

Economic Loss in Bochum and especially the Bermuda3Eck

Loss in general

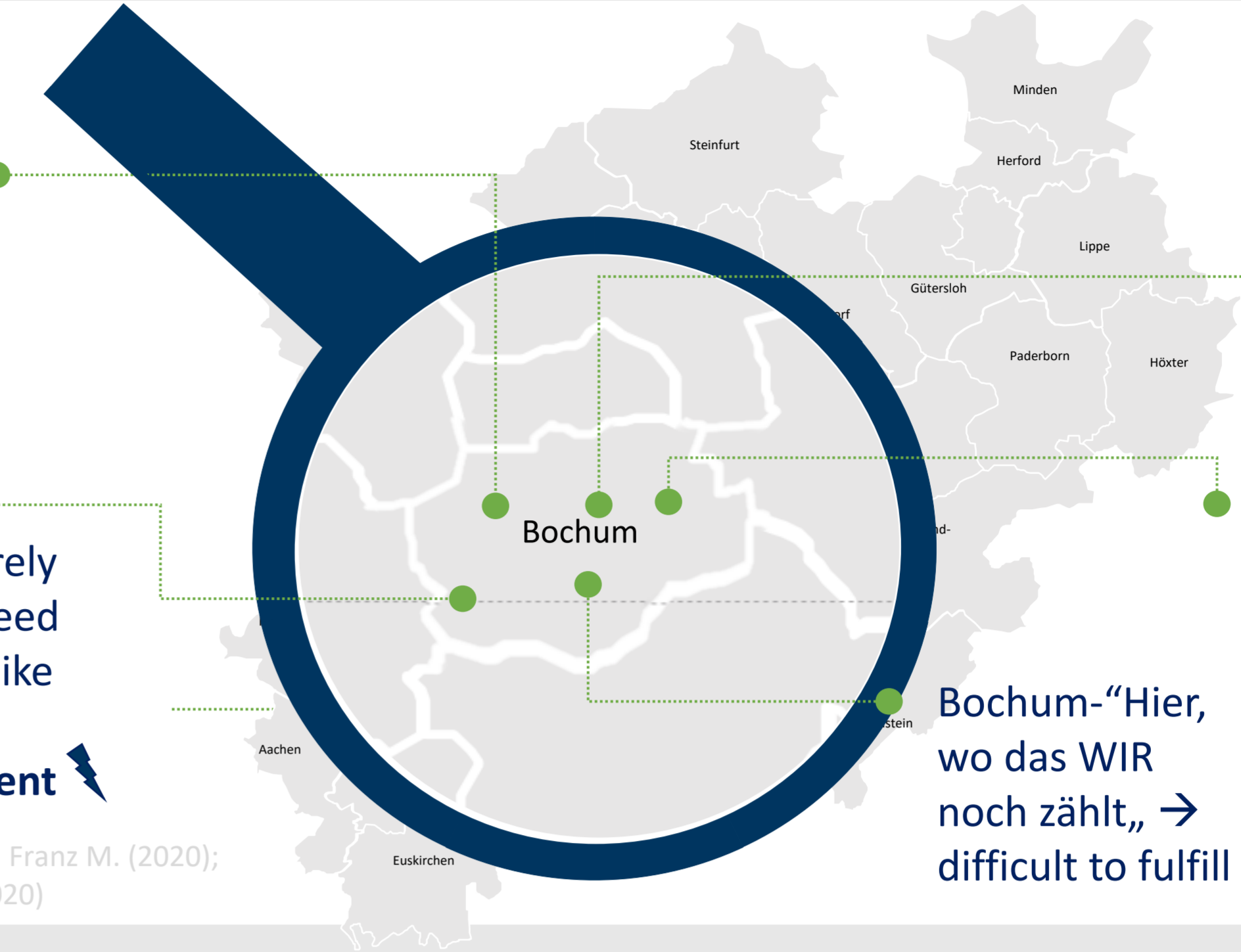
- Supply & demand shock
- Downhill dynamic in real economy
- Shortfall in production world wide
- Break down in supply chain
- Employee decrease by 23.3%
- Increase in unemployment by 16.8%

Gastronomy

- 62.2 % lower sales
- Real decline in sales of 30.2 %
- Lower income for 2020
- Stop of investments
- No more system advantages
- A cut in the usual everyday life

Location factor: always high booking rates in hotels → fallen rapidly since corona

Bermuda3Eck: in the crisis gastronomies rely on permanent staff – no need for short term employees like students → **increasing unemployment**



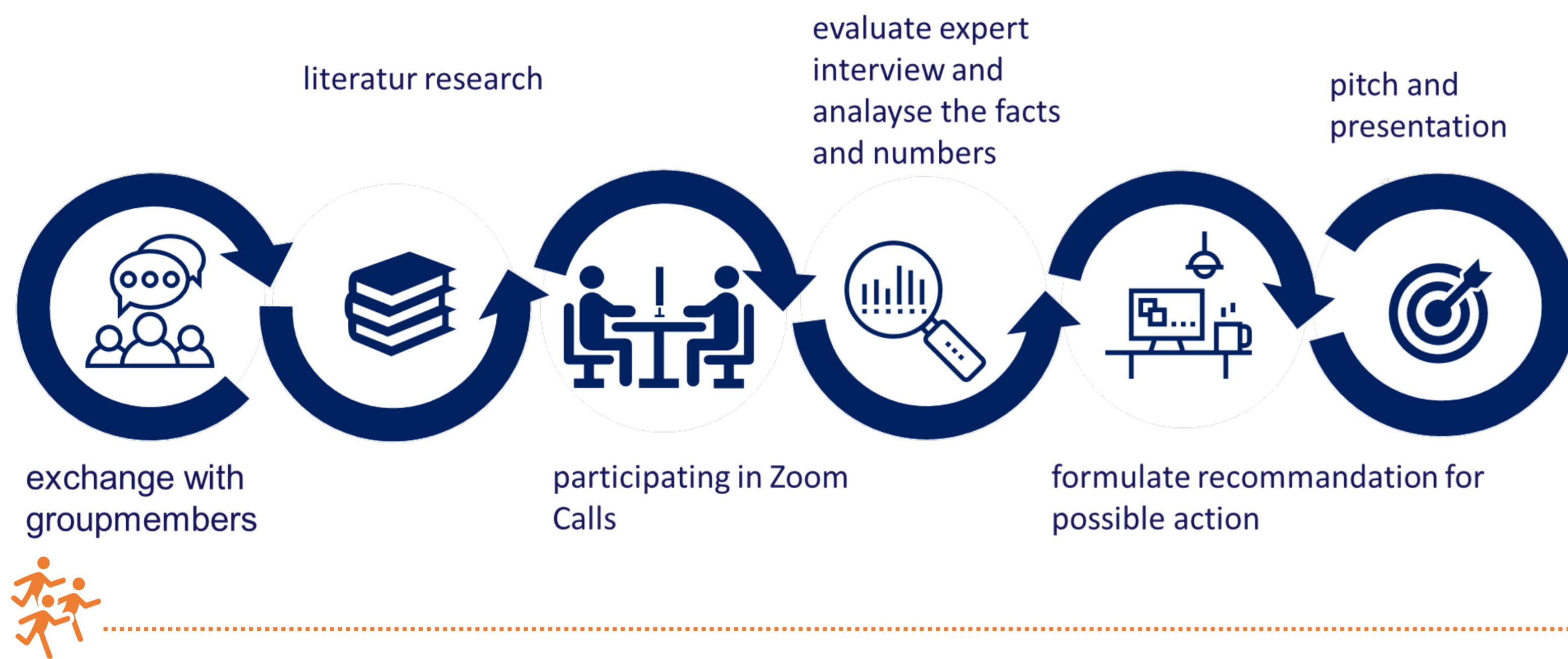
Location factor: human capital, university city → **Loss of attractiveness, working students loose their jobs**

Bermuda3Eck: gastronomy, catering has low income → **no money** to adapt the circumstances e.g. implementation of delivery service

Sources: Landesbank.de; Ilnrw.de; Interview; Bofinger et al. (2020); Neufeld, E. (2020)

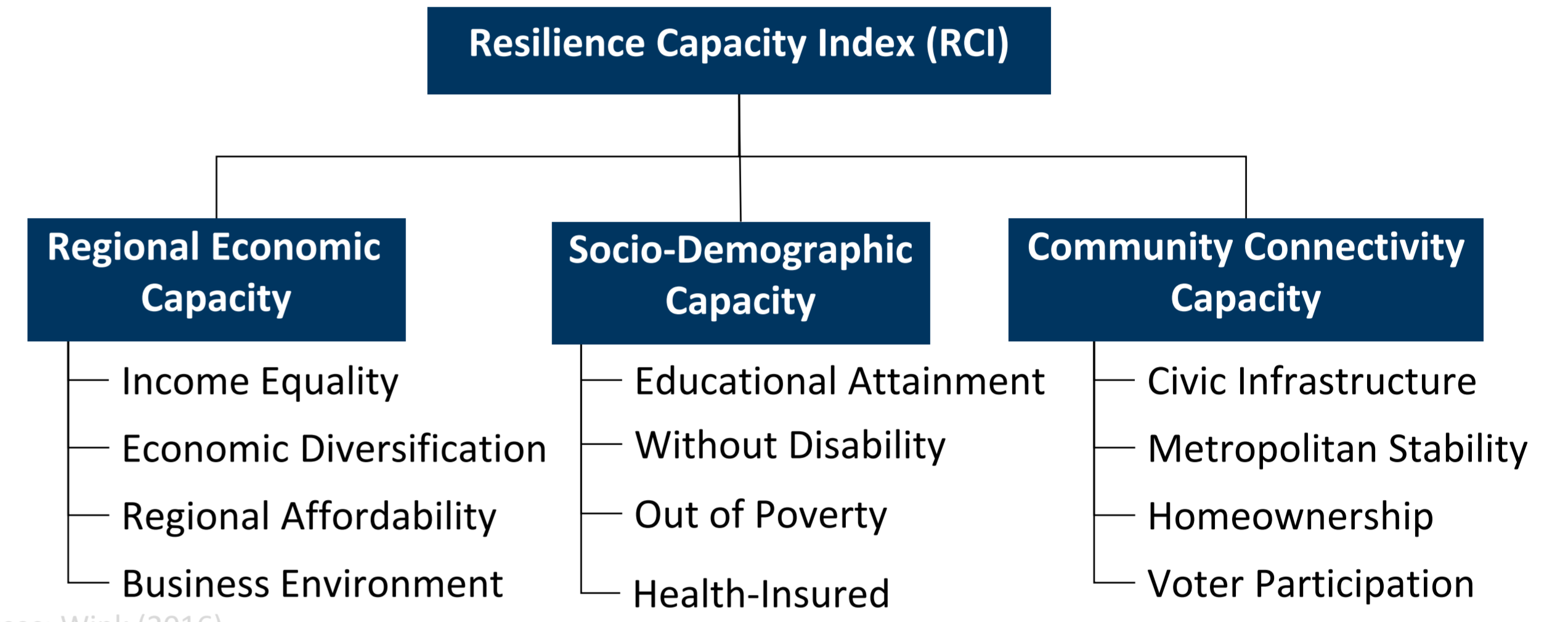
Sources: Immobilienbewertung-contor.de; Franz M. (2020); Bermudadreieck.de (2020); Neufeld, E. (2020)

Methodological Approach



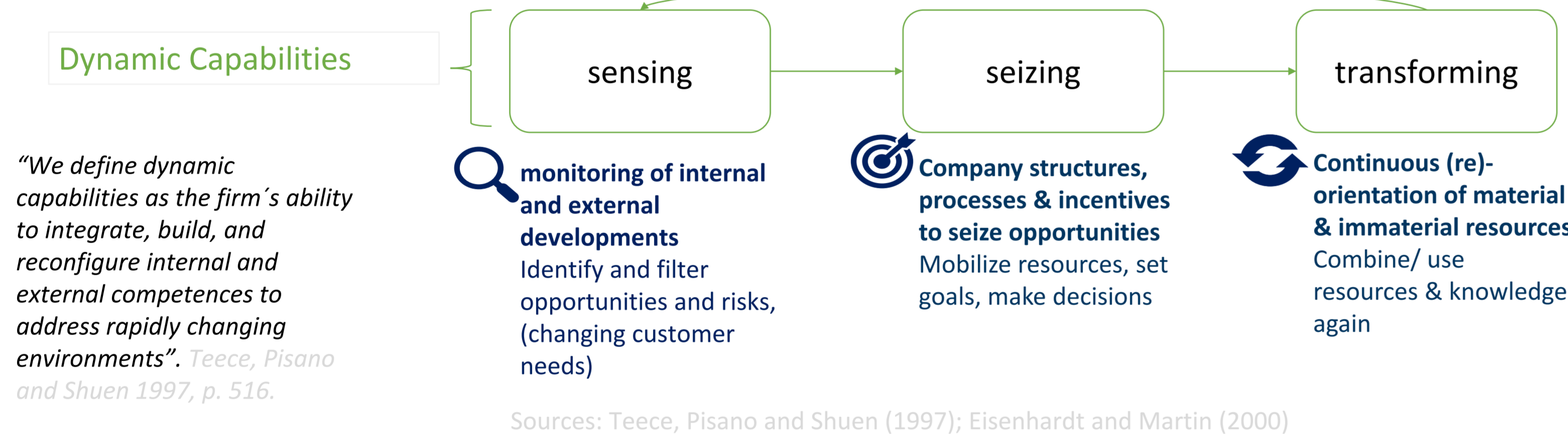
Theoretical Foundation: Resilience

Definition: "[...] ability to survive difficult circumstances without permanent damages" (Duden, 2020)



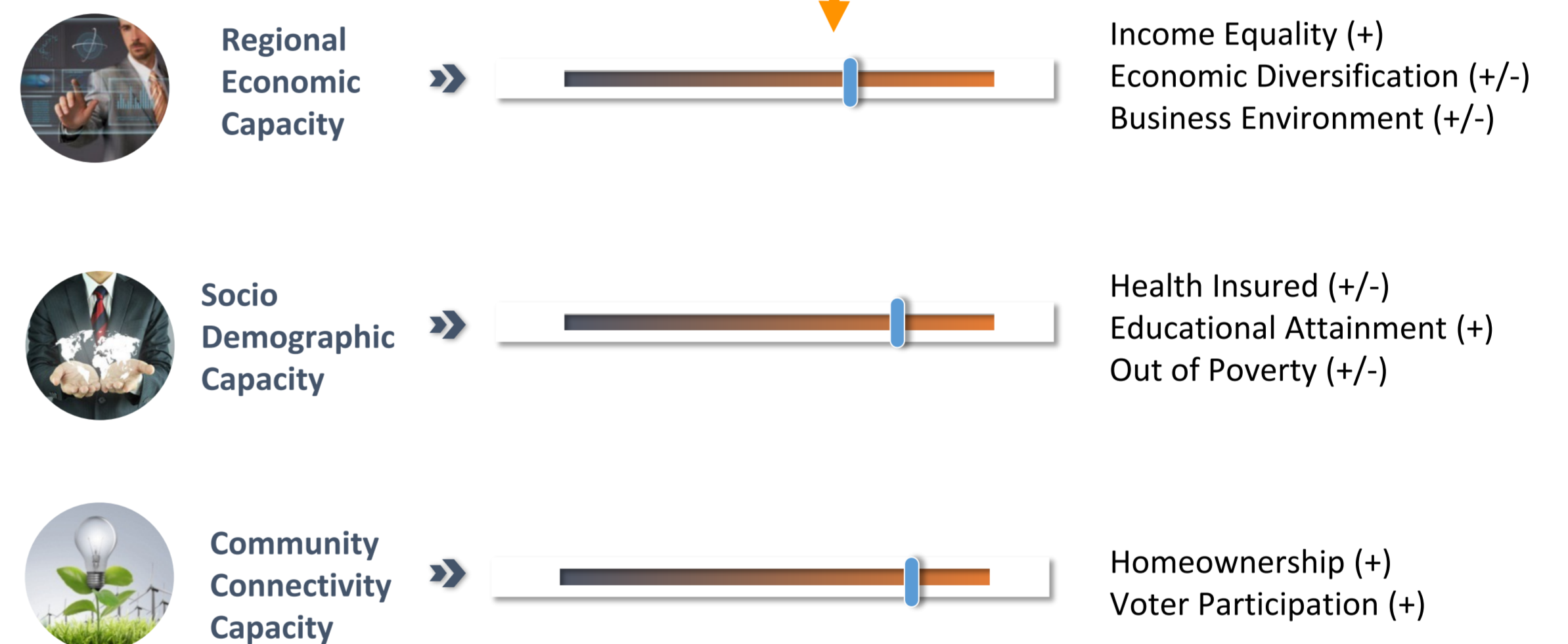
Sources: Wink (2016)

Theoretical Foundation: Dynamic Capability View



"We define dynamic capabilities as the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments". Teece, Pisano and Shuen 1997, p. 516.

Sources: Teece, Pisano and Shuen (1997); Eisenhardt and Martin (2000)



Sources: Bochum.de (2018); Bochum.de (2020); Steude, V. (2019); Ilnrw.de (2020);

Recommended course of action

Gastronomy short term:

- Reporting obligation
- Dynamic capabilities
- Communication
- Use social media
- Could be used to minimise the infection rate
- Open air parties
- Food festivals/ Car-Food festivals
- WhatsApp groups for business owners to stay in touch and communicate problems
- As advertisement platform

Administration short term:

- Increase purchasing power
- Low rent
- Open Funds
- 250,-€ coupons
- No extra costs for outside seating
- No extra parking fee
- Donate funds
- Crowd funding

Gastronomy long term:

- Decentralized leadership
- Uniform strategy
- Make use of existing services
- Proaktive Planning
- Especially in restaurant chains to fasten up decision-making-processes
- To represent that Bochum has a sense of responsibility
- Lieferando
- Take out services/ delivery services
- Use of technology to reduce the risk of infection

Administration long term:

- Reconfiguring social security contribution
- Creating a social environment
- Investing in Organisations itself, to support them financially
- Keeping staff and avoiding unemployment
- Focusing on entertainment factor and creating new reasons, besides shopping, to visit Bochum and gain competitive advantages

Sources: Bochum.de (2020); Neufeld E. (2020), ARL (2020)

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