported by professionals from a variety of specialties, such as capital markets, M&A, taxation, banking, finance, compliance, and employment to guide their clients.

The involvement of numerous specialists in these projects is explained by the fact that the scope of ESG is quite broad. It ranges from policies on waste management and natural resources to integrity, compliance, better alignment for management compensation, and diversity and inclusion initiatives. For this reason, a more colorful comparison makes increasing sense: In the ESG context, it is no longer enough that companies be “green;” they must have diverse colors and be concerned with all the other urgent matters of society.

THE WEIGHT OF REPUTATION

The communications perspective cannot be absent from the role played by specialties that support company transformation. Reputation is no longer just a

desirable attribute; it has become an essential condition for allocating resources in the financial world. The premise of ESG is to “walk the talk:” To generate specific actions and not just discourse. It means creating a real story and explaining what we are constructing. Investors want to “separate the wheat from the chaff” to decide where to direct their resources. Professionals want to work in companies they admire. In short, there is a whole universe of stakeholders who want to know who they are dealing with. And business reputation is the tool for this natural selection process.

In this situation, lack of transparency is one of the main threats to credibility. Another risk is the question of materiality; in other words, the relevance and importance of specific criteria (environmental, social, or governance) for each company, depending on its activity and sector. If ESG factors are not constructed coherently, distrust may arise surrounding what has been called “greenwashing” or “socialwashing.” These are attempts at improving corporate image by overvaluing initiatives or even stressing an aspect of ESG that does not have much weight within the business. The environmental question, for example, is of greater importance among industry or agribusiness than service companies. Each company needs to adopt (and describe) actions that are important in its specific case.

Thus, in the case of green bonds, regulatory bodies such as the Securities and Exchange Commission (SEC) have already begun to limit the framework to prevent greenwashing when issuing securities that may not have a significant impact on society or are geared to projects other than those promised.

Communicating ESG attributes is a reflection of the attitude of commitment and corporate responsibility.

It must be constructed on the pillars of transparency and honesty. It must be accessible and assertive.

And it must also be diverse, in the sense of establishing relationships with and demonstrating storydoing for all the publics in line with the Business Roundtable statement's logic (with a focus on stakeholders). When we say communication should be connected to diversity, it presupposes that it must also be flexible and adapted to each of these publics. A didactic, emotional, and multimedia approach must be constructed for dialogue with diverse groups. A more technical and systematized approach for an investor or regulatory public, for example.

Companies can no longer justify themselves by issuing sustainability reports or narrating diversity actions on their corporate websites. Communication goes much further. It must be multi-directional. Listen to what stakeholders want, then establish and foster specific relationships.

We are faced with a real "ESG transformation" among companies, involving paradigm shifts and references. It can only be established through solid and truthful reputation development. Communication, at the service of reputation, will also reflect the new situation. Playing an increasingly decisive role, it will become truly ESG communication.

ESG IN THE REPUTATIONAL DIMENSION

The impact of the three aspects of ESG (environmental, social, and governance) can be understood and visualized if we think of the dimensions of reputation.

The reputational dimension is supported by expectations: Aspirational (the image projected by the

organization); Pragmatic (whether it delivers well on what it sells; in other words whether it has credibility); Relational (how it connects with people); Ethical (its values); and Social (its contribution to society).

The concept of ESG shows how the environmental, social, and governance requirements align with the dimensions of credibility, transparency, integrity, and contribution. But the cycle is only completed if the organization also takes care of its image so it aligns with the aspirational expectations of its stakeholders.

Doing things well and correctly means understanding and meeting stakeholder expectations. In the case of aligning with ESG criteria, reputation is not a consequence, but one of the pillars of sustainability for a responsible business. Positioning comes from assertive and constructive action.

7

A new leadership paradigm: the activist CEO

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Dominic Barton, former CEO of McKinsey, tells us an anecdote about a president of an engineering firm who spent 60% of his time debating leadership questions and talking with young professionals. I asked him, “And meanwhile, who runs the company?” The president answered, “Idiot, that’s what running a company is about.”

Historically, CEOs have been figures with low levels of public exposure. Most sought to project neutrality and maintain a managerial profile. Their relationship needs were managed discreetly through the more formal activities of institutional relations.

Over the last five years, however, large corporate leaders have begun taking a much larger role in addressing political and social affairs. Given this new CEO expectation, we could ask a simple question: What does running a company look like in today's world?

1. THE APPEARANCE OF THE ACTIVIST CEO

Activist CEOs are the large corporate leaders who get involved in political, social, and cultural affairs not directly related to their business. The concept was coined in 2017 at Harvard University in a famous case based on Apple CEO Tim Cook's public rejection of Indiana's approval of the Religious Freedom Act. Cook's message, sent via his Twitter account in 2015, served as an example, generating widespread support for diversity among business owners. Ultimately, it forced the law's most controversial aspects to be reappraised.

Since then, media cases regarding activist CEOs have predominantly come from the United States. Many have been focused criticisms from the business sector of President Trump's policies.

In terms of the environmental, one leading example was "mystified" North American business owners' response to Trump's 2017 decision to abandon the Paris Agreement on Global Warming. Many of these CEOs said they would take the fight against climate change into their own hands and do everything possible to reduce emissions. In the words of Michael Bloomberg, the eighth-richest man in the world according to Forbes, April 2017 was seen as the start of Trump's failed race to a second term in the White House; Bloomberg himself announced a \$15 million contribution to support the UN's efforts in its fight against global warming.

In addition to his intentions, Bloomberg's activist attitude took hold among North American business leaders. In June 2017, many CEOs signed an open letter to President Trump warning him of the importance of the fight against climate change and the disastrous consequences of his decision. More recently, at the latest Climate Conference, held in Madrid in December 2019, leading North American CEOs stated their disagreement with the Trump administration's decision to leave the Paris Agreement. This reaction was an important part of the We Are Still In movement, made up of 25 U.S. states, 534 cities, and more than 2,000 companies and investor groups, as well as other educational and cultural institutions. Altogether, they account for 68% of U.S. GDP, 65% of the U.S. population, and 51% of all emissions in that country.

In the field of human rights, another well-known case of activism was Starbucks CEO Howard Schultz's decision to hire 10,000 refugees from around the world in response to the Trump administration's migratory policy. Schultz's message aroused strong controversy. On the one hand, he managed to attract support from other large corporations – Google announced a \$4 million contribution to humanitarian organizations, and the CEOs of Apple, Microsoft, Netflix, Uber, Airbnb, and Facebook also declared their rejection of the government's migratory measure. However, his decision was strongly rejected by many consumers, leading to a boycott of the Starbucks brand over the understanding that the CEO was limiting the chain's ability to hire locally.

Another typical field of activism is health. Recently, some business leaders had a noteworthy reaction to

Trump's decision to withdraw State support for the World Health Organization (WHO), alleging its negligence in controlling the COVID-19 pandemic. The most significant reaction came from Bill Gates, who announced a \$250 million contribution to the WHO to fight COVID-19 in April. Gates' initiative paved the way for the recent creation of the pro-WHO Foundation to support crucial global health needs. The Foundation, which is a separate legal entity from the WHO, will facilitate contributions from the general public, bringing individual donors and companies to the WHO and helping reliable associates implement highly impactful programs.

With its headquarters in Geneva, the Foundation will provide support for needs regarding global public health by contributing funds to the WHO and its reliable associates in their application, with the aim of achieving the "3 billion" targets of the WHO. With these targets in mind, contained in the WHO's five-year Strategic Plan, the goals are to protect 1 billion people from health emergencies, extend universal health coverage to 1 billion people, and guarantee healthy lives and wellbeing for 1 billion people from now to 2023.

2. THE RISE OF ACTIVISM

There are many manifestations that show that CEO activism is becoming a new leadership paradigm. Initiatives such as BlackRock CEO Larry Fink's, promoting the need to formalize a sense of purpose, over and above economic results, as one of the business strategy's pillars; leading North American CEOs' (Business Roundtable) commitment to a long-term perspective

and redistributing value among all stakeholders; more than 500 European CEOs' commitment to integrate the United Nations Sustainable Development Goals into their businesses; and the Stakeholder Capitalism proposal promoted by the World Economic Forum are some examples of this.

Current CEO activism is not so much based on expressing individual convictions on Twitter (as in the cases of Tim Cook and Marcos de Quinto in Spain), but instead on a combination of the pressure exercised by social expectations regarding the responsibility these large corporate leaders have for helping resolve public problems and the population's profound skepticism of government actions.

According to the Pew Research Center, barely 19% of Americans trust the government, but 65% believe "the economic system unfairly favors powerful interests." The government's poor reputation is the "factor of opportunity" driving the emergence of activist CEOs, but the perception of unfair capitalism is the "factor of need" pushing executives to fill this public space. This new CEO activism is a combination of opportunity (poor government reputation) and of need (growing unease with capitalism). In short, the combination of these two factors is boosting the new role of activist CEOs in large corporations, beyond any personal convictions they may individually have.

3. ACTIVISTS ARE NOT ONLY AMERICAN

This new leadership paradigm is growing in popularity all around the world, not only in the United States. In Spain, for example, the leadership of many CEOs at the latest Climate Conference held in Madrid (COP25) did

not go unnoticed. The response to the climate emergency in business circles was particularly noteworthy, with 1,500 companies participating in the activities developed in the COP25's "green zone." In fact, this business initiative came before political agreements from many sectors, including finance, energy, infrastructure, logistics and transport, agri-food, and healthcare. The Spanish Ibx 35 companies that stated decarbonization targets at the Conference include Iberdrola, Endesa, Telefónica, Repsol, Acciona, ArcelorMittal, Santander, BBVA, and IAG.

The financial sector's commitments were particularly important. Many entities committed large sums to finance the fight against climate change, including Barclays (175 billion euros), Santander (120 billion euros), and BBVA (100 billion euros), among others. Some 20 entities operating in the Spanish financial sector signed the "Better Finance, Better World" agreement, presented at the COP25, to align their activities with the Paris Agreement's targets. In this new agreement, banks, led by their CEOs, pledged to reduce their credit portfolios' carbon footprints in accordance with internationally recognized criteria and to channel savings and financial resources towards sustainable investments.

A more recent example is the Summit of Business Leaders, convened by employers' organization CEOE in June with the aim of boosting the economic recovery after overcoming the first wave of COVID-19. The live Summit was held by videoconference. Everyone could follow the Spanish CEOs' leadership messages in response to the pandemic. The opening message, delivered by the CEOE president, was unequivocal: "As business leaders, it is more worthwhile now than

ever that we make our actions as business owners more visible. It is a source of pride to be a business leader, and thus contribute to the development of our country and to the wellbeing of our citizens.”

4. CONSENSUS ON THE SUSTAINABLE DEVELOPMENT GOALS

The main issues activist CEOs have focused on in recent years revolve around equality and inclusivity, the fight against climate change, human rights, and, more recently, health and wellbeing. These issues not only correspond to the main global challenges, but are also part of the document this new leadership paradigm is based upon: The United Nations 2030 Agenda. This reflects the political, social, and business consensus we have achieved on the long-term global challenges we face.

In fact, if we can talk about a leadership paradigm regarding CEO activism, it is because a global agenda with a broad consensus exists. The 2030 Agenda is marked by the 17 Sustainable Development Goals (SDGs), focused on supporting the Paris Agreement and the United Nations Guiding Principles on Business and Human Rights. This consensus is so broad that the SDGs have not only become a widely accepted framework, but have also triggered a race to achieve them.

As previously mentioned, in less than a year, more than 600 European business leaders have publicly committed to implementing a sustainable business model with a long-term perspective. This call to action includes the following components, among others:

- Speed up the ecological transition in the fight against climate change.

- Commit to multistakeholder dialogue.
- Create collaborative platforms to promote a sustainable economy.
- Maximize value creation for society.
- Promote training to enhance employability.
- Increase civil society's participation in the sustainability movement.
- Adopt policy and transparency standards to manage sustainability.

5. CHALLENGES FACING ACTIVIST CEOs

As we have seen, business leaders are responding to the social demand for greater corporate responsibility in political and social affairs that did not traditionally touch the business world. This leadership, which also responds to widespread disenchantment with government, is being solidified through widely supported manifestos and commitments. These, in turn, are further increasing social expectations regarding the role large corporations should play. Accordingly, we feel that activist CEOs will face several near-term challenges related to consolidating the public discourse they are advocating while making it more consistent. The greater the public exposure, the greater the coherence needed. We have pinpointed five key challenges in this regard:

- Implementing a governance model to handle stakeholders. The stakeholder capitalism promoted by the World Economic Forum is “an ideal” – one that, according to the WEF, could become a nightmare if not accompanied by a model of governance that covers stakeholders.

- Incorporating a sense of purpose into corporate governance. Activism calls for a connected and coherent leadership style carried out through corporate policies. The need to define (or redefine) a purpose that includes each company's long-term social impact has become imperative.
- Boosting the sustainability agenda through concrete initiatives with a positive social impact. Companies are taking on transformational leadership, but there is a great deal of disparity between goals. It is necessary to focus on one or two initiatives with the potential to have a genuine social impact in an area important to their stakeholders. Less means more.
- Evaluating the impact of reputational risks in business decisions. Some manifestos or statements, if they do not respond to stakeholder expectations, can entail more business risks than opportunities (as in the aforementioned Starbucks case).
- Enhancing a focus on compliance to protect reputation. The demanding discourse of activist CEOs undoubtedly means raising the bar for corporate conduct, particularly regarding ethics and integrity. Compliance focuses based on legal and regulatory compliance are insufficient when criticisms are raised, as in the case of activist CEOs.

Growing CEO activism around the world shows that we are facing a new leadership paradigm that goes beyond mere personal convictions. Society calls for large corporations to take responsibility for global challenges. The time for talk is over; now is the time to act.

**NEW NORMAL,
NEW TENDENCIES**

1

The COVID-19 effect: conversation territories in the New Normal

June 3, 2020

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Humanity may indeed have developed some formidable technologies for accumulating information, but the truth is, our memories remain very short. It has

only taken two or three generations to forget about the consequences of the poorly named “Spanish flu” that killed hundreds of millions around the world between 1918 and 1919. Tragic loss of life aside, that pandemic went on to revolutionize many aspects of society, culture and the economy by introducing structural changes in the ways people lived. We need look no further than Spain to see that it accelerated the role of industry, thus raising the country out of a farming economy; forced a transformation of waste management systems, which did not exist as they do today; and changed the way cities were designed, introducing large plazas to avoid crowds. Some studies even suggest that the pandemic had a decisive impact on World War I, with death and disease among hundreds of thousands of soldiers accelerating an end to the fighting and forcing a bad peace treaty (Versailles), which simply led to a second World War 20 years later.

We forget that, 100 years ago, a virus came and changed almost everything. History is repeating itself now, and a new virus has arrived in 2020 to shake up a society that we already thought was moving fast. Or so we believed, from atop our tower of stability. A fluid society and constant uncertainty loom over the horizon, and our ingenuity is only now being revealed.

With a hard lesson in humility under our belts, this report tries to highlight the big conversations we are seeing take shape. Some are mutating into something else, and several more we strongly doubt will remain as they are today. All of these conversations are and will be undoubtedly digital, because that is an inherent condition of conversation itself in today’s world.

Seeing the bigger picture may help readers navigate the rough seas of decision-making that surround the

issues impacting business: Where might regulatory decisions take us? What are my consumers concerned about? And what issues should I focus on in my relationships with my stakeholders? Nobody has all the answers, but we may be able to find a few of them together if we start here.

Maria Branyas is the oldest person in Spain. She is 113 years old. She lives in Olot (Girona, Spain), and she has just recovered from the coronavirus. She was born in 1907, so she lived through the Spanish flu as well. She recently said, "From the solitude of my room, fearless and with hope, I don't really understand what is happening in the world. But I don't think anything will be the same again. And don't think about redoing, recovering or rebuilding. Everything will need to be done again, and done differently."

Everything will need to be done again. We should listen to our elders.

To develop this report, we conducted 62 vertical analyses of territories and communities on Twitter (a total of over 180 million tweets), and we monitored trends over time in search frequency for keywords and key issues on Google regarding the territories of interest.

1. GLOBALIZATION VS. LOCALISM

The breakdown of globalization as we have known it for the last few decades has been in the cards since the 2008 financial crisis. Perhaps the coronavirus pandemic is the killing blow. International trade's expansion era had been dwindling since the beginning of the trade war between the United States and China, initiated by tariff impositions and departures

from international agreements. Now, supranational organizations have been unable to show usefulness in building a coordinated solution to the pandemic, which will leave serious wounds on multilateralism and international cooperation. This will be further exacerbated by national protectionist ideologies.

The following months may put into question the ways major corporations function, as well as their very natures. The pandemic has lent support to the protectionist and nationalist arguments (albeit for different reasons) of certain political leaders, such as Trump and Bolsonaro, by firmly committing to industrial sovereignty over production and value chains. Whereas Twitter conversations in this territory in April 2019 were full of hashtags about Brexit and Trump's nationalist posturing, COVID-19 and references to the supply chain are gaining popularity in the same period in 2020. These are interspersed with political slogans, and a more complex and argued conversation is being constructed.

The pandemic has driven conversations about company value chains toward a focus on greater resilience based on supplier diversification, as well as greater digitalization. This will enable them to deal with future disruptions. Beyond the structural effect on supply chains, however, the COVID-19 effect has another short- and medium-term impact: International tourism. It may be safe to assume that the mobility restrictions will be temporary, but we are facing a period in which action protocols and fear of contagion will be the main barriers to overcome: Bureaucracy, social distancing, order, waiting, processes... The free will normally associated with tourism will continue to

be constrained. In this reconfiguration, the most-developed countries could have an advantage in terms of demand when compared to exotic destinations, as healthcare systems are often less advanced in these locations, affecting travelers' perceptions of safety when they choose to go on holiday.

While the COVID-19 effect enables a reduction in the trade of physical goods and individual mobility, digital globalization might well gain popularity. Online relationships and services have demonstrated strength during this crisis, with teleworking at the top of the list. Nonetheless, this will be accompanied by the first major consequence: A reemergence of localism in an inverse process of globalization. The bureaucratic burdens on the exchange of goods and people are leading to attention and concern for what we have close by, including our neighbors, local produce and news from our own neighborhoods. All things nearby have proven useful and tangible during this crisis, which has contributed to a reassessment of the local social fabric. Neighborhoods are now leading the new scale of how service integration and emotional connections are measured.

2. THE WELLBEING REFORM

This pandemic has profoundly rearranged Maslow's hierarchy of human needs, built after the end of World War II. We are returning to needs we thought long since overcome, such as the need for physical safety and health, which are perhaps even more basic than the need to breathe – after all, we are sometimes scared to breathe in certain places. Therefore, the post-COVID concept of wellbeing has been widened at the base,

and these needs rise to the same level as personal care, aesthetics and nutrition. We can see it in the figures: Conversations about beauty have fallen by 62% when compared to last year, those about nutrition are down by 70% and those on wellbeing by 37%.

Furthermore, one subject that had been sidelined from the public agenda for too long has returned with force, and it is considered by many studies to be the next major challenge in healthcare management: The population's mental health in a post-traumatic situation.

Three important conversations on the topic of wellbeing are highlighted below:

- **Mental health:** The WHO has warned that confinement measures will increase depression and suicide rates among populations. Talk in the United States is already focused on a mental health pandemic over the next two years, with a high number of anxiety-related cases stemming from employment instability and uncertainty. One of the most interesting issues will be how companies and organizations protect and cultivate mental health among their employees. The national health system will also be a subject of major debate because, although there is agreement about the need for it to be underpinned, solutions are numerous, complex and extremely expensive. Governments are clearly not prepared to deal with a mental health pandemic.
- **Solidarity and cooperation:** Returning to more basic principles can also mean increased cooperation. This risk to collective health has demonstrated the strength of social networks in guaranteeing the

population's survival and wellbeing. It is very likely we will continue seeing social and business initiatives based on cooperation, support and solidarity.

- The new wellbeing: Industries related to physical care and beauty will evolve to incorporate health and hygiene into their business models. However, we may also see major impacts on areas such as architecture or urban planning in terms of how spaces are constructed and common areas used to create richer, more well-adapted and healthier environments. There will be new opportunities for the care industry, beauty, fashion, architecture and industrial design in developing new business and social networking models.

3. SENIORS AND THE IMPORTANCE OF CARE

It reads like a fiction story. Two months ago, we thought of the Baby Boomers (active people over 60 with savings for whom their age was not an issue) as a driving force behind the economy due to their investment in leisure and wellbeing, especially now that life expectancy is longer. However, there's nothing better than a dose of reality to put us in our place and force us to see the other side of the debate around seniors: Care.

Whether paid or not, care will be a major social issue in the years ahead. The crisis, combined with the 18,000 elderly people who have died in care homes and this population's extreme vulnerability to the virus, has proven how important an integrated care policy could be. The care economy accounts for 15% of Spain's GDP. According to the Care Work and Care Jobs for the Future of Decent Work report by the ILO, "changes to family

structures, higher care dependency ratios and changing care needs, combined with an increase in the level of women's employment in certain countries, have eroded the availability of unpaid care work and resulted in an increase in the demand for paid care work."

Looking at the figures, the care world may simply be seen as another area undergoing a transition process, moving from unpaid work by family members to paid work from outsourcing this care, and that the three pitfalls, two pending reforms and change of mentality listed below must be addressed.

The three pitfalls we may encounter are:

A new social class, but the same precariousness

According to sociologist Maria Angeles Duran, a new social class of caregivers and receivers has been created. She describes it as "an emerging social class consisting of 'those who care,' usually women who look after dependent elders without pay, rights or visibility." This segment also includes a high percentage of care recipients (more than 2 billion people) with a not insignificant impact on GDP (15% and rising). A 100% investment in this field could lead to the creation of 1 million jobs, which sounds like heavenly music in a situation such as this. But what sort of jobs are we talking about? Precarious, non-professional and unstable ones.

Relief for families

Paid care work seems like a relief for families suffering from a loved one's situation of dependency. However, the reality involves feelings of impotence, frustration and enormous guilt, which the news in recent weeks will only continue to highlight. In this Catch-22, it is just

as bad to outsource the help (guilt) as it is to not provide it (impotence). Dependency as the fourth pillar of the Welfare State is another of the pitfalls to navigate.

The gender issue

Unpaid care work is mainly carried out by women and, when talking about women's access to the labor market, one of the main gateways available to them is care work. So, women often provide care altruistically and do so precariously. It is a vicious cycle.

The two pending reforms are:

Welfare State and pensions

Over the coming months, we will be hearing a lot about how the Welfare State and pensions system need to be reformed. In Spain, the dependency rate is projected to rise to over 60% by 2033 and 75% by 2068. The existing productive system will not be able to meet the costs of such a brutal shift in the population pyramid.

Coordination between authorities and public-private partnerships

Among this crisis' many lessons is that the answer involves greater system transversality, from exchanging information to coordinating measures, optimizing resources and centralizing procurement. If viruses recognize no borders, policies to deal with them shouldn't either. Nonetheless, this reform is unlikely to take place.

The change in mentality about/toward the elderly involves reconsidering the value and meaning of life. With 30% of the world's population projected to be

over 65 in 2100 and a growing life expectancy, society's mental map of opinions about the elderly will need to be reconfigured. The meanings of life, work, leisure and all things aesthetic, as well as sexuality and identity, will need to be transformed over the coming years.

Organizations will be forced to reconsider their roles, with a focus on not only the adaptation of assets and services, but also on social contribution, including the importance of care and how we interact with one another in our most immediate environments. Consumers are looking to find a framework of brand values that forms an active part of the solution. Usefulness, generosity, commitment and the need to help one another is the new language for companies seeking to connect with people.

4. CRACKS IN EDUCATION

Education is another area that has been thrown up in the air by COVID-19. Nothing about this situation is new, but what feels like five years has passed in a matter of weeks. We will be talking about education a lot, and we will be talking about an education system that is expected to produce resilient and employable citizens. Resilience is the new humanism in an education sector fighting for the competitiveness of its offering while trying to manage five deep cracks.

Breaking away from physical spaces

In this COVID-19 crisis, 91% of pupils around the world (equal to 1.5 billion children and young people) have been forced to start learning from home. Technology has proven to be an essential ally in keep-

ing up with classes, leading to an access gap of around 10% in compulsory education and 3% in university education in Spain alone. Blended face-to-face and online learning has received the backing it needed over the last few weeks, and everything suggests that the 2020-2021 school year will be its debut year, although regional government authorities, schools and parents are showing reticence toward a model that has not yet been proven to work.

Breaking away from the figure of ‘teacher’

Educators have been going through a process of trial and error for years. Conventional classrooms don't work, and neither does conventional teaching. Memorization has been left behind, and gamification and shared knowledge have taken its place. From the all-knowing teacher, we have shifted to answers being available everywhere at the click of a mouse. Students no longer need teachers to acquire knowledge. Even so, teacher figures are more important than ever. Therein lies the challenge.

Breaking away from knowledge

This is all because education is also now a combination of skills and abilities. Knowledge, as static and linear boxes, has no value in a world that is constantly on the move and transforming. Functional, emotional and resilient citizens capable of understanding the complexity of its contradictions; of developing technical, applicable responses; of exercising emotional intelligence both on their own and with others; of being creative and collaborative are the new “Michelangelos” of this world. Now that we are physically distancing

ourselves from one another, it is more important than ever to build a community.

Breaking away from qualifications

Education used to be a continuous line, accumulative and limited by time. The concept of lifelong learning emerged as a figure of speech, but it eventually took hold to become reality in most productive sectors. Long and linear academic careers will not be competitive. Rather, pill-based learning with practical seminars, anti-master classes and short bursts will be what improves our functionality, capable of fitting into our professional and family lives while limiting the onset of obsolescence. This has led to the success of MOOCs (Massive Open Online Courses) and progress towards a singularization of education.

Breaking away from the promise of equality

Education will be experience-based, achieved through the use of artificial intelligence and virtual reality. This won't happen immediately and will take place at different speeds, leading to numerous debates around equal opportunity (perhaps the most relevant topic in the field of education) and the supposed "unfair" competition from new players in the sector (mainly technology and entertainment operators and platforms). The problem lies in the widening gap between economic classes and the disincentive the most vulnerable parts of society will feel toward education, with a growing trend of leaving school early. This will be seen in the dichotomy between public and private, between science and the arts, between central and peripheral. Each one of these cracks is opening

an equal opportunities gap that can only be faced through state policy that understands education as a lever for national competitiveness.

5. THE DEFINITIVE REINVENTION OF ENTERTAINMENT

This crisis has poured more fuel onto the fire in the entertainment industry, accentuating the problems and opportunities stemming from digitalization and the democratization of production and access to content. The conflict between digitalization and face-to-face experiences has heightened existing tensions between traditional industry models (based on controlling content licenses and their broadcast times) and new methods of consuming media. In the audiovisual industry, those who will suffer the biggest losses from COVID-19's impact will be the cinema screening chains, which have been fighting against new over-the-top (OTT) players, such as Hulu, Netflix or Amazon Prime Video, over screening windows for the past several years. Movie theaters now see their business being damaged not only by audience perceptions of insecurity, but also by the consolidation of on-demand consumption in people's homes. Most of the big players in production and distribution have sufficient streaming windows to make their products available to audiences, even during a pandemic situation like this. This situation is forcing the traditional screening industry to reinvent itself or possibly even ally with its competitors. This has been furthered by major events and awards, such as Cannes or the Oscars, which are starting to open their doors to new formats in their selection and screening criteria.

The problem is multiplied in the music world, which was already being dragged down by far more serious endemic problems. The industry already struggles with being unable to find a sustainable model that will allow them to survive while also responding to the realities of modern consumers. Until now, the streaming model sought to replace the traditional one, ruled by record labels that mixed artist management with a focus on live performances. Artists tend not to support switching to selling licenses to streaming services due to how little they are paid for it. However, while the rate of audiovisual content consumption on streaming platforms has continued to climb during the lockdown, the consumption of music on players such as Spotify or Deezer has fallen. This is coupled with disaster in the live performance industry, which will take far longer to recover given the difficulty of safely running concerts or festivals like the ones we've enjoyed up to now. The music industry, which was still trying to adjust to the digital age in 2020, will need to completely re-invent itself due to the effects of COVID-19.

In turn, gaming (which the cinema and TV series industries see as the main competitor for consumer attention) is coming out on top during the pandemic. However, that triumph is being offset by the growing e-sports industry's excessive dependence on large-scale events, which had previously been the main focus for brand investment. The vacuum created without these events is an opportunity for publishers and broadcast and conversation platforms such as Twitch, which brands had not utilized until now.

This pandemic leaves us with an entertainment industry that will need to accelerate its digital transformation and overcome its excessive dependence on

face-to-face experiences. They will be competing with the rising production and consumption of user-generated content, with platforms like TikTok gaining traction. The emergence of useful entertainment, with a special focus on wellness content, will also provide brands with food for thought. Until now, brands have been highly focused on traditional sponsorship models that focused on major physical events. Diversifying away from this model will create even more opportunities for branded content.

6. GREEN ECONOMIC RECOVERY?

Over the last decade, strong progress has been made in terms of raising awareness about climate change. The ecological agenda has made inroads into politics, the economy and society with a rare level of efficacy thanks to strong warnings from civil and scientific organizations regarding the climate emergency we face. Following the Paris Agreement in 2015, which offered the first global framework for reducing greenhouse gas emissions, the countries involved got to work and were making significant progress. Then came COVID-19, which has put the whole world on pause. In a scenario of economic recession, classic economic theory leads us to conclude that private investment will slow, especially nonessential investment. Similarly, the expectation is that governments' ecological agendas will need to be less ambitious, and issues that increase pressure on companies (such as green taxation or political incentives) will be relaxed.

Contrary to this theory, we are seeing a growing phenomenon of pressure to intensify these practices, which may position the ecological revolution as a lever

for economic reconstruction. Several European countries have already signed the Green Recovery Alliance. In turn, the European Commission itself has positioned its European Green Deal project as one of the most powerful reactivation tools. The Spanish government also seems to be heading in the direction of ecological reform: It is working on a growth and progress model based on balanced use of renewable resources and on recycling nonrenewable resources. There will, of course, still be a great deal of disagreement with extreme positions on the ecological transition as policymakers seek to leave room for measures that alleviate the economic stress placed on companies.

For the time being, conversation analysis shows a sharp decline in conversations about sustainability and climate change. That is entirely to be expected, as COVID-19 dominates online conversation. When we return to a certain degree of normalcy, perhaps we will see a more polarized conversation. Supporters of the ecological agenda will likely present it as the right way forward, while other groups may become more active in defending the economy/ecology dichotomy.

That same ecological tension can be seen in other layers of the conversation. Many companies will find support for their green positions under these circumstances, and it may be a way to stand out in their category: Fewer processed foods and products, more sustainable production and commercialization processes. This can turn into conversations about how this health crisis is returning our attention to nature and highlight the importance of buying better quality products, even if they are more expensive. However, the economic recession is making buying sustainable

products less accessible, as these products are also less affordable.

Plastic products and packaging are an example of this battle. Disposable plastics have proven extremely important to preventing the spread of disease amid a global push to discourage their use because of how they pollute the environment. It is likely that plans to impose a tax on disposable plastics will be delayed, but will eventually move forward. Manufacturers will become polarized, shifting into those that delay their own green revolutions and those that accelerate it because they see it as a commercial opportunity.

2

From relating at a distance to success: the keys

Sept. 2, 2020

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“The first thing we decided was that ‘it won’t just be a giant Zoom meeting,’” producer Ricky Kirshner explained to Variety magazine when they asked him about the challenge the Democratic Party had presented to him and his partner, Glenn Weiss: To organize the first-ever party convention using an entirely virtual format.

It is easy to imagine the pressure these experienced producers (who were responsible for the 2019 Tony Awards Ceremony) were under at the time. In such a hotly contested presidential campaign, Joe Biden’s team needed an event that would surprise, excite and involve the voter base, as well as those on the fence

and even some conservative voters. The formulas for party conventions had remained unchanged for decades in both U.S. political culture and in most democracies. Although they were designed to be communicated via the mass media and ultimately via social media, their magic historically lay in the chemistry between the speakers and the thousands of delegates and supporters gathered at the venue. Everything else, including the production of the show itself, has typically been aimed at amplifying that magic and bringing it to all corners of the country.

Sadoux Kim and Chuck LaBella, who answered the Republican Party's challenge, also had a tough task ahead of them. In their case, the people behind "The Apprentice," the TV gameshow that popularized Donald Trump, were asked to organize the event like a vibrant and spectacular television show despite the fact that the speakers would be surrounded by fewer people.

Results aside, both teams did extraordinary jobs in terms of the unprecedented and unparalleled nature of the task. Both understood the need to all but start from scratch to get it done, and both needed to combine knowledge and planning with improvisation, given the lack of precedents on this scale.

AT COMPANIES

Millions of business leaders around the world put their businesses on the line every day at critical meetings. They have risen to where they stand today by preparing themselves and their organizations to persuade an employee, client, investor, regulator or partner during negotiations, which either prosper or fall by the way-side. From handshake style to clothing choice, from

using multimedia resources to controlling nonverbal communication, this preparation has always taken place within a context where those relationships would eventually be forged face-to-face.

The world of business has always quickly adapted itself to consider every remote communication tool an important accessory to the sustainability of brands, products and service globalization. However, it has always made enormous efforts just so that each vital contact, on which the future of a specific project might depend, can take place face-to-face when the time comes.

THEN THE PANDEMIC ARRIVED

Entrepreneurs had to accept that the final push to sell their proposal would have to take place via screen; investors had to acknowledge that knowledge about the leaders providing an opportunity and the subsequent negotiations would now take place entirely remotely; CEOs had to make their peace with holding talks with authorities to decide on key business regulations via video call; marketing and sales directors had to accept that the product launch event they had planned would have to take place on a virtual stage. The same thing happened with team collaboration, the hiring and management of essential talent, acquisitions, customer services and, in general, every critical business process in which interpersonal relationships are fundamental.

We were all forced to move from using technology in a supporting role to using it exclusive in record time. Through a joint effort (and surprisingly “easily”), we managed to ensure that initiatives did not stop in their

tracks simply because we were unable to see each other face-to-face.

CLEAR ADVANTAGES

During this process, we have seen certain elements, such as investment roadshows or company investment selection processes, benefit from significant positive factors. The positives most commonly cited by consultants, investment funds and investor relations directors involve the costly travel arrangements and increased organizational complexity these types of activities had called for in the past. These trips often led to the loss of highly valuable time for the most senior teams, as well as an impact on organizations' daily operations.

Something similar is happening with company board meetings. Virtual formats have brought advantages to the table beyond the savings obtained from reduced travel expenses. The main advantages CEOs and board members highlighted refer to meeting design (a more executive format with shorter agendas), the incorporation of prior debates on digital platforms, a greater use of cloud-based documents, the ease with which external guests can be invited to meetings and the possibilities today's technology offers for dividing meetings into smaller debate groups at any time. This even includes one-on-one discussions, and these easy breakout groups can contribute to richer, more in-depth debates, as well as build trust between board members.

Even in company conferences, one of the business practices most heavily impacted by the restrictions, advantages can be seen in the switch to virtual models. During the pandemic, numerous meetings have

committed to virtual reality technologies, leading to excellent results. A perfect example of this is the “Laval Virtual World,” an annual meeting for the AR/VR industry. For the 2020 edition of this event, held in April, 11,000 attendees took part, 150 conferences were held, dozens of parallel meetings were organized and contact in the virtual medium was promoted among thousands of professionals. Again, the foreseeable cost reduction for organizers and attendees was boosted by other advantages stemming from this format’s flexibility, including more networking time and fluid conversation dynamics during the talks, which were supported by chat platforms, discussion forums and online collaborative work tools.

AND SOME NEGATIVE IMPACTS WE MUST CORRECT

Engaging in a debate by videoconference or giving a talk at a webinar is exhausting. We already knew that because we have been doing it for years whenever circumstances have required. Nonetheless, we have now seen that shifting all interactions to this medium is tiring.

We also knew these long-distance communication formulas were unsuitable for certain decision and co-creation processes. Being forced to rest the entire weight of our activity on these techniques has led to frustration, often simply due to the fact that this was supposed to be only a temporary requirement, that has been shelved away.

Our teams and everyone on which our projects depend (our stakeholders) feel the effects of both the positive and negative, and by extension, so do our businesses. The ongoing use of these practices due to

the pandemic's persistence and our collective desire to harness technology's advantages both pose major challenges. Exhaustion and frustration can undermine the health of relationships, challenge organizational cultures and threaten the critical company processes that involve socialization and trust.

THE LESSON TO BE LEARNED FROM THE DEMOCRATIC AND REPUBLICAN CONVENTIONS

Now that this new normal is here to stay, redesigning our approach to all such meetings should be added to the discussions surrounding the turning point. Our long-term solution cannot simply be to copy what we used to do at face-to-face meetings in the virtual world.

CULTURAL AND ORGANIZATIONAL

This is no small challenge. Rethinking is easy; relearning is a devilishly tricky task. Introducing a new process or tool requires enormous effort from any organization. Resistance to change, which we have thousands of pages dedicated to seeking a solution for, continues to surprise with its ongoing persistence. Forgetting a routine we had settled into requires questioning the principles on which it is based, and human beings need a long time to deal with that.

But time is the one thing we simply do not have. We did not have it before this crisis hit, we did not have it while dealing with it in its early stages and we will not have it as we address the overriding need to resolve the situation.

Hence, cultural issues represent one facet of the problem. Companies that have understood this are rolling out programs to train their professionals,

starting with minor changes that will lead to sizeable positive impacts.

TECHNOLOGICAL

Alongside this, technology has made things both easier and more difficult. We already had the tools, though most of them lacked what they needed to put them at the heart of the business world's interpersonal relationships.

Providers have reacted with dizzying speed, embarking on a race to improve their services. They have produced an arsenal of new functionalities from their labs; renewed their admin features, operational approaches, usability and interconnection features; and encouraged their partners to innovate based on their products' core features. The following have been among the most highly sought-after and actively used technologies during the pandemic:

- VR/AR platforms. The expectations placed upon them and their use have changed due to the need to recreate a multitude of scenarios, ranging from events and exhibitions to concept testing and co-creation workshops, etc. We now have new virtual reality spaces and interactive content, as well as connectivity with other virtual platforms and collaborative work environments.
- Videoconferencing. The most relevant groups in the market have launched new types of videoconferences designed to fill a number of needs. For one, they work to make interaction easier by providing options for speaker turn management, prior content preparation, debate facilitation, splitting participants into groups, separate meetings,

one-on-one communication options and translation/transcription systems. They have also developed tools to better share content (using different screen formats and better integrating multimedia content), manage deliberation dynamics (through vote management, commentary and parallel groups) and quickly manage video and sound through mute and camera shortcuts. These groups have also worked to create tools that improve explanations and the “look & feel” of meetings, including virtual boards, post-its, mind maps, backgrounds and more, as well as integrate virtual conferences with the collaborative work tool universe (links to the cloud).

- Webinar platforms. This virtual meeting format has renovated participation dynamics, speaker management features, multimedia system connectivity, simulation and training support incorporation and groupware and CRM integration during the course of the pandemic. It has also worked to provide parallel forums and rooms; coexist with different browsers, audio and video apps and hardware; manage and track guests and attendees; and offer options to personalize features, ranging from backgrounds to the menu items available to organizers, speakers and participants.
- Collaboration and knowledge and project management. Just like with videoconferencing and webinar platforms, these efforts have included instant messaging and collaboration features focused on making teamwork easier by doing what they are designed for – incorporating communication options via video and other media.

- Presentation services. Alternatives to classic slide-shows are also offering new options, designed for remote use. They are strengthening their features to display graphics and videos more easily, encouraging integration with other collaborative tools and rolling out dialogue functionalities around the presentation content.
- Deliberation platforms. Based on the need to simplify and implement decision-making at meetings, many of these services now offer modules that integrate with the abovementioned systems to facilitate idea and opinion collection and find ways participants can prepare, evaluate and even vote on possible alternatives. This represents an excellent addition to the other models.

However, by focusing on these technologies, providers have not prioritized many of the technologies we need to help make remote communications less exhausting and frustrating. This is to be expected. They have not had time either. What we needed was greater collaboration between mathematicians, IT specialists, designers, communicators and users to intelligently decide the order of priorities for those new features, as well as determine how to implement them for everyone.

This was exacerbated by the fact that the pandemic has clearly highlighted the current flaws in the networks, security and hardware devices we have in our homes, as well as the rigidity of many corporate systems, which has prevented the interoperability of these tools. It has also revealed a lack of knowledge and skills among users, which prevents them from tackling even the smallest challenges that come with using IT systems.

This means there is a technological facet to the problem that cannot be avoided.

Attempting to tackle these cultural and technological facts separately makes no sense at all. Neither does it make sense to tackle them together under a single megaproject.

Organizations must find a middle ground that will help us rapidly improve without holding us back. Multidisciplinary collaboration is an essential part of this solution.

FOR PROGRESS

Many opinion leaders have agreed that the pandemic has led to unprecedented progress in the use and roll-out of interpersonal relationship technologies. Most professionals have been surprised by the relative ease with which virtual routines have been developed, especially as organizations used to put up enormous resistance to these ideas. Furthermore, we have all seen the interesting advantages that have resulted from doing so: Time and cost savings; greater transversality within teams; accessibility to stakeholders that otherwise seemed out of reach; and a cultural change that fosters collaboration, process traceability and, strangely, trust.

These results seem to confirm that many of these new routines, which have been taken up en masse (and not only by early adopters), are here to stay. With that in mind, efforts should continue along these lines:

- Identify the contact points we maintain with our stakeholders.
- Establish the common elements in the experiences we want to offer our stakeholders.

- Systemize the review of technologies that best suit our objectives in order to monitor their constant update process.
- Define the essential skills and abilities needed by our team so interpersonal communications can be as effective as possible, as we all need it to be.
- Map the problems that lead to exhaustion and frustration among users.
- Design and roll out new dynamics and functionalities through pilot projects to experiment with them and measure the positive impacts they have on both the people we are speaking to and our ability to achieve the goals we set ourselves.
- Prepare our organizations to harness those practices, without undervaluing the effort involved in the relearning process.
- Provide ourselves with a set of indicators that encourages us to further develop the dynamics that offer good results and eliminate those that do not bring added value.

If we can understand how much our businesses depend on switching from mere adaptation to anticipation, we will engage in these tasks with a sense of urgency and the correct resources.

Only then will we be able to truly harness all their advantages, minimize their disadvantages and better compete. We will also make a virtue of need, an area where organizations have always been more successful: We will contribute to cultural change according to the times in which we are living, we will reduce the overexertion that improvised adaptation generated, we will reduce anxiety that we have suffered over the revolution in daily operations and we will do it all while strengthening everyone's confidence in our projects.

3

Vaccines and anti-vaxxers, the challenge of transparent communication

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In the history of public health, drinking water and vaccines are recognized as two great contributions toward disease prevention for humanity. Without a doubt, vaccination considerably reduces morbidity, disability, mortality and inequality around the world, reducing poverty and closing gaps in social inequality.¹

However, some skeptics, with no scientific basis, have become part of an anti-vaccine movement.

¹ OMS (2008). La vacunación reduce considerablemente la morbilidad, las discapacidades, la mortalidad y las inequidades en todo el mundo. Available here: <https://www.who.int/bulletin/volumes/86/2/07-040089-ab/es/>

Popular Spanish singer Miguel Bose drew attention to this when he published a string of five anti-vaccine tweets that sought to halt COVID-19, the installation of 5G mobile phone antenna, Bill Gates and the Spanish government's cooperation with Gavi, the Vaccine Alliance (Gavi). According to Bose, he came out to the world as an anti-vaccine activist (an "anti-vaxxer") through this viral tweet, saying all these concepts have something in common – they form part of a supremacist plan "to obtain all sorts of information about the world's population in order to control people."

Share- price performance



Note: ADR performance shown for AstraZeneca and BioNTech
Source: FactSet

The World Health Organization (WHO) has classified anti-vaccine movements as a threat to the progress attained to date in fighting preventable diseases.²

Despite the scientific evidence that proves the efficacy and need for vaccines, the anti-vaccine movement has attracted great attention by promoting unfounded theories that some people find credible. For these followers and others, fear of mortal diseases has been replaced by fear of vaccines' secondary effects and the mistrust inspired by vaccination conspiracy theories. In fact, in a recent communication, the WHO and United Nations Children's Fund (UNICEF) warned of an alarming decline in vaccine use and the corresponding negative impact on public health.

Paradoxically, the need for a vaccine to tackle the COVID-19 pandemic places the value of vaccines at centerstage once more. Institutions, governments and companies are committed to developing a vaccine to not only to contain the disease, but also to alleviate the global economic problem caused by the pandemic.

Financial speculation regarding progress on research into vaccines to combat COVID-19 has also surprised many people, leading pharmaceutical companies to impressive capitalization levels. According to figures from financial experts, five companies with vaccine candidates have increased their market capitalization by US\$50 billion.

GIVEN THIS, A SERIES OF QUESTIONS HAS ARISEN

- Is a new communications approach required to strengthen the social and economic benefit of vaccines?

2 <https://www.who.int/news-room/feature-stories/ten-threats-to-global-health-in-2019>

- Is the anti-vaccine movement, which seeks to erode public institutions, achieving its goal?
- How can someone with full access to information come to believe that vaccines form part of the plan of an elite group seeking to control the world?
- What can companies and organizations do to incentivize vaccination?
- What communication and public opinion challenges are facing health authorities?

BETWEEN THE SOCIAL BENEFIT AND THE ECONOMIC IMPACT

According to the WHO, Gavi and the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA), vaccines are the most cost-effective way to save lives and promote good health and wellbeing to prevent disease, death and incapacitation.

From the almost complete eradication of diseases such as polio to the successful distribution and mass application of the pentavalent vaccine that protects children from five diseases, vaccination has led to a generation of children with much greater chances of survival than previous generations had. At present, vaccination prevents 2-3 million deaths per year, and since 1990, it has managed to reduce the mortality rate in children under five by 52%.³

According to Gavi, more than \$150 trillion was generated in economic profit between 2000 and 2017. Furthermore, the WHO study that measured the economic impact of vaccination from 10 diseases in 73 countries between 2001 and 2020 concluded

³ OMS. (2019). Cobertura Vacunal. Available here: https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200325-sitrep-65-COVID-19.pdf?sfvrsn=2b74edd8_2

that immunizing the population would prevent more than 20 million deaths and save US\$350 billion in costs to treat diseases.

In the case of the Americas, the Pan American Health Organization (PAHO) reports that six preventable diseases have been eradicated thanks to vaccination,⁴ which shows the efficacy of vaccines and their social contribution.

A large number of scientific and health organizations have confirmed the value of vaccines. The Center for Disease Control and Prevention (CDC) highlights vaccines as being essential as safe and proven protection from disease, stressing that serious secondary effects after vaccination are extremely rare.⁵

A CRY OF ALARM: DECLINE IN THE USE OF VACCINES

UNICEF and the WHO warned of the alarming reduction in the number of children in the world receiving essential vaccines. According to these organizations, this interruption in the supply of vaccines threatens to reverse the progress achieved in public health over recent decades and enhance the likelihood of future disease outbreaks. Many people reject vaccines on ideological grounds due to a lack of confidence in health systems and medical staff or even oppose the introduction of substances to a healthy person's body. According to some medical experts, the coverage problems are more due to social exclusion and poverty than ideological reasons or anti-vaccine movements, since, according to data from the WHO, U.S. FDA and European Medication Agency, there is no

4 OPS. Semana de Vacunación de las Américas 2020. Available here: <https://www.paho.org/es/campa%C3%B1as/semana-vacunacion-americas-2020>

5 <https://www.cdc.gov/vaccines/parents/FAQs.html>

evidence that vaccines cause autoimmune diseases or risk of death.

COVID-19 HAS TURNED VACCINATION INTO A CHALLENGE

Despite all the proven benefits of vaccination for public health, things are not going well for manufacturers or organizations, and far less for the beneficiaries of vaccination. According to a survey carried out by UNICEF, the WHO and Gavi, three-quarters of the 82 countries that responded confirm that vaccination programs have been interrupted due to the problems caused by COVID-19. This is because of several factors, including people's inability to gain access to services, resistance to leaving home, the suspension of transport systems, economic difficulties and movement restrictions. The fear of the spread of SARS-CoV-2 is one of the main reasons behind the decline in visits to vaccination centers. However, immunization coverage dropped off by 85% for DTP and measles vaccines even before the emergence of COVID-19.

Preliminary data for the first four months of 2020 points to a significant decline in the number of children who complete the three doses of the vaccine against diphtheria, whooping cough and tetanus. This will be the first time in 28 years that the world has seen a decline in vaccines on this scale.

THE ANTI-VACCINE MOVEMENT'S INFLUENCE

Saying no to the vaccine, no to the 5G antennas, no to Bill Gates and calling themselves the resistance, all seen among some representatives of this movement, seems to have been taken from a dystopian film.

Thousands of people around the world, including health and religious groups, politicians and even scientists, claim that vaccines and vaccinations are more harmful to humanity than the benefits they can provide. The anti-vaccine movement is primarily growing on the internet, with activists at times including highly influential figures such as Donald Trump, Jim Carrey and Luc Montagnier, winner of the Nobel Prize for Medicine Prize in 2008.

The reality is that we are at a key moment in time for this type of movement. With so much information and misinformation moving so quickly, it is easy to get confused.

At what point did the anti-vaccine movement become so influential, both in terms of communications and current affairs?

Since Edward Jenner coined the term “vaccination” in the 18th century and proposed inoculating people with one virus to protect them from another, there have always been those who have sought to discredit the vaccination process. Hence, the origin of anti-vaxxers can be traced back to the birth of vaccination. This is not a new group in the life of society, since our way of thinking, based on duality, leads to a simple truth – if thing A exists, then an anti-thing A probably also exists. When you add the success of fake news or the post-truth phenomenon to this, we have the perfect breeding ground to generate doubt.

ANTI-SYSTEM, ANTI-VACCINES

Since its origins and until just a few years ago, the anti-vaccine movement has been a constant force,

whether for religious, political, family, philosophical or other reasons. The debate around vaccination has also been present beyond stories of success or failure. Being an anti-vaxxer has become a hallmark, specifically an anti-system identity.⁶

When revising materials and theories on the main anti-vaccine campaigns, connective patterns emerge: Theories against 5G technology, a conspiracy of large pharmaceutical companies and the domination of renowned figures such as Bill Gates and George Soros, among others. The common denominator of all these narratives is that “the system” tries to control or manipulate people at large. Accordingly, a chain of beliefs is created which, when you accept one, leads you to believe in the others. For example, if someone begins to search for theories on 5G on Google, they will start to find arguments against vaccines and vice-versa. In other words, being anti-vaccine increasingly appears to be more anti-system.

HOWEVER, THE WORLD IS WAITING FOR A VACCINE: PROGRESS

Now that we are facing an unprecedented pandemic, the world’s attention is on the search for a vaccine to control the spread of the virus and how we can provide equal access to it. In a matter of months, some pharmaceutical companies developed research plans to find solutions using new technologies, harnessing public-private alliances. Laboratories, researchers and universities have mobilized to discover potential vaccine candidates, some of which are now undergoing clinical trials.

⁶ <https://www.historyofvaccines.org/content/articles/history-anti-vaccination-movements>

Preliminary data on three potential vaccines was presented as positive at the end of July. Two studies, one by AstraZeneca and Oxford University and the other by the Chinese company CanSino, were published in the magazine *The Lancet*. Both show an immune response in most recipients of the experimental vaccine. In addition, the German company BioNTech and Pfizer reported that their vaccine candidate neutralized viral antibodies after two doses. U.S. company Moderna also reported on its preliminary results and has begun a final phase to test the vaccination's effectiveness against COVID-19. This pharmaceutical company's vaccine is the first outside of China to reach these levels; testing has now begun on 30,000 volunteers.

Many experts and pharmaceutical companies with long histories in the vaccination business have stated that it is too soon to draw conclusions from the data currently available, saying the phase the most advanced experimental vaccines are currently at is critical to showing security and efficacy in a large portion of the population. Some predict a vaccine may be available by mid-2021. Despite this, the price of AstraZeneca shares rose by 10%, but dropped to close at only 1.45% up from the opening price. Similar situations have occurred with other companies. Too much information is available about the preliminary results, and there is a great deal of speculation on the possibility of discovering a vaccine this year, as well as on its price and on who will have access to it.

Developing the vaccine is a challenge; convincing people to use it is another

A survey published by CNN in the United States indicated that one-third of North Americans surveyed

would not use the vaccine against SARS-CoV-2, even if it were widely available. The results also showed that some people are skeptical of all types of vaccine, perhaps because the anti-vaccine movement has been successful. Others do not believe the vaccine will be safe because it is being developed in record time, while still more believe policy has contaminated the vaccine's development and are thus reluctant to use it. All of this could be due to lack of confidence in light of all the information and misinformation in circulation.

A new communications approach is necessary, and the health authorities must recover their leading role.

Aside from the presentation of the preliminary clinical results and increase in the market value of companies that research and manufacture vaccines, society must once again be convinced of the usefulness of vaccines. Companies must take advantage of this historic moment to reconsider their communications, because while it was previously the responsibility of governments to organize vaccine workshops and convince people to attend vaccination modules, this now requires an approach based on confidence, forging transparency and highlighting the value of science.

4

The health revolution: from “wellness” to “wellbeing”

Sept. 30, 2020

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It is no secret that COVID-19 has resulted in disruption and sweeping changes throughout all areas of our personal and professional lives, something that has naturally been very stressful. And in response to this sense of anxiety, there has been a swift and comprehensive shift from “wellness,” an individually-focused concept, to “wellbeing,” a more holistic vision that touches all people and industries across societies.

This is fairly new territory. While wellness is not an entirely novel concept, the move to wellbeing has meant that all of society is now being asked to get involved. Consumers now expect everyone from employers and brands to schools and industries to participate in social wellbeing, a drastic change from the reality just a few short months ago.

WELLNESS IN THE PRE-COVID WORLD

Wellness has been a societal concern for some time, as can be seen in the rise of personal health practices; growing legislative movement around health; push toward destigmatizing mental health issues; and takeoff of the fitness, spa and self-help industries.

For example, the number of Americans practicing yoga rose from 20.4 million in 2012 to 36 million in 2016, and a number of cities and countries passed soda tax laws between 2011 and 2018. Global Wellness Day was first introduced in 2012, and it has been celebrated every year since. And more broadly, after growing by 12.8% over the past two years, the wellness industry now accounts for more than 5.3% of the global economy.

This new industry has had more wide-reaching implications as well. Its foundation (and growth) seems to have “freed” companies working in other sectors from the obligation of placing stakeholder wellbeing at the center of their activity. Instead, these concerns were left to the wellness industry.

HOW COVID CHANGED THE GAME

As the world comes to grips with the first global pandemic of this nature in recent history, there has been

much speculation about what we have learned, what we consider essential and the aftermath it will leave. At the heart of all these arguments is the universal opinion that the wellness (and moreover, wellbeing) of students, parents, children, partners, workers, survivors and carers is absolutely fundamental to recovery.

Without societies' – and businesses' – capacities to holistically focus on people's wellbeing (including physical, emotional and spiritual health), creating safety nets to allow citizens to return to work (or any other social arena) and be productive will be almost impossible.

Governments are assuming responsibility for putting programs into place to support citizen wellbeing, but all aspects of the private sector are also being expected to contribute to these efforts. Wellbeing has become truly:

- Multistakeholder, with employees, not just consumers, at the center of it.
- Multisectorial, affecting all sectors and brands regardless of the products or services they offer.
- Multidimensional, which is why we have moved from talking about “wellness” to talking about “wellbeing,” which includes dimensions such as the mental and financial, among others.

This new, broad focus on has caused people's expectations to quickly shift. Now, corporations (whether in the health sector or not) are expected to take a position on wellness matters that affect all their stakeholders, including both employees and consumers at the center of it.

But the view on what this “wellbeing” society should promote has also changed, moving from the simply physical (providing tissues in public spaces, allowing

sick leave or encouraging proper eye care) to become a holistic concept that encompasses physical, mental and emotional wellbeing.

These “beyond-the-physical” areas of wellness can be broken down into several key categories:

- Social: Developing a sense of connection, belonging and support with others in the community.
- Spiritual: Finding meaning in life events, demonstrating individual purpose and living a life that reflects your values and beliefs (discovering a sense of purpose).
- Environmental: Maintaining good health by occupying pleasant, stimulating environments that support wellness from the outside in.
- Emotional: Coping effectively with the pandemic’s stress, maintaining a proper work-life balance and holding satisfying relationships (as well as keeping a positive attitude).

But the pandemic has done more than accelerate existing trends in wellness. It has also created new ones or changed what existed so drastically, be it in terms of scope, action or audience, as to make it more useful to talk about these trends as being new. We must all be aware of these changes as we work to address wellness in our own local realities.

- Sanitary security. While there was a preexisting trend around strengthening your immune system and avoiding illness had always been important, it has never before been such a global concern.
- Health as an aspect of corporate responsibility. In this context, wellness and health very quickly moved from each individual’s personal responsibility to something businesses were not only societally

expected, but also legally mandated, to take on. Mask mandates, face shields, gloves and other protective measures appeared almost overnight, and are here to stay for at least the time being.

- Anxiety and fear. Beyond the direct effects of the pandemic, it has also created an atmosphere of heightened anxieties for us all, leaving people worried about their wellbeing on a number of axes – health, financial, etc.
- Lifestyle changes. Wellness-focused lifestyles are not a new concept, but the pandemic has changed who is adopting them. Many people have introduced new patterns or habits into their lives, including around what they eat, how they relate and how they spend their time, among other things. This is in part due to the long lockdown and the time it gave people to experiment, and in part a response to the sanitary security and atmosphere of anxiety and fear.
- Digitalization. When the physical world went into lockdown, society moved to the digital space. This was one of the most important responses to the restrictions on physical contact and fear of the contagion's spread.
- Individuality. As people are forced to socially distance and isolate from one another, there is more individualization in certain habits and customs that were previously social affairs.

BRINGING WELLBEING INTO YOUR BRAND (AND COMMUNICATING IT)

The vast majority of global consumers trust the private sector more than they trust any other institution, including media, government and NGOs. This presents

a tremendous opportunity for brands to go beyond storytelling and move into storydoing – meaning actively communicating the initiatives they are undertaking based on what is most important to their local communities, taking a multistakeholder approach.

As such, now more than ever, every company in any industry needs an inspiring narrative that transcends its products and services. This should be a priority for all areas, not just the traditional wellness businesses of nutrition, tourism, personal care, beauty and fitness. Whether wellness is the focus of your business or entirely new ground, brands need inspiring, action-backed stories capable of generating confidence.

First, however, we must look at some of the key areas of wellbeing most relevant to stakeholders during this turbulent time. While there are many aspects to this, including food, nutrition, travel, personal care and others, some are much more broadly applicable to brands, including:

- **Mental health.** While this is often thought of as an individual issue, collective mental health is also extremely important – and the pandemic has turned our world into a breeding ground for disorders such as anxiety, depression and even post-traumatic stress.
- **Environment.** An area intrinsically linked to brick-and-mortar business, the physical environment available has changed rapidly in less than a year. The increase in distance work and need to ensure safety has changed how businesses look, leaving open questions such as what the “new normal” will be like in these places where people spend so much time. Even those places that have kept

their doors open have seen major environmental changes, many of which only highlight the differences between our world today and what normal life used to be. Finding an “escape” has become increasingly difficult.

- **Resocialization.** This important process is about reacclimating ourselves to living and working together after (or during, depending on location and outbreak pattern) this time of social distancing. Many people are craving community, and creating this sensation from afar is not easy.
- **Digital disconnection.** It is more urgent now than ever that we find ways to disconnect, especially with so many working from home. Consumers and employees alike are demanding businesses contribute to the awareness of the effects and risks associated with hyperconnectivity, which COVID-19 has drastically accelerated.

But if society is expecting brands to contribute to wellbeing and take an active role in supporting their stakeholders along these axes (and they are), the natural next question is, “How?” Some of these answers are clear – for example, the necessary physical safety precautions are well-covered by governments around the world – but some are more difficult to grasp.

Some of the steps to consider are laid out below.

Step 1: Make sure you have a good narrative

Now is the time to communicate beyond your typical products and services. Consumers and stakeholders of all kinds are expecting more from companies, making it important to dedicate time to developing an inspiring narrative with a strong focus on wellbeing.

In this, a human and personal approach is more important than ever. Society is demanding empathy and authenticity in all communications, and finding ways to organically incorporate and address some of the above issues will help you as you incorporate wellbeing into your brand image.

Step 2: Connect with your stakeholders

It is no news that there are constant conversations going on among your stakeholders, but it has become increasingly important to connect and engage with these discussions. This involvement will not only help build brand relationships, but also increase your understanding of their priorities and concerns in terms of their own wellbeing.

Once you know the areas most important to them, it will allow you to act intelligently to incorporate wellbeing into your brand promise.

Step 3: Build content for a clear purpose

While evergreen content is an important component of any strategy, our extreme times call for purpose-built content that focuses on how it can help your stakeholders. During this stressful pandemic, people are naturally drawn to what can provide comfort, stability and reassurance – in other words, to things that enhance their wellbeing.

Developing content that has been tailored to your stakeholders' needs to accomplish this goal will help you cultivate brand loyalty and produce content that creates an impact, as well as links your brand to the all-important concept of wellbeing.

Step 4: Grow your tribe and cultivate trust

Trust is paramount, and brand ambassadors have always been important to cultivating it among stakeholders. The pandemic has only enhanced this reality. Now, your network of ambassadors – including both employee and consumer stakeholders – is key to helping your brand incorporate the concept of wellbeing and weather this storm.

After all, it is important for stakeholders to feel as though your brand does, in fact, have their wellbeing in mind, whether you do so explicitly or implicitly. Your narrative (what you say) will go a long way toward reaching these groups, but it is your actions (what you do) that will ultimately convert stakeholders into ambassadors. To do this effectively in today's world, your brand must show a focus on wellbeing.

Throughout the process, it is key to ensure your stakeholders know your brand is interested in and committed to their wellbeing. To properly communicate this, it is just as important to listen to their needs as it is to take action. The brands capable of placing wellbeing at the center of their activity, treating it as much more than just another launchpad for communications, will be better placed to shine in today's uncertain and challenging environment.

AREAS FACING A NEW REALITY

1

COVID-19: What about tourism?

July 29, 2020

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The COVID-19 pandemic has thrown the world into an economic crisis of unprecedented magnitude since this era of globalization began. Governments in every country on the planet have had to adapt their social dynamics, close their borders and impose quarantines. Tourism has been one of the industries hit hardest by these various measures.

The World Travel & Tourism Council (WTTC) estimates that the economic impact on the travel and tourism industry will be five times higher than the impact of the financial crisis that engulfed the world in 2008. A total of 31% of tourism jobs (based on 2019 figures) are expected to evaporate, meaning 100.8 million peo-

ple who depend on the industry will be left without employment. The slice of global GDP represented by tourism will also shrink by just under one-third, going from 10.3% to 7.2%.

These forecasts reflect the current situation in an industry that, according to the World Trade Organization (WTO) and the World Tourism Organization (UNWTO), stood third on the list of global exports in 2018, behind chemical products and fuels and ahead of the automotive industry and agri-food products. In the last seven years, international tourism produced more revenue than the goods export industry.

But now, this hugely significant contribution to the global economy has been enshrouded in a strong sense of uncertainty. Even so, tourism is a resilient industry that will eventually recover through collaborative effort, as well as digitalization and process innovation. 2020 will go down in tourism industry history as synonymous with challenge, learning and reinvention.

LET' S RECAP WHAT WE'VE LEARNED

The travel and tourism industry, which accounted for 10.3% of the world's gross domestic product (GDP) in 2019 and employed 330 million people, has successfully survived regional crises stemming from events such as the terrorist attacks on the Twin Towers in New York on Sept. 11, 2001, the SARS outbreak in southern Asia in 2003 and the H1N1 flu outbreak in the Americas (mainly Mexico) in 2009, to name a few.

The common factor shared by all these cases and the situation we see today is that the challenge lies in regaining traveler confidence. However, the scenario is far more complex now for two reasons:

This crisis is global, and the spread of the virus has not yet been controlled because there is no vaccine. We have seen countries around the world close their borders and lose millions of dollars in tourism. Although they have set a fine example of good management and used the lockdown period to prepare for a cautious and successful reopening, some areas have also needed to step backwards due to new COVID-19 outbreaks.

This means we face a situation of trial-and-error in which it is important to take note of all the lessons being learned along the way. So far, this crisis has taught us several things, with the following highlights:

1. We cannot entirely depend on the eagerly awaited vaccine

Travel cannot and should not depend on a large-scale vaccine, but should rather be steered by potential risk levels for travelers. Total transparency and correct communications in this regard will be key to reactivating the sector, with traveler safety as the main priority.

As stated by Gloria Guevara, president & CEO of the WTTC, a vaccine would not be so important if the world were capable of isolating people infected with the virus, as was the case during the outbreaks of Ebola, SARS and MERS. With this in mind, tourism should offer the tools it currently has access to in order to closely monitor the implementation of sanitary protocols in airports, at hotels and on tours, among other places. It should also use them to engage in active listening to meet (and possibly anticipate) the needs and concerns that will arise as we proceed.

2. Traveler loyalty is more than just how long they spend at a destination

The tourist journey begins when they seek out and choose a destination, also encompassing their experience at the airport, at the port or on the road. It continues throughout their travel experience, i.e., places, activities, accommodations, food, anecdotes, etc. Finally, it ends with the memories and feelings they take home with them after their trip.

Because of this, the tourism service providers that have spent time improving this entire process by strengthening their communication channels have seen considerable growth in their digital communities during this lockdown. Conversations in the digital world revolve around post-quarantine travel expectations, with greater interest in those destinations that have emotionally engaged with their audiences during this period of isolation.

3. We should be aware of the changes to travelers' emotional triggers

After this crisis, the emotional triggers that drive people to travel will no doubt have changed. One hypothesis is that people will only travel to places that let them feel protected, safe and comfortable. However, technology is an essential tool for revealing tourists' criteria when choosing one destination over another, which type of accommodation to use or which airline to fly, based on the new expectations they might have.

4. Digitalization and sustainability are important

Digital keys and records, as well as smart, personalized attention, are tools that were already being

considered for the future development of this industry. However, the health crisis has accelerated their implementation in order to adapt the travel experience to new social dynamics. Making the most of technological innovations and artificial intelligence has become essential.

Furthermore, the trend toward individual and general wellbeing is here to stay. Consumers are focusing their consumption habits on personal health and ecosystems related to nature. “Wellness” and “sustainability” are concepts that will need to be placed front and center in the tourism offering.

In this regard, destinations, companies and tourism service providers will need to adapt if they want to remain competitive while offering sustainable tourism options that can help achieve the Sustainable Development Goals and build a better future for all. As stated by Zurab Pololikashvili, secretary-general of the UNWTO, “the industry needs to grow in value, and not just in volume.”

5. The importance of collaborative effort and multi-sectoral unity

The industry has seen leadership from various stakeholders during this crisis and, although there is always one institution that leads the launch of new ideas, guidelines or protocols, these initiatives have only been successfully positioned thanks to enormous collaborative efforts involving supra-national institutions, national and state governments, local authorities and private initiatives. The World Tourism Organization, European Commission, WTTC, International Civil Aviation Organization Council (ICAO), Mexican National

Tourism Business Council (CNET) and Mexican National Conference of Governors (CONAGO), to mention just a few, have led various efforts to deal with this crisis. With time, we will see the fruits of their labor, but even now, they seem encouraging.

THE PATH TO A SUCCESSFUL REACTIVATION

Reactivating the tourism industry will require certain factors that depend on more than the travel and tourism industry. First of all, medical and health controls and their stability will come into play. Destinations will need to have hard data showing positive trends, with falling numbers of people infected, in hospitalizations, deaths, etc.

Government support will also be fundamental to ensuring that, together with private initiatives, the tourism industry receives the funds and tools necessary for it to rebuild itself. As they are already doing, destinations will also need to find joint certification procedures to enable the implementation of standardized sanitary control protocols. This will encourage the “travel safety” concept as a new driver for the industry. Given that health authorities simply cannot monitor COVID-19 trends completely accurately due to the nature of the pandemic, it is absolutely essential for tourism service providers to create a strong framework of self-regulation.

All these factors can be used to reinvent tourism promotion strategies for the purpose of rebuilding consumer confidence in these services, thereby accelerate a recovery. One important change we will see in promotion management is an increase in coordination with local stakeholders. A destination’s reputation will

greatly depend on each individual person rather than on the authorities per se. The strategy and internal communications within the destination will be just as important as its external promotion.

Placing traveler safety at the heart of any strategy will be essential, as will focusing resources and communication channels on the three stages of the traveler journey: Planning, experience and memory. Those who want to travel should be able to do so, and those with doubts should regain their confidence from listening to the experiences shared by pioneers. The new tourist journey will be based on:

1. Sanitary control protocols

Protocols should include what, how and when areas used for tourism services are going to be disinfected, as well as any adaptations to infrastructure to respect and guarantee healthy distancing. Travelers will want to be sure the room where they sleep, the sun bed they lay on, the table they eat at and the lifejacket they wear are all clean and free of contagion risks.

2. Prevention measures and medical services at destinations

It will be important to monitor the health of people visiting a destination. There has been talk of a “health passport;” temperature checks; and health forms at terminals, ports and check points, but no global agreement has been reached in this regard. Furthermore, travelers will want to know what kind of medical services they can expect to receive during their trip if necessary (trained personnel nearby, etc.).

3. Flexibility policies

Having the option to postpone or cancel a trip penalty-free might make the difference between booking one or not. It is likely that some people will want to plan a trip for September, but if they feel unsafe travelling when the time comes, they will want the option to freely reorganize their arrangements.

4. Journey time

It has been said that reactivation will begin with local tourism. This is, among other reasons, because people will not want to travel far from home or spend too long sharing relatively small spaces with others. It is therefore expected that tourists will begin by make journeys that last four hours or less.

5. Active listening

Nothing is written in stone; as mentioned above, the only constant during the COVID-19 crisis is uncertainty. In this regard, tourism service providers should be willing to make constant adjustments to adapt their offerings to new trends in visitor expectations. They might feel safe with certain processes today but not tomorrow, meaning it will be necessary to develop a certain degree of sensitivity and to enable flexibility in tourism offering to suit changing demands and meet evolving customer needs.

Due to the challenges and lessons learned from COVID-19, new meaning will need to be given to the tourism industry's contribution to the global economy based on what it provides in terms of:

a. Tourism promotion

Tourism promotion will play an essential role in reactivating the industry, as it will enable destinations to reconnect with travelers. Correctly implementing a tourism promotion campaign not only builds a destination's reputation and trustworthiness, but also generates demand. For example, Los Cabos (a luxury destination in Mexico) generates more than \$11 million in economic benefits around the world through promotion.

b. Local service infrastructure

As part of the reopening process, the tourism industry has invested large amounts of money in adapting spaces to prioritize visitor health and safety. This investment has always formed part of the equation of offering quality services to visitors. However, it is now a main factor for reactivating the industry, because it will help control the spread of the virus as well as build traveler confidence.

c. Education and basic services for the population that forms part of the tourism offering in a destination

There are cities, states and countries that heavily depend on tourism activity to survive. The revenue generated through this economic activity fosters the performance and growth of various demographic indicators, such as per capita income, housing, schooling levels, etc. Unfortunately, this crisis will enable us to further analyze the direct and indirect impact the industry has on the lives of the people who form part of the tourism offering in a destination.

Now is the time for teamwork, to be creative and to strengthen communications with relevant audiences within the industry. “Relearning” is the order of the day, because the way tourism was managed just a few months ago is now out of date. If we can work together, with certainty, tourism will be one of the economic activities that will help countries around the world emerge from the financial crisis brought on by the COVID-19 pandemic.

2

**The new paradigm in the
pharmaceutical industry:
challenges and innovations
in the post-COVID era**

Sept. 9, 2020

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Over the years, the pharmaceutical industry has corroborated the importance of knowing how to adapt to a changing and versatile context. Social, economic and welfare needs have evolved and transformed in recent decades, forcing the industry to incorporate flexibility into how it interacts with the new and renewed needs of society, where speed, efficiency and democratization prevail.

Today, we live in a globalized system, where health policies and the approaches different political systems

employ for the basis of their welfare are extremely volatile and unstable. This has made it more difficult to establish a cross-cutting narrative on something essential and fundamental – the health of people around the world. In this scenario, the pharmaceutical industry faces several different challenges, including highlighting the added value of its work beyond its much-questioned reputation, driven by critical voices. It must also foster dialogue among industry agents and institutions to work together with the end goal of building a better world for everyone.

In Spain, for example, the health system is considered one of the essential cornerstones of the nation's welfare; however, on many occasions, investment policies, innovation and health policies as a whole have not responded to the scenarios in which we find ourselves.

The Spanish pharmaceutical industry has not only had to wrestle with economic difficulties and changing policies in the country over the recent decades, but has also had to face the global “infodemic” – an abundance of information, often not very thorough. This has led to key challenges such as medical misinformation, which is highly present in the discourse among citizens, inevitably forcing the various agents within the health and pharmaceutical systems to change their respective actions and decisions.

In a new paradigm, one where patients are greatly empowered and able to make informed decisions at the political, economic and social levels thanks to greater access to relevant information, it is essential for the industry to identify its immediate challenges and find ways to address them actively to foster real trust among citizens.

Accordingly, this article addresses some of these challenges and outlines insights to help companies handle these varying scenarios.

1. COMMUNICATE THE VALUE OF INNOVATION

Despite seemingly unquestionable innovations in the field of health, and particularly in the pharmaceutical industry, there are persistent disagreements over the high cost this generates. In this regard, any tool that helps improve the industry's activity to the benefit of social welfare should be fully justified and supported. We should not forget that medications – a tangible element of the industry – save lives and prevent the physical and mental suffering of patients around the world, while also enhancing human development and peoples' social integration.

Research and development, which are fundamental for pharmaceutical innovation, generate social value, which justifies their associated costs. To put it another way, research, development and the manufacture of medications all provide intangible wealth to society and allow life expectancy to be increased.

However, there are many voices that question the high cost of some treatments – based on the notions of the right to health – largely stemming from the industry's investments in their appropriate development and distribution.

The industry must undoubtedly tackle the challenge of balancing the prevailing need to continue committing to innovation in drug development – with its associated costs – while also offering reasonable prices that enhance access to medications for the largest number of people possible.

Accordingly, if we want to continue eradicating disease, reducing mortality rates and increasing life expectancy, the pharmaceutical industry and other involved institutions must work together to highlight the socioeconomic value of an effective health system over and above economic interests, thus offering people the best treatments. This joint work inevitably involves a change in the collective imagination, stressing the importance of investing in medical innovations for the future of society.

By way of conclusion, and to stress the social value of developing effective drugs that contribute to improving the quality of life of patients around the world, it is essential that both institutions and the industry itself believe in this commitment and share a long-term vision. This is what will ensure a healthier, more sustainable future, one in which economic criteria are not the only elements to consider in decision-making.

Aside from confidence in the work that pharmaceutical companies and involved institutions do to protect and preserve people's health, it is essential for people to understand what these organizations do, how they do it and the end goal of their efforts. To that end, communications with society must be transparent and ethical, responding to their true concerns to allow people to act critically and in an informed fashion. As LLYC Partner Ivan Pino states in his article, entitled "From producing content to building narratives," in the post-coronavirus era, "For a narrative to succeed in this current moment, it must be fluid (but consistent), attractive (but reliable) and, above all, relevant to concrete, positive social impact (be it economic, social or environmental)."

2. INNOVATIVE MODELS OF HEALTHCARE MANAGEMENT

We cannot deny that the world has evolved significantly over recent years. Society – mainly in developed countries – has found new ways to interact with the world, harnessing new tools and thus improving their peoples' quality of life. Consumer, education, mobility and production models, and even interpersonal relationship models, are not the same as they were just a few years back. Together, these suggest a future full of changes and adaptations that will ideally contribute to making the world a fairer, more collaborative and more sustainable place.

The field of health has also undergone significant changes over the years, which has influenced the management models of many health agents, including the pharmaceutical industry. In other areas, collaboration and co-creation have been transformative elements. However, in the health chain, cooperation between the different agents involved has not been as fluid as in other sectors due to its high degree of complexity and the multitude of agents involved.

In order to be able to identify and implement innovative models in the health chain, it is essential to guarantee a universal and fair health system. The financing, research, training, production, etc. systems are just some of the structures that must be reformed and adapted to society's new needs, employing all the new tools and knowledge that have already facilitated this transition in other sectors (communications, travel, restaurants, mobility, etc.) to do so. Today's world, now more than ever, requires different industries to

embody a “will to adapt” for their future wellbeing. Here, being left behind may become the first step on the path to obsolescence. As mentioned on other occasions, a long-term vision is absolutely essential for eventually achieving a sustainable system that is capable of establishing a paradigm shift in the industry, making it more efficient and effective.

To achieve this change (and effectively implement it to improve industry performance), several elements should be considered. First, innovation must be a fundamental pillar of these new scenarios. No real changes will take place unless innovative and disruptive resources, ideas and methodologies are used. Second, people’s wellbeing and quality of life must be of key concern, prevailing over economic interests.

With the cornerstones for the industry’s strategy to address the creation and integration of new management models established, it will then be essential to contribute to generating and transferring scientific knowledge in the field of health. The sector must identify the existing needs and factors that determine health, without forgetting to guarantee health systems’ quality and efficiency. Similarly, it is necessary to boost collaboration and networking between the pharmaceutical industry and other groups, including scientific and academic organizations, nonprofits, public centers, social groups and patient associations, among others.

Each of the aforementioned agents have their particular vision of the health chain. Interlinking these small-scale visions and management models can contribute to improving the design of a more global and cross-cutting system.

Accordingly, and by way of conclusion, the pharmaceutical industry is faced with the challenge of exploring new management models that will allow it to establish sustainable, fair, equal and efficient short- and long-term action. To do this, it must enjoy the essential collaboration of all the agents involved in the health chain. Meeting the needs of today's society requires all health agents be involved and leverage their synergies, as a 360° vision will be key to success.

To achieve this, it is necessary to identify and carefully select the main strategic publics, then undertake an exercise in prioritization to (if necessary) redesign the stakeholder relations strategy to collaborate for the benefit of serving patient needs.

3. THE TRANSFORMATIVE POWER OF INFORMATION AND COMMUNICATION TECHNOLOGIES IN THE FIELD OF HEALTH

The coronavirus pandemic has catalyzed change within the pharmaceutical industry. The sector had the capacity, but COVID-19 has been a milestone, forcing many of the larger pharmaceutical companies to put their visions into practice to transform the sector's future through collaboration and unity among health professionals, researchers and IT experts.

Looking at the example of Spain, from the time a state of emergency was declared until the month of May, telemedicine usage increased by 153%, according to data from mediQuo, a mobile eHealth application. In the same vein, the figures from an Accenture survey on digital health show that eight out of every ten patients would be interested in being "visited" remotely outside of normal business hours.

Teleconsultations make more sense now than ever before, since in most countries, hospitals are focused on handling emergencies. However, teleconsultations cannot be used for everything. This technique and development makes sense for patients who need to follow a steady treatment plan, such as those suffering from chronic diseases, and for matters that must be resolved immediately.

The digital transformation and, in particular, the health emergency that every corner of the planet has suffered from have changed the profession. Many specialists and professionals have suddenly been forced to work from home.

Technology and, above all, the universalization of at-home internet connections have led to a whole host of content and searches on all sorts of subjects. If we look at health content alone, each minute, Google facilitates 70,000 searches around the world. This figure is growing exponentially year after year. In the context of the pandemic, where health and safety have been two of the areas that most concern the public, it is expected that interest in this field will not stop growing over the coming months.

Interest in rigorous and contrasting health content is increasing alongside patient interest in virtual medical care. The introduction of other technologies, such as artificial intelligence, is still a long way from being able to handle health systems' daily routines, but it is becoming effective in speeding up planning processes, conducting scans and assisting in diagnostic testing. In the same way, the inclusion of data science and big data is becoming a reality in some specific projects to improve interoperability while benefitting patient health and guaranteeing their privacy.

With the aim of successfully impacting and connecting with our target publics, who are potentially overwhelmed by the huge volume of content at their fingertips, it is worth examining which formats are most attractive to them, as well as which communication channels they use. Adapting messages to be more emotional and sharing them through audiovisual formats will help us connect with our audiences in a more direct and attractive fashion.

CONCLUSION

The social, economic and political changes seen in recent decades have marked many industries' roadmaps, including the pharmaceutical industry's. However, events such as a global pandemic are capable of changing the course of our society, creating significant new challenges for the health system's various agents. "We're in the middle of a global trial-and-error period to try to find the best solution in a very difficult situation," stated Tom Inglesby, director of the Center for Health Security at Johns Hopkins University. In this context, the pharmaceutical industry must be aware of its great responsibility to society, as well as the importance of acting ethically, responsibly and efficiently to respond to a critical, informed and aware society.

The decisions executives make in the coming months will be decisive in redesigning how we want to build the future of the health industry, an industry that must place people's health and wellbeing first and identify society's present and future needs to act in ways that matter. As such, the future inevitably means a more sustainable, fairer industry aligned with social, political and economic demands.

The paradigm shift facing the pharmaceutical industry inevitably means finding a way to communicate the added value of its work to society, prioritizing transparency and leaving behind the era in which the sector's reputation was harmed by critical voices. They created a narrative that must now be left behind through the activation of new communication models.

In addition, networking with other sector agents will be key to tackling new challenges. Both public and private stakeholders must work together and establish synergies to benefit society, stressing each one's potential for the common good.

Technology through innovation will be a key element in the optimal development of the health sector's capacities, as well as a catalyst for new and disruptive ways of drawing closer to society.

Today's pharmaceutical industry can contribute to changing the course of the health system's future. As such, it must take into account each and every challenge in the past, present and future to avoid making the same mistakes as before and ensure it is capable of making a long-term commitment that significantly contributes to improving the health and lives of people around the world.

CAPITALIZABLE IDEAS FOR THE PHARMACEUTICAL INDUSTRY

Communicate the value of innovation

Any tool that helps improve the industry's activity to the benefit of social welfare should be fully justified and supported. It is essential that both institutions and the industry itself believe in this commitment and share a

long-term vision. This is what will ensure a healthier, more sustainable future, one in which economic criteria are not the only elements to consider in decision-making.

Innovative models of healthcare management

Innovation must be a fundamental pillar of these new scenarios. No real changes will take place unless innovative and disruptive resources, ideas and methodologies are used. Second, people's wellbeing and quality of life must be of key concern, prevailing over economic interest.

The transformative power of information and communication technologies in the field of health

Teleconsultations make more sense now than ever before, since in most countries, hospitals are focused on handling emergencies. Adapting messages to be more emotional and sharing them through audiovisual formats will help us connect with our audiences in a more direct and attractive fashion.

3

Tourism in Mexico 2020: Analyzing the conversation through artificial intelligence and big data

Dec. 4, 2020

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In the face of the COVID-19 health crisis and its many challenges, Mexico's travel and tourism industry is showing its capacity for reinvention to satisfy traveler expectations. However, there is still a long way to go. Given the current situation, this requires careful strategic planning that still must align with each tourism service providers' business targets. The first step toward this is listening to the main communities and analyzing their positions while identifying and evaluating trends in the conversation and public opinion.

At LLYC, we are developing an analysis of the digital Spanish-language conversation regarding tourism in Mexico that has been taking place throughout the pandemic. This is a far-reaching and timely analysis. Though it is based on the universe of data published on Twitter between February and October 2020, it also considers its relationship to other social media channels, such as Facebook and YouTube. The data, which had a particular focus on local tourism, was processed using artificial intelligence and big data techniques, offering a clear map of the:

- Composition and behavior of communities and entities involved in the conversation.
- Conversation's main subjects and related issues.
- Relevant communication networks in general.

Based on this map, we can create and adjust communication strategies and even determine whether actions undertaken in 2020 to date have had the desired results. This includes how they impacted the digital conversation, public policies, marketing, institutional relationships, or even the balance of media coverage regarding competitors.

LLYC's analysis indicates that the digital conversation has a marked, ongoing tendency to politicize the issues related to tourism. More importantly, it helps identify the scope for opportunity in relatively unexplored territories and communities related to the conversation, in which there is ample room for positioning.

BIG DATA IN TOURISM

Human beings have become machines that produce data and content that we then deposit in a huge cloud

of nodes, and without the correct map, we are unable to identify, evaluate, and harness this information. Accordingly, it is important to establish processes to compile data that allow us to trace out strategies of all kinds in an orderly, efficient manner.

Through artificial intelligence algorithms, LLYC has analyzed more than 320,000 messages from 98,000 accounts related to tourism in Mexico. Using this technology, we have optimized the information to obtain the data's real value in terms of communications. In other words, it allowed us to see what people are talking about, what they are looking for, and in which territories and communities they are interacting.

The digital conversation in 2020 has certain unique characteristics. Online communication increased, as it became the most viable way to relate with others. Furthermore, the global agenda was marked by many temporary situations, mainly stemming from the health crisis. Technological tools allowed travelers to close the distance between themselves and countries, destinations, hotels, airlines, and other businesses throughout the whole value chain. Those tourism service providers and sector players that actively listened to digital channels and adapted their communication strategies and relations are those that stayed top of mind.

For example, the study shows that national destinations like the Mexican Caribbean and Jalisco managed to establish a digital community that accounted for 10% and 9% of the total conversation, respectively. Their communication strategies became notorious; they used sector leaders, MPs, celebrities, and the media to enhance their messages in a coordinated fashion. However, it is important to remember that their posi-

tioning was more closely tied to politics than to their tourism product.

DIGITAL CONVERSATION FROM FEBRUARY TO OCTOBER

Digital conversation on tourism in this period has been highly heterogeneous, with 2,956 communities, each with specific trends and themes, that generally do not interact with one another. The only common denominator is the politicization of the subject and the absence of topics related to tourism companies or products, such as hotels, airlines, destination brands, or country brands.

Phases

1. Pre-pandemic and start of the tourism crisis in Mexico | February to April 2020 (128,741 messages – 56,691 accounts)

The digital conversation at the start of the year showed only timid links between tourism and the health crisis. The authorities and tourism service providers gave no sign of the scale of the impact COVID-19 would have on the sector. There was hardly any information being shared on border closures, although some media outlets anticipated the scenario in Mexico given what was happening in Europe. However, this did not resonate deeply in the various communities.

By the end of March, however, the conversation had taken a radical turn. There were discussions on increased cancellations and travel restrictions, as well as health warnings and lockdowns. The conversation started to discuss authorities and the media as well.

At that time, tourism companies and service providers distanced themselves from the conversation, acting primarily as spectators.

Uncertainty coexisted with constant criticism of the federal government's actions. From then on, there was a clear trend of politicization within tourist issues, which has dominated the conversation to date.

2. Peak of the crisis, with staggered destination reopenings | May to July 2020 (106,280 messages – 42,918 accounts)

Following the implementation of the epidemiological traffic light system in Mexico and the development of health control actions, various destinations around the country began a staggered reopening process. This led to significant conversation regarding state government actions, tourism service provider protocols, and the reinvention of tourism offerings.

At that time, certain voices took a new position in several communities' conversations. From the point of view of the authorities, it was key to count on digital platforms to communicate the status of the traffic light system and destination reopenings.

This is also when tourism companies began making posts explaining the ways people could travel to and enjoy destinations safely. They also promoted special rates to drive the sector's reactivation.

3. The new normal | August to October 2020 (99,960 messages – 45,582 accounts)

By mid-August, most destinations in Mexico had the right conditions to reactivate their tourist activities. Figures showed a decline in mentions of COVID-19 in the digital tourism ecosystem, but issues related to

health and safety in tourism services, the economic recovery, and the financial crisis sectors such as the aviation industry remained on the agenda.

In October, the pandemic moved into a secondary position, with barely 2.5% of mentions in identified communities. The tourism conversation during this time focused on the hurricane season and the recovery of destinations. Leading figures, such as the U.S. Ambassador to Mexico, started to share audiovisual materials promoting the country's tourist offering.

For his part, Federal Tourism Minister Miguel Torruco Marques shifted from a moderate level of participation to being very active in his community's conversations. The Federal Secretariat of Tourism did the same, and the two shared publications on Mexico's tourist attractions.

Communities

During this 9-month period, the digital conversation was led by four communities. These generated the largest volume of organic conversation, with some clearly artificial peaks:

Media community (12% of all conversation)

This community functions as the common thread between all digital conversation. It also has greater interaction with other communities, since it monitors public opinion and the issues on the agenda in real time. In this regard, it has driven the conversation at three important times:

1. Closures at the start of the lockdown due to the pandemic.

2. The partial reopening of some destinations, with news on the constant influx of flights from abroad.
3. The reopening phase, new normal, and sector recovery.

In addition, it gave significant coverage to news related to layoffs, violence, and the lack of resources to control the pandemic.

Community critical of the federal government (15% of all conversation)

Based on the issues on the agenda, a group of opinion leaders (mainly politicians) stood out for their constant criticism of the federal government. This includes complaints regarding specific situations relevant to the tourism reality that affected the country during this time. For example, the situation between Visit México and the Federal Secretariat of Tourism regarding the English translations of the national tourism promotion site, President Andres Manuel Lopez Obrador's trips on commercial flights, the pandemic's economic effects on the travel and tourism industry, and the measures implemented to halt the spread of COVID-19, among others.

Critical and constructive community (11% of all conversation)

In general, this community has backed the federal government's actions. However, it continuously criticizes and makes suggestions related to tourism, economic, and entrepreneurship issues. This community sporadically includes politicians and even representative groups from other communities, depending on the agenda at the time.

Federal government community (8% of all conversation)

Headed by the Federal Secretariat for Tourism, this community includes State tourism authorities, governors, more neutral media outlets, and business organizations such as CONCANACO. The Federal Secretariat drives the conversation through news releases and the active intervention of Tourism Minister Miguel Torruco Marques. This community is characterized by official, sober communications with little interaction.

There are also other communities that participate in important interactions, which makes them important to mention as well. There is one made up of users sharing how they have lived through the lockdown and criticizing, either directly or humorously, those who have gone on vacation. In addition, another community is focused on the Mexican Caribbean. In it, important politicians such as the state governor of Quintana Roo and the mayor of Benito Juárez position the Mayan Riviera and Cancun tourism offerings while maintaining positive conversation regarding the reactivation of the destinations in this region.

Another noteworthy example is the Jalisco community. At the start of the year, State Governor Enrique Alfaro posted highlighting the prohibitions on tourism in his state, particularly the beaches. He used the *quédate en casa* [stay at home] hashtag, and he has been one of the most active figures to date.

Leading figures

The study on the tourism conversation in Mexico in 2020 also identified the profiles with the largest impact on

these digital communities due to their leadership and/or influence on issues related to tourism. These individuals should be taken into account at a strategic level.

Andres Manuel Lopez Obrador

Despite the Mexican president's general lack of participation in issues related to tourism, he has spoken out in the media and government-critical communities. He generated peaks in the conversation surrounding the controversy regarding long weekends, the Mayan Train, the disappearance of trusts, and the tourism industry's recovery.

@lopezobrador_

Bio: Constitutional President of
the United Mexican States
Mexico

Followers: 6,770,542

Degree of influence: 968

Communities: 30

Miguel Torruco Marques

The current Minister of Tourism, he has a leading presence on the internet. He leads the federal government community, but has little influence in other communities. He shares important information on the industry's recovery and promotes tourist destinations in Mexico.

@TorrucoTurismo

Bio: Mexico's Minister of Tourism
Mexico City

Followers: 115,710

Degree of influence: 2,672

Communities: 39

Enrique Alfaro

The Jalisco state governor's account has a moderate influence on tourism-related issues, although he is very active. Most of his interactions with various communities are related to the closure of beaches. In recent weeks, he highlighted their reopening and shared news of private initiatives to help reactivate the sector.

@EnriqueAlfaroR

Bio: Governor of Jalisco.

The path to re-founding our state has begun, and together we will make it a reality.

Jalisco, Mexico

Followers: 456,912

Degree of influence: 1,189

Communities: 30

Carlos Joaquin Gonzalez

The Quintana Roo state governor and leader of the Mexican Caribbean community, he is highly influential in his region. He is often picked up by several local media outlets, as well as by Chambers of Commerce and other associations present in the region. He is very active on economic and tourism recovery issues. In general, the tone of his posts and community is very positive.

@CarlosJoaquin

Bio: State governor of Quintana Roo.

carlos.joaquin@carlosjoaquin.com

Quintana Roo, Mexico

Followers: 81,986

Degree of influence: 494

Communities: 2

Simon Levy-Dabbah

The former undersecretary for Tourist Planning (December 2018 to April 2019) leads the critical and constructive community, where he discusses issues related to free movement on Mexican beaches, the pandemic's impact on the tourism industry, and other issues, always taking a positive and purposeful attitude toward the authorities. He interacts with other communities, mainly the media, which he quotes as a source and uses as a basis for expressing his opinions.

@SimonLevyMx

Bio: Chief Resilience Officer @wamsonline.

Mexican entrepreneur YGL @WEF 2013.

Author of @CreceSinDeuda La Era

@Microglobal @LaNeoNao. Zurdo hola@simonlevy.mx

Mexico

Followers: 100,830

Degree of influence: 5,915

Communities: 43

Maricarmen Cortes

A Mexican columnist and media personality who collaborates with Radio Fórmula, Televisa, and Excelsior, she is a very active participant in political and public life. Regarding tourism, her activity in digital media has been intense during this period, with a main focus on the government-critical community.

@mcmaricarmen

Bio: Host of Fórmula Financiera on

@Radio_Formula and of Alebrijes,

Águila and Sol on @Televisa. Columnist for
Desde el Piso de Remates on @Excélsior
Mexico City
Followers: 81,589
Degree of influence: 1,129
Communities: 33

Joaquin Lopez Doriga

A journalist with a long track record in the Mexican press, his more than 7 million followers give him a long reach and generally very high impact regardless of topic. His potential should be considered very high, as he communicates in all communities through his large network of followers. This quickly connects him with new trends.

@lopezdoriga
Bio: Journalist #RadioFórmula #TeleFórmula
Writes on #Milenio Facebook: <http://bit.ly/2JkfU>
#SoyPuma YouTube, Instagram, Spotify,
Telegram: <http://t.me/LopezDorigaCom>
Mexico City
Followers: 7,565,318
Degree of influence: 63
Communities: 4

Other participants

Leading media outlets such as El Universal, Milenio, Proceso, Aristegui Noticias, and Forbes México are key participants in these conversations. In addition, associations like the Federation of Tourist Business Owners of Quintana Roo, companies such as Volaris, and hotel owners (who mainly participate through advertising) are important to consider as well.

Hashtags, grouped by relevant issues to the digital conversation

Hashtags are labels that allow content to be identified and grouped together. They are individually generated by subject and community, allowing those participating in the dialogue to join a conversational line in the digital ecosystem. As such, they are very useful for classifying and identifying different subjects' positions.

The study on the tourism conversation in Mexico in 2020 identified the hashtags used to discuss tourism-related issues most frequently, helping better understand the conversation's trends. During the period analyzed, these hashtags were primarily employed in a positive manner, with the following standing out as the most popular:

TOP 15 HASHTAGS

Hashtag	# of mentions
#turismo (tourism)	22,576
#méxico	15,609
#covid19	7,833
#coronavirus	6,021
#quédateencasa (stay at home)	5,984
#playadelcarmen	5,667
#oaxaca	5,394
#cdmx (Mexico City)	4,681
#turismoprioridadnacional (tourism is a national priority)	4,537
#puertovallarta	4,324
#acapulco	4,197

#oaxacalotienetodo (Oaxaca has it all)	3,913
#cancún	3,842
#TwitterOax	3,704
#turisterosunidos (tourists unified)	3,683

The evolution in how information is grouped into hashtags revealed that, up until September, COVID-19 was the most important issue in the conversation. However, beginning in October, the communities moved on to discussing the reactivation and initiatives promoting the country's various tourist destinations.

CONSTRUCT COMMUNICATION STRATEGIES BASED ON DATA

The study revealed eight major findings in the digital conversation on tourism:

1. Three important periods stand out in the digital conversation on tourism in Mexico in 2020 (the pandemic's beginning, crisis peak, and entry into the new normal), leading to the current period. Now, conversation is focused on dialogue related to recovery and adaptability in the new normal.
2. This study offers a map of the communities and important figures, providing a guide to the tourism conversation. These findings can even be incorporated into communication strategies for Q4 and early 2021. Certain individuals stand out for their political and/or media presences, because the pandemic required the participation of people who communicated, analyzed, and questioned the health crisis' impact on tourism on the political and public levels. This has steered efforts and driven the important sector demands that

ultimately helped the industry find a way through this period of uncertainty.

3. Although the study found marked politicization within the digital conversation, it also identified important spaces that can be occupied and led by those who are, above all, closely linked to positioning the tourism offerings of Mexican destinations, hotels, tour operators, and restaurants, among others.

Sentiment	Messages	%
Positive	29,070	9%
Negative	61,879	20%
Neutral	219,310	71%

Sentiment in the conversation on tourism in Mexico in 2020

4. The communities and personalities that led the conversation are noteworthy for three key reasons:

- Their constant and careful communication of the temporary nature of their interventions.
- Their association with temporary issues and identification of matters of a public interest.
- Their appropriate use of hashtags to group content.

One example of this has been the sector's call-to-action to federal, state, and local authorities for support for industry members. This was one of the issues that drove interaction between different communities. It was mobilized through a media agenda, which involved organizing interviews and webinars, among other activities.

5. The role of the media has been outstanding. These profiles continue to position themselves as an informational bridge between communities, as they are the starting point for opinion leaders in publications.

6. In recent months, communication from Mexican tourism companies has been more reactive, with few efforts to build digital communities to drive confidence among tourists.

7. Through their respective authorities, destinations themselves have taken on a certain leadership role. However, there is an opportunity for other members of the tourism value chain to occupy certain empty spaces. Some of these actors – mainly airlines and hotels – have generated peaks in the conversation through paid advertising, which shows there is community interest that could be capitalized upon through organic content.

8. It is important to strengthen interaction between the different communities that make up the full ecosystem through focused initiatives and the careful positioning of less-politicized profiles that are more focused on promoting tourism. There is a great opportunity for various tourism destinations, companies, and opinion leaders, as some persistent vacuums could still be exploited.

The path to tourism recovery will be long, and the key to its success will be to guarantee a strategic presence in the contemporary world (both digital and physical). This should be based on a systematic understanding of the environment, with help from data digitalization. We now live in an interconnected world that generates billions of datapoints each second as people browse the internet. When these are collected, processed, and analyzed correctly, they provide valuable information that should not be avoided; quite the opposite. It is a fundamental element that can help focus the revival of tourism and all other industries.

12 IMPORTANT DATA POINTS

- Bots detected: 8,593 (2.8% of the conversion). In general, this is a genuine conversation, carried out by real people and institutions. The bots detected are associated with political efforts.
- Aeroméxico was the most-mentioned brand in the conversation during this period, followed by Interjet and VivaAerobus.
- @promovisionpv and @TelInvitoaOaxaca are the two accounts with the greatest impact on and engagement with their followers, posting high quality visual material.
- El Universal is the media outlet with the most messages and interactions, followed by Proceso, Sopitas, and Milenio.
- Gender distribution: 11.6% female, 33.8% male, 54.6% unknown or institutional/media.
- Mexico City, Quintana Roo (Cancun), Jalisco (Val-larta), Guerrero (Acapulco), Oaxaca, and Los Cabos are the locations generating the most messages and interactions.
- 59.4% of messages are shares, 32.6% are original posts, and 8% are replies or responses.
- Instagram, Facebook, and YouTube are the main digital media channels where content originates.
- Only 7% of the accounts in the conversation are verified. This presents an opportunity for tourism companies and their executives to undertake a Twitter verification process in order to gain visibility, build brand confidence, and show an endorsement of the community in general.

- Hotel companies focus their advertising efforts on less-politicized channels, such as Instagram and YouTube.
- Business, sports, photos/videos, family, and music are the main interests among the audience discussing tourism. As such, they are subjects that may be very effective to tie tourism content to.
- Performers, executives, and journalists are the people with the greatest influence in the tourism conversation.

**NEW POLITICS:
THE U.S. ELECTIONS**

1

Hispanic voices in the U.S. 2020 election

Oct. 21, 2020

Carlos Correcha-Price
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Khy Labri
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There is no question that the Hispanic vote will be decisive in this year's elections. Even in 2016, Hispanics made up 11% of the electorate (up from 10% in 2012),⁷ and this year they form an even higher percentage – 13.3%, or 32 million people. This puts Hispanics ahead of the Black electorate (12.5%),⁸ officially making them the largest minority group in the 2020 election.

There have been many efforts to increase the number of registered Latinos, as well. Voto Latino, a grassroots political organization focused on educating and empowering a new generation of Latino voters,

7 <https://www.cnn.com/2013/09/20/us/hispanics-in-the-u-s-/index.html#:~:text=In%202015%2C%20the%20Census%20Bureau,up%20from%2010%25%20in%202012.>

8 <https://www.pewsocialtrends.org/essay/an-early-look-at-the-2020-electorate/>

has successfully registered 300,000 new Latino voters (out of a 500,000 goal) as of September 2020, adding even more momentum to this group's growing political importance.

This is an important milestone, coming just two years after the We Are All Human Foundation's Hispanic Sentiment Study found that 75% of U.S. Hispanics were looking for more political representation. Now, it seems they will have the opportunity to accomplish this themselves.

Before delving into how the Hispanic vote will impact the U.S. 2020 elections, however, it is first important to understand what "Hispanic" means. First off, it is not a monolith – it is a uniquely U.S. construction that groups a large number of very different nationalities (and races) together despite their many differences. Many identify as white, Black, native or even Asian, and an increasing number are U.S.-born rather than immigrants.

That said, the vast majority of Hispanics in the United States are of Mexican origin, with this group making up 61.9% of the U.S. Hispanic population in 2018. The other six Hispanic-origin populations with 1 million or more people living in the United States are Cubans, Salvadorans, Dominicans, Guatemalans, Colombians and Hondurans.⁹ Though all states now have some Hispanic presence, those with the largest Hispanic populations are New Mexico (48.54%), Texas (39.17%), California (38.88%), Arizona (31.14%), Nevada (28.45%), Florida (25.17%), Colorado (21.42%), New Jersey (19.91%), New York (18.89%) and Illinois (16.96%).¹⁰

9 <https://www.pewresearch.org/fact-tank/2020/09/10/key-facts-about-u-s-latinos-for-national-hispanic-heritage-month/>

10 <https://worldpopulationreview.com/state-rankings/hispanic-population-by-state>

You may notice that many of these are the all-important swing states, discussed in our last paper, “The Possible Impact of COVID-19 on the U.S. Elections.”¹¹ On this list of the states with the highest percentages of Hispanics, six are also swing states. This places the Hispanic vote at the center of the upcoming U.S. elections.

How, then, can this diverse group be expected to vote, and what issues do they care about most?

FOUR KEY ISSUES

Though the term “Hispanic” encompasses many people with widely varying life experiences, there are some key concerns they share: Immigration, Health and Education, with Security receiving an honorable mention. Each community may weigh these different concerns differently, resulting in different voting outcomes, but they are nonetheless important to understand.

Immigration

Questions about immigration always appear on the Hispanic population’s list of concerns, which is natural for a community with such a high percentage of immigrants. Even those born in the U.S. will likely have immigrant friends or family members, so it is an unsurprising focus.

One of the most important immigration policies has been the Deferred Action for Childhood Arrivals (DACA), implemented in 2012. This program has shielded around 650,000 young undocumented immigrants who grew up in the United States from deportation.¹² In

11 <https://ideasen.llorenteycuencia.com/2020/07/14/the-possible-impact-of-covid-19-on-the-2020-u-s-elections/>

12 <https://www.cnn.com/2020/06/18/us/supreme-court-daca-by-the-numbers/index.html>

2017, the Trump administration announced its plan to end DACA, throwing many of these young people's lives into uncertainty. Nearly half of all DACA recipients are living in California, which typically votes Democratic, and Texas, which, although it has historically been a Republican bastion, has been recently moving into "swing state" territory.

But the conversation does not end with DACA. As the CATO Institute explains, congress has repeatedly considered and rejected comprehensive immigration reform legislation over the past few decades. While each failed for its own particular reasons, the bills themselves all contained the same basic policies: Legalize illegal immigrants currently living in the United States, increase border and interior enforcement of immigration law and liberalize legal permanent immigration and temporary migration through an expanded guest worker visa program for lower skilled workers. These are important concerns for many in the U.S. Hispanic community.

Health

Health and healthcare are always important concerns, but they have risen even higher on everyone's lists lately, given the COVID-19 pandemic and still-rising death count in the United States. This is no less true for the Hispanic population, which has historically faced greater health problems in the United States.

Here, insurance is an important point. Whereas only 8% of the white population is uninsured, this number rises to 25% in the Hispanic community. They also face other barriers to healthcare inclusion at higher rates than their white counterparts, including food insecu-

riety, unsafe neighborhoods and low levels of education. This may be part of the reason for the prevalence of HIV (with diagnosis rates 3x higher among Hispanics than whites) and teen pregnancy (2x higher).¹³

Education

The Hispanic community is generally very concerned with education, as it is seen as a ticket to a better future. Good education and higher education are seen as pathways out of financial struggle for many, and the Hispanic community is very aware of this – though many remain excluded. Up to 26% of the Hispanic community has less than a high school education, compared to just 6% of the white population.

Record numbers of Latinos are working to close this gap by earning degrees, but the cost and bureaucracy are significant barriers. Hispanics are one of just two demographics whose college enrollment numbers rose between 2016 and 2017 (going from 3.17 million to 3.27 million), according to the National Center for Education Statistics – a number that more than doubles the 1.4 million Hispanics who attended in 2000.

But nearly half of Hispanic students are the first in their family to go to college, according to data from Excelencia. Money is a large concern as well, with just under half of Hispanic students eligible for federal Pell Grants,¹⁴ only given to those with a high financial need. Even so, many do not fully understand how much it will cost or what college will require, resulting in low

13 Henry J. Kaiser Family Foundation. <https://www.kff.org/infographic/health-and-health-care-for-hispanics-in-the-united-states/>

14 <https://www.usatoday.com/in-depth/news/nation/2020/01/06/more-hispanic-students-than-ever-go-college-but-cost-high/2520646001/>

retention rates despite growing enrollment. As such, it is one of this community's top three concerns.

Security

Security receives an honorable mention as well, given the social unrest that has swept the nation. This is a key area to consider, as many immigrants who fled their countries did so due to security concerns. For many of these Hispanics, safety and security is of paramount importance.

THE QUESTION OF TURNOUT

As we all know, the number of Hispanics eligible to vote is not nearly as important as the number who actually go to the polls – and this number is lower among Hispanics than white or Black Americans. In 2016, just 47.6% of the Hispanic citizen population went to the polls, as compared to 59.9% of Black Americans and 65.3% of white ones.¹⁵ This trend has been ongoing for many years, with an average turnout during presidential elections of 47.75% since the U.S. census began tracking this data in 1978. In fact, the number of Hispanic citizens who voted broke 50% only once (in 1992). In comparison, turnout among white voters sits at an average of 65.22% for presidential elections, with Black voters falling between the two groups at 58.88%.¹⁶

This complicates their importance in the upcoming election. As Henry Muñoz, a former Democratic Party

¹⁵ <https://www.census.gov/data/tables/time-series/demo/voting-and-registration/voting-historical-time-series.html>

¹⁶ Extrapolated from the Census data available here: <https://www.census.gov/data/tables/time-series/demo/voting-and-registration/voting-historical-time-series.html>

official who helped start Somos, a network of health professionals in New York City, told the New York Times, “I don’t want anybody to take the Latino community of this country for granted, and we tend to do that. Latinos don’t vote because they don’t believe that anyone in office has their back. They don’t think that if they vote or if they organize, that anything that happens will impact their family.”¹⁷

There are other factors at play as well. Presidential campaigns do not go after all votes, instead focusing on those most likely to turn up to the polls. As such, they often do not focus as strongly on Hispanic voters, given their history of low turnout, but this only reinforces the problem and fails to mobilize new voters.¹⁸ This, coupled with the much more varied and complex reality behind the Hispanic identity, may account for some of this discrepancy.

This year, however, both campaigns have been changing how they court this important demographic, recognizing their growing importance in U.S. society – and potential impact on the upcoming elections. Though COVID-19 has forced them to change how they conduct this outreach, it has not stopped these efforts.

What this means for 2020

Past presidential candidates may have addressed the Hispanic population, but this is the first time this demographic has received so much attention. The U.S. Hispanic population is now in the political spotlight, with both parties working to curry favor and draw voters out of their homes come November. What remains

¹⁷ <https://www.nytimes.com/2020/04/24/us/politics/latinos-biden-trump.html>

¹⁸ <https://www.economist.com/the-economist-explains/2018/11/05/why-dont-latinos-vote>

to be seen is how well they are able to connect with these voters and address their specific concerns and issues, as well as whether they can successfully avoid treating Hispanics as a monolith. If they can successfully activate this population, however, it may be the Hispanics who decide the nation's future.

2

Trump vs. Biden (II): the key political messages

Oct. 27, 2020

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As always, when the U.S. presidential elections occur, media and social attention around the world focuses on North America. On Tuesday Nov. 3, 2020, the 59th presidential election will decide who will lead the White House for the next four years. The current president, Republican candidate Donald Trump, is running against Democratic candidate Joe Biden, vice president during the Obama administration from 2009 to 2017. This report analyzes each candidate's key messages.

SYNOPSIS

These messages unveil the intentions hidden in their electoral strategies, the type of vote each candidate is

appealing to, and what path they seek to take in the home stretches of their presidential campaigns. After analyzing them, we extracted the following messages, which are key to better understanding this analysis.

TRUMP	Protect	Economy	America's greatness
BIDEN	Rebuild	Plan	America's soul

SLOGANS AND MESSAGES

The Trump-Pence ticket is using the same slogan that brought the current president to the White House four years ago. Accordingly, the already famous claim to “make America great again” remains the campaign’s flagship, reflecting a way of doing politics while simultaneously understanding the United States. It serves as an intermediary between the conservative population and those opposed to the Washington establishment. Curiously, this slogan (“Let’s make America great again”) is not new; it was used in Ronald Reagan’s victorious candidature in 1980.

It is clear that this message perfectly sums up Donald Trump’s political message, which is already closely linked to his public figure. Because of this, an abbreviated form of this message is already commonly used: MAGA. It should be highlighted that, on certain occasions, the campaign team has also used another permutation of the slogan: “Keep America Great!” With this combination, they seek to build a sense of loyalty among the same electorate that supported Trump in 2016. This is a purely strategic communications decision, as the analysts believe his chances for reelection rely on his original supporters rather than on drawing in new voters.

Trump's key messages

Electoral promises

Unlike in the previous campaign, Trump's team is trying to use his work in government to gain an electoral edge. The recurring message of "Promises Made, Promises Kept" expresses this intention, reminding people of everything he has done, focusing above all on economic affairs before the pandemic and inviting voters to support Trump so he can fulfill his promises in the coming years. These promises center on the economy (#MAGAnomics), citizen security ("protecting America") and international politics ("America first").

Leadership

The attributes of the president's personal brand are:

- Leadership
- Business excellence
- A man with no rulebook

Confrontation with the opposition

Finally, it should be highlighted that Trump's political communications habitually resort to concepts and expressions that allow him to attack his opponents, whether they be the media or Biden himself. Here, we see the candidate regularly using expressions such as "Fake news!" and personal insults like "Biden is the system" or calling Biden "Sleepy Joe."

Biden's key messages

Joe Biden's chosen slogan seeks to connect with the electorate by evoking the soul of the United States. This is a standard tool in political communications,

particularly in times of great social complexity. Here, the main message focuses on creating positive connotations at an emotional level. This implication enhances the importance of this electoral event, with the Democrats seeking to convey that not only is the country's presidency at stake, but the entire model of North American society as well. They contrast Trump's America with Biden's Democratic vision. Barack Obama's former vice president's legacy has been systematically criticized by the current president.

The final piece of this slogan comes following the use of the concept "soul of America" by both Biden and Democratic vice presidential candidate Senator Kamala Harris.

Change

As a candidate in the U.S. presidential election, Biden has found his political rhetoric forced to compete with Trump. In this regard, he has expressed that his intention is not only to rebuild everything positive the United States stands for, but also create the best country possible ("Build back better than ever") because "America is an idea." By doing this, he is working to entice voters with a desire for change.

Leadership as a team

The Democratic candidate's political communications are less personal than his Republican rival's. Of course, they seek to highlight Biden's best attributes, but they present it more as a movement rooted in American society. Mentions of Martin Luther King and the Kennedys can be found in Biden's web campaign, as well as pictures with Barack Obama to highlight the candidate's vice presidential experience and demonstrate

his successful team leadership. It also shares Biden's personal story as one of overcoming hardship, both on the personal level (he saw his first wife and two of his four daughters die) and politically (against all odds, he was elected as a senator when was only 30 years old).

Contrasting with Trump's management

Biden's campaign has based its messages around opposing the Trump administration's management. It shares how Biden believes things should have been done, focusing on explanations of the consequences of the COVID-19 pandemic and the country's economic recovery ("That starts with a real strategy to deal with the pandemic"). Biden's explanatory content is particularly aimed at voters concerned with working families, racial equality and public health and social services.

In an attempt to underscore Biden's belief that the current president manages poorly, he presents a complete plan covering a wide range of social sectors. He does this while using frequent assertive messaging and projecting the consequences of Trump's policies: "Make no mistake: America has been knocked down."

Arguments around COVID-19

As explained above, Trump in particular has resorted to a critical, negative campaign, with regular mentions of Biden's and the Democrats' potential weaknesses. In contrast, Biden is employing a more positive campaign. The contrast between these two strategies could be clearly seen in the first live debate between the two candidates, held at the end of September, as well as in the content of their web campaigns. But there is one subject that has seen a role reversal: The COVID-19

pandemic. It is interesting to see the messages, degree of belligerence and importance the candidates have placed upon it... with the roles reversed.

Of course, the fact that Trump has had to face COVID-19 mid-campaign has further put the media and social spotlight on the pandemic and its consequences. Audiovisual content in both web campaigns demonstrates the main elements Trump and Biden try to capitalize on (in terms of votes) regarding their positions on the global virus.

Biden has once again opted to use a counter-position. He boosted this negative campaign through a video called "Timeline of President Trump's COVID-19 response," unambiguously underscoring the incumbent's contradictions and changes of course during the pandemic. A resounding "COVID deaths: 200,000+" closes this audiovisual clip, which can be found on the Democratic candidate's website alongside his main content. This section of his site includes a clear offer: "Joe and Kamala's Plan to Beat COVID-19."

On the other hand, Trump's campaign, in light of the virus' spread and his own experience as someone infected, show the very essence of how he understands leadership and political communication. After repeatedly referring to COVID-19 as the "Chinese virus," he prioritized other elements of his campaign, aware that this was an area more favorable to his opponent. But when news of his infection broke, his communications strategy changed radically, focusing his daily campaign on his personal fight against the virus and his political image, whereby he has triumphed in all aspects of his life.

Of course, the content of his web campaign and his official social media accounts have given a large amount of coverage to his numerous messages about

his fight against the virus and his speedy recovery. This has also been supported through audiovisual content, with Trump sending out several very personal messages to the country explaining how he tackled and beat COVID-19. His campaign team even organized a live “Call to Prayer” to pray for all those affected by the pandemic, but it included constant allusions to the Republican candidate. These efforts focused on elevating him as a symbol of how to understand not only the United States, but also a current global reality.

Connecting with his vision of the pandemic, the famous business leader has called for his fellow countrymen to tackle the virus with individual determination: “Don’t let the coronavirus dominate your life!” In another video outside the Oval Office following his full recovery, Trump calls himself “your favorite president” before expressing his gratitude to the healthcare professionals around the country and firmly sharing his willingness to continue his reelection campaign.

All of the above was done with a total focus on his personality and on strengthening his image as a leader. This undisguised strategy is perfectly reflected in one of his short campaign videos, titled “President Trump returns to the White House!” This piece shows his return home after receiving medical treatment. The clip went viral. This video has no text or voiceover; it is just 35 seconds in which you see Trump return to the White House in his helicopter after beating the coronavirus, thus projecting his favorite image – that of a strong leader who can handle anything. He demonstrates pure #compol, communicating pure *trumpismo*. Only time will tell whether this helped him defeat Biden, who strives to portray himself as Trump’s perfect antithesis.

3

Initial challenges for the next president of the United States

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As expected and feared, the U.S. presidential election is very close, with no clear resolution the day after the polls closed. Counting the votes will be slow, especially in states like Pennsylvania, and it will still take several days before the winner is clear. In a speech at 2:30 a.m., incumbent President Donald Trump proclaimed himself the winner and called it “fraud” to continue counting the votes, which he said must stop immediately. Challenger Joe Biden, for his part, has stated the relevance of counting all the votes, adding that he is confident he will obtain a positive result once this task is completed.

No one can escape what has happened in the past several hours. This election may begin a political and institutional crisis that could potentially cloud the future of the country. We may see a situation reminiscent of what happened in Florida during the 2000 elections, another topic we address in the following. Regardless of who wins, there are several key challenges the next president of the United States will need to address in his first days in the White House.

HEALTHCARE IN THE UNITED STATES

The top challenge is the ongoing COVID-19 crisis. In many senses, the United States has not yet exited its first wave, with tens of thousands of new cases still being reported each day. With well over 9 million cases and 230,000 deaths, this is by far the most urgent issue facing the country – and it is one that is very close to home, as the United States has seen 700 deaths per million people. This makes it the third hardest-hit industrialized country in the world.

This crisis has been exacerbated by how politicized COVID-19 prevention has become, with a very vocal cohort of so-called “anti-maskers” showing a marked unwillingness to engage in crisis prevention protocols and contradictory messaging coming from the federal and state governments. This is dangerous with a virus as virulent as COVID-19, as a single mask-less gathering can result in thousands of new cases.

ECONOMIC RECOVERY

Closely tied to the COVID-19 pandemic is the ongoing national and global recession, as well as the need for economic recovery. On the national level, the country's

Q3 GDP did show massive growth this past quarter, though this is partially due to the GDP hit from the CARES Act earlier this year. Early hopes for a V-shaped recovery have now been replaced by concerns that the U.S. will experience a W-shaped one, with a second steep valley before a final climb. Worse still is the possibility of a K-shaped recovery, reflecting a severely uneven recovery pattern that exacerbates wealth and income inequality.

This is despite the United States' best efforts to provide stimulus to the economy, but many efforts have wound up deadlocked. As of now, the government has not passed a new stimulus package since CARES, in large part due to the division in Congress and the two wildly divergent economic priorities of both parties. Republicans have sought to shore up businesses, while the Democrats have pushed for individual and family aid to ensure people can face the crisis.

SOCIO-POLITICAL DIVIDE

The political deadlock, with the two sides unable to come to a consensus, is reflective of the deep divide that has grown in the nation as well. Politics have become very personal, with many citizens no longer willing to maintain relationships with those on the other side. This is not a new phenomenon; the ideological divide has been growing since at least 2014, when, according to the Pew Research center, "92% of Republicans [were] to the right of the median Democrat, and 94% of Democrats [were] to the left of the median Republican." Case in point, a more recent Pew survey found that the majority of people now report having few to no friends who support the opposite candidate.

This divide is also apparent in the widespread Black Lives Matter protests that have swept the nation. These protests, which are focused on institutionalized racism in police departments, have become another bone of contention in the electoral campaigns, and yet another point of divergence for the population. Beyond resolving the protesters' ongoing concerns, the next administration will have to find a way to cope with this social divide.

Finally, there will likely be a political crisis stemming from the elections, especially following Trump's decision to label counting the votes as "fraud," proclaim himself the winner of the elections, and announce a plan to appeal to the Supreme Court to suspend counting the votes. These actions are expected to provoke a considerable amount of increased political tension, which may make achieving any kind of consensus – or simply agreement – more difficult.

U.S.-CHINA RELATIONS

The U.S.-China relationship is arguably the worst it has been in decades. This is one of the most important bilateral relationships in the world, and years of sanctions and a tariff war have severely deteriorated it. However, these are not the only facts, with topics important to both sides of the U.S. political spectrum, including the Taiwan/China relationship, the ongoing Hong Kong protests, technological competition, suspicions of economic warfare and Beijing's expansionism in the South China Sea. This anti-China stance must still be managed, however, to avoid negative impacts on the United States, which could include losing the Chinese market; reduced influence in East Asia and,

broadly speaking, the developing world; and the potential for a full-fledged Cold War.

U.S.-EUROPE RELATIONS

As in China's case, relations with Europe have significantly deteriorated, and they are now at their lowest point in 75 years. Trump never hid his contempt for the European Union, which he considers a German instrument of continental domination and a clear competitor on the global stage. He has also been critical of the financial contributions of NATO's European allies. Finally, Trump has flatly rejected the multilateral system embraced by Europe on ideological grounds, based on his own nationalist tendencies. This poses a risk to the United States in terms of its international influence and relationship with this important market, and it is another divide the White House will have to cope with over the next four years regardless of who wins the presidency.

U.S.-LATAM RELATIONS

Despite Trump's tough rhetoric on Mexico's immigration and trade policy, he maintained a good working relationship with Mexican President Andres Manuel Lopez Obrador (AMLO). This has essentially been thanks to AMLO's trade concessions, the renegotiation of NAFTA (now the USMCA) and his work on border control to stem the influx of Central American immigrants into the U.S. through Mexico. Still, AMLO's nationalistic and state-focused economic policy, especially in the energy sector, has been criticized by U.S. companies.

Farther south, the U.S. enjoyed very close relationships with Colombia (Presidents Santos and Duque)

and Brazil (President Bolsonaro) over the past four years. Obama's economic opening toward Cuba was largely dismantled, and a tough trade and diplomatic embargo on Venezuela was implemented. If Trump continues for another four years, it is likely this policy will continue. If Biden takes the White House, however, it is possible that some policies toward Cuba will revert.

EVERY VOTE COUNTS: THE FLORIDA PRECEDENT

For months, people have considered the possibility that it may take days or even weeks for the U.S. election's results to become clear. This is possible due to both the uncertainty caused by COVID-19 and the idiosyncrasies within the U.S. electoral system. It is something that has happened in the past. As early as 1800, there were serious conflicts over who had won the elections. More recently, the Supreme Court had to decide how it was going to deal with vote counting in three counties in Florida in the 2000 elections, indirectly deciding who had won.

The debate began when Republican candidate George W. Bush won Florida – and hence, the presidency – with just 1,784 more votes than his Democratic opponent Al Gore. As in many other states, Florida legislation provides for an automatic vote recount when the difference between the two candidates is less than 1% of the vote. Subsequently, the Democratic Party successfully requested a manual recount.

What followed was a legal battle between Democrats and Republicans regarding whether the recount should be carried out, with the Florida Secretary of State (a Republican) and the U.S. Supreme Court (with five justices appointed by Republicans and four by

Democrats) opposing the recount and Florida's State Supreme Court (controlled by the Democrats) defending it. Finally, on Dec. 12, the U.S. Supreme Court ordered the suspension of the recount with no right to appeal (five Republican votes to four Democrat votes). By that time, George W. Bush had seen his lead slip to just 538 votes, so in practice, the Supreme Court ruled that Bush had won the elections.

The crisis in Florida highlighted the following characteristics of the U.S. electoral system:

- The nonexistence of federal Electoral Law;
- The coexistence of multiple electoral regulations on both the state and county levels, including on varied issues such as the documentation necessary to cast a vote, the constitution of the electoral census, the number and distribution of electoral colleges, and even the type of ballots;
- The nonexistence of a federal authority to back the results;
- The nonexistence of an independent state authority to back the results and the legitimacy of the process, given that the supervision over any recount depends on each state's Secretary of State – which is an elected political position;
- The lack of resources available to state electoral authorities and the danger intimidation facing both voters and those who count the votes;
- The politicization of the judicial system, given that the members of the Florida and U.S. Supreme Courts both voted along ideological lines.

In 2020, many different observers have raised the possibility of a similar conflict, leading both campaigns to hire unusually large legal teams to litigate in the

event of a conflict over counting the votes. In the week before the elections, the Supreme Court issued a ruling on the regulation of vote recounts in three decisive states: Wisconsin, North Carolina and Pennsylvania. In this last state, the Supreme Court left open the possibility of dealing with the issue after the elections, but before calculating the results.

The factors that contributed to the controversy in Florida in 2000 persist today, as they largely originated in the U.S. Constitution and legal system. Today, however, there are two additional elements to consider:

- The large expected turnout, which may lead to delays in counting votes or mean some votes are never counted;
- The fact that incumbent President Donald Trump has insisted, on a number of occasions, that the Democratic opposition will commit fraud, particularly in postal voting, which has exceeded 40% of all votes cast.

EPILOGUE

Mapping out what is possible

Pablo Blázquez

Founder & Editor of Ethic

The pandemic has changed the course of history and, although it is still too early to anticipate what the world will be like in the wake of the virus' devastation, what we do know is that the return to normality will not be a return to the past. The tough experience of 2020 has taught us a lesson that could, in reality, already be found in the annals of history, although few had paid it any attention: Over the course of human history, pandemics have not just altered economic systems and political regimes, but also our way of seeing the world and understanding of the big picture.

This health crisis, which will leave at least 2 million people dead and have a profound economic, psychological, and social effect, has reconnected us with human fragility at a time when trends like Harari's book "Homo Deus" and Silicon Valley's transhumanism were in vogue. As Maria Zambrano wrote, "Before setting

out on the path of history, man begins by returning for a moment to his point of origin." Following this forced hibernation, we glimpsed a new horizon born of the digital revolution, which has sped up tremendously in this last year. As some have said, the pandemic has also been an unexpected test of digitalization.

The sandstorm that led to these great transformations has been affected by two "tsunamis" in the last decade, which have changed our relationship with our world: The financial crisis, resulting from anarchic deregulation and wild speculation, and this health emergency, which will leave at least 2 million dead and create a previously unseen public deficit in the world order.

Perhaps this succession of collapses could serve to explain the recent steps backward in liberal democracy, which is now being replaced – as Professor Jose Maria Lassalle warned – by a more populist democracy. This is fueled by extreme polarization, and it seems to have been a call that marked the political pace of the global agenda. The problem is that, in a populist democracy, totalitarian trends respond to organic logic, as does the takeover or systematic devaluation of institutions. Combined with the other major transformations of our time, such as the ecological transition and its map of what is possible, found in the European Green Deal, or this digital revolution (the algorithmic upheaval of which, as we said, is yet to be regulated), we are undergoing a kidnapping of democracy. This process is sophisticated, post-modern, and slow, and it seems to have been a call to reinvent in order to become a resistance movement against the rise of anti-liberalism.

LLYC

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LLYC is a global communications and public affairs consulting firm that helps its clients make strategic decisions proactively, always offering the appropriate creativity and experience. It also minimizes risks and takes advantage of any opportunities offered, always considering reputational impact. In a disruptive and uncertain environment, LLYC helps its clients achieve their short-term business targets while setting a course guided by a long-term vision of defending their social licenses to operate and improving their reputations.

Currently, LLYC has 16 offices across Argentina, Brazil (Sao Paulo and Rio de Janeiro), Colombia, Chile, the Dominican Republic, Ecuador, Mexico, Panama, Peru, Portugal, Spain (Madrid and Barcelona) and the United States (Miami, New York and Washington, DC). It also offers its services through affiliates in the rest of the Latin American markets.

The two leading publications in the sector rank LLYC among the most important communication firms in the world: PRWeek's Global Agency Business Report 2020 ranks it 42nd (by revenue) and PRovoke's 2020 Global PR Agency Ranking ranks it 48th.

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IDEAS is LLYC's Thought Leadership Unit. We are witnessing a new macroeconomic and societal context. A similar thing is happening to communication—it progresses. IDEAS LLYC is a combination of global relationships and knowledge-sharing that identifies, focuses on and transmits new societal paradigms and communication trends from an independent position. IDEAS LLYC exists because reality isn't black and white.

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CHALLENGE: NEW NORMAL

