

The Effects of the Corona Virus Disease on European Entrepreneurial Activities

Markus C. Engert

University of Applied Sciences Würzburg-Schweinfurt, Münzstr. 12, 97070 Würzburg, Germany

In 2020 a global pandemic that we haven't seen before in modern times hit the world economy. How did this situation change the markets and the way how entrepreneurs tried to start their own business? Who can be considered "beneficiaries" and "sufferer" of the changed circumstances? What can we learn for upcoming external influences regarding the founding of businesses? The following article will deal with these questions and try to find answers.

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The modern world is no longer as we know and remember it after a new virus appeared at the end of 2019. The planetary earthquake called COVID-19 changed not only the way of life of mankind but also shifted the lithospheric plates of the world economy in general and the business life of each country in particular. The labor market, the work of industries, companies, customer behavior, relationships with partners, and organizational systems—all this has changed the form, volume, and business models. The rapidly gaining momentum pandemic has become a terrible enemy for the economy, which has destroyed and stopped more than one or a hundred different businesses around the world for many months. We can say that no one was ready for such a development of events.

Nevertheless, humanity is characterized by the ability to adapt, so at the present moment, many companies and businesses have rebuilt and continued their activities despite the new framework and conditions that the coronavirus has brought with it. Competent and timely restructuring of the internal environment of the company, namely the transfer of more employees to a remote type of work, helped to preserve the existence and optimal work in the future. Those who could not make adjustments in time went bankrupt, ceased to exist, or suffered simply gigantic losses. There were also a number of business areas on the global market that stopped due to the fact that it simply could not function due to the pandemic; air travel, cruise liners, cafes, and restaurants. If he continued to work in the normal mode, that the increase in morbidity occurred in a geometric progression, and not in an algebraic one.

HOW THE PANDEMIC DIVIDED THE WORLD

Contrary to all the statements, someone always comes out of any situation as a winner and someone as a loser. Exactly the same thing happened in the business world in a variety of areas. For some companies, the mass relocation of workers due to the pandemic played into their hands and revenues increased several times. The format of remote work did not really interfere with the work, the company's shares soared and became a pleasant target for investors. The company dealt a fatal blow to other businesses. Someone was forced to close down and cease to exist forever, and someone was constrained in movements. The companies were forced to do nothing and suffer continuous losses.

Beneficiaries

The home lifestyle of people, due to total restrictions and lockdowns in many cities of the countries, began to push people to hobbies that were previously given not so much time.

For example, Netflix has become one of the leaders in terms of revenue during the pandemic. The growth of subscribers was due to isolation. Due to the lack of activity on the street, people began to spend more time watching all sorts of movies, TV series, and so on.

Another beneficiary of the pandemic was the American Zoom service. The company's shares rose by 125% against the backdrop of a global lockdown.

Also, do not forget that people were moved to their homes quite abruptly, and such a need as shopping for clothes has not gone away. Therefore, online shopping also became very popular during the pandemic and remains relevant to this day.

As a result, even given the global pandemic, several businesses from different spheres of life were able to use the situation in their favor. And, as a result, convert it into multimillion-dollar revenues. It is such situations that confirm the fact that someone comes out of any situation as a winner.

Sufferer

As it is clear, not everyone was able to successfully survive and adapt during the rapidly developing global pandemic. Several businesses were forced to stop their activities and incur losses. A striking example of this situation was the aviation industry. Passenger air traffic in the world has fallen by almost an order of magnitude, and airlines, as a rule, operating not with very high margins, have lost a source of working capital.

The pandemic of the new coronavirus has dealt a fatal blow to the multibillion-dollar cruise business. Dozens of gorgeous new cruise liners with huge swimming pools and golf courses end up in the Turkish ship graveyard. Many cruise companies have to scrap ships earlier than planned. Many of these airlines could still be operated for more than one year.

The catering industry also suffered huge losses. Due to lockdowns, a huge number of restaurants, bars, and cafes were forced to close. Of course, someone was able to change the business a little and focus on takeaway or delivery. But the global financial losses were not bought. As a result, everyday companies from this area are waiting for concessions to try to increase their already small incomes.

As a result, many areas of business have been affected by the global pandemic. All their activities are bound by rules that cannot be violated in any case. After all, these spheres are conduits and collection points for a huge number of people.

STARTING A BUSINESS IN EUROPE

In the current situation, opening a business in Europe is a step that you need to prepare for very closely and consciously. In addition to all legal aspects, a businessman should carefully study the market sector that he wants to enter. Why potential buyers will choose his product, how it can solve a particular customer's problem, and so on. He should also understand whether the business will pay off and bring profit. After all, it is strange to open an initially unprofitable business. At the same time, the situation with covid-19 remains and will remain relevant for a long time. Therefore, short-term and long-term action plans should be developed.

Online or Offline

Perhaps the main question that a businessman should think about is which type of business will be more profitable to open. Logically, the situation with the global pandemic complicates the possibility of answering this question. It is very difficult to predict the further development of events, so you should rely on your intuition and facts. Of course, each type of business (online or offline) has its pros and cons. It's not just about the possibility of opening a physical store. It is worth understanding about competitors in the market that a businessman enters. Also, one of the main factors is time; will your business be able to withstand a short distance, perhaps one of the most difficult.

Portrait of the consumer

In addition to the difficult choice of the type of business, a businessman will need to fully understand the portrait of his client. The psychology of behavior, its needs, pains and goals in the final purchase. After all, the lack of understanding of buyers will quickly lead to negative profits. And as a result, no matter what the business is, it will not feed the owner and develop. It should also be taken into account that people settled at home quite quickly, so you need to try to satisfy

their requests, which were before the pandemic. After all, the psychology of a person does not change in one second.

Thus, it is impossible to unequivocally answer which type of business is better, because each of them carries a huge number of subtleties and nuances. Before opening something, you need to spend more than one hour and day to choose the most optimal strategy for opening and developing a business.

CONCLUSION

Of course, the coronavirus has radically changed the life of mankind, and our world will not be the same anymore. Nevertheless, people throughout their history have adapted and developed in new and new conditions. Therefore, the current global pandemic will become another obstacle that humanity will cross with new strength and knowledge. Speaking about business, covid-19 has also made certain adjustments to its work. Therefore, it is worth relying on the mistakes of others, so that they do not do the same and burn out. Of course, the pandemic has introduced new conditions for starting a business in Europe, which should be taken into account very carefully. Nowadays, a businessman should think twice about every step and action before opening a business, whether it is an online clothing store, a grocery or even just a mini-market of essential goods.

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