

**HIGHER SCHOOL OF INSURANCE AND FINANCE - SOFIA**



## **ABSTRACT**

**THE IMPACT OF THE ECONOMIC GLOBALIZATION  
PROCESS ON FINANCIAL OPERATIONS AND MARKETING IN  
THE AIR TRAFFIC IN THE WORLD WITH A REVIEW OF  
DELTA AIR LINES**

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## I GENERAL CHARACTERISTICS OF THE DOCTORAL DISSERTATION

### INTRODUCTION

### METHODOLOGICAL APPROACH TO RESEARCH

#### ○ 1. SOCIAL JUSTICE FOR STUDYING THE TOPIC

From an economic point of view, globalization is an increase in international trade in goods, services and factors of production. In today's globalized economy, national economies are integrated with the systems of international financial transfers and processes. The main drivers of economic globalization are liberalization of capital movements and deregulation of financial services, further opening of markets for trade and investment, stimulating growth and international competition.

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Global marketing involves the planning, production, marketing, and promotion of businesses or products in the global marketplace. It is much more than just selling goods and services in the international market. It is a process of transferring the final product or service to a global level and a process that leads to finding solutions to the crisis and creates opportunities for development.

Air transport is an important stimulus for the elements of globalization in the world economy, politics, as well as in the social sphere. It has a significant qualitative and quantitative impact on tourism, international trade, direct international investment, economic structure and productivity both nationally and internationally. In addition to air transport, the most critical part of air traffic is airports and navigation service.

Air transport is a major activity in itself, with a significant contribution to economic, political and social processes. As with other modes of transport, the demand for aviation services is derived and is based on the need and desire to achieve more financial and other market goals, for example, economic development of a region or a particular activity such as tourism.

Delta air lines is one of the largest and most successful airlines in the world. It is a leading international airline with the highest standards of service and excellence. Delta has a leading network of routes covering more than 300 destinations across 60 countries. The company is also partnering with other international airline brands to expand its global presence and route coverage.

The impact of globalization on air traffic, its importance on achieving economic development in many countries in the world, and the importance of Delta air lines in world air traffic make this topic very interesting and socially justified for research and preparation of this doctoral dissertation, in order to contribute and emphasize the role of air transport as an important business area that contributes to economic development, connecting countries and exchanging relevant cultural and political experiences and values.

## ○ **2. SUBJECT OF RESEARCH**

The subject of the doctoral dissertation is to determine the impact of the globalization process on the development of air traffic and the company. Globalization, i.e. global trends lead to greater trade and capital flows, harmonization of economic rules, creation of structural support and mutual cooperation, and finally, creation of a global market that allows greater foreign investment and faster development of economies in each country. . In this context, in order to secure their investments, corporate capitalists need adequate financial resources and good marketing research that will cover a

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network of interrelationships, market studies and consumer needs, and air traffic facilitates and develops at the same time and as a fast-growing and profitable business.

Air traffic is an important driver for economic growth and development. Air transport facilitates integration into the global economy and provides vital connectivity nationally, regionally and internationally. It helps generate trade, promote tourism and create employment opportunities. Today, air traffic remains actively involved in every region for projects related to air transport policy and regulation, security, infrastructure rehabilitation, institutional strengthening and capacity building, which is a separate subject of research in this doctoral dissertation.

### ○ **3. PURPOSE OF THE RESEARCH**

The doctoral dissertation aims to analyze the impact of globalization on the application financial flows of large companies, and on the application marketing and its development in the operation of companies, especially in airlines. In doing so, we first analyze the global impact of globalization on world economic trends, and then on the airlines and the company Delta air lines.

The doctoral dissertation should contribute to the improvement of the explanation of financial flows in conditions of globalization and the development of marketing in companies as a condition for discovering the needs of consumers in foreign markets and creating and implementing strategies for foreign markets, with special reference to airlines worldwide and Delta Air Lines.

### ○ **4. HYPOTHESIS**

#### **Basic (general) hypothesis:**

The paper starts from the assumption that "without good marketing and free financial flows in the conditions of globalization, there is no successful economic development".

#### *First special hypothesis:*

What are the basic issues related to globalization and the connection of financial flows and marketing with the achievement of economic development of countries, and within that framework what is the role of air traffic.

#### *A second special hypothesis:*

Providing adequate financial and marketing support to the development of airlines.

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*A third special hypothesis:*

A stable economic system allows countries, their governments and institutions to plan and direct economic development activities in terms of their expansion and strengthening throughout the countries of the world in order to reach the highest possible level of profit and customer service.

*Auxiliary hypothesis:*

➤ What are the gaps for proper economic development of airlines, especially of Qatar Airways.

## ○ **5. RESEARCH METHODS**

The preparation of the doctoral dissertation is based on data provided by international literature that allows to perceive the theoretical foundations and practical foundations of the functioning of air traffic and the impact of globalization on this system.

In order to successfully process and prepare the topic of the doctoral dissertation that requires a multidimensional approach, a number of research methods are used, which are:

**Historical** - by applying this method, the beginnings of globalization, its growth and development and impact on the world economy are historically determined;

**Content analysis** - using this method, the results of economic globalization, the role of air traffic on economic development in individual countries and the growth and development of Qatar Airways are analyzed;

**Comparative method (comparative)** - with the application of this comparative perception of the experiences, methodology and differences of the impact of globalization on economic development and the place of individual world companies in the realization of air traffic and the financial effects they achieve with the application of marketing in their operation;

**Statistical method** - using this method the efficiency of economic globalization, financial flows and marketing on the operations of the airlines and the airline Qatar Airways is processed.

**Synthesis** - with the help of this method the data obtained with the help of the previous methods are combined.

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## ➤ **II. SCOPE AND STRUCTURE OF THE DISSERTATION**

The dissertation has been developed in the volume of 161 pages, and the content is structured according to the set goal of the research and specific tasks and is in accordance with the subject of the research.

Structurally, the work consists of an introduction, main text in three chapters; conclusion; used literature 107 sources in total in - English and language,

- ✓ reference to major contributions;
- ✓ statement of authenticity and originality.

## ➤ **III BRIEF JUSTIFICATION OF THE DOCTORAL DISSERTATION**

### **PART ONE: CHARACTERISTICS OF THE GLOBALIZATION PROCESS**

#### **1.1. DEFINITION OF THE GLOBALIZATION PROCESS**

Globalization means the growth of global connectivity, integration and interdependence in the economic, social, technological, cultural, political and environmental spheres. Globalization is a common term or term that best describes the processes of economic interdependence, the growing influences of culture, the great benefits of information technology, and the new geopolitical changes that bring people together in a global system. Globalization is a global movement towards economic, financial, trade and communication integration. Globalization means opening up local and national opportunities for a broader perspective of an interconnected and interdependent world with free transfer of capital, goods and services across national borders.<sup>1</sup>

Globalization can be said to be a phenomenon or process that leads to the standardization of everyday life experience around the world. Globalization in economies leads to equalization of prices, products, wages, interest rates and profits as they are in developed countries.<sup>2</sup>

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<sup>1</sup> Lutkevich, B., (2021), What is globalization? definition and meaning - Business Dictionary.com, : <http://www.businessdictionary.com/definition/globalization.html>,

<sup>2</sup> Brahm E., (2017), Globalization | Beyond Intractability, (<https://www.beyondintractability.org/essay/globalization>,

Globalization means the speedup of movements and exchanges (of human beings, goods, and services, capital, technologies or cultural practices) all over the planet. One of the effects of globalization is that it promotes and increases interactions between different regions and populations around the globe. The ability of countries to rise above narrow self-interest has brought unprecedented economic wealth and plenty of applicable scientific progress. However, for different reasons, not everyone has been benefiting the same from globalization and technological change: wealth is unfairly distributed and economic growth came at huge environmental costs. How can countries rise above narrow self-interest and act together or designing fairer societies and a healthier planet? How do we make globalization more just.<sup>3</sup>

### **1.1.1. Characteristics of the globalization process**

The process of globalization is presented as a roundabout that has the following characteristics:<sup>4</sup>

- Free movement of information,
- Free movement of labor,
- Development of world trade,
- Integration in the financial markets,
- Approximation of economic and business cycles,
- Growth of economic phenomena.

Globalization is defined as the extension of trade, commerce and culture of an economy across different nations. It allows economies to exchange domestic products, services, technologies, ideas and other resources globally. It facilitates developed nations to make foreign direct investments (FDIs) for utilizing cheaper resources of developing countries. The process of globalization increases employment opportunities, productivity, living standards and earnings of emerging economies:<sup>5</sup>

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<sup>3</sup> What is Globalization? Examples, Definition, Benefits and Effects, (2020), <https://youmatter.world> › youmatter › Definitions.

<sup>4</sup> Brahm E., (2017), Globalization | Beyond Intractability, <https://www.beyondintractability.org/essay/globalization>,

<sup>5</sup> Vaidya, D., (2022), Globalization - Meaning, Examples, Characteristics, Pros/Cons, <https://www.wallstreetmojo.com> › globalization.



➤ Globalization establishes domestic organizations in foreign countries through the free movement of capital, trade, information, culture, people, etc. Moreover, it is a business expansion phenomenon allowing mobilization of resources amongst nations to ensure their optimum utilization for global growth.

➤ Often domestic markets have limitations like high cost of production, expensive labor, inadequate raw materials, and strict laws. Shifting the business unit to a more economical and resourceful country is often considered more feasible by businesses leading to globalization. When companies step outside of their geographical boundaries, they experience a different culture.

### ■ 1.1.2. Types of globalization

Due to trade developments and financial exchanges, globalization is often thought of as an economic and financial phenomenon, but it should be noted that globalization involves a much broader field than just the flow of goods, services or capital. Globalization is often expressed as:<sup>6</sup>

➤ **Economic globalization** that ensures the development of trading systems within transnational corporations such as corporations or non-governmental organizations;

➤ **Financial globalization** that can be linked to the rise of the global financial system with international financial exchanges and monetary exchange. Stock markets, for example, are a great example of a financially connected global world, because when a stock market declines, it negatively affects other markets as well as the economy as a whole.

➤ **Cultural globalization** refers to the penetration of cultures which means that nations adopt the principles, beliefs and costumes of other peoples, losing their unique culture due to a unique, globalized supra-culture;

➤ **Political globalization** is associated with the development and growing influence of international organizations such as the United Nations - the United Nations or the World Health Organization - WHO which means that government activities take place internationally.

➤ **Sociological globalization** in which information moves almost in real time, along with the interconnectedness and interdependence of events and their consequences. People are also constantly moving, mixing and integrating different societies.

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<sup>6</sup> What is Globalization? Examples, Definition, Benefits and Effects, (2020<https://youmatter.world> › defi.

➤ **Technological globalization** is the phenomenon through which millions of people are interconnected thanks to the power of the digital world through platforms such as Facebook, Instagram, Skype or YouTube.

➤ **Geographical globalization** is a new organization and hierarchy of different regions in the world that is constantly changing. Transportation and flying make everything so easy and affordable that it is possible to travel around the world with almost no restrictions;

➤ **Ecological globalization** The planet Earth is considered as a single global entity - a common good that all societies should protect, because time affects everyone and everyone is protected by the same atmosphere.

### 1.1.3. Benefits of globalization

Globalization impacts businesses in many different ways. But those who decide to take on international expansion find several benefits, including:<sup>7</sup>

➤ **Access to New Cultures** - Globalization makes it easier than ever to access foreign culture, including food, movies, music, and art.

➤ **The Spread of Technology and Innovation** - Many countries around the world remain constantly connected, so knowledge and technological advances travel quickly. Because knowledge also transfers so fast, this means that scientific advances made in one country can be at work in the others.

➤ **Lower Costs for Products** - Globalization allows companies to find lower-cost ways to produce their products. It also increases global competition, which drives prices down and creates a larger variety of choices for consumers. Lowered costs help people in both developing and already-developed countries live better on less money.

➤ **Higher Standards of Living Across the Globe** - Developing nations experience an improved standard of living—thanks to globalization. According to the World Bank, extreme poverty decreased by 35% since 1990.

➤ **Access to New Markets** - Businesses gain a great deal from globalization, including new customers and diverse revenue streams. Companies interested in these benefits look for flexible and innovative ways to grow their business overseas. International Professional Employer Organizations (PEOs) make it easier than ever to employ workers in other countries quickly and compliantly. This means that, for many companies, there is no longer the need to establish a foreign entity to expand overseas.

➤ **Access to New Talents** - In addition to new markets, globalization allows companies to find new, specialized talent that is not available in their current market.

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<sup>7</sup> Globalization Benefits and Challenges, (2020), <https://velocityglobal.com> › Global Expansion.

For example, globalization gives companies the opportunity to explore tech talents in booming market allows companies to compliantly employ workers overseas, without having to establish a legal entity, making global hiring easier than ever.

## ○ **1.2. ECONOMIC GLOBALIZATION**

Economic globalization is the free movement of goods, services and people around the world in an integrated way. Globalization can be considered as a result of the opening of the global economy and the simultaneous increase of trade between countries. Countries that have been closed to trade and foreign investment, with globalization open their economies and go global, the result is increased interconnectedness and integration of the world's economies. Economic globalization can be expressed in different ways, but they are all focused on the four economic trends that characterize it:<sup>8</sup>

- movement of goods and services and increase of national income per capita;
- increase of employment - with the movement of the population, more employment can be achieved, if not in one's own country, in other countries;
- capital movement as direct investments;
- technology development as a result of international research and development and investment flows.
- economic globalization also means that countries are liberalizing their import regulations and attracting foreign investment in the sectors that are key elements of their economy. This means that countries are becoming more attractive for global capital by opening up their economies to multinational corporations.

### ■ **1.2.1. Characteristics of economic globalization**

Economic globalization leads to the integration of national economies into a global market, by respecting a set of rules for the functioning of that global market there, a market that has an advantage over the independence of the national market. Economic globalization is supported by institutions such as the International Monetary Fund, the IMF, the World Bank, the World Trade Organization (WTO), and other interstate integrations such as the European Union, NAFTA, and others. Economic globalization leads to the desired economic growth - increasing material consumption, to privatization, unification of public services, business deregulation and unrestricted

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<sup>8</sup> What is Globalization ? - Meaning and its Importance, <https://www.managementstudyguide.com/what-is-globalization.htm>

movement of capital across countries and leads to increased corporate concentration and cultural and economic homogenization. Companies operate in the international market for several reasons.<sup>9</sup>

### 1.2.2. Effects of economic globalization

Economic globalization refers to the increasing interdependence of world economies as a result of the increasing volume of cross-border trade in goods and services, the flow of international capital and the wide and rapid spread of technologies. It reflects the continuous expansion and mutual integration of market borders and is an irreversible trend for economic development worldwide. The rapid growth of the importance of information in all types of productive activities and market orientation are the two main driving forces for economic globalization. In other words, the rapid globalization of world economies is largely based on the rapid development of science and technology, which has emerged from an environment in which the market economic system is rapidly expanding around the world and evolving on the basis of increasing cross-border division of labor breaks through to the level of production chains in companies from different countries:<sup>10</sup>

### 1.3. MARKET GLOBALIZATION

Globalization means the ability to produce and /or sell goods/services in global markets in open competition with others. Only the fittest will survive in open competition. There exists comprehensive foreign competition with respect to almost every product all over the world. The globalization of markets has vastly increased international competition. While pursuing the strategy of globalization, the firms have to face the challenges of managing human, technological, physical resources in the foreign markets. The globalization of markets and manufacturing has vastly increased international competition.<sup>11</sup>

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<sup>9</sup> Globalisation ppt 2 – SlideShare, <https://www.slideshare.net/RaviChaurasiya/globalisation-ppt-2>,

<sup>10</sup> Shangquan, G., (2021), Economic Globalization: Trends, Risks and Risk Prevention [https://www.un.org › cdp\\_background\\_papers](https://www.un.org › cdp_background_papers),

<sup>11</sup> Globalization of Markets - EconBiz, (2022), <https://www.econbiz.de › glo>.

Globalization of markets is a process of integration of national markets in a global market, in which relations between countries tend to increase due to its expansion and deepening. This process is also called globalization or internationalization:<sup>12</sup>

- Globalization of markets refers to the merging of historically distinct and separate national markets into one huge global market place.
- Falling trade barriers make it easier to sell globally.
- Consumers tastes and preferences are converging.
- Firms promote the trend by offering the same basic products worldwide.
- Globalization of production refers to the sourcing of goods and services from locations around the globe to take advantage of national differences in the cost and quality of factors of production.

### ■ 1.3.1. Characteristics of market globalization

Market globalization is the process of integrating and connecting and merging certain markets into one market. The process of globalization of markets involves identifying some common norms, values, standards, ways of working and gradually creating approaches to the common use of products and services. Companies need to be large in order to create a global market. Most of the foreign markets are markets for industrial goods such as markets for raw materials and equipment and machinery and tools, software and the like. Global companies compete with each other in various foreign markets, including their own. Companies are globalizing markets in order to make as much profit as possible and achieve their goals.<sup>13</sup>

### ■ 1.3.2. Impact of globalization on domestic institutions

The globalization of markets is one of the most fascinating developments of this century. Its impact on economic transactions, processes, institutions and participants is very wide. Globalization challenges established norms and behaviors and requires

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<sup>12</sup> Chirinos, S., (2015), Globalization of Markets - LinkedIn, <https://www.linkedin.com › g>.

<sup>13</sup> Nekpury A., (2011), Drivers, globalization of market, production, investment, technology, Javier Institute Jabalpur, <https://www.slideshare.net/nekpuri/drivers-globalization-of-market-production>,

different ways of thinking. However, it does create opportunities for well-prepared participants who can be proactive and visionary: <sup>14</sup>

- ❖ Globalization of markets includes:
  - increased interdependence between the world's economies;
  - multinational nature of resources, production, trading and investment activities;
  - increasing the frequency of cross-border transactions and financing; and
  - increased intensity of competition among a larger number of players.

#### ○ **1.4. FINANCIAL EFFECTS FROM ECONOMIC GLOBALIZATION**

Economics globalization has affect on capital flows, with cross-border equity and bond purchases as well as loans and foreign direct investment: <sup>15</sup>

- Large corporations, especially multinationals, benefit from greater access to capital. This boosts output and fuels growth by enabling companies to invest more in research and development.
- Globalization also makes it possible for newer companies that can attract media and investor attention to compete with incumbents — if they can find ways to “disrupt” a market with better ideas.
- International investments in emerging economies have contributed to the rise of modern, western-style cities and urban centers. For example, international investments in a few corporations in a developing nation, if successful, lead to development of infrastructure, including office buildings, homes, schools and hospitals. In many emerging economies, none of this development would happen without globalization and money flows across borders. Globalization often lowers inflation, empowering the consumer to buy more goods.

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<sup>14</sup> Cavusgil T. (2003), Globalization of Markets and Its Impact on Domestic Institutions," Indiana Journal of Global Legal Studies: Vol. 1: Iss. 1, Article 5. Michigan State University, [https://www.repository.law.indiana.edu › viewcontent](https://www.repository.law.indiana.edu/viewcontent),

<sup>15</sup> How Globalization Affects Business Finance - USCA Online, (2020), [https://online.usca.edu › degrees › business › mba › how](https://online.usca.edu/degrees/business/mba/how).

### 1.4.1. General effects of economic globalization

Economic globalization is an interesting phenomenon because it leads to changes that lead to increased economic, financial, social, cultural, political, market and environmental interdependence between countries:<sup>16</sup>

❖ Economic globalization is challenging people to change their lifestyles, encouraging companies to change the way they do business, and encouraging nations to pursue new national policies. Events happening in different parts of the world are now having dramatic consequences for other parts of the world at a faster pace than one might imagine.

❖ Economic globalization allows companies to engage and find consumers around the world. The globalization of production and operations in more countries helps companies to achieve higher revenues by using the larger operating model.

❖ Economic globalization is leading to greater interconnectedness between markets around the world and increased communication and awareness of business opportunities in different parts of the world. More investors can access new investment opportunities and explore new markets. Products and services that were previously available in one country can now be made available in new markets abroad, uniting economies through increased investment and trade.

❖ Economic globalization is creating increasing competition, with companies struggling with strong competition outside their own country that is turning them into global companies, actively seeking production locations and partners for new ventures.

❖ Economic globalization provides a net benefit to individual economies around the world, as markets become more efficient, competition increases, and consumer welfare spreads around the world.

### 1.4.2. Financial globalization as part of economic globalization

Financial globalization as part of economic globalization is understood as the integration of a country's local financial system with international financial markets and institutions. This integration usually requires governments to liberalize the

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<sup>16</sup> Kuepper J., (2018), The Impact of Globalization On Economic Growth, :  
<https://www.thebalance.com/globalization-and-its-impact-on-economic-growth-1978843>



domestic financial sector. Financial globalization, in principle, can help raise growth rates in developing countries through multiple channels.<sup>17</sup>

## ○ 1.5. GLOBALIZATION OF MARKETING

Globalization in marketing is defined as the process of promoting products and services to global markets. It is important for companies to understand how they fit within the market and what target markets they should focus on. When making these decisions, it is important to take into account the country's culture, values, and customs. Not only does globalization happen through promotion but also through product innovation.<sup>18</sup>

➤ Marketing and globalization go hand-in-hand, as marketing is the process of promoting and distributing a product to consumers so they will buy it. Globalization in marketing is important because it increases the accessibility of products, which increases competition and therefore drives down prices. It also is imperative for businesses to take advantage of international markets. Trade agreements are vital to global trade, as they protect companies from being charged tariffs on imports/exports.

➤ In a globalized world, brands have the opportunity to communicate their values and the importance of globalization in a number of ways. A company can communicate their beliefs in a globalized world by implementing a policy of sustainability and innovation, which communicates an appreciation for resources and a forward-thinking mindset. The company can also choose to redesign products to be more accessible globally. For example, Coca-Cola has redesigned its bottles so that they are easier to drink from all around the world.

### ■ 1.5.1. Basic features of marketing globalization

Globalization of marketing means combining the promotion and sale of products and services in an increasingly interdependent and integrated global economy with an understanding of the needs of consumers in the target countries. Globalization of marketing means creating a global marketing mix in which the product, price, distribution or point of sale and promotion are targeted to the needs of consumers in a particular foreign country. Globalization of marketing gives companies the opportunity to raise brand awareness, increase sales and establish new markets in new economies.

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<sup>17</sup> Positive and negative effects of financial globalization on developing and emerging economies, <https://eprints.ugd.edu.mk> › Positive and negative ef,

<sup>18</sup> Roth, H., (2022), Globalization - its meaning in marketing & branding - neuroflash, <https://neuroflash.com> › blog › globalization-meaning-in-



Global marketing can save money compared to individual country-to-country marketing. In the global market, companies are meeting more people and therefore need to know their target segment. Global marketing is more than just selling products and services internationally. It covers the whole process of planning, production, marketing and promotion of products of companies on the world market.<sup>19</sup>

### ■ 1.5.2. Application of marketing in the global market

The operation, i.e. the realization of products and services on the international market, means that the organizations start to develop and conduct operational activities in a certain country or target countries that are different from those in the domestic market. The procedures for the development of marketing operational activities that mean orientation from the domestic to the foreign (international market) can be expressed in the following way:<sup>20</sup>

## **PART TWO: GLOBALIZATION OF AIR TRAFFIC IN THE WORLD**

### ○ 2.1. BASIC CHARACTERISTICS OF INTERNATIONAL AIR TRAFFIC

Air transport is an important enabler to achieving economic growth and development. Air transport facilitates integration into the global economy and provides vital connectivity on a national, regional, and international scale. Air transport helps generate trade, promote tourism, and create employment opportunities.<sup>21</sup>

Modern industrial aviation traffic is an activity that increasingly operates within the liberal market. Air traffic accounts for about 1% of both EU and US GDP - and is vital for many industries such as tourism, exotics and high technology. Air transport is an important carrier of high value cargo. International air traffic accounts for about 40% of world trade in value, albeit much less in physical terms. The market is served by a variety of carriers, some specializing in international long-haul routes and others in

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<sup>19</sup> Global Marketing: Strategies, Definition, Issues, Examples, (2016), ://www.cleverism.com/global-marketing-strategies/,

<sup>20</sup> Chapter 1: Introduction To Global Marketing, (2021), www.fao.org

<sup>21</sup> Air Transport - World Bank Group, (2022),: https://www.worldbank.org.

short-haul markets. The world's largest airports carry millions of international passengers and tons of cargo each year.<sup>22</sup>

### ■ **2.1.1. The contribution of air travel to global economic prosperity**

Air transport is a major contributor to global economic prosperity:<sup>23</sup>

➤ Air transport provides the only fast transport network worldwide, making it essential for global business and tourism. It plays a vital role in facilitating economic growth, especially in developing countries.

➤ Air transport facilitates world trade. It helps countries contribute to the global economy by increasing access to international markets and allowing globalization of production.

➤ Air transport is essential for tourism, a major engine of economic growth, especially in developing economies. Connecting contributes to improved productivity by encouraging investment and innovation, improving business performance and efficiency, and allowing companies to attract high quality employees.

### ■ **2.1.2. Air transport as a global employer**

The aviation industry supports 87.7 million jobs around the world, either directly within the industry or, supported through the industry's supply chain, employees' spending and in the aviation-enabled tourism sector:<sup>24</sup>

➤ Around 11.3 million people work in the aviation industry directly. These jobs are:

✓ Airport operators: 648,000 (work for the airport operator)

✓ Other airport-based roles: 5.5 million (retail, car rental, customs and immigration, freight forwarders and catering)

✓ Airlines: 3.6 million (flight and cabin crews, executives, ground services, check-in, training, maintenance staff)

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<sup>22</sup> International Air Transport Association (IATA), The Business of Freedom, (2021) <https://www.iata.org>,

<sup>23</sup> Powering global economic growth, employment, trade links tourism and support for sustainable development through air transport, (2018), <https://aviationbenefits.org> › media › abbb18\_glo.,

<sup>24</sup> Employment - Aviation: Benefits Beyond Borders, (2022), <https://aviationbenefits.org> › supporting-employment.

- ✓ Civil aerospace: 1.3 million (engineers and designers of civil aircraft, engines and components)
- ✓ Air navigation service providers: 237,000 (air traffic controllers, executives)
- ✓ These jobs are, on average, 4.3 times more productive than average jobs in the economy.

➤ Over 18.1 million jobs globally are supported by aviation indirectly, through the air transport industry's purchase of goods and services. These include suppliers to the air transport industry, for example fuel suppliers, construction companies, suppliers of aircraft components, manufacturers of goods sold in airports, and a variety of business support roles, like call centres, IT and accountancy.

➤ 13.5 million induced jobs. Air transport industry employees (direct and indirect) support 13.5 million induced jobs globally, using their income to purchase goods and services for themselves. Their spending power supports jobs in retail, consumer goods, and a range of service industries such as banks and restaurants.

➤ 44.8 million jobs in tourism. Tourism is fast becoming the world's largest industry, and air transport plays a vital role. Conservative estimates suggest that aviation supports 44.8 million jobs within tourism.

➤ There are over 10 million women and men working within the industry to make sure 120,000 flights and 12 million passengers a day are guided safely through their journeys. The wider supply chain, flow-on impacts and jobs in tourism made possible by air transport show that at least 65.5 million jobs and 3.6% of global economic activity are supported by our industry.

➤ With an open, free-trade approach, the growth in air transport will support some 97.8 million jobs and \$5.7 trillion in economic activity in 2036. However, if governments create a more fragmented world with isolationism and protectionist policies, over 12 million fewer jobs and \$1.2 trillion less in economic activity would be supported by air transport.

### ■ 2.1.3. Air traffic investments in vital infrastructure

Airlines, passengers and cargo need safe, functional and affordable airport infrastructure for their operations to thrive. New concepts will increasingly be required to optimize the use of emerging technologies, processes and design for the complete infrastructure for air transportation. Some US\$1.2-1.5 trillion is expected to be spent on global airport infrastructure development up to 2030, requiring major increases in capital spending for projects develop cost-efficient facilities that balance capacity with

demand, while delivering the functionality, levels of service and operational efficiency required to justify the investments being made.<sup>25</sup>

Adequate infrastructure is essential to airport and airline operations. While it's not necessarily as exciting or as visible as aircraft, it is arguably just as important. Airports are constantly adapting to provide enough functional, safe, and affordable infrastructure for airlines and passengers. Airport infrastructure covers a huge area. From the immediately visible and dominating terminals, runways, and control towers to more hidden but vital baggage systems, gate operations, and lighting systems.<sup>26</sup>

#### ■ 2.1.4. Social benefits of air travel

Air travel has given all nations the freedom to travel. It connects people, countries, and cultures, providing access to global markets. Air travel connects developing countries to developed countries and serves as a means of inclusion for remote areas in which air travel is the only means of transportation. The affordability of air travel makes the leisure and cultural experiences that come from traveling around the globe accessible to the majority of the world's population. This in turn exposes the world to tourism, which significantly improves living standards and assuages poverty in many nations. Research composed by the IATA shows that 51% of international tourists travel by air. In addition to tourist travel, aviation also provides the essential function of allowing the speedy delivery of medical supplies, organs for transplantation, and emergency aid relief (IATA Online).<sup>27</sup>

#### ○ 2.2. GLOBAL AIRLINES

Over the past two and a half years, the airline industry has changed dramatically. Starting in March 2020, the COVID-19 pandemic forced carriers around the globe to shrink and modify their schedules as travel halted and countries closed their borders. Pilots sought early retirement, employees were furloughed, and aircraft were parked.<sup>28</sup>

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<sup>25</sup> Airport Infrastructure - IATA, (2022), <https://www.iata.org> › ops-infra.

<sup>26</sup> Hayward, J., (2021), Airport Infrastructure - Everything You Need To Know, <https://simpleflying.com> › air. - 3

<sup>27</sup> Social Impacts - Improving the Sustainability of the Aviation Industry, (2020), (<https://sites.google.com> › soci.

<sup>28</sup> Rains, T., (2022), 20 Biggest Airlines in the World; Southwest, American, Delta, <https://www.businessinsider.com> ›

➤ However, the strong post-pandemic demand is flipping the industry on its head. With travel rebounding faster than expected, airlines are making moves to keep up, like buying new planes, flying new routes, and launching aggressive hiring campaigns to get more feet on the ground and in the air to keep the operation running smoothly.

➤ Globally, airlines carried an estimated 2.2 billion people and flew 22.2 million flights in 2021. That compares to 1.8 billion in 2020, which was just 40% of the 4.5 billion carried in 2019.

➤ With all the upheaval, which airlines are now the largest in the world? Turns out the US' "Big Four" airlines, including American Airlines, United Airlines, Delta Air Lines, and Southwest Airlines, as well as several Chinese carriers, made the top-20 list with hundreds of millions of seats offered in 2021, according to data from London-based aviation analytics firm Official Airline Guide (OAG).

➤ Here are the world's 10 biggest airlines in the world by the number of seats made available to customers in 2022 are:

Ranking		Airline Company
2022	2021	
1	5	Southwest Airlines
2	2	American Airlines
3	1	Delta Air Lines
4	8	China Southern Airlines
5		China Eastern Airlines
6	3	United Airlines
7	9	Air China
8		IndiGo
9		Skywest Airlines
10	7	Ryanair
	4	Emirates
	6	China Southern
	10	Lufthansa

### ○ 2.3. GLOBALIZATION AND FINANCIAL OPERATIONS OF GLOBAL AIRLINES

Globalization can be described abstractly as a process by which the people of the world are unified into a single society and function together. This process is a combination of economic, technological, socio-cultural, and political forces. The idea of globalization is, however, also often used to refer in the narrower sense of economic globalization involving integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, and the spread of technology.

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Increase in mobility and personal interchanges that air transport facilitates has broader socio-cultural and political implications.<sup>29</sup>

## ○ 2.4. MARKETING OF GLOBAL AIRLINES

Marketing is multi-dimensional, especially in the case of the airline industry. At a bare minimum, the same products are marketed to customers (leisure and business) and distributors differently:<sup>30</sup>

- An airline marketing aims to reach prospective consumers and turn them into customers of the services as well as keep existing customers engaged. When systematically planned, the marketing covers the four P's of marketing – product, price, place, and promotion.
- The high-level goal of a marketing and advertising for any airline is to achieve a winning advantage over competitors by understanding the needs of customers and adjusting the tactics to meet those needs.

### ■ 2.4.1. General characteristics of airline marketing

People live in a very competitive world now, and when it comes to the aviation industry, the level of competitiveness is amazing. Moreover, with new challenges that airlines are facing regarding the COVID-19 pandemic and the world striving for net-zero emissions, getting new travelers and retaining them has become more challenging than ever:<sup>31</sup>

- ✓ A series of features make marketing challenging in air transportation industry yet interesting for airlines.
- ✓ Perishable product - The actual product is the flight ticket, and the tickets sold by an airline company represent the seating inside the airplane. All the seating space that is not sold is considered a waste of that particular flight.

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<sup>29</sup> The Impacts of Globalisation on International Air Transport Activity,(2018), <https://www.oecd.org> › greening-transport.

<sup>30</sup> Airline Marketing And Advertising Strategies and Use Cases, (2022), <https://www.altexsoft.com> › blog › airline-marketing-adve

<sup>31</sup> Successful Airline Marketing - Aeroclass.org, (2022: <https://www.aeroclass.org> › ai, p. 2

✓ High level of segmentation - Some airlines have had decided to segment their market deeply to be more successful. This way, it is easier for them to provide tailor-made offers to specific travelers.

✓ Highly dynamic business Tickets are sold on a per-demand basis, so airlines need to deal with dynamic ticket pricing in order to maximize their profits. Moreover, they have to constantly adapt their service offer to the current needs to guarantee a satisfactory experience to the traveler, as it has happened during pandemic times.

✓ Dependable business - Many external factors affect the business of an airline. An airline company will usually tailor its marketing and decisions depending on political, economic, social, technological, and any other factors that may have an effect on its business.

### ■ 2.4.2. Airline marketing mix

Marketing mix in air transportation companies is a set of actions an aviation business takes to build and market its product or service to its customer:<sup>32</sup>

➤ Marketing mix helps company to be sure that company is able to offer to customers the right product, at the right time and at the right place for the right price.

➤ Whereas traditionally the marketing mix is executed through the 4 Ps of marketing, nowadays 3 more additional tools have been added to the mix, making it the 7 Ps of marketing. In Air transportation Businesses use a blend of these marketing mix elements to generate the response they want from their customers.

➤ There are several benefits of the marketing mix that makes it important to air transportation businesses.

### ■ 2.4.3. Airline marketing strategies

Airlines must identify their target audience and develop marketing strategies accordingly. Traditional advertising methods such as TV and radio ads are no longer as effective as they used to be. Airlines should focus on digital marketing, which includes social media, SEO and email marketing. Airports can also be used as a marketing tool by promoting the airline brand at the airport and providing passengers with information about the airline. Social media is a powerful tool that airlines can use to connect with customers. Airline websites should be easy to navigate and customer-friendly. Airlines should offer incentives to customers who book their flights online. Also, airline loyalty

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<sup>32</sup> How to Develop an Effective Marketing Mix | What are the Marketing Mix Elements, (2022), available at: <https://creately.com › diagrams>



programs are a great way to keep customers coming back. Airlines should partner with other businesses to create joint promotions.<sup>33</sup>

#### 2.4.4. Social media marketing in airlines

The aviation industry is increasingly turning to social media marketing to connect with customers and drive traffic to their websites and e-commerce channels. Airlines are some of the most active users of social media, and they're using it to build relationships with their customers and drive traffic to their websites. Many airlines offer exclusive content that's not available elsewhere, and they're using social media to drive traffic to their websites and e-commerce channels. By using social media marketing, airlines are able to create a connection with their customers and cultivate trust and loyalty. So, if you're looking to tap into the aviation industry's huge potential, start building relationships and driving traffic to your website today with social media marketing:<sup>34</sup>



### PART THREE: CHARACTERISTICS OF DELTA AIR LINES



#### 3.1. DELTA AIR LINES BASIC DATA

Delta Air Lines is a major US airline, carrying passengers and cargo across the United States and international destinations in Central and South America, the Middle East, Africa and Europe. It was founded in 1924 and started operating on June 17, 1929 year:<sup>35</sup>

➤ The company is one of the oldest airlines in the United States and was formed by merging carriers such as Western Airlines Northwest Airlines. The airline is headquartered at the busiest airport in the world, with Atlanta carrying more than 170 million passengers each year with connections to about 321 destinations worldwide.

➤ The growth of the airline in providing air transport services can be seen in the increased operating revenues in recent years. However, due to the coronavirus pandemic, the American airline recorded a huge drop in revenue in 2020: from 47 billion US dollars generated in 2019 to only 12.8 billion US dollars.

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<sup>33</sup> Airline To Connect Customers With Faster Wifi, New In-Seat, (2022), (accessed on 23.08.2022), available at: <https://www.southwestairlinesinvestorrelations.com> ›

<sup>34</sup> Bin J. S., (2022), Big Rise of Social Media Marketing in Aviation Industry, <https://salmanbinjaffar.com> ›

<sup>35</sup> Delta Air Lines - statistics & facts | Statista, (2021), <https://www.statista.com> › del.



➤ As a global airline, Delta connects customers through our expansive global network. In 2019, it served approximately 200 million customers and is the largest airline in the world by total revenue and the most profitable with five consecutive years of \$ 5 billion or more pre-tax revenue from 2015 to 2019. In 2020, significant network adjustments were made as a result of the unprecedented and widespread impact of SOVID-19 and associated travel restrictions and social distance measures that significantly reduced demand for air travel.

### ○ **3.2. SERVICES OF THE DELTA AIR LINES COMPANY**

Delta Air Lines, Inc. provides scheduled air transportation for passengers, freight, and mail over a network of routes. The Company offers flight status information, bookings, baggage handling, and other related services. Delta Air Lines serves customers worldwide. Delta Air Lines, Inc.:<sup>36</sup>

✓ Regular passenger and freight air transportation in the United States and internationally.

✓ Also provides aircraft maintenance, repair and overhaul services to other aviation and airline clients,

✓ Offers personnel services, professional security and training services and aviation solutions;

✓ Vacation packages; and

✓ Charter aircraft.

### ○ **3.3. DELTA DESTINATIONS AND FLEET**

Delta Airlines, along with its subsidiaries and regional subsidiaries:<sup>37</sup>

➤ It serves up to 200 million people a year, flies over 5,400 flights daily and serves 325 destinations in 52 countries on six continents.

➤ Delta and her alliance partners collectively serve over 130 countries and territories and over 800 destinations around the world. In 2019, prior to the onset of the COVID-19 pandemic, Delta offered more than 5,000 daily departures and as many as 15,000 affiliated departures including the premier SkyTeam alliance, of which Delta

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<sup>36</sup> Delta Air Lines Inc. - Annual Reports.com, <https://www.annualreports.com>

<sup>37</sup> Corporate Stats and Facts | Delta News Hub, (2021), (accessed on 08.10.2021), available at: <https://news.delta.com/corporate-stats-and-fact>, crp. 11

is a founding member. At the end of 2021, Delta offered more than 4,000 daily departures and approximately 5,500 affiliated departures as began restoring her network.

### ○ **3.4. FINANCIAL AND OTHER OPERATIONS OF DELTA**

The financial results for 2020 compared to 2019 are a pre-tax loss of \$ 15.6 billion, a decrease of \$ 21.8 billion compared to the previous year, primarily due to the impact of the COVID-19 pandemic, resulting in 64% reduction in revenue and \$ 8.2 billion in restructuring costs and \$ 2.4 billion in investment impairment and losses from equity methods. The pre-tax loss was \$ 9.0 billion, down \$ 15.2 billion from a year earlier. Adjustments for 2020 were primarily related to restructuring costs from fleet retirement decisions, allowances for voluntary early retirement and separation programs, investment impairments, and losses from equity methods. As a result of the COVID-19 pandemic, Delta is taking action to increase liquidity and strengthen its financial position, which includes.<sup>38</sup>

### ○ **3.5. DELTA MARKETING STRATEGY**

Delta is one of the leading airlines with a large market share and a strong presence in the North American market. Delta Airlines' leading market position in the United States can be attributed to its large fleet and leading partnerships. The company employs about 88,680 people. Delta Airlines marketing strategy analyzes the brand with a marketing mix framework that covers 4Ps (product, price, place, promotion). There are several marketing strategies such as product innovation, price approach, promotion planning, etc. These business strategies, based on the Delta Airlines marketing mix, help the brand succeed. Delta Airlines marketing strategy helps the brand / company to position itself competitively in the market and achieve its business goals and objectives.<sup>39</sup>

#### ■ **3.5.1. Delta Product Strategy**

In marketing strategy, product is not viewed as a tangible product, but the source of value to be delivered to the customers. Value to the customers of Delta Airways can be

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<sup>38</sup> Delta Air Lines, Inc. - Financials, (2021), ), (accessed on 08.10.2021), available at: <https://ir.delta.com › financials>, ctp.1

<sup>39</sup> Delta Airlines Marketing Strategy & Marketing Mix (4Ps), Published by MBA Skool Team, (2021),: <https://www.mbaskool.com › Marketing Strategy › Services>

delivered in numerous ways such as – point of sale equity, convenience of availability, physical product, word of mouth references, quality assuring brand name, priming and pre purchase education provided by sales staff, financing plans to purchase the products, installation and repair services etc.<sup>40</sup>

### ■ 3.5.2. Delta Pricing Strategy

Delta Airlines has adopted an approach that enables it to meet the demands of different customer segments, including basic and economical to premium pricing. This pricing strategy has helped it maintain its market share in the face of strong competition while maintaining its image customer-oriented airline.<sup>41</sup>

### ■ 3.5.3. Delta Distribution Strategy

Place or Distribution Channel is a set of processes through which Delta Airways delivers its products to the customers. Distribution & Marketing channels fulfill various purposes such as – providing customers information about the products , providing extensive product assortment using product line – breadth, length, and depth, enabling product customization options at the point of sales, reducing purchase lot size thus enabling opportunities for individual customers to buy products, after sales services and installation services, easy availability of the products to end consumers , providing product quality assurance, and logistics.<sup>42</sup>

### 3.5.4. Delta Promotion Strategy

Promotion Mix or Integrated Marketing Communication strategy is a mix of various promotion tools that are at disposal of Delta Airways. They are – Advertising, Sales Promotion, Personal Selling, Public Relations, and Direct Marketing:<sup>43</sup>

➤ Delta Airways can use all these five communication tools to persuasively communicate to customer – existence of the product, price of the product,

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<sup>40</sup> Delta Air Lines, Inc. Marketing 4P Mix Analysis - EMBA Pro, (2022), <https://embapro.com> › 16060.

<sup>41</sup> Delta Airlines Marketing Strategy & Marketing Mix (4Ps), Published by MBA Skool Team, (2021), <https://www.mbaskool.com> › Marketing Strategy › Services,

<sup>42</sup> Delta Air Lines, Inc. Marketing 4P Mix Analysis - EMBA Pro, (2022), <https://embapro.com> › 16060.

<sup>43</sup> Delta Air Lines, Inc. Marketing 4P Mix Analysis - EMBA Pro, (2022), <https://embapro.com> › 16060.

differentiating features of the product, places where people can buy the products, and finally how consumers can effectively use the products or services.

➤ Email Marketing is form a direct marketing approach that Delta Airways take to directly reach out to its potential customers. Email Marketing help the Delta Airways to reach out high probability prospects based on the data collected by the company using its kiosks, trade marketing, and customer survey.

### ■ 3.5.5. Delta People Strategy

Delta Airlines emphasizes the well-being of its employees. Delta employees are highly trained and this increases the quality of service and customer satisfaction. Delta understands the value of human capital and invests in it.<sup>44</sup>

➤ Increases the basic salary of its employees whenever they work well, and offers generous profit-sharing plans. Delta Airlines also takes into account the suggestions of its employees. The new Delta uniforms are designed taking into account the suggestions of the employees:

➤ Delta believes that its employees are the strongest competitive advantage, and the high quality service they provide sets them apart from other airlines. As of December 31, 2020, it employs approximately 74,000 people, approximately 72,000 of whom are based in the United States. involuntary dismissal of an employee.

### ■ 3.5.6. Delta Process Strategy

Delta Airlines is constantly trying to improve its various processes. Optimize your flights to maximize profits. Processes are optimized to reduce delays and costs.<sup>45</sup>

➤ Delta is increasingly selling its tickets online, this has simplified the ticket buying process. Hence, this covers Delta Airlines' marketing strategy and marketing mix.

➤ Operational effectiveness is an important area for Delta focus. In recent years, Delta has made major investments in technology to improve its operating efficiency and offer its customers greater comfort and superior flying experience.

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<sup>44</sup> Delta people | Delta News Hub, (2021), <https://news.delta.com> › tags.

<sup>45</sup> Delta Airlines Marketing Strategy & Marketing Mix (4Ps), Published by MBA Skool Team, (2021), <https://www.mbaskool.com> › Marketing Strategy › Services,

➤ The company has made major investments in customer-facing technology, such as delta.com, mobile applications, logging kiosks, customer service applications, biometric technology, airport information displays, and related initiatives, as well as security of these initiatives. The company has also upgraded and continues to upgrade its technology infrastructure and associated IT systems. Higher operational efficiency results in superior customer experience and improved processes that have led to greater popularity and increased demand.

### ■ 3.5.7. Delta Physical Ambient Strategy

Delta Airlines' huge fleet of more than 700 aircraft is its physical setting. Also, its centers and salons serve as a physical setting. Delta is trying to sell its services, so the services increasingly have a tangible component: <sup>46</sup>

➤ Delta has both a website and an application. As a service brand, its main physical ambience is the experience that passengers get every time they fly with the airline.

➤ Tangible aspects of the flight experience include the fleet, airport infrastructure and branded products. The website and application, as well as online transactions, have replaced the need for paper bills. However, the huge Delta fleet, as well as the comfort of flying, are an important part of the physical environment for its business processes.

## ○ CONCLUSION

The 21st century has seen the continued internationalization and globalization of the world's economy. There is also evidence of deeper globalization of cultures and politics. Air transport has played a part in fostering these developments, but airlines, and to a greater degree, air transport infrastructure has had to respond to changing demands for its services.

Air transport is a facilitator and, as such, the demands for its services are derived from the requirements for high-quality, speedy, and reliable international transport. Globalization, almost by definition, means demands for greater mobility and access, but these demands are for different types of passengers and cargoes, to different places, and over different distances than was the previous norm.

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<sup>46</sup> Delta Airlines Marketing Strategy & Marketing Mix (4Ps), Published by MBA Skool Team, (2021), <https://www.mbaskool.com> › Marketing Strategy › Services, p. 5

International air transport is less than a century old, but is now a major contributor to globalization and is continually reshaping itself to meet the demands of the economic and social integration that globalization engenders.

Economically, in static terms, globalization occurs to facilitate the greater division of labor and allows countries to exploit their comparative advantage more completely. Perhaps, however, more importantly, in the longer term, globalization stimulates technology and labor transfers and allows the dynamism that accompanies entrepreneurial activities to stimulate the development of new technologies and processes that enhance global welfare. To allow the flows of ideas, goods, and persons that facilitates both static and dynamic efficiency on a global scale, air transport has played a role in the past, and it seems inevitable that it this role will continue in the future.

From an economic point of view, globalisation is development towards increasingly interconnected global circuits of production, distribution and consumption. An important force driving globalisation processes is the liberalisation of world trade. Aviation industry and air traffic itself is a prototype of safety, speed, effectiveness and constant development tendencies and interconnecting information.

#### ○ **IV USE OF THE SCIENTIFIC AND PRACTICAL RESULTS**

##### **Returns:**

1. Proposal for successful management of international air traffic, its development and focus on passengers
2. A model of a system of measures and activities is proposed for the successful implementation of financial and marketing activities by air traffic companies in the world.
3. Proposal of activities for using the infrastructure of air traffic companies.
4. Proposal for the promotion of marketing and financial operations.
5. Developed measures to improve price stability control.
6. Proposed and designed activities to promote the business of air traffic companies.
7. The methods for the financial and marketing policies of the companies have been researched and empirically proven.

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8. Research was conducted to improve the coordination and cooperation between the competent authorities of the air traffic companies.

In order to constantly monitor the creation of the strategies of the air traffic companies to satisfy the needs of the consumers, the data published as information provided by the associations and associations of the air traffic companies should be studied.

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## ➤ **DECLARATION OF ORIGINALITY AND TRUST**

((according to Art. 27, paragraph 2 of the ZP of ZRASRB))

By **Soncica Jovanova, MSc**, self-study PhD student at the Finance Department of Higher School of Insurance and Finance (BCYΦ) - Sofia.

I declare that the dissertation presented by me on the topic, **The impact of the economic globalization process on financial operations and marketing in the air traffic in the world**

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**with a review of DELTA AIR LINES**, for awarding the educational and scientific diploma "Doctor" is an original paper and contains results obtained from my research, with the support and help of my supervisor.

I declare that the results obtained, described and / or published by other scientists are properly cited in the bibliography, subject to copyright requirements.

I am informed that in case of finding plagiarism in the submitted dissertation, the defense committee has the right to reject it.

I declare that the dissertation has not been presented at other universities, institutes and other higher education institutions for obtaining an educational and scientific diploma.

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