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Introduction

The number of Internet users is growing relatively quickly. According to a report by the International Telecommunication Union in 2013 globally 2.8 billion people are categorized as internet users which is representing about 40% of the world population.¹ This enormous growth in the number of users of the global network has become based on the number of infrastructure and socio-factors such as the high globalization and accessibility.

The tendentious growing number of online users stimulates the development of the technology and innovation and leads to closer competition between software companies and application developers. The largest segment of the Internet is and will continue to be the applications for communication and data exchange. For this reason, the developers of software companies, following the growing demand for this type of software are flooding the market with similar applications, which are representatives of the Web 2.0 technologies. There is currently a wide range of social applications on the Web, and their number is constantly growing, along with their complexity, ways of using and their impact on all aspects of socio-cultural, political and economic spheres.

The new social technologies and applications changed the way in which the companies of the private-sector communicate with consumers. From the advertising and marketing to public relations, the new applications enable organizations to become more aware of their customers, what they like and dislike - from products and services offered by the company. This process results in a smooth transition from supply or product-positioned process for realization of products and services to the development of new approaches based entirely on the demand and linked to continuously research on the customer preferences which the Web 2.0 technologies offers. The business has set a priority to listen, collaborate and request feedback from the customers.

According to Brandel² this change in methods of communication is bilateral. First, the consumers can perceive the information and make it useful for their own unique needs. On the other side they can add value to this information by asking questions and offering feedback. The Web 2.0 applications offer the opportunity to provide feedback and platforms for virtual

¹ International Telecommunications Union (2013) ICT Facts and Figures – The World in 2013. ICT Data and Statistics Division Geneva, Switzerland

² Brandel, M. (2010) Are you listening? ComputerWorld, UK, p 12-15

discussions among participants. These interactions give the opportunities to build a relationship that did not exist until less than a decade in the previous models of mass communication.

In the beginning of Web 2.0 evolution, marketers were faced with an exceptional opportunity to develop organizational marketing strategies and drawing benefits from their existence and successful performance. For a very short period of time this feature has become a valuable new channel that can be incorporated in the company strategy in order to survive in an extremely competitive market environment. The same growing channel has also become a threat to any business that cannot understand and perceive correctly its use.

This academic work will focus on the importance of Web 2.0 technology as an extremely significant trend and marketing opportunity, having a very strong influence on consumers and on the role and methods of incorporating them into the overall strategy for the development and survival of the company. It will be presented a number of models and options for proper implementation of the new type of marketing 2.0, which includes introducing the usability of social technologies and applications in marketing and branding campaign of the company.

The main objective of this thesis is to discuss the importance of the new technological innovations in the relation to the communication between the companies and the consumers, their characteristics and the opportunities available in a constantly changing market and business environment. On another hand this master thesis aims the present the challenges which companies meet when trying to implement these new technologies.

In order to achieve this purpose, In the beginning of the my work I have set the following tasks:

- Presenting the general concepts, definitions and characteristics associated with the development of theoretical and empirical parts of this work;
- Outlining the basic methods and ways of using the 2.0 technologies, and the proper presence and representation in them;
- Discovering the opportunities for activities related to generating value for the company and return of the investment.
- Analysis and discussion of the main theoretical and empirical formulations and preparation of systematic conclusion.
- Supporting all the theoretical considerations with real case of Medea company and primary information from the survey with related to the usage of social media parties.

Problem statement

In the past 20 years the online technologies have rapidly developed. New innovations were implemented and entirely new technological spheres were invented. This trend caused effect on the whole world. The globalization created favorable conditions for fast distribution of the innovations over the different countries and economic sectors. One of the spheres which were changed to a high extend is the business life. Today everything is much more fast, easy and reliable. The introduction of new Internet based technologies, network platforms, communication methods and innovations in the business created one modern society which work together in a completely different way. This is the world of web 2.0 technologies.

In this dynamic marketing environment marketers work is extremely difficult. So far, the existing theories and market strategies has never been in so close interaction and fast engagement with the consumers. Through proper management of the relationships with consumers, the new social technologies can bring many financial benefits for companies, regardless of the economic sector that they operate in. The benefits can be connected with expanding the connectivity and development of the relations with the users which activities are no longer exterior activity but main and actively driving the business operation directly related to the development of a sustained policy of customer care and loyalty. In his work Woodcokc and colleagues argue that the knowledge gained about the consumer behavior and attitudes would support the transfer of benefits and value chain, affecting suppliers in forecasting the demand, for example and intermediaries to build promotions, for example.³

According to the survey of IBM (2010 CEO Study) top priority of CEOs is getting closer to the consumers. Companies are aggressively building programs for social networks for this reason. However the logical question is whether consumers are equally enthusiastic about loyalty to corporate brands by using the social networks. Most of the online users are not engaged with companies on social networks just for the sake of a sense of connectivity. In order to have a successfully development of the potential of the social networks, the companies must create experiences that bring tangible value as return on spent time, attention, loyalty and commitment to the consumers. With the rapid expansion of the usability of social networks, companies are

³ Woodcokc, N et al (2011). Social CRM as a Business Strategy, Marketing and Consumer Strategy Management Journal 2011, vol. 18, ed. 1, p 54

experiencing increasing pressure to engage consumers in segments in which they are interested in material gains.

Compared to 10 years ago the communications between the business and the users have changed a lot. Rather than being passive participants in this relation, the consumers now are more than advisors for the companies. Everything in this communication process between the two major parts is dependent to a high extent on the social media platforms which became a crucial part of our daily life. They are more and more often used by the companies for seducing their needs for hiring new employees, searching for new clients, advertisement, business development and the most important perceiving valuable input information that is used for company development. The global business communication is much easier by the fact that these platforms exist. Every day new futures are implemented which contributes for the business efficiency. Now the distance between the consumer and the business is relatively short. Therefore both parts have to be very careful in this cooperation. As there are many pros for the companies, there could be threats as well. This is one of the reasons which is still keeping some of the companies from taking the decision in entering the social networking world. It is a challenge for them and not every organization is prepared for this step.

In order to be successful in their work, the companies need to strictly follow all the communications trends and methods. Being a part of the social 2.0 networking is time and affords consuming, but the return worth it. It contributes for the easier achievement of the settled goals. The development in this sector is very intensive therefore strict monitoring should be managed for being updated with all the news. In order to be successful in the social networking some rules have to be fallen. In the following pages of the master thesis I am going to present suggestions and tactics for maintenance of this relation.

The main aim of this academic work is to investigate the influence of the 2.0 technologies over the communication between the business and customers and its importance for company development. As an outcome the reader should be able to answer to questions like: Is there any influence? Is this relation good or bad? How do they work together? Is it beneficial? For whom it is beneficial? Do anything changes as a reason of the appearance of the 2.0 technologies? Is the business ready for changes? What challenges this cooperation offers?

Problem formulation

How the innovations contribute for company development through customer relations which are dependent on the 2.0 technologies?

Basic concepts, definitions and characteristics

Web 2.0 technologies

Web 2.0 technologies are changing the way that people interact and communicate with each other, which results in a more cooperative way of communication between the users. O'Reilly and Myuser define the phenomenon as "a set of economic, social and technological trends that together form the basis for the next generation of the Internet as a fundamental differing means, characterized by user participation, openness, and network effects."⁴ So speaking Web 2.0 is a new generation of websites and online services that relies on the impact from the users of these services. The term was popularized by O'Reilly Media in international conferences services and network developments initiated in 2004. According to Dale Dougherty "social networks are experiencing a renaissance, with constantly changing rules and evolving business models."⁵ The Web 2.0 technologies are developed in the late nineties. Unlike their predecessors Web 1.0 (individually informational available without the possibility of enrichment, changes and interactions), the new generation of web-based applications enable the multiple data exchange, sharing of opinions, digital data, music, movies, news, etc.

⁴ O'Reilly, t. (2005) What is Web 2.0. O'Rielly Media, Inc

⁵ O'Reilly, t. (2005) What is Web 2.0. O'Rielly Media, Inc . p

Nowadays there is a wide range of Web 2.0 applications, which basically can be categorized into the following groups: blogs, social networks (Facebook, Twitter etc.), communities sharing (InstaGram, YouTube) and forums.

The existence of a large number of alternatives often leads to difficulties in management decision making regarding business investments in certain Web 2.0 applications. The company managers should make a critical assessment and decide which of the technologies would increase the maximum value of the business. The selected application should help in the process of filling the gaps in the consumer experience with the brand or company. Another major task of the application is to facilitate the sophisticated consumer segmentation, by construction of transparency and clarity of the company's activities, awareness about different campaigns available, changes and new products by offering rich information base. These tasks can be fulfilled by selecting the most valuable application for the user, which will represent the most important target group of the company. From company's point of view, they will receive important and valuable information for the company development.

Besides the positive results which would have led properly incorporated into the strategies of the company's application, the challenge for the company comes from the need to analyze the huge amounts of data every day accumulated which is with huge importance for the company. This is information related to the product line, corporate reputation, advertising policy strategies and so on. Besides the quantity measurement, the received data is obtained in substantial "mess" and here comes the task of the department responsible for the representation of the company in the social media. They are involved in task like decoding, analyzing and use in a proper and valuable way the input data.

In order to manage the information related to the users, the company must have integrated well-structured plan for data management, which includes the existence of a department solely responsible for these tasks. This is very important key step which will ensure the extraction of maximum value from the received information from the users. In order to achieve the objectives of the plan the department should be specialized in certain activities: collection, monitoring, analysis, filtering, classification, indexing, extraction and carefully reading of the database. According to Biesdorf " when there is a presence of plan, the implementation is simple: data integration, initiation of pilot projects and the creation of new tools and trainings aimed to illustrate a clear vision for increasing the value of the company that would not experience

financial problems or organizational opposition. Over the time, of course, the plan should be changed. Still, the big advantage of the large database and the subsequent analysis over it is that you learn things about the businesses that have not previously been reflected. "

As previously discussed, the use of 2.0 technologies in the business achieve positive results. However, only introducing their use is not enough for bringing success to the company. According to Hearn, the most important phase of transition to 2.0 marketing is adopting the principles of web 2.0 technology. The new approach strengthens the position of consumers in making decisions in the organization, which sometimes creates a number of concerns in the management team. Hearn and colleagues argue that "the managers oriented in the reception of 2.0 technologies are afraid of losing control over communication with their customers." According to this and other authors, a major risk for the managing of the company is precisely the control element.

Online consumers are ready for the Web 2.0 concept, and they are even more prepared than companies that try to take advantage of it. The organizational culture, the risk of loss of control over the content and at the same time increasing power of the consumers, growing the uncertainty of introducing the new technologies by the companies, although the decision-makers are aware of the benefits that can bring value to the company by using them. The tendency of losing control and the growing position of consumers actually happens, even if the company directly do not use the benefits of Web 2.0 technology. Intermediary sites, portals and independent blogs are just some of the places that offer favorable environment for discussions, comment or share company information from users and clients who promote it. Therefore it is better to be part of the social media and at least have some control rather than being commented in another media platforms which are not under control to the management of the company. The Companies are constantly trying to get used to the new conditions and take the benefits of the new trends that are launched, but researches show that this is a very complicated process. In a study of Mazurek from 2009 entitled "The Impact of Web 2.0 on marketing" stressed that " the mutual evolution of the three constituent layers of the ecosystem of new communications media - social, meaningful and technology, the Web 2.0 concept is no longer only supporting element but important practical imperative that cause affect to the whole organization ' . "

The company may choose to use more than one Web 2.0 applications to launch marketing 2.0 strategy. With such a strategic decision is extremely important synchronizing marketing efforts

in various social applications. Implementation of marketing 2.0 strategy without applying the principles of timeliness and correctness of the content of marketing elements in different networks could soon cause negative rather than positive reactions to the company's image and value that it brings for the consumers.

Marketing 2.0

Different from the traditional one-sided marketing, marketing 2.0 is bidirectional communication channel, which requires the implementation of an effective communication strategy for its successful usage. The permanent maintenance of such a strategy would help the organization to manage and pay more attention to the current customers and to attract new ones. The disadvantage of the two-way communication, according to a number of authors and researches is exactly the discomfort that creates the access to the consumers of the company to the network where it is possible to communicate between each other. This could lead to a collapse of confidence in a brand or company image at any personal dissatisfaction with any aspect, feature or relationship with the organization.

The new type of marketing (Social Media Marketing) is a consequence of evolution in the process by which people discover, analyze and adopt certain content. Social Media Marketing is a completely new method of communication with consumers. Since the foundation of this type of social marketing is the traditional marketing, the base for formation message communication process and influencing factors are the same, but added by uncertainty and some specific features of the web - internet access, leisure, noise etc. Another major difference between traditional and web-based social marketing is the presence of two-way communication. Something that social networks allow, because of its openness and entire accessibility. In 2.0 marketing the consumer is with central purpose to the communication process and the success of the initiatives taken by marketers. Marketers also should serve the role of the mentor of the user groups and communities in social networks, choose the right social network, to develop unique marketing campaign to present the new product, service, corporate brand and organization and to provoke feedback and commitment of the current and potential users of the company.

With the expansion of stable Internet Society, a number of authors conclude that consumers are beginning to have more confidence in their own friends and followers in the network than the traditional ads. They buy the product, discuss its characteristics in the network and carry out marketing activities for the company, without actually realizing it. The process of launching a brand, product or organization by sharing information between users in marketing is called the effect of advertising by word of mouth. This is one of the oldest types of marketing activities, but also one of the most sustainable, because the trust between people is relatively more stable than that in the media. The massiveness of the social networks allow rapid distribution of information by using the "word of mouth", which cause positive or negative effect to the company at a really fast temps.

It is necessary to build up a detailed marketing plan based on the social networks and its incorporation in the current market and promotional strategy. The presence of strict plan of action in the cyberspace allows the distribution of new opportunities for expanding the visibility of the company, its image, its product line, brand, value and better positioning of online markets, grab a greater market share in social media and following the fashion trends in the implementation of the web 2.0 marketing in the network.⁶

Methodology

In this part of the project I am going to present my way of doing the research in order to create a clear overview of the whole process for the reader. He will be introduced to my view of philosophy of science, research design and data collections methods.

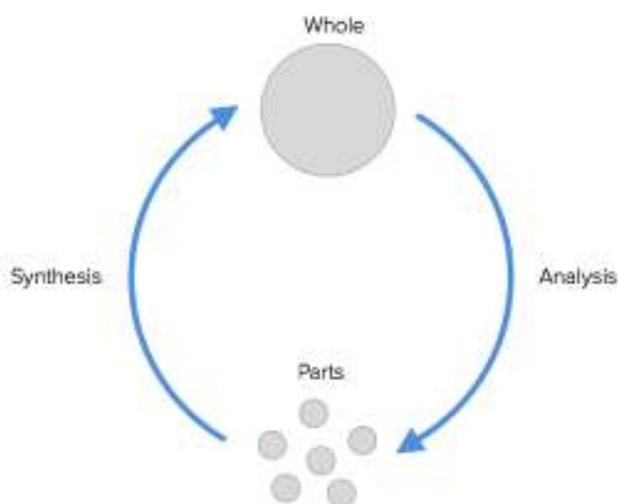
Philosophy of science

Ontology and epistemology

⁶ Biesdorf, S, Court, D. Willmott, P. (2013), McKinsey Quarterly

Based on the Thuren's work ⁷ the positivists are using facts that can be proved by logic They are aiming to see the world by doing experiments and researches. The positivists use experiments and studies to prove theories and test their validity. Interpreters analyze the meaning of texts, symbols, actions and opinions through their own view of the things. According to them, the reality cannot be calculated and measured by variables and experiments. According Touraine interpreters believe that nothing can be interpreted objectively, and that the results obtained for each research will be different, although the output data. According to the theory of the author, the importance of the things can be explained only if all parts of the analysis are related to the whole. This is explained in the Touraine hermeneutic circle (see Figure 1). The basic concept explained by him, according to Alveson is that partial theory can only be explained as part of the whole, and the same refers to the whole. It can be explained on the basis of each parts that are strongly related. ⁸

Figure 1. Hermeneutic circle ⁹



In this academic work I am going to use interpretive approach. The data collected from secondary sources (researches of the business, marketing and different types of analysis) does

⁷ Thuren, T (1991) Vetenskapsteori for nyborjare. Liber AB, Malmo, p 15-17

⁸ Alvesson, M (2000) Reflexive methodology – New vistast for qualitative research. SAGE Publications, UK, p 53

⁹[https://medium.com/@sjors/conversations-with-the-past-hermeneutics-for-designers-](https://medium.com/@sjors/conversations-with-the-past-hermeneutics-for-designers-103a9151a07a#oy9k823ok)

[103a9151a07a#oy9k823ok](https://medium.com/@sjors/conversations-with-the-past-hermeneutics-for-designers-103a9151a07a#oy9k823ok)

not give us specific information before being placed in the analysis of the whole (the analysis and theoretical parts) and in accordance with the main problem statement posed in the beginning. Through analysis of all theories and examples listed in the theory part I will try to create a clear picture of why and how the organizations are using Web 2.0 technologies in their marketing, sales and communications strategies and what is the overall role of the social media in the business. The selected research design and methods will help me to support my investigation with primary information from the reality which will contribute for making a more realistic conclusion in the end of this academic work.

Research design

Case study

According to Christensen and colleagues there are four types of research strategies: cross-sectional, longitudinal, case studies and experimental.¹⁰ Most often the first two types are used in the compilation of quantitative research, and are based on the collection of secondary and primary data with statistical and mathematical nature. The experimental strategy is often linked with the study of theories that have been proven and used in scientific work in which the author has a clear picture of occurring phenomena and processes, and wants to explore the availability of connections and interactions for a more detailed explanation of interdependencies between independent and dependent variables in a theory. Case strategy is based on qualitative approach and presents a deeper and more comprehensive picture of the studied theory, question or statement. The aim of the researches using case study strategy is to get understanding under the exterior of things and finding relationships and meanings to explain the actions and consequences of the events.¹¹

In this work I am going to use Case study as a research design, as it was considered most appropriate and overlapping with the style and purpose of this investigation, and would offer the clearest picture of relationships, methods of response to environmental factors and internal company problems and the need for changes and display the main characteristics of the 2.0 technologies based on the experience of the pharmacy company Medea.

¹⁰ Christensen, L. et al (2001) Market research – a handbook. Student literature, lectures. Lund,

¹¹ Fridolf, M, Arnautovic, A. (2011) Social Media Marketing. Student literature.

I have selected Medea based on few factors. First of all the pharmacy industry in Bulgaria is rapidly developing in the recent years. Therefore the competition among the players is really high. Having in mind the new technological trends in the communication process between the companies and the consumers, every organization is trying to keep their position on the market. Pharmacies Medea had hard times with using the old traditional methods for marketing communication. Based on the strategic decision of the company manager , they decided to become part of one modern society which communicate in a different way. In the analysis part of this master thesis I will present the steps which Medea took on their way of implementing the 2.0 technologies. It gives an example of one modern organization which is dealing with the innovation challenges in order to ensure the company development.

Here comes the question whether I can use the conclusion from this research as an example for generalization? According to Thomas Kuhn the findings of one research can still be useful even though it is not used for generalization.¹² In our case I would say that the results from the undertaken steps by Medea company in some cases with a similar organizations can have similar effect. At least the output that I am going to present in the analysis part can be used as a valuable knowledge for different researches or organizational attempts for implementation of 2.0 technologies.

Data collection methods

The main aim of this academic work is to both describe and explore the influence of the 2.0 technologies over the communication between the consumers and business and its subsequent reflection over the company development.

It was decided to conduct exploratory research by searching for relevant literature and by conducting surveys with different related parts in order to obtain information from different perspectives. In that way the conclusions that I am going to make in the end of this academic work will be more objective.

The literature review was made in order to find relevant theories about the development of the 2.0 technologies and how it affects the business. The review of the literature helped me to see

¹² <http://plato.stanford.edu/entries/thomas-kuhn/>

what topics related to the main problem of this thesis are affected and can provide me with a base for beginning of this investigation and what needs to be further investigated and how can I contribute to the current theories and studies.

One of the advantages of using exploratory approach is that it can be very flexible (Stebbins, 2001). If new information or data is collected during the literature reviews or while conducting the surveys, the direction of research can be changed. At the initial stage, research focus is broad but then it is progressively narrowed down as the research progresses (Sounders , 2009).

Qualitative and quantitative analysis

In this report I am going to use a combination of quantitative and qualitative analysis. The qualitative analysis will provide me with a strong theoretical and secondary informational base for analysis of the empirical part of this academic work. On another hand the surveys that I am going to prepare will bring me sufficient primary information about the people's opinions from different essential groups about the relation between the web 2.0 technologies the customers and the business. In order to create a more realistic point of view in the reader's mind I will also present case study research of a real company that experienced the implementation of 2.0 technologies. All these parts of the analysis will help me to make adequate conclusion in the end of the master thesis.

There are many opinions about the combination of these methods but I support Truscott et al. (2010). The idea is that the combination allows the ability of extraction of the positives of the two methods and minimizing their limitations.¹³

The qualitative analysis, according to Christensen and colleagues (2001)¹⁴ is used when the researcher wants to get a clear and detailed picture of the meaning of the things. The qualitative data provides complete images of circumstances, activities, and interactions of people and perceived behavior of certain objects and subjects.

In this academic work I will base my research on tight and detailed theoretical framework, supported by data and information from the most modern and accurate type, whose subsequent analysis and comparison with empirical data using qualitative analysis and interpretation should

¹³ Research Methodology, John Kauda 2012

¹⁴ Christensen, L. et al (2001) Market research – a handbook. Student literature, lections. Lund, p19

evolve into a practical discussion and conclusion part. This order of steps will provide me with the possibility of summarizing the effects of the implementation of 2.0 technologies in the company strategy for marketing communication.

My quantitative analysis will be presented by conducting survey oriented to outline the people's opinion regarding the new 2.0 technologies and its consequences. The research strategy that I am going to use in order to analyze the interdependence between the business and the everyday developing sphere of the social media is based on surveys with all parts involved in the communication process and namely:

- * Companies actively using the social media platforms for its communication activities and marketing strategy;
- * Clients of companies actively using the social media platforms for its communication activities and marketing strategy;
- * Independent experts in business communications, actively supporting and assisting the activities of companies such as outsourcing agents;
- * Users in social networks who daily meet one or another form of business messages and communication strategies of different companies

The surveys will be held within two weeks at the social networks Facebook and LinkedIn, with randomly selected people, to ensure the most objective sample of an equal number (if possible) representatives of all groups into the above mentioned positions.

The advantages of this method of collecting primary data is to obtain subjective information about: ways of perceiving the impact of Web 2.0 technologies over the marketing mix of the companies, the new cultural model of impact and presence in the media and business space; the level of impact on the perception from the consumers, especially the new-generation Y; the possibility of obtaining an adequate response to the question and the tasks of this thesis.

The questions in the survey are strictly selected in order to bring the most valuable and adequate information related to the communication between the business and consumers influenced by the 2.0 technologies.

The limitations related with the selected method of collecting primary data is associated with the inability to ensure data validity, because the sources of information are uncertain and can be

influenced by a number of “noises” and different circumstances which can prevent the provision of honest answer to the questions.

Theory

Marketing communication mix

In order to conduct a strict analysis of all surrounding processes in the communication between the business and customers in the sphere of 2.0 technologies I decided to use the Marketing communication mix as a theoretical framework for my investigation. It includes different ways of interaction with the target groups that are chosen from the organization. The model consists of 5 main tools for communication: Direct marketing, public relations, personal selling, advertising and sales promotion.

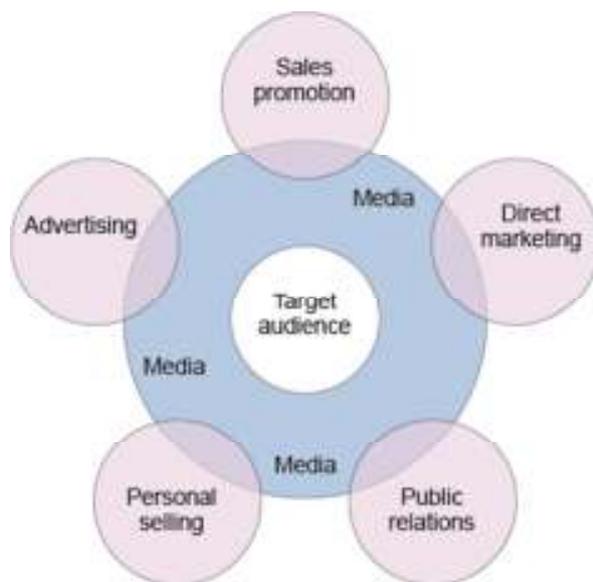


Figure 2. The communication mix and the interrelations between media tools and audiences.¹⁵

¹⁵ Fill (2009), p. 14. <http://www.open.edu/openlearn/money-management/management/business-studies/retail-marketing/content-section-3.4>

In the last decade, certain changes have been made in the environment and in the way companies communicate with the target group. The new technologies give stimulus for the development of various communication channels, and consumers discover new ways to spend their free time. Internet and digital technologies allow the appearance of new forms of communication, where both sides of the process already have the same powers and force of impact in the exchange of information. This caused changes and development of the communication mix in a new way - focusing more on direct marketing and communication with the target audience, and not to the broad and massive advertising campaigns as before. This change in the accent is due to the introduction of the social media and the fact that relationships are being built with the audience and are not bound by the manufacturer and the brand.¹⁶

Mangold and Foulds suggest the social media has to be considered as component of the promotional mix and therefore to be incorporated as an essential part of the communication marketing strategy of the organization. The authors think that the social media is used in accordance with the traditional tools of integrated marketing campaigns. In this way, companies can use social media to communicate with customers via different applications like blogs, Facebook and Twitter.¹⁷

In the next parts of the theory chapter I am going to present different essential topics related to the elements of the marketing communication mix and leading me in the process of subsequent analysis in the next part of the master thesis.

Target audience and targeting

Nowadays for marketers it is important to define the main target audience and niche that is significant for the achievement of the business goals of the company. In order to do this the market experts should segment the market by dividing consumers into groups that are sharing common ideals, values and visions. The proper segmentation of the market allows marketing

¹⁶ Fill (2009), p. 14.

¹⁷ Mangold, W (2009) Social Media. The new element of the promotion mix. Business Horizons, vol 53. P 360,

professionals to distinguish those users who are leaders in their minds and would cause positive consumer chain reaction. It is a leading strategy for launching trends among potential and existing customers. Big trends usually are initiated by small groups of people, leaders on opinion and behaviors that have the ability to communicate, inform and influence the other socio-groups. People who are able to start and finish trends are categorized as experts or specialists. They are the important target group on which marketers should focus their efforts. "The specialists are a specific group of users who have the ability to connect people and ideas in one direction and create attitudes."¹⁸ They are the ones who actively seek and find information, select it, and present it in a clear form enough to cause follow-wave to his own opinion. Experts ensure the best proposals and share their findings with everyone. They are the one that have the ability and the opportunity to start a trend "word of mouth" because they are considered as a reliable source in the channel in which carried out its information activities. The specialists or potential "sellers" have the ability to persuade people to take a purchase decision, convinced of the right choice of the "opinion leaders" in the network. This special group of people have the ability to create greater value for the company and to ensure greater level of return on investment. "Targeting the right target group not only provides a better return on the resources invested in marketing activities of the company in social media, but also helps to significantly improve of the marketing productivity."¹⁹

Social Networks

The social networks as an essential element of the marketing communication strategy are important part of the marketing mix of the company.

Currently, a number of studies and literary sources say that companies that are involved with Web 2.0 technologies and invest time and money in their development enjoy real economic benefit. The most popular and valuable example of the 2.0 technologies for the companies are the social networks. For example, in his work of 2012, Barry and colleagues argued that

¹⁸ Wright, E et al (2010) The lasting effect of social media trends on advertising. Journal of Business and Economics Research, vol 8, p 74.

¹⁹ Wright, E et al (2010) The lasting effect of social media trends on advertising. Journal of Business and Economics Research, vol 8, p 74.

consumers who are more committed to the company on social networks are more loyal to them and spend about 40% more funds for purchases than the other users.²⁰ Ang stresses that the social networks are currently changing the market game as millions of users are addicted to their usage every year. One of the biggest social network, Facebook, for example, has a range of nearly a billion users around the world, as only the United States realized business transactions in the social network increased from 720 million to nearly 30 billion dollars at the end of 2014. Despite this registered growth, not only in America but also in the more developed western economies and the whole internet world, the managers are still not sure of the methodology and proper use and understanding of the largest database of users with their tastes, preferences and data feedback.²¹

Social networks have enormous potential for companies, allowing them to be closer to the users, contributing to higher incomes, reducing the communication costs and increasing the efficiency. Barry et al (2011) report that by 2010 about 60% of Internet users are engaged with social networks. The speed of receiving and accessing information gradually turns them into more demanding users. For example, many individuals would expect prompt customer service and a quick return to the response to the put online inquiry within the channels of feedback to the company. The social commitment of these users also makes them hyper-active and multi-channel associated with a number of potential customers, therefore they can be used as "free" advertising agents in building a positive image of the company and strengthen the temps of consumer demand and acceptance to the organization. The same trend can be observed also in the opposite direction. In case of disappointment, the user's negative assessment of the company through the channels of interaction of the individual in social networks can lead to creation of negative marketing campaign against the company. The customer relations managers in the social networks should be able to assess the magnitude of the change in consumer's opinion and the opportunities and risks it presents for the company. He should create a marketing plan and strategy for timely dealing with difficult situations. Because of the existence of such situations some companies realize this threat and do not feel ready to accept the challenge for entering to the social networks.

²⁰ Barry, C. et al (2012) Putting Social Media to Work

²¹ Ang, L. (2011) Community Relationship Management and Social Media. Marketing and Consumer Strategy Management Journal 2011, Vol. 18, ed. 1, p 35

Some companies find it difficult to calculate the return on the investment from the usage of social networks. Barry and colleagues argue that without security in the net return is difficult to foresee the required amount of the investment. The organizations with the most successful scenarios in the use of social networks in the business generally use a two-step approach in the process of introduction to the company's strategy. First, they set clear business goals when using the social networks at every stage of customer relations. They launch small, meaningful pilot projects and monitor carefully the return in order to check whether the additional investment projects would be justified. For example, if the goal is to stimulate the development of consumer services of the company, their effectiveness would be measured by new solutions, relative prices, productivity and avoidance and measurement the level of complaints to the sales representatives of the company. Secondly the companies are expanding the circle, appreciating the wide range of added value generated by the social networks. They increase the level of commitment to consumers by adding value to the increased attention paid by them. As I already mentioned, users engaged through social networks are more loyal and spend between 20 and 40 percent more for products of the company than the other users. For this and other reasons already affected, the businesses want to reach the most valuable potential and current customers. The process of giving and listening to the customers should never stop and the companies need to realize that once entering to the social network they have to maintain this relation on an hourly basis.

The use of social networks as a channel for engagement of the consumers raises interesting challenges to the traditional methods for managing the relationships with consumers. Baird and Paransis argue that the strategy for managing the relationships with customers, created on the basis of processes and technology, is designed to maintain the relationships with customers in order to extract the most value during the life cycle of this relationship²². These strategies are typically focused on operational responses required to manage the care to the customer. With the arrival of social networks, however, companies can no longer control this connection.

However, the consumers and strongly influencing on them virtual networks are already in full control of communication that can frustrate a marketing, sales, and loyal services program with its extraordinary proximity and scope.

²² Baird, H, Paransis, G (2011) From Social Media to Social Customer Relationship Management, Strategy and Leadership, vol 39, p 37, цитиран в Marketing and Consumer Strategy Management Journal 2011, vol. 18, ed. 1, p 76

Use of social networks by the businesses

In this part will be discussed main directions, methods and ways for using of social networks in the business in international and national aspect. It will be presented and analyzed the opinions of experts, marketers, advertisement agents executive directors about the trends in the field of corporate marketing 2.0, and will be offered advices and guidelines for the development of strategies for the companies engaged in the new generation of social marketing. These guidelines will help me for the better assessment of the undertaken steps of Medea company in the process of implementation of the social networks in their strategy. I will use the statement and suggestions from this part in order to see how the things have to be done.

According to Vladimir Petkov, a member of the board of directors to Economedya, “ social media changed the way businesses communicate with their users. The poor performance and mistakes of the companies can be spread rapidly and therefore it is extremely important that each business not only monitor what is happening on social networks, but also to actively participate in discussions concerning them. The company needs to understand that one of the most serious reasons for purchase is not only the advertisement, but also advices and recommendations that consumers make in the social networks . ”²³

Methods of engagement in the social media - building motivation and confidence in the consumers

The social media is a complex and changing environment, which must be understood and known as a technology and motivation of its participants. Some companies have already discovered the way of successful performance, some have their failures or do not know how exactly to make their performance in a beneficial way, and others - have not yet found their social media strategy. The problems often comes due to the use of social media before clear understanding of the situation, including asking and answering the question why people get involved and what are the unwritten rules that govern their use. As far as the presentation and participation in the social media is free of charge, the organizations should not plan their representation by an expensive advertising campaign.

²³ <http://www.economedya.bg/>

In 2010, Nielsen and Facebook, make a joint study on the effect of social media for the marketing campaigns as the indicators are the following: remembering of the advertisement, brand awareness and intent of purchase process. The usage of social media shows significantly better results than the traditional marketing. Whether it's for a single person, as an individual, non-profit organization or business, the use of social media has to start with a well-developed and planned implementation. The questions that need first to be answered by the business are: "Why?", "Why we are in the social media?", "What will motivate people to learn more about us or our organization?".

The engagement in social media is the most effective way to attract people and produce measurable results. The communications in the social media is a dialogue which do not stop in the time and does not differ from offline communication. The companies should pay attention to the customers by meeting their needs. It should be clear that each follower is valuable for the company and make him feel respected. The communication must be with personal manner.

These are rules that can be applied by anyone in the social media that aims to develop a platform for interaction with customers to attract new customers, increase the sales and achieve better awareness of the brand.

The most important rule for every person and company is seeking to expand the publicity and get new followers and customers through online presence. Sales are something that can happen, but are not the most important.

Experts in the field of social marketing recommend the following a few basic rules in the network:

Traditional marketing has no place in social media

The open attempt to sell a product or service of the company may harm the organization's reputation on social networks. This can happen very quickly and then take a lot of time and resources, including financial, for its recovery. Consumers can easily make the decision to follow certain company, but at the same time can decide to refuse very fast. Therefore the specialists engaged in these kind of relations in the organization have to be very careful when, for example, applications collect personal data of users of Facebook and attacking with special sales offer by emails.

Organizations should have a special person(s) responsible for representation of the company in the social networks

This person should be a professional, fully dedicated in the communication with the consumers in order to properly share the values of the company. Every company should have an independent social media manager or so-called Social Manager, who is responsible and reports directly to the management team. Since the changes in social networks are very fast, that person must be a professional in the work with Web 2.0, as a permanent learner and enriching his professional knowledge in order to be able to respond to possible threats or perspectives on time and competently. The specialist on the position of social manager must be with very good knowledge of the social media technologies in order to monitor and report about the effectiveness of the social platform of the organization. He should be able to work with software like Google Analytics, content management systems such as WordPress for example software for social media such as HootSuit, software for monitoring the indicators by which to assess and respond to any situation.

The organization should focus on commitment rather than on the number of followers

The number of followers must be monitored, but not be used as an indicator. The company can achieve better results with smaller network of followers if they are active, comment and contribute to community development. The quality of the followers is more important than the big number of inactive users who for some reason have liked a page or group on the social network. The large groups of followers cannot be a real indicator of success because if they do not interact with the page of the company, this means that it rarely or never appear in their stream of news and events in the social applications.

A loyal fan has a value of more than a hundred fans "phantoms"

People participate in social media, as this is an effective way to build professional networks for the exchange of ideas. Critical moment in the commitment is the dialogue. Those who offer their followers interesting and valuable content to follow and the dialogue contains useful information, sharing of views, there will be an equal return for the allocated time and resources. The corporate development and building of dialogue with consistent feedback is a skill that must be learned and applied in the corporate policy of the company.

Identification of the target audience

Most companies make a mistake in the attempt to reach a maximum number of users with different interests, attitudes and expertise within the certain area of operation of the company. In order to reach those consumers who make decisions in certain organizations or interest groups, it is important to select the right social media and to develop in such way the marketing messages of the company that are based on expert opinion or accurate and clear description of the product or service that the company offers. The users leaders (whose opinion is appreciated by their followers and provoked the decision of a certain behavior) that see the expertise and professional approach in the company-communicator would follow the organization that meets their high demands for reliability, transparency and clarity of the messages. When the same leading users build trust and loyalty to the corporate blog, fan page or other form of social media presence, they will begin to share the information published on its side, or even in other social applications, which will contribute to distributing the marketing type "word of mouth", which helps to build a relatively stable positive evaluation of the company performance. When this moment is reached it will be followed by collection of engaged users interested in the information spread by the company and most importantly - potential customers.

Over the time, engaged consumers take the initiative to learn more about the organization, including what products and services are offered by it. Trust built on social networks become a trust in products and services. When users see a new post in their information flow, they will associate it with positive emotions. They will accept the fact that the publication will bring them value, which subsequently contributes to easier implementation of sales of a product or service. For this reason, the content and the proper presentation of company messages is very important in the social media. When this is achieved, the activity of the followers reflects in increased positive assessments of the performance of the company, net growth of online sales, and especially - building a loyal network of customers carrying out marketing campaigns for the company through their commitment.

The collaborations arising from the content of the presented information in social networking is a key element for the company

Social media is not the place to realize the real deals. The posts of the company should be short, but not impulsive and emotional, but rather correctly designed and informational provocative.

For example, on Twitter there is only 140 characters opportunity to place a post that followers should be sufficient to forward the message to other users. Facebook and Google+ have no such restriction, but again publications should be short, clear and focused to release certain topic.²⁴ The posts have to add value to followers offering no conditions for the provision of information, presenting good practices or lead to free resources. The development of free resources can be achieved through use of application or lead to a website or blog - namely the one of the company. Another important rule of the social networks is not to provide directly link to a site without prior publication of a summary of what it contains. This text may be different, depending on the specific social channel. It may be published the same link on different pages and exactly this text make the post originally presented and consistent with both the audience and the characteristics of the specific social media. At least once a day the user attention should be directed to the company site or blog where the users can find free information and resources. This is a way to generate traffic from social media to business destinations and making the followers of the company to understand more about the company, its products and services.

When managing business pages and profiles, the followers must have given their agreement to be engaged and their trust must be something to be respected and not be abused with. The user's data do not have to be used incorrectly as the trust of the followers is something very easy to lose and can have a harmful effect on the reputation of the organization in the network if there is a wave of dissatisfaction.

Updates to the social profiles of the company must be consistent and frequent.

The presence and creating of valuable posts have to be always planned in the social media. The work in social networks is permanent and full time. This is because it takes time for repeated publications and impressions with other users to build the trust necessary for the development of commitment. The publications have to be daily, but not excessive, as it depends entirely on the social environment. For the updates is not enough just to be published. They should be attractive in order to be seen by followers and be followed.

²⁴ <http://www.economedia.bg/>

The company's website and / or blog must be social.

Buttons for social media plugins should be integrated - these are the buttons Like and Comment on Facebook, Twitter, LinkedIn and for Google +. Customers and followers can not recommend a certain company within their social circle, if they are not given the tools to do so. This improves the engagement and means that a company or blog are serious and perform well in social media. This is also an important factor for optimizing the status in search engines, as well as guarantee that the content of the company's website is relevant and useful.

The profile of the company must be perfect

This is the most viewed page and is often neglected or incompletely filled. Often, users choose to follow or not depending on how the profile looks. Images, backgrounds and text must be in compliance with the characteristics of the brand of the company. It should be informative and include links to the company website, blog of the organization (if exists) and contacts - address, email, telephone.

Social media applications

The social media application are critical part of the communication marketing mix as they are the main tools which users use to connect with the customers.

In this section we will again discuss the work of Kaplan and Haenlein as their methodology and data analysis approaches overlaps with my views and understanding on the main problem.

Within the main definition of social media, additionally needs to be made a few definitional classifications. According to Kaplan and Haenlein there is no systematic method by which to categorize the various social media applications.²⁵ New websites are created in cyberspace every day, so it is important to use a classification scheme that takes into account applications that are still under developing. To develop a classification scheme and in a systematic manner, the authors rely on a set of theories in the field of media research and social processes, which are the two main parts of the social media.

²⁵ Kaplan, A., Haenlein, M (2010) Users of the world, unite! The challenges and opportunities of social media” Business Horizons, ed 53. P 59-65

The social media applications can be divided in 3 groups: Joint projects, Blogs and Content communities.

Joint projects

The joint projects allow the cooperational and creation of content by a number of end users. The main purpose of this social media type is the final result which is much better based on the fact that many people worked together for achieving it rather than just one person. Typical example of joint project is Wikipedia.²⁶

Blogs

The blog is another type of social media application in which the communication between the users is done by posts. Blogs allow users to understand what an organization does and at the same time create to them same space to express their views on specific issues related to brands, trends, products, companies and so on. Every company should set up a blog through which to communicate with current and potential customers as real people and not as an object of a marketing campaign or advertisements. Twitter is a typical example of blogs. (Zarella, 2010)

Content Communities

The purpose of the content communities is sharing media between the users. Media can be characterized by music, photos, videos and so on. A typical example of this type of social media application is YouTube. It is a system for sharing video content files. The principle of YouTube is very simple: attaching video clips and their sharing with the other users.²⁷

²⁶ Kaplan, A., Haenlein, M (2010) Users of the world, unite! The challenges and opportunities of social media” Business Horizons, ed 53. P 59-65

²⁷ Kaplan, A., Haenlein, M (2010)

Manage corporate Web 2.0 activities - Profile expert

The expert in the social media can be seen as representative of the PR in the marketing mix. The person or the group of people has the difficult and complex task to present the organization in the web.

Based on the accumulated characteristics and requirements arising from the social networks, the board of directors of each company chooses to appoint certain social expert or a whole department of specialists in this field to serve the social marketing strategy of the company and to report and analyze the results and spread necessary messages coming from the network to the interested persons in the organization.

In most cases the expert or experts are part of the marketing and PR team of the company. Very often even organizations engage external experts or team because of the most information security and experience in the field and create conditions for knowledge spread to the relevant marketing experts within the company. Actually there is a trend for creation of entire companies offering and generating knowledge and skills in the field of online marketing, by organizing a seminar classes, conferences, training cycles and so on in the companies in order to prepare the staff for carrying out independently the social media activities.

The tasks of these professionals include: maintenance of the corporate website and blog, managing pages on social networks such as Facebook, Twitter and other Web 2.0 applications, online reputation and responding to questions come via email or private messages, analyzing the received data from the social networks and their reliability, create timely reports and summaries on the performance of the company on the web, dealing with customers with negative opinions and possibilities for their calming or minimize the effects of their negative reaction .²⁸

The difficulties of the specialists dealing with corporate online communication are of a different nature. On the one hand very often internally - misunderstanding of some of his colleagues and the leadership of the importance of online presence, from other - the negative-minded users, third - the fact that many people believe that quite understand online marketing without actually there is a base for that. It is extremely important for companies to be able to educate all levels of the organization in positive understanding of social networking, commitment to company goals and the importance of new marketing efforts to maintain corporate and brand image of the company.

²⁸ Petrov and Alexandrova, И (2014) Everything for the marketing in the social media, Sofia:

It is a fact that the work of exactly the specialists for the corporate online reputation and communication is responsible for the overall presence of the company online. The image of any organization now starts from its image on the Internet. Although not many companies are realizing this important feature of the global online community - it is critical to take this feature into account. Therefore the role of the person or team of people who care about the company's image online is very important. This is a daily, constant work and investment of time and effort, which tasks should be performed carefully, competently and on time in order to achieve development in a planned and strategically marked directional of the business.

The rules and requirements, according to experts, for the imposition of a positive corporate image are very different. The main are related to determined work, daily communication, persistence, positive attitude and proactivity.

Specialist in social networks and Marketing 2.0 should have the following qualities and characteristics:²⁹

- To know well enough the online environment and have an active presence in it without having a negative image;
- To be well-educated and to express themselves well in writing and at the same time focus on the short forms of expression;
- To have enough desire to be engaged in marketing 2.0 and is ready to do so outside working hours;
- To be dedicated and manage to involve the others as well;
- To be positive and proactive.

In any case, the success of the brand and business online, particularly in social media, it is necessary drafting of precise and clear rules which the expert or the team to work on and are related to the main marketing strategy of the company.

The commitment by time and dedication of the expert cannot be measured with working hours that must be taken into account by companies when hiring a specialist in this area. Because, in the opinion of Mr. Petrov 'time on social networks is never enough, because users are there 24/7 and talk about the company's brands, expecting timely and adequate intervention when they need

²⁹ Petrov and Alexandrova, И (2014) Everything for the marketing in the social media, Sofia:

it and not when the specialist are able to find some time, squeezed it other commitments, to check what was happening online. "

Experts say that the success of the online presence of the company and all of these efforts invested in building corporate image, is important to follow certain rules related to the competitors. It is extremely important to monitor the competitors and other companies of similar business environment in other countries to extract best practices and to adapt to new trends for future development in the communication with consumers .

Campaigns and games on social media - generating engagement

Campaigns in social networks allow generating greater visibility for the organization, creating a positive will in the consumer to obtain a value (reward, satisfaction) from the participation, time and attention spent on the company's page. These methods of viral distribution are relying on the activity of individuals and number of their friends to create a potential wave of interested and engaged users and potential followers.

For the success of campaign are required compliance with certain unwritten rules that attract the attention of consumers and restrict the necessary resources invested from the participants to realize the potential value and satisfaction for themselves.³⁰

There are 3 basic characteristics that have to be fallen:

The campaign should be simple. Consumers spend too little time reviewing each item on their wall network. Therefore it is necessary commitment to come instantly caused by shortness, clarity and derived value (award) for your time. If we look for example about campaigns in Facebook. The majority of them are aimed at creating awareness to brand and company by uploading photos, sharing and liking of a publication, a result of which the user is attached to the campaign, realizing comment for participation in the cause, winning the prize. The less effort required by the user to participate in the campaign or the game, the more likely his instant reaction.

³⁰ Petrov and Alexandrova, И (2014) Everything for the marketing in the social media, Sofia:

The campaign should be social. Marketers in the PR department of the company and expert in social media should prepare a plan to encourage participants in the campaign. One way of achieving this objective is to stimulate user's desire to share and talk about it. Engaging to campaign on Facebook is most easily accomplished by clicking the button Like, but it takes a certain amount of creativity, especially if you already created a detailed account of the interests and personal characteristics of the main followers. Thus, for example, can be created a game in which the rules of participation to be shared on the wall of the user, and create value for the same by offering of a prize or advantage, for receiving vouchers for discounts when shopping online from the corporate website of the company, the ability to download free applications related to social networking or business of the company or other incentives.

The campaign should be committed. The essence of the used complains for engagement of the users should be able to realize easy commitment.

Experts recommend the use of dual campaigns, engaging users in two or more social networks and media platforms

Advertising in social media

The advertising in social media allows encourage of the business development and reach more followers that can learn more about the products and services of the company and turning them into potential customers. Social networks allow advertising on the social page, groups or event's website or e-shop of the organization. Creating and managing the advertising campaign in any media is different, but the principles of work is similar, as developers of social applications follow one common model of operation for easy adaptation to different user interfaces of individual applications.

One of the highlights for the creation of advertisement in the social networks is loyalty to certain rules of appearance and readability which are accepted as best practices in social networking. For example in Facebook and Google AdWords is accepted the ad title not to be longer than 25 characters; the body of the ad itself can not exceed 140 characters; the image that should be

followed to advertising have dimensions of 80x110 pixels. A very important element of advertising is well-chosen image as it increases the clicks on the ad.³¹

Consumers are looking for content created by other users and it is more difficult to attract their attention by advertising. Therefore the content of the advertisement should be unique and catchy.

The format of the text requires anything with this number of characters allowed to be key for the user. Words that sound natural and guidance. It should avoid using of too many adjectives and adverbs, and use more honest and influential words and phrases.

The next step after selecting a method of advertising, should be applied the targeting of the advertising. The strongest option on Facebook ads is the great accuracy, which allows targeting of the right audience. Consumers provide much personal information about themselves, which allows very accurate determination of key features such as location (selection of city, country); demographic (gender, age, social status, children etc.), likes and interests. Additional important characteristics that can be used to determine the target audience has „connections on Facebook“ option, which allows fine adjustments, such as advertising to be shown to people who are already fans of the page. This option allows advertising to be shown only to friends of people who have followed the corporate website of the company. Under the presumption that friends of followers have the same or common interests and the page will be interesting for them.

“Advanced Demographics” option can target the dates for birthdays, gender, family status, and language. “Education & Work” option allows targeting by educational status presented in profiles. This capability helps further narrowing the group of those who will see the ad. Advertising campaigns on social networks offers different methodology of payment that is more efficient than mass-traditional marketing as it reaches the target audience for a smaller resources invested, faster time and by the a personal desire of every user to be involved.

The budgets of advertising in the social media redefine the principle choice of payment options per day or for a certain period. The pricing is formed on the principle of cost per 1000 impressions (appearances of the ads) or cost per click (visits of the ads).³²

³¹ Petrov and Alexandrova, И (2014) Everything for the marketing in the social media, Sofia:

³² Petrov and Alexandrova, И (2014) Everything for the marketing in the social media, Sofia:

Payment of ads in the social media are done through PayPal (e-payment platform on the web) or by credit card. This type of budgeting and payment allow the company to conduct periodic reassessment of its marketing and advertising. This will give a detailed overview of what costs can be transferred towards advertising resource in social network and which can be spent on traditional marketing campaigns. After that the analysis can be done in order to see which way of advertising is more cost effective for the company and at the same time brings more potential clients.

Because of the constant development and evolution of social networks, the trends in advertising campaigns should be followed and the strategy of social media marketing to be updated regularly in order to allow the company to keep on track with the most modern methods of advertising, branding and reaching consumers.

As a conclusion I can say that the positive features of advertising in social networks displayed in summary are: targeting in real time; reaching maximum complex of users matching the target audience in the company's strategy; tracking real-time data applications for measurement and statistics in the media; reducing unit costs for reaching the target; constant evolution and change in order to keep up in the "fashion" trends in the advertising business in social networks; opportunity to test and correct mistakes in a short time and with minimal effort.

According to the research done my magazine eMarketer Facebook's profits from the sale of advertising for 2011 was 4.05 billion dollars. For comparison, in 2010 the analogous figure is 1.86 billion dollars, and in 2009 - 740 million dollars.³³ The majority of revenues come from the US market but the other markets revenue each year grew by double-digit odds.

These data indicate for the unavoidable necessity and importance of advertising in social networks, and the potential of this advertising market, its popularity and intensity, and account the trends to shift from traditional marketing to 2.0 marketing.

³³ ³³ eMarketer.com. (2014) Facebook's US Ad Revenues Outpace Users' Average Daily Time Spent on the Site.

Social trading

"We need to shift from a world in which we sell to people to a world in which people sell between each other on our behalf." Mark Earls³⁴

In the last few years has developed a new concept of e-commerce, called with the name of the network in which the most frequently practiced it, namely Facebook. The term F-commerce, which by meaning overlaps with ideas and details of e-commerce , finds its application to explain the transactions of goods and services by payment which are carried out by the social networks. These are sales of goods and services that start in social networks and occurred through processes that begin to build trust between customer and company and end with online or in person relations with the client and carrying out the transaction itself.³⁵

The power of social media in sales is characterized with few facts:

- When shopping, people want opinions by users who know and trust them (often opinion leaders) and not by strangers or by Internet search engines;
- When using the social networks, the company's specialists have a continuous dialogue with the engaged users and gain information about their expectations, preferences and opinion, based on what can be achieved best deal from the company which leads ti realization of the transaction;
- The relationship between the seller (the company) and the buyer (user) are more personal, which predisposes better communication and opportunity to form a desire to purchase, based on good impression, awareness and personal approach to each user.

These strengths must be clear and known to all interested and involved in marketing 2.0 activities in the company. The most important is the building of appropriate approach to each user by leaving the impression of specialty, which often is a generator of willing to buy or at least a strong interest of a certain product or service.

The way to be chosen to achieve business objectives should be part of a well thought out marketing plan. Social media can work to achieve the financial results for new customers to communicate with these customers and to obtain useful information through feedback.

³⁴ Bentley, A., Earls, M (2011) "I will have what she is having"

³⁵ Petrov and Alexandrova, И (2014) Everything for the marketing in the social media, Sofia:

The big challenge lies in the fact that success in social media is based on building, strengthening and maintaining relationships. It is a 24-hour job of communicating with customers and maintaining dialogue.

In social networks, there are many ways for sale, some of which are not measured in direct banking or financial revenues. Any action that takes place in social networks, could lead to a sale or not.

Social media increase the opportunities for businesses to focus more precisely on the target audience and to communicate more effectively. It offers great amount of information that is useful, waited and interesting for the audience. That is how are build a relationship of trust that can be transmitted to the friends of fans, and thus they will want to be customers of the same company as well. The idea to build confidence and trust in the relationship is the same as in the offline (traditional) sales . Trust is the foundation of all meaningful relationships.

The aim of companies in social networking is not just a sale or transaction at any price. This is a communication and discussion process that must be developed. Both activities - consumer marketing and sales - should be viewed as two absolutely equal actions that develop together in the process of interaction of the company with social networks.

As the attitude of the consumers is crucial part of the communication between the business and customers I decided to present the main characteristics of the consumer behavior supported by the Thomas Hobbes theory.

Consumer behavior

Consumer behavior is interesting and complex social phenomenon which is a real challenge in theoretical aspect to the academic and practical aspects - in front of businesses. In theoretical context, consumer behavior is an interdisciplinary field of scientific knowledge that provoked the interest of scientists from different social science, philosophy, psychology, sociology, anthropology, economics and others. The theory of consumer behavior combines approaches and

methods of these sciences in specific integrated approach that determines complex, multifaceted and multidimensional nature of consumer behavior.³⁶

Consumer behavior is inseparable part of human behavior, namely that behavior which is oriented to the field of consumption as vital to human life.

As consumer behavior is a complex social phenomenon, it is therefore a subject of study by sociology and more accurately than economic sociology. The approach of economic sociology is different from that of psychology and economics and requires tracking the "social behavior - economic behavior - consumer behavior." One of the founders and the classics of sociology - Max Weber (1864-1920) defines consumer behavior as a form of social behavior, which has its own subjective sense and is oriented to the behavior of other individuals.

The principle of social networks is summarized as follows: the user is involved in various social networking and information exchange in them influence his behavior (through shared experiences, opinions, evaluations, etc.).

There are many theories and concepts of consumer behavior based on the perception of the authors, and the area in which they develop their models. I have selected to use the concept of Thomas Hobbes as it is more related to the main idea of this master thesis.

Concept of Thomas Hobbes:

According to Thomas Hobbes, a significant impact on the behavior of human beings proved their belonging to "corporations", ie the organized communities of people. Hobbs explains human behavior primarily by the desire of the individual to satisfy both their personal needs and necessities of the community, which is identified.

Hobbes claims as an important the fact that under certain conditions, individuals begin to seek to relate to the needs of others in the community with such attention to what they relate to their own needs. This is an essential prerequisite for rationalization of consumer behavior of individuals of such a community. The merchant can be oriented towards servicing this group of users to become "a target group of users," and to help streamline their consumer behavior.³⁷

³⁶ http://www.bg-ekonomika.com/2010/09/8_1968.html

³⁷ Wright, R (2006) Consumer Behaviour. Thompson Learning. London. UK

Marketing in social networks

After having clarified the majority of the theories of consumer behavior and behavioral concepts in the sphere of marketing, it is time to understand how the main features of these users are actually affected through the prism of the social marketing.

The social network presents the social reality and the process of exchange in marketing through models or rules and norms that manage the relationships between the participants. The relationships between the participants are formed and described through a network and the models and rules that are managing the relationships define the structure of this network.³⁸

The social network is a specific structure of individuals, organizations and ideas, among which there are established links or relationships. The analysis of social networks is exploited approach borrowed from sociology and implemented in the marketing, which is used to identify the patterns of the relationships, the dynamics of the network and the impact on the behavior and consumer choice.

Marketing on social networks is a continuation and extension of the traditional marketing and the marketing of relationships. The reason of treating it as a separate approach is not only that it is the next level in the evolution of marketing, but also due to the fact that it analysis the relationships in a much wider context.

In the context of social networks the parties in the exchange are not just buyers and sellers engaged in the dealing process. The process of exchange is not only caused by the relationship between business and the consumer or business-business. What is new is that social networks are a significant factor for creative businesses that brings added value and return of the investment that can be analytically determined.

The added value of marketing in social networks is determined by the fact that the result of the decisions of the user is determined by the overall nature of the network.

³⁸ Wasserman, S. & Faust, K. (1994). Social network analysis: Methods and applications. Cambridge University Press.

The network context allows through large-scale analysis of interactions in the network to appear the often "invisible" participants in the exchange – mostly these are those anonymous "others" but also "other suppliers", other "competitors" who exist in network with their own characteristics and are individualized based on relationships that have with the other participants.

Currently the marketing in social networks is mistakenly assumed to be identical to the marketing strategies implemented through social media platforms or networks such as "Facebook", "LinkedIn" and others. Often the concept social network is assumed to be identical to "Facebook" or other social online network. Marketing in the social networks is much more than that and includes marketing through social media, but far from being restricted or limited to it.

Marketing on social networks has its limitations and work effectively in certain conditions. There are several key perspectives that define the role of social online and offline networks and their impact on the process of exchange of values between market participants:

- (in terms of users) when networks are the solution to the problem of lack of quality information (incomplete and / or imperfect information);
- (by businesses) when partnerships in economic networks are seen as key for establishing competitive advantages, new technology standard or access to knowledge; consumers do not make decisions in isolation, but their choice is influenced by the collective behavior and imitation;
- processes of fragmentation of consumer markets determine demand;
- interdependence of consumption are observed
- the information spreads like a virus and the network structure influences the effectiveness and scope of its spread;
- the modern models for targeting the consumers and brand positioning effectively use the analysis of social and semantic networks;
- the social capital in the network is high and is an important factor for the consumption.

Networks as a solution for user's problems connected with lack of enough quality information

Social networks satisfy the need for information. They supply users with the information they need. Through social interactions in the network users solve problems related to the

misunderstandings that can appear between the sellers that are familiar with qualities of the product and the buyers who are trying to find the product qualities. In order to gather the necessary information and solve with its own funds the problems associated with incomplete and imperfect information, the user is using its own networks - personal friends, colleagues and contacts in offline and online environment, which gather information from their own networks.

Through the network the users gets information, which helps them to take decisions in order to satisfy different levels of needs. If we look in each user in particular, alone he could receive and process a limited amount of data and information..(Simon, 1960)

What creates the value of information for the consumers is its relevance to their needs. The relevance of the information creates trust. Usually those who know best the needs of each individual user and thus are able to supply them with relevant information are the reference groups in social networks - family, friends, colleagues and associates.

With the introduction of social media, definitions like friends and associates are expanded, together with the number of contacts. The degeneration of traditional advertising is developing in parallel with the observation that networks from which they most of the consumers are affected are reachable by the advertisers.

Research on Nielsen at the end of 2011 shows that the recommendation of the network of contacts is with the greatest burden on the consumers from all forms of advertising (Nielsen, 2011).³⁹ Over 92% of consumers said that they trust the recommendations from people they know. Also high portion (70%) of consumers said that they trust the opinions of other consumers expressed online, while less than a third (30%) said they do not believe them.

The traditional forms of advertising are enjoying significantly lower level of confidence and consequently the percentage of mistrust is extremely high. Advertising in magazines, on television, outdoor advertising has a 47% share of the trust, but also 53% share of mistrust. Advertising in newspapers has a 46% share of the trust and 54% share of mistrust.

Partnerships in economic networks are seen as key for establishing competitive advantages, reaching new technology standard.

³⁹ Nielsen (2011) Global trust in advertising

The partnerships include collaborations and strategic alliances, combining and arrangements between the business and its counterparts and competitors in order to achieve strategic objectives and / or improve operational efficiency by introducing new products and technological / technical standards. With the development of digital technology these partnerships include more end users. This can be seen especially in the marketing communication, but is not limited to it.

The role and importance of partnerships in the modern world increases together with the increasing dynamics of economic processes, consolidation and alliance of competition, increasing pressure on business by the external environment and technology.

The partnership marketing is rapidly developing. Not surprisingly, at the beginning of the millennium almost two thirds (64%) of the companies in the UK say they use partnership marketing strategies (Smith & Chaffey, 2005).⁴⁰

The importance of partnerships is significant in setting new technological standards, new technologies and meet external threats as an alliance of competition.

The network of relationships organized around the imposition of one of the two standard (recently - Blu-Ray versus HD-DVD; in the past - Betamax versus VHS) shows often the winner of the competition. Often this competition becomes not a fight between the two companies but test for the durability of two networks of interactions.

Consumers do not make decisions in isolation, but their choice is influenced by the collective behavior and imitation.

This formulation should not be regarded as valid in every case , as there are a number of limitations. However, consumer decisions to a lesser or greater extent are influenced by the decisions of other users.⁴¹ In most models this understanding provokes separation the users by two types. Users who influence (opinion leaders) and that are influenced (other users).

In the investigation of the social networks there is not such distinction. In the same network a user can affect other users and at the same time be influenced by them. Here appear some new

⁴⁰ Smith, P. R.&Chaffey, D. (2005). Emarketing excellence: The heart of ebusiness. Butterworth-Heinemann: Oxford, MA, 2nd ed.

⁴¹ Birke, D. (2013). Social networks and their economics: Influencing consumer choice. John Wiley & Sons: UK.

concepts that says that often influence in networks is not defined by influential personalities, and by the levels of influence – the existence of easily influenced by each other individuals.

The processes of fragmentation of consumer markets determine the demand.

New technologies have led to changes in habits of consumption and fragmentation of markets. Demand for goods and services is becoming more niche, respectively, the media and participants in the networks complied with this behavior. On one hand this trend led to a growing number of TV channels, magazines and radio stations. On the other hand businesses are trying to offer as much as possible goods and services in order to satisfy the needs of increasingly smaller groups of users with special more preferences (Anderson, 2008).⁴²

The processes of fragmentation in the media accompanied with increasing mistrust of consumers towards traditional advertising and marketing. Traditional marketing communication shifts to communication by the social networks.⁴³

There are interdependencies in the consumption (network effects). This happens when the benefits of consumption of the product is dependent directly or indirectly by increasing the number of other users who consume the product⁴⁴ (Rohlf's, 1974). A classic example is the phone. Going back in time of Bell, if the network has a single subscriber who has a phone, it's benefits would be zero. The more it increases the number of subscribers in the network, the greater the usefulness of the service to all the users. These are the direct network effects.

With the increase in the share of creative industries and businesses based on the Internet are increasing the role of indirect network effects.⁴⁵

The information spread is like a virus and network structure directly influences the effectiveness and scope of its distribution.

⁴² Anderson, C.(2008). The long tail: Why the future of business is selling less of more. Hyperion: New York.

⁴³ Bakshy, E., Eckles, D., Yan, R. & Rosenn, I.(2012). Social influence in social advertising: Evidence from field experiments. In: Proceedings of the 13th ACM Conference on Electronic Commerce (EC'12). ACM, p.146-161.

⁴⁴ Rohlf's, J.(1974). A theory of interdependent demand for a communication service. Bell Journal of Economics, vol 10, p. 16-37

⁴⁵ Zlatanov, B. (2013) Two faces of growth – linking customer engagement to revenue streams.

This trend is largely dependent on the distance of the networks, which is determined by social rather than geographical or other basis - that is a distinctive feature of the connections who build the networks.

The distance in the networks has flexible structure. In terms of network, users who are close to each other are consumers, between which there is a social relationship (family, friends, work, etc.). At the same time the same users may live in different cities or countries. The establishment of close social networks is important because it can determine marketing efforts related to effective targeting and positioning of the products.

The modern models for targeting the consumers and brand positioning are using the analysis of social networks.

The analysis of social networks through the contents which are published constantly in the network makes it possible to determine the attitude of a consumer to a certain brand. This is the relationship between network analysis and branding - brand associations and the associative networks (Collins & Loftus, 1975).⁴⁶

The social capital in the network is high and is an important factor for the consumption.

Social capital is an indicator of the level of interaction and the possibility of mutual influence in the network. It is found that in neighborhoods in which the social relations are relatively intensive and there is trust between users is monitored an effective collective consumption of products. The relationship between the level of social capital and consumption is shown in market researches of (Bell, Choi & Lodish, 2012).⁴⁷

The advantages of marketing in social networks can be summarized in three areas:

-The Holistic approach in the network analysis makes it possible to identify both common models (characterized for the the entire network) and specific or local models (valid for individual or community part of the network).

⁴⁶ Collins, A. & Loftus, E. (1975). A spreading activation theory of semantic processing. *Psychological Review*, N 82, p. 407-428.

⁴⁷ Bell, D., Choi, J. & Lodish, (Fall 2012). What matters most in Internet retailing. *MIT Sloan Management Review*, 18 Sept. 2012

- The flexibility of analysis techniques is a key advantage that allows analysis of the impact on the consumer behavior - information they receive and the choices they make.
- The dynamics of the relationships that arise and / or destroy leads to changes in general and local models and changes in the information channels and their selection.

The main differences between the three approaches in marketing can be illustrated by the presentation of the relationships in models that they use. They apply as to the links in the distribution channel (in terms of the company) and links to the user with other participants (from the customer's perspective).

The network approach for analyzing the relationship allows all connections to be included in one model and to be analyzed as one whole (giving an idea of the general characteristics) or individually (local specifics). This can give very important information about the company, which decided not to analyze only the links that directly affect them.

Main characteristic and disadvantage of the traditional approach in marketing are the self-centered relations that are considered for analysis of the interactions - is in the center is either the company or its clients. Gummesson's model examines the attitude of customers to the company⁴⁸(Gummesson, 2002). It allowed some flexibility as it includes also other users. The information that would reveal the network analysis is far from limited to general term "other users". The reason for this is the common understanding in marketing that key customers and key products of the company are determined by the attributes of the "majority" - those who buy most; accordingly these products, which are sold the most. For many businesses this is still the case. It turns out that for creative businesses like "Amazon", "Netflix", "Google", "Facebook", "LinkedIn", the impact of network effects is crucial for building a competitive advantage. In these cases the production of services is determined by the signs of the minority - those who buy relatively small and those products that have a small share in the company's sales. Knowing the needs of numerous "minority" is the foundation on which these businesses build competitive position and superiority over the other businesses.

In traditional communication models the business takes position in the network. It is the leading value around which are organized the links in the network. Marketing on social networks,

⁴⁸ Gummesson, E. (2002). Total relationship marketing. Rethinking market-ing management:

however observe the centrality in a much wider perspective and very often at the center of the network can be both customers and opinion leaders and a new concept in communication models the micro leaders (the network celebrities).

The communication in the network allows various connections between the participants. The relationships and transactions prepare different roles for participants. For example, the opinion leader in the traditional network model can be a client in the extended model of the communication network.

The network analysis allows different groupings and in the center can be both a client who is a competitor of business and end-user (not a competitor). Specific feature of the network model is that it does not set the role and position of the participants - such as who will be located in the center of the network. This is determined by interactions on the Web. In other words, the nature of the connections in the network will determine the participant's positions in the network. This is a key difference with other approaches, which finds application in various areas of marketing analysis.

Particular attention in the networks is turned to the clusters, which form specific communities - participants in the network, among which there are intensive relations.⁴⁹

Marketing on social networks allows much broader view and advantages, but it implies and also disadvantages. First is the requirement to have sufficient information for the network and often large volumes of information. Second is the difficult and significant investment in terms of time and finances that are associated with the demand of this information. Thirdly, the need of advance idea of its use with a view to the significant resources needed. Fourth, the difficulty in finding suitable for processing data or access to data that are limited - for example, data on "Facebook".

⁴⁹ <http://media-journal.info/?p=item&aid=284>

Analysis

Survey

Procedure for generating sample

Participants were selected on a free basis, as invitations to survey were sent informally within the social networks Facebook and LinkedIn in the following categories:

- companies actively using social platforms for its communication activities and strategy;
- clients of companies actively use social platforms for its communication activities and strategy;
- independent experts in business communications, actively supporting and assisting the activities of companies such as outsourcing;
- users in social networks who daily meet one or another form of business messages and communication strategies of different companies

Response rate

105 invitations for survey were sent, but only 65 of the invitees responded to requests, making the success of the project 63.1%. The length of the questionnaire is approximately twenty minutes.

Procedure of conducting the survey

Pre-created questionnaire is generated in a form that is compatible with data sharing on social networks Facebook and LinkedIn, allowing each user to reach give its agreement to participate in advance (a day or two before sending the request itself).

Each user gets its form to fill, giving them a period of up to seven days to return the completed questionnaire back .

Problems encountered during the conducting the survey

Despite the great success rate and relatively small length of the questionnaire, I met some difficulties in explaining the basic idea of the issues and the further clarification of the study itself, as a creative campaign. Most people who originally stated their willingness to participate

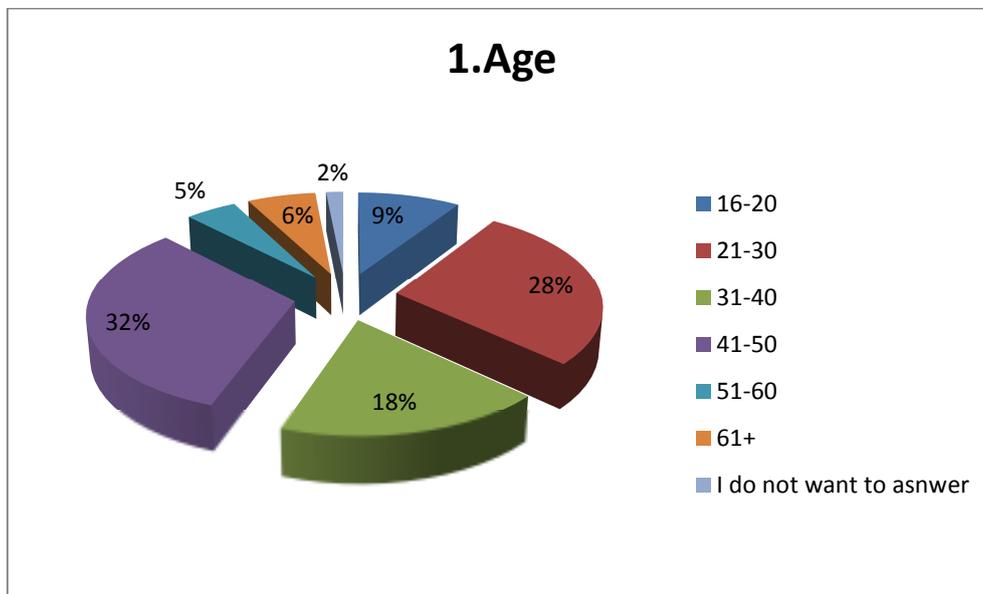
in the study subsequently refused on the grounds of requirement of a fee for their personal work and time commitment for participation in the study which is ridiculous in my opinion.

The reliability of the data collected through this online survey can be questioned. I understands the threat of certain invalid data. Although the questions are structured in a way that present picture associated with Web 2.0-based technologies, and objectively evaluate the main factors influencing this marketing by statistics from the survey, consumers in social networks have misleading feature of "adjustment "according to the situation when it comes to that kind of surveys with pre-prepared questions.

Analysis of the generated primary data

The questionnaire is divided informally into three parts. As each such qualitative method of analysis questionnaire should provide basic information about the target group in order to assess the calculated balance of the sample and its statistical relevance.

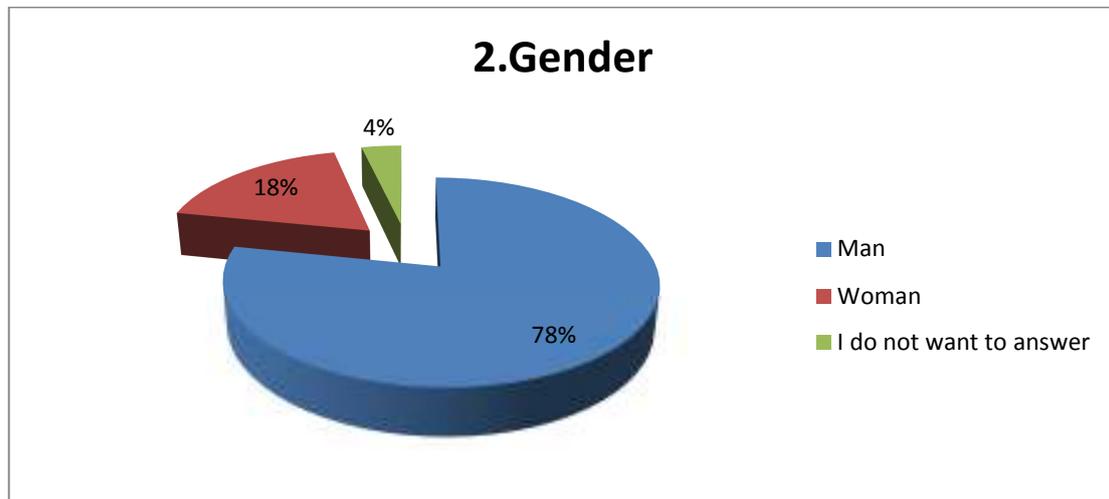
The first three questions in the survey are standard: age, gender and education



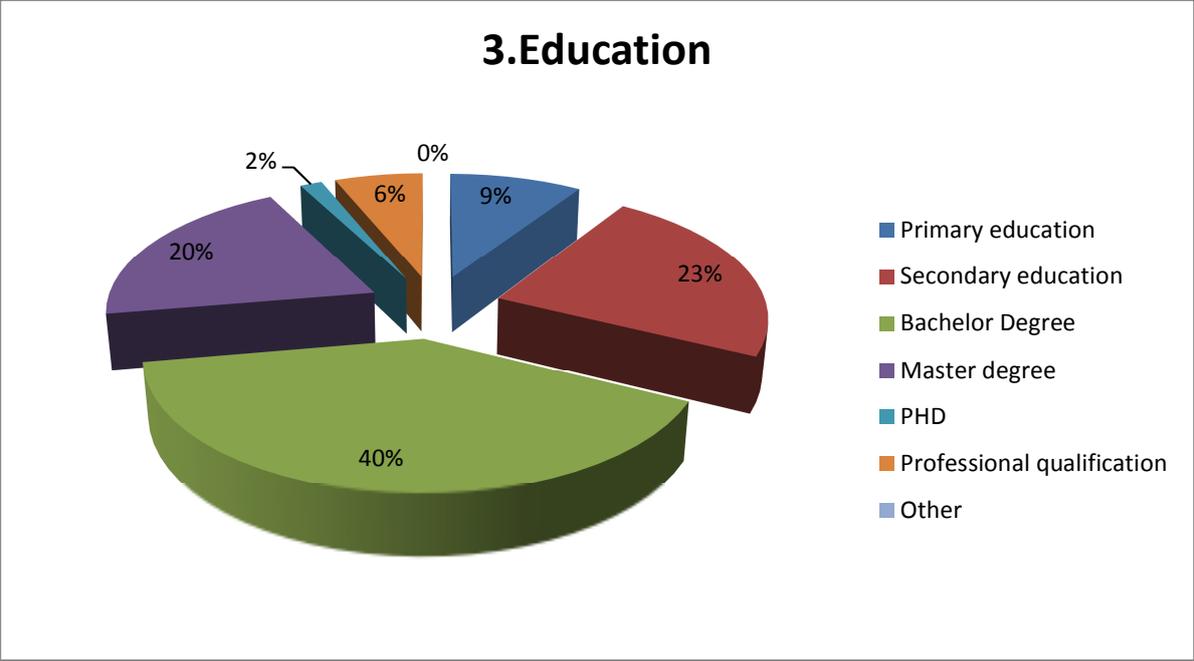
As can be seen from the chart above, the sample is well balanced among the main age groups with the most frequent users of social platforms, as well as representatives of the Y-generation,

characterized by exceptional "Internet intelligence" and proactivity in the field of new technologies and modern marketing and cultural trends.

The selected sample will provide me with sufficient data for building an adequate analysis.



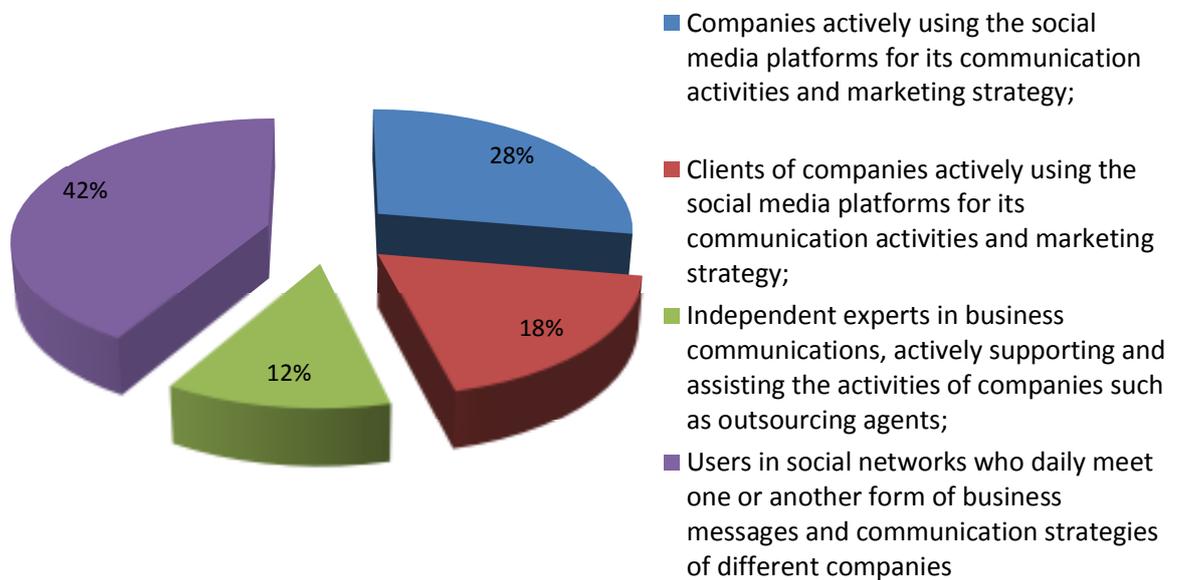
The graph above indicates greater involvement of men in this survey. This can be explained from one point of view by the higher will of the men to be part of this survey and from another that available representatives from the business sector which I could find were representative of males.



In the category education again we find a good balance of mostly educated users of social networks with greater representation in the group of "Bachelors" followed by high school graduates and those who have completed master. Given granting the request of a number of representatives of companies and independent experts in addition to regular users and customers of certain companies suggests justified presence of more educated people than average statistics of attendance in the web.

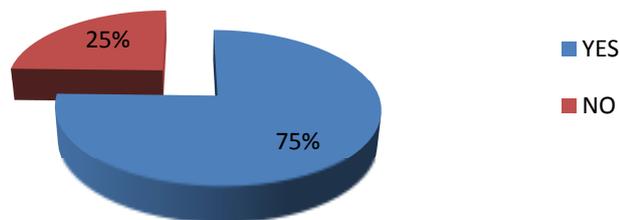
The informal second part of the questionnaire is related to the introduction to the main features of online marketing strategies from the view of the participants in the survey and the identification of environmental factors and the need for possible changes in business climate and online marketing.

4. Please select one of the following groups that would categorize you best:



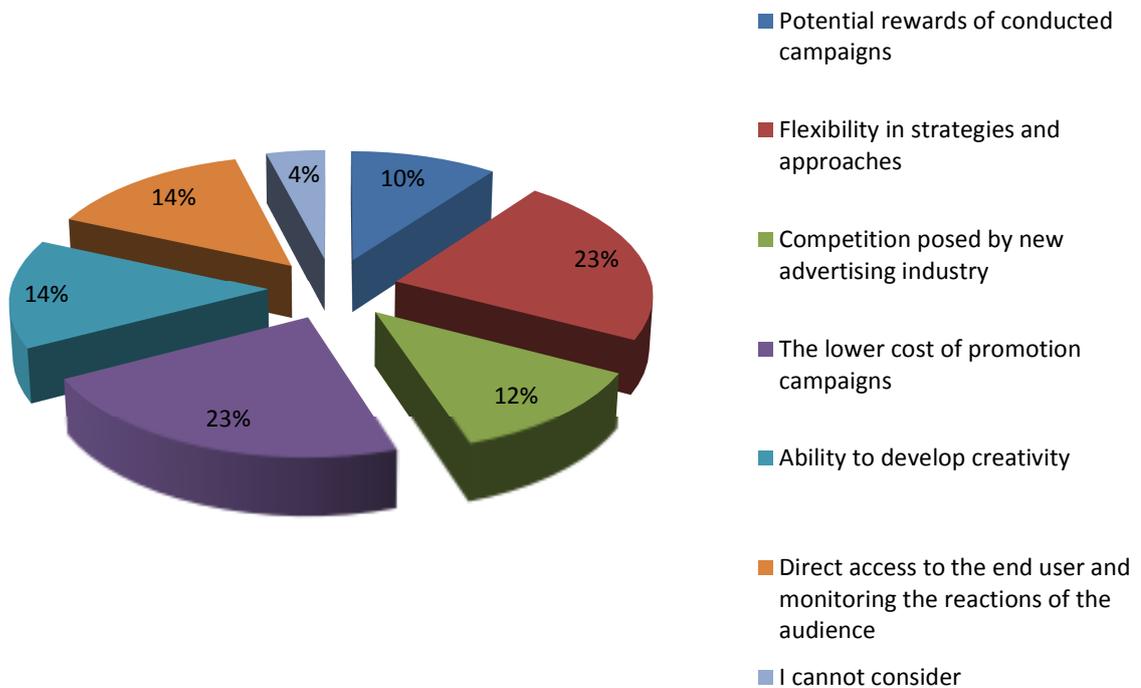
The first question of the second informal part aims to demonstrate the balance in the distribution of different target groups that were mentioned at the beginning of this work, as the main targets for the implementation of this survey. As seen from the chart, the study involved 42% regular users in social networks, 28% representatives of companies, 18% company customers and 12 percent independent experts in business communications. Of course the biggest part are representatives of users who are just observers of the different ways of communication strategies of the companies. Their role can be easily changed based on their will or entering in the communication process.

5. Do you like the new ways of online marketing and the use of social networks for advertising purposes?



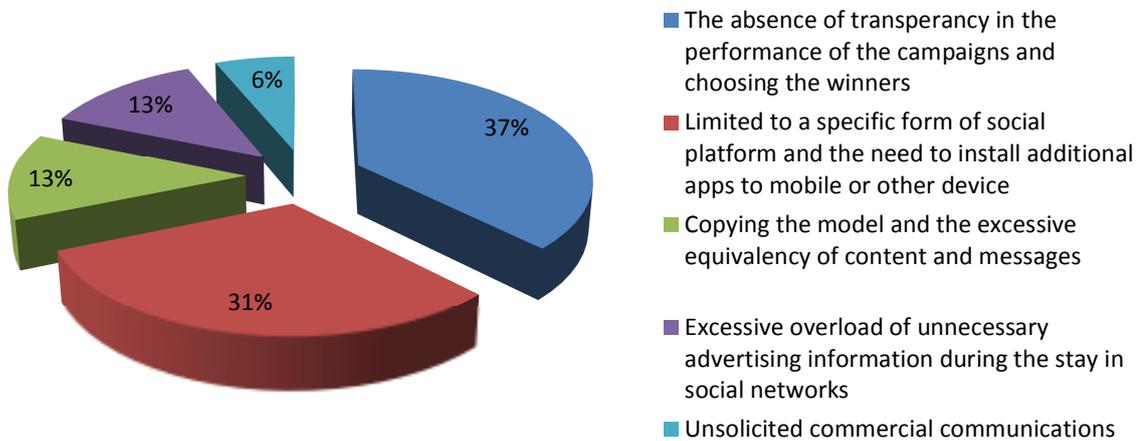
The next question presented in the graph above, aims to assess receptivity of consumers and users of social networks to the new Web 2.0 marketing strategy and communication companies. Three-quarters of respondents indicated their satisfaction towards the modern social strategy of the organizations. According to data from the survey, the majority of respondents in the category "regular user of social networks" have responded negatively to this question, which can be credited to the element of "interruption into privacy" that occurs due to jamming, commercial communications. On the other hand the attractive forms of advertising cause more time spend in social networks, indicating the success of any marketing campaign.

6.If yes, what is the biggest advantage you find in this relatively new trend?



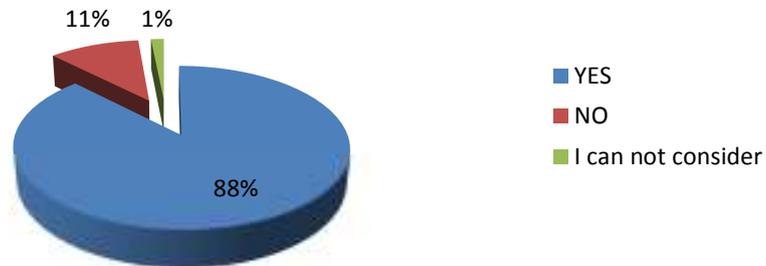
According to users in response to the previous question, one of the biggest advantages of the new form of "social marketing" is, first of all, lower costs for ad campaign (23%) and flexibility in the strategies and approaches to different target groups (23%). With relative high rates are the possibility of direct access to the end user and monitoring the reactions of the audience (14%), and the ability to develop creativity in the advertising industry (14%). With less weight respondents put competition that is created in the new communication campaign (12%), and potential rewards of campaigning online (10%).

7.If not, what are the biggest disadvantage that you find in this relatively new trend?



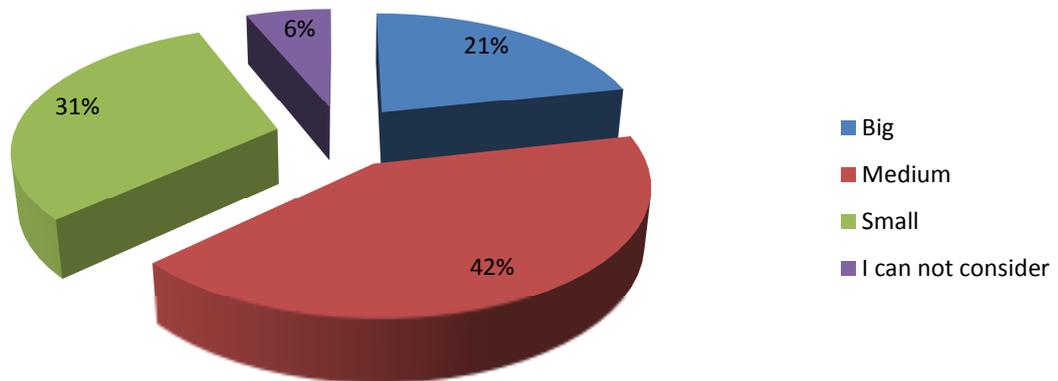
According responded negatively to a previous question, which accounted for 25% of representatives in the sample, there are many faults in the new trend of advertising in social media, namely with the greatest weight in the lack of transparency in the ongoing campaigns and distribution of awards (37%) and limited to the particular form of social platform and the need to install additional software to mobile or other device through which you enter into the networks themselves (31%); less weight is placed for the excessive uniformity of the content of the messages (13%) and excessive overload of unnecessary advertising information during the stay in social networks (13%).

8. According to you do the new use of social media as a marketing tool stimulate the purchases and awareness through the customers



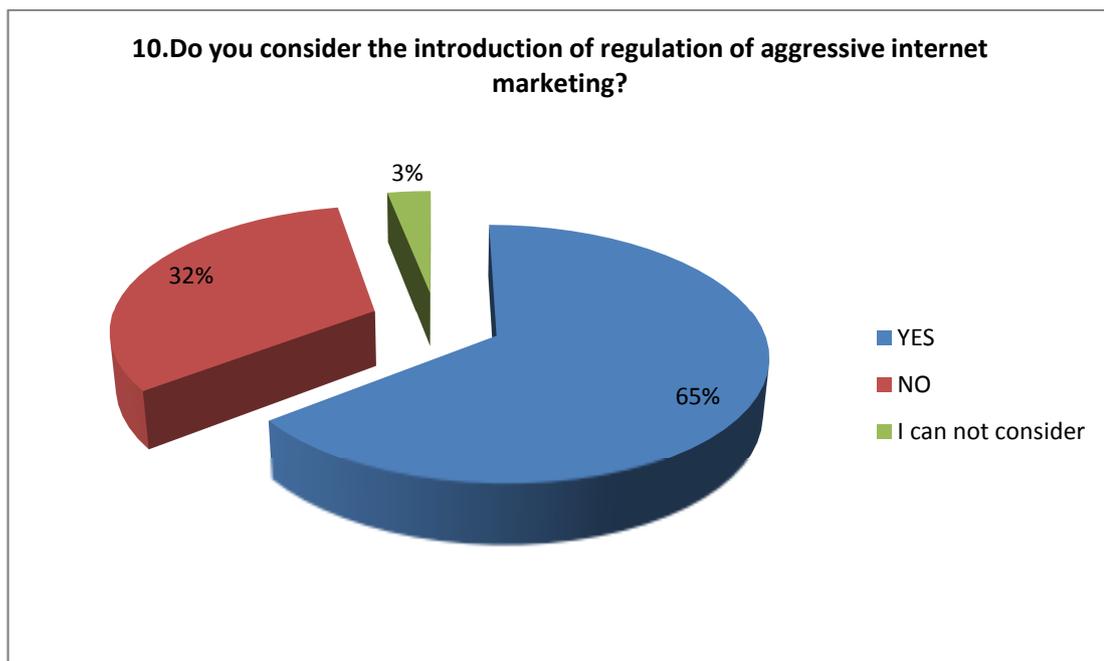
According to respondents, the new marketing platform rather stimulates purchases and awareness of all users in the network, which can detect positive moment in the evolution of marketing strategies and the auxiliary function of the use of social networks in the overall growth and modernization of companies in the Internet space.

9. In your opinion, what is the acceptance of each user / client to the new “modern marketing”?



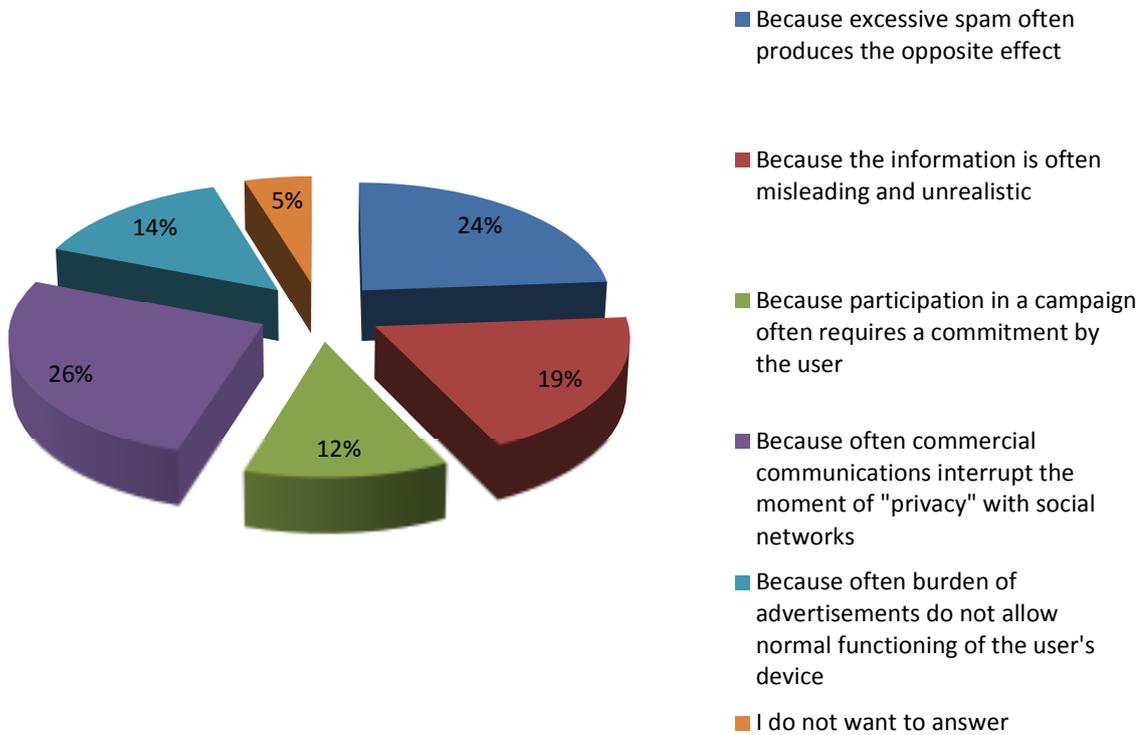
According to respondents the acceptance to the new type of social marketing is more of an average value, which may explain the fluctuations in the mood of the participants in survey. It can be explained by the different nature of their activities in the whole process of social marketing. The respondents that reject the need for excessive advertising materials on the Web,

which are the representatives of the group of the normal internet users, show the highest affinity for "small" acceptance while business representatives and independent experts rather tend to "average" acceptance. In the category "big acceptance" fall members of each sub-group which shows "a matter of perspective" in terms of the very personal acceptance of the changes in the online industry. Here everything depends on the level of interest to the messages that the new marketing offer.



The question for control over the unsolicited marketing messages is also actual in this case. There are many different opinions regarding the need for regulation of the aggressive internet marketing, for example about the networks like Facebook and Twitter. Therefore I decided to discuss the presented in the chart above question to the questionnaire. The results show that the majority of respondents believe that there should be regulation of aggressiveness in marketing campaigns online. This can be understood that every person online wants to feel secure and in touch with information that he or she is interested in. All the aggressive advertising techniques which the companies use are accepted as an unwanted invasion in the personal space of each user. Therefore every organization should be very careful when trying to approach the target audience by this way of online marketing.

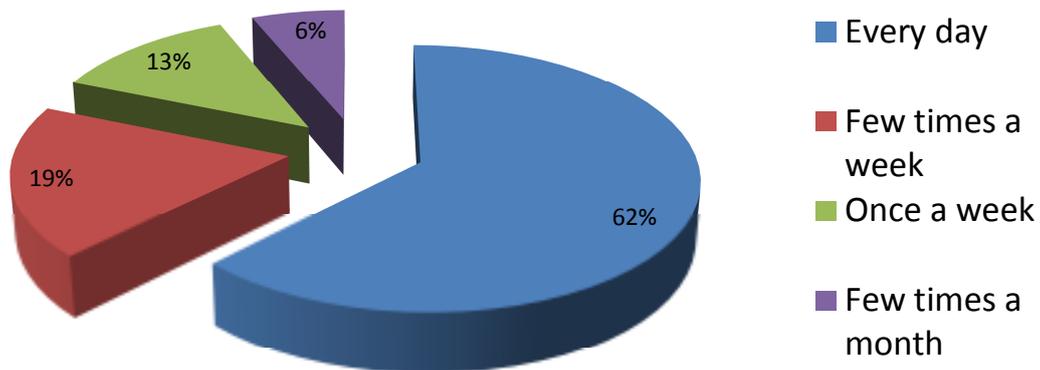
11.If yes, why?



As it was discussed in the last question most of the respondents think that the big problem is related with the interruption of their privacy. A bit lower is the percentage of the people who accept these messages as something negative rather than creating an interest for certain product or service. Here comes one of the cons of the usage of this kind of communication with the customers. Once the users felt bad feeling about certain brand based on their attitude in the network, they can share the negative opinion even though they have never used their products or services and in that way easily influence on the opinion of other users.

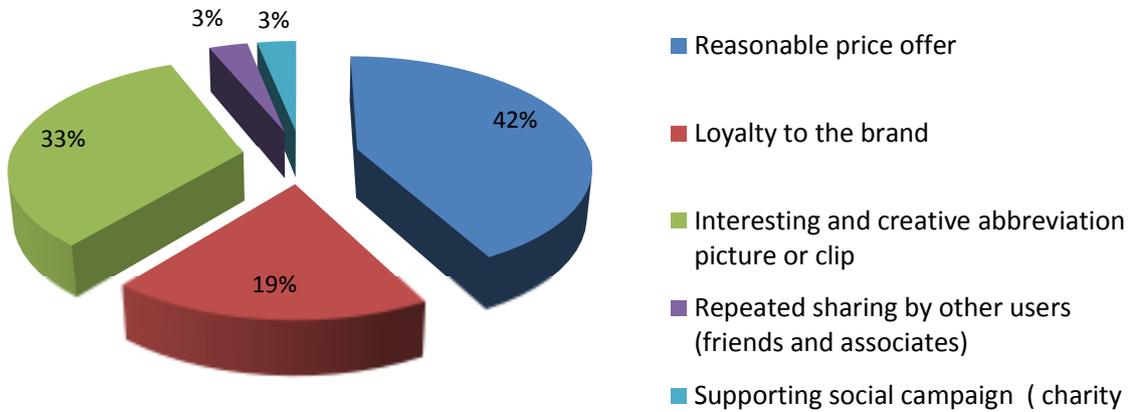
The third informal part of the questionnaire examines the personal position of the respondent in terms of user's own marketing network products and their evaluation.

12. Seen on a personal point of view, how often do you consider trade offers on social networks?



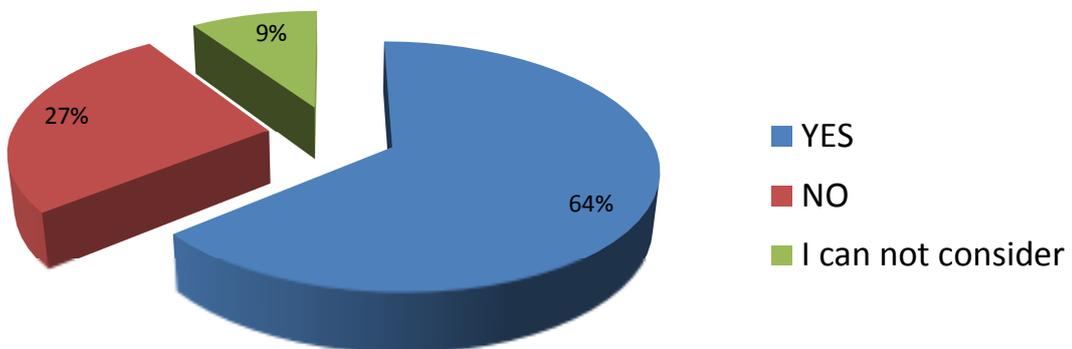
Here very important factor is the intensity of the presence of the participants of the survey in the social networks. Most of them are actively using one or another form of social network and therefore the highest percentage of the answers is “every day”. This indicates for certain high coverage of the marketing messages generated by the companies and interest by the users. These results can be an important indicator for the success of online marketing campaign if the survey was made for a particular brand or product. That is why the companies have to understand the value which the usage of the 2.0 technologies brings for the organization development.

13. What motivates you and challenges you to open a commercial release?

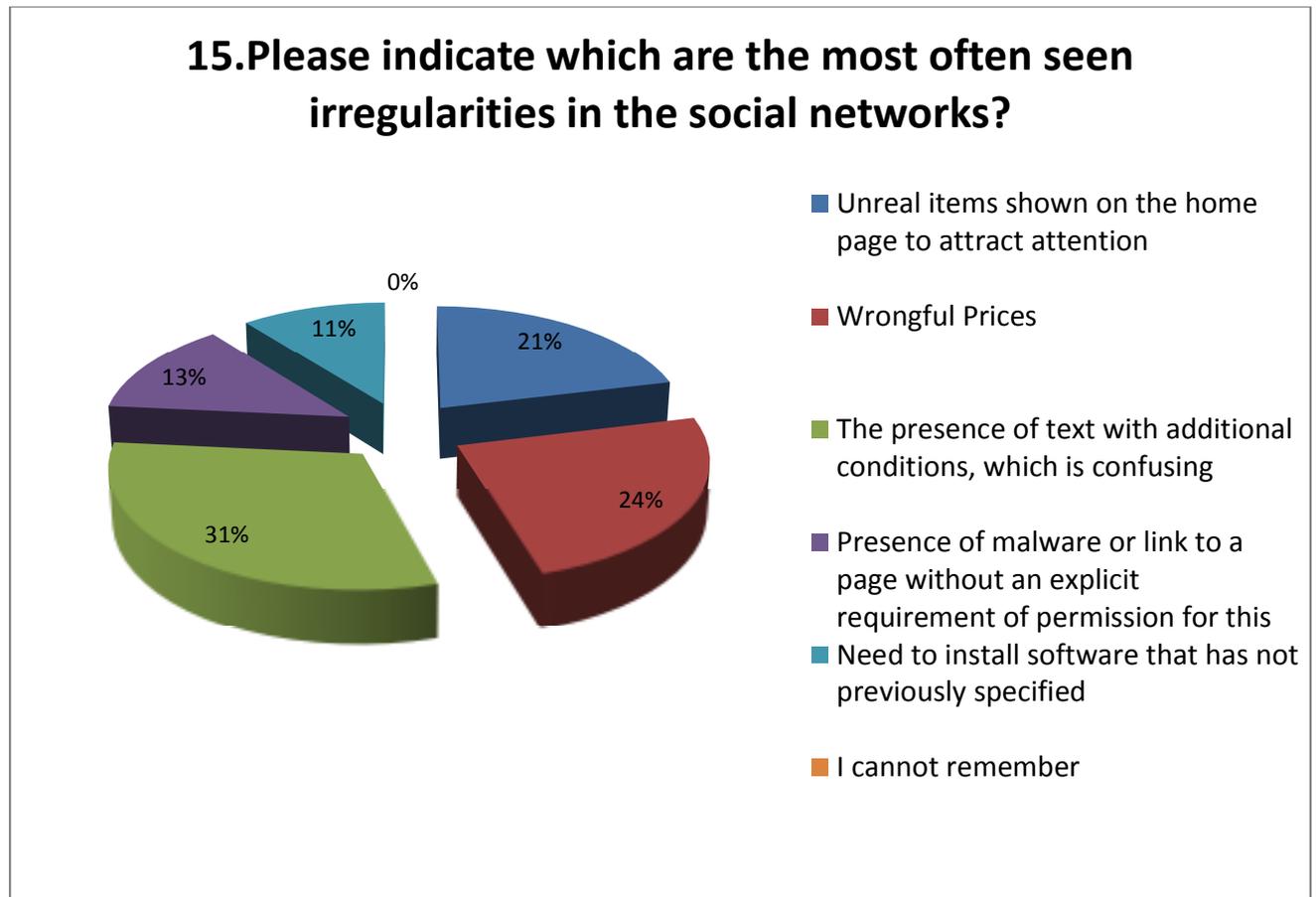


It is not a secret that every consumer on the market is interested in having the best deal. Receiving high value for reasonable amount of money. An indicator for this is also the results from the listed above question. Most of the people are ready to spend of their time if the advertisement have good financial characteristics. Although the global studies show that the best marketing becomes "word of mouth" in terms of advertising campaigns, at least for Bulgaria, consumers seem to be more skeptical about "public opinion" and kept his personal judgment and time, as well as profitable offers and tempting campaign.

14. Do you find often unrealistic or unclear commercial messages in the social network?

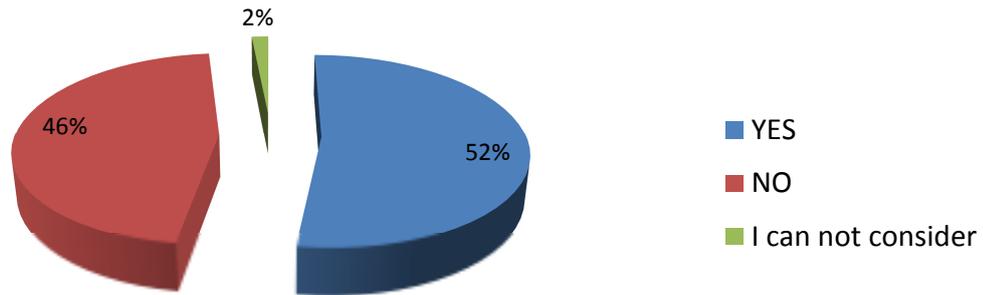


The above question is related to a high extend to the trust which companies provoke in the consumers by using the social marketing. The general opinion of the users is that the commercial messages in the network are unrealistic or unclear. This trend can cause a negative image in the customer’s opinion about certain brand or organization, which again can be spreaded very fast and cause serious problems for the organization.



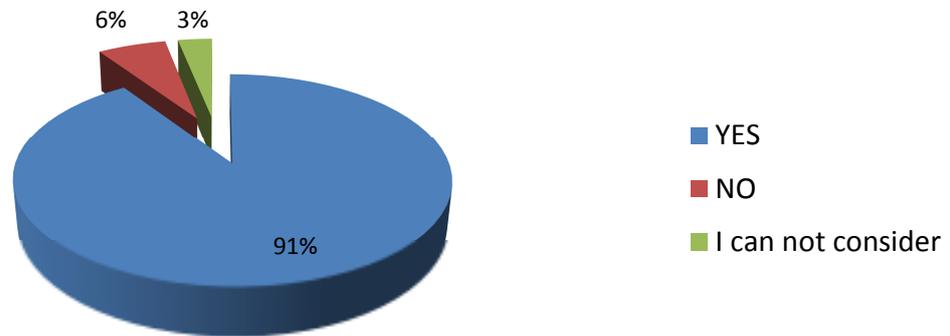
Related to the previous question I decided to provide greater specifics concerning irregularities that consumers meet in the Web. The leading positions are related with the presence of additional confusing text and again wrong information about the prices of the products. Based on the generated information from this question the reader can obtain a good picture about the aspects that has to be taken in to consideration when advertising on the social networks. According to the respondents in this category can be provided more examples of irregularities, but because of their excessive explanatory nature and the limited volume of this work, this question can be used as a basis for further research into similar-themed works and studies.

16. Do you think that every company should have online communication strategy in order to be competitive?



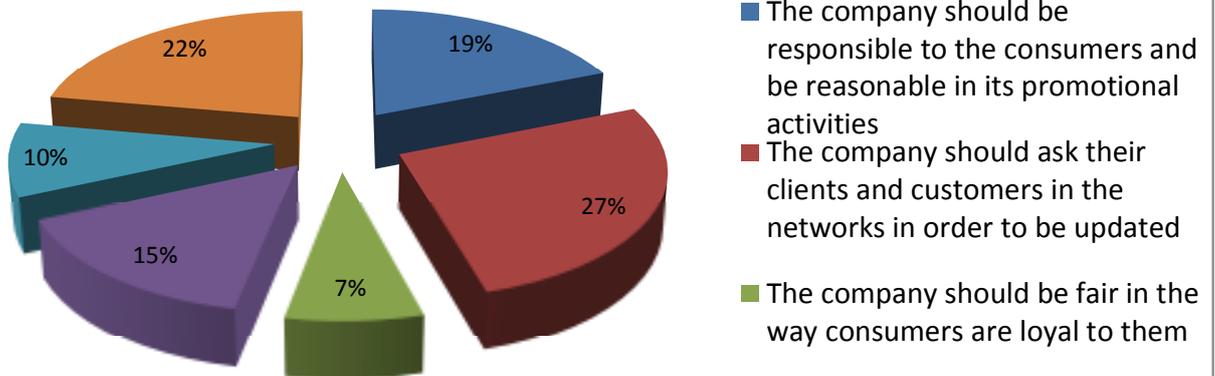
According to the respondents the online communication strategy is very important for the company development. This can be also seen from the theories for marketing communication that I have presented in the previous part of this academic work. From the chart we can also see that the percentage of the answered with “no” is also with high proportion. This can be given to the fact that the users are tired of unwanted trade commercial messages but from another perspective they also gain value from these messages.

17. Do you think that the user has the last word in the process of planning the marketing strategy of the company?



Based on the theories about 2.0 technologies, the consumer is the one who is in the center of the decision making process for the marketing strategy of the company. Therefore I decided to pose such a question in order to see if the participants in this relationship think in the same way. Despite a number of factors and characteristics of the environment in social networks as it can be seen from the chart the last word in the process of planning of the marketing strategy of the company is given to the consumers. Having this in mind the companies by their specific department responsible for such activities should strictly follow the user's reaction in the web in order to ensure the company development in the right direction.

18. What do you think should make each company in order to win their advertising space in the social the networks?



As final question I decided to ask the participants about the right way of reaching advertising space in the social networks by their opinion. This is the information which every organization wants to know and would help for structuring of right marketing strategy for the future. Related to the previous question the answer with higher percentage is engaged to the need of listening to the customers in order to understand their needs and requirement. This will ensure the positive acceptance of the marketing campaigns of the users followed by good results in the sales.

Discussions and proposals

Based on the results of the survey it is clear that the attitude towards marketing campaigns online in general, is positive by the majority of users. It can be seen as an opportunity to modernize, build company image and help the organization to be updated with the last trend from the 2.0 technologies. Despite a number of positive aspects of online marketing campaigns as an opportunity for better and faster way of reaching business information, saving time, since everything is a click away and the option to access the advertising information only on request,

accessibility to Web 2.0 marketing decisions and their excessive overload leads to several negative effects:

- Unnecessary spam with unsolicited commercial messages and builds a "protective reaction" in the consumers
- The active interruption the privacy of users of social networks and accumulation of excessive advertising information;
- Creating software and hardware problems for users by the need to install additional apps, and the inability to handle certain pages flooded with commercial messages and banners.

The economic accessibility and search for ways to attract consumer interest often create a relatively large group of irregular and mixed commercial offers that bring to the users of social applications confusion and consequent distrust and disappointment with the overall performance of companies in the Internet space, especially within social applications and platforms. This leads to the construction of negative image to the organizations that do not violate trade rules and advertising ethics, which could at a later stage of development lead to the inability to realize the planned communication strategy through social networks.

Due to the negative trends of overload and distrust most users build understanding that certain limitation in the number and in the way of impact, placement and appearance of commercial proposals should be implemented in order to ensure smooth handling and use of social networks. From one point of view if there are certain regulation to the number of advertisements would lead to better functionality of the very Web 2.0 applications and platforms, and would affect users to allow more time exploring the well-ordered and synchronized commercial materials. From another point of view limiting the number of invalid and requiring complexity and further action advertising proposals and placing the minimum quality standard and maximum capacity of the displayed advertisements, will make the market better situated and competition between companies stronger, as regards the positioning and providing greater "attendance" time of the user's screen.

From the perspective of "efficiency" for companies, the well-balanced social advertising campaign should take into account several aspects:

- Selecting "appropriate" moment of disengagement of the users to display a particular commercial message
- The marketing campaign should be in accordance with the requirements of the users for certain brand or product. It should be interesting and catchy. The most important is to create dialogue and contribute for the fast spread of the message through the network.
- Correctness of the company – the organizations should avoid unclear statements and underlying conditions in the realization of games with prizes and competitions of different types. The company should clearly and briefly present their commercial proposals. This should be done in a way that does not disturb the social networking does not create a need for extra action by the user, and will not require any software or hardware capability.

Analysis of pharmacies Medea

All the supported information in this chapter of master thesis is provided from the following daat sources .⁵⁰

In this part of the master thesis I am going to make an analysis of a real company case in order to obtain a clear picture about the communication challenges which companies meet on their way of ensuring the organizational development through the use of 2.0 technologies. I am going to use the communication marketing mix as a framework for building better structure and presenting all the relative parts that are important for the Medea pharmacy.

Company presentation

Medea chain pharmacies began its existence back in 2001 when they opened the first family shop for homeopathic medicines, herbal extracts and essential oils and drugs from the low level, which do not require specific certifications, control and requirements. Due to its direct work with producers or transit through a minimum number of resellers, the company's products are offered at comparatively lower prices than those of competitors. This was one of the characteristics based

⁵⁰ <http://www.aptekamedea.bg/>; Company Annual report for the year 2001, 2008,2013,2014

on which the customers preferred the company at that time. Unfortunately, the reputation of the local pharmacy is distributed only in the region of action, namely in several neighborhood radius. Medea didn't have a clear idea about the target audience that they had to approach. First they wanted to serve the needs of the people in the neighborhoods and later think about organizational development in this direction. Based on my consideration in the theory part this is not the right strategy. Actually it is a absence of strategy. Every organization should set a strictly defined target group of people which they want to attract and based on that work for achieving this aim by applying different marketing and advertising methods.

Not long time after the beginning the sales of the organization grow and Medea opens second store plus storage (six months after opening the first store), located in a neighboring district in order to meet its target audience from familiar with the company's activities customers and the company's loyal customers. This is the stage when every company feels powerful and do not see the need of improvement from marketing perspective.

At this point, the company relies only on advertising by word of mouth and do not invest additional funds for advertising campaigns, except brochures that they distribute with each purchase to their customers.

At that time Medea was a small organization with four technicians, specialists in medicines, product manager, responsible for recruiting new companie's suppliers of quality goods and Executive Director - owner and founder of the company itself.

The appearance in the beginning of 2008 of two chains herbal and phyto-pharmacy with a similar product range offered at almost identical prices began to create problems to the already established in the region Medea. After the sales and customers started to decline the manager of the chain was forced to rethink its marketing strategy of the organization. Here is the moment when the situation should be accurately assessed and adequate steps to be undertaken.

Therefore he decided to hire an outside expert who advises him to take the following initiatives:

1. Create an advertising spot that will rotate on radio and television;
2. Creation of promotional materials to be distributed by mail, along with other printed brochures;
3. To have a stand in some of the larger chain stores;

4. The creation of a website and a phone line to connect to the company's headquarters and each of its branches in neighborhoods in order to carry out home deliveries, advice and answering customer inquiries.

The investments required for the above four steps were too high for the owner of the company, thus he decided to limit them to creation of promotional materials, website and phone line.

Regarding to the suggestions of the expert as a part of the marketing mix and related to the financial situation of the organization I would say that the manager took the most adequate decision by entering of the world of 2.0 technologies by creation of a website and thinking about the customer satisfaction by opening a phone line which will be used for direct connection with existing and potential customers. This was one good beginning of the development in regards to the relations with the customers.

The result of the taken decisions ensured the return of 1/3 of the lost positions on the market of herbal and organic products.

The digitization of the market, and the result of the infusion of huge amounts of funds into the economy of Bulgaria after the country entered the EU, particularly within small and medium-sized enterprises, allow a number of organizations to modernize their approach to customers and accept the "Western model" of development fully customer oriented and mass presence in the modern social media and the Internet.

In the internet, the competition gradually gaining momentum, which forced a number of manufacturers and retailers to react to the challenge of quickly redirecting the funds for development of conventional marketing to the new Web 2.0 marketing.

Here came the time for second attempt of deeper entering to the world of 2.0 technologies by Medea.

The external expert of the company also consulted the management chain to change the investments in print advertising to digitization activities. The manager decided to hire in its team two young specialists in social media and digital marketing who thanks to funding from the National Programme for Competitiveness were able to build a corporate website, blog for discussions, panel for recommendations and online orders, as well as online advice form from experts and later - presence in the social media (in particular Facebook and BGMama(blog)).

The management took a strategic decision by hiring people in the organization directly responsible for the company presence in the social networks. As described in the theory part the

work of the person or the group of people engaged with these tasks is very complex, responsible and requires certain qualities.

Most companies often negligence the Internet entirely, leaving a modest corporate website, not updated for a years, leading to minimal or no presence of the company in social networks, giving the possibility of construction of mainly neutral to negative picture of the organization's commitment in the face of consumers to opportunity for advantage to the competitors and potential loss of market share and value. Another mistake that is often permitted by the company's management is connected with the understanding that the online space is very difficult arranged environment, particularly in engaging individuals and teams with minimal experience and knowledge in the management of content and marketing initiatives in social networks. The need for an expert in the marketing department and department for connections with consumers is unavoidable.

Medea organization reached the point of realization that the consumer behavior is to a high extend dependent on the people's commitment to certain groups and that their decision making process is influenced by the opinion of the group. Therefore they decided to implement different approaches for more active presence in the online social world so they can easier attract the attention of whole groups of people rather than certain individuals.

Based on the right implementation of these and other technics over the last decade chain pharmacies Medea managed to enter in each district of Sofia city and plans to grow in neighboring towns.

Corporate Website

Creating a corporate website in 2008 supported the easier access to the contact information of the pharmacy chain and enables the exchange of data for future promotions, discounts, and information about the availability of certain products in stores. From the end of 2008 the developers added to the corporate website an option to order from a catalog.

Since mid-2009 the corporate website is updated, as in it is incorporated, online magazine, offering a different set of products, including those that are not available in traditional stores. Ability to develop internet marketing allows reducing the cost of ordering certain products in

stock aiming availability in all stores of the chain and allows greater investment in digitization and customer oriented marketing strategy of the company.

All these implementations of innovations in the Medea's presence in the web contributed for their easier and more valuable communication with the customer. By adding new interesting and useful features to the website, the company is creating engagement of the users. Once the consumers find out that by entering to Medea's website they reduce their need for information or services, the company can accept the fact that they are using the right marketing and online development strategy.

As I mentioned above on a later stage of the company development, Medea decided to make targeting of the market. After conducting research and analysis of the target market, Medea pharmacies managed to mark their target audience and develop a plan of action based on the different characteristics of users. It is very important for such a research to mark the main opinion leaders in certain groups as they are the key element for easier attraction of the mass. In an interview with Marketing Manager of Medea, he said that the most difficult step in developing the right strategy to each consumer has been the defining of the clients and their specific needs and requirements. According to him the search for the perfect balance between experience, purchase and satisfaction allows the appearance of loyalty to the chain, which must be maintained with all traditional and non-traditional marketing methods.

Medea started developing an electronic catalog with bonus points, which users who are register at the corporate website, may create a preferred package of products which in case of complete order to provide between 10 and 30% discount or a bonus - free shipping, gift (additional cosmetic product) or a gift voucher for use a discount for second order of the same package within three months of purchase.

Along with promotional packages, Medea developed blog where users can read different opinions of experts, as well as recommendations for use of the products offered by different manufacturers, which the chain offers.

The website also accepted and inquiries to different doctors-specialists who provide free online consultation for treatment of certain cosmetic and other issues that are relevant to the products offered by the chain. That managed to make contact with a number of companies of organic products from the cosmetic and medical industry, which offers a special opportunity to advertise their products on the site of Medea. At the same time Medea have contract with them in order to

provide discounts in promotional packages, or sending free samples to consumers who have expressed a desire to test products during their free advertising on the corporate website of Medea. Based on my theoretical framework this can be characterized as cooperation. Both sides are helping each other with products and services from the field that they operate in. This method of relation is very valuable because the cooperation between the two parties in most of the cases is public and this contributes for easy advertisement for both companies.

The corporate website also offers paid advertising for hospitals, health professionals and products and side ads that are below a certain control and selection in order not to produce excessive load to the consumers with information. For its loyal users registered on the corporate website, Medea offers free package "ad-free", which is activated using any of vouchers for discounts mentioned above, for a period of time (usually one month).

That is how Medea is not aggressively operating their marketing campaigns and provides the users with the option for not having any advertisement during the spent time in their website. This initiative is appreciated to a high extent by its customers as everyone is tired of unwanted advertising messages.

On the website of Medea are created themed games with prizes which are handed out "live" via webcam at one of the stores. Through this strategy, the company guarantees the transparency and truthfulness of their commercial intentions and builds its image to customers and potential ones.

The corporate website of the chain Medea has over 200,000 followers and shares, as well as it is a "topic of conversation" in a number of social, TV, radio, and print medias.

Campaigns and games on social media help to develop awareness of the brand, enhance the competitive advantages of the company over its competitors, creating additional value and creation of intangible characteristics that are distinguishing a given brand in the business than the other competitors on the market. Demonstrating a positive image and social engagement increases the opportunities for return on resources and increase online sales, awareness of the company and its activities. It contributes for engaging followers and consumers to seek and spread more news and information, advertising to their friends and supporters even on other networks.

Presence in social networks

Pharmacies chain Medea created their first account on social networks in 2010, as the initiator of this action was itself the marketing manager. In the beginning the company has not used a specialized company to manage its social marketing, but the rapid development of applications and Web 2.0 technologies, rather social consumer interest in the company page puts the manager unable to manage with all inquiries, themes, comments and layout and vision of the social page.

Therefore in the mid-2010 to help the company a contract for managing of the social profiles by specialist in the internet marketing and technologies was signed. He was responsible for creation of a network of connected social accounts that manage to create rich consumer awareness.

In less than half a year users interested and actively involved in developing the vision of the pages on social networks and commenting, sharing and tracking media about Medea pharmacies exceed half a million that compared to the population of seven million in Bulgaria is considered as a big share . Currently, to May 2016, followers of Medea are more than 1.5 million people and the popularity of the company is slightly rising abroad as well.

All undertaken steps by Medea management for implementation of the social media as a part of their marketing strategy is in accordance with the best practices listed from me in the theory part of this academic work. The company decided to take the right decision and leave this valuable and important process in the competence of the specialists in this sector.

Within the social media currently, actively are engaged a team of young professionals responsible for timely respond to online inquiries, providing online counseling, and acceptance of comments, suggestions, criticisms, or just compliments. The company's goal is to achieve a minimal delay in response within the active time for "action" of users in social networks, namely - 20 hours a day. According to an interview with social-covers, as they call themselves employees of the "virtual office", "currently we manage to shorten the response time to five minutes in the times in which it is stated that we have coverage for any questions. But even if we are not working, always one of my colleagues provides coverage and to the other 4-hour, since our work is great, the atmosphere too - we do what we like - all day we are in social networks and at the same time we are paid for this . "

The positive adjustment of the young and energetic "market-covers", as well as good marketing strategy managers, enables the development of a constructive dialogue between consumers and

the company, placing the client before all others and listening to all positive and negative comments about company policies, stores, prices, or other topics.

Through the social networks and the ability for development of active trading by upgrading to e-commerce platforms, support the expansion of products offered by Medea also abroad using traditional payment methods (debit and credit card, as well as through e-pay, PayPal and similar platforms). Another tactical decision by Medea is the introduction of online social trading methods . By doing this the company aimed to develop their sales in a modern way and make the purchase process easier for their customers.

Within the social networks Medea shows its social responsibility to the action or inaction of certain governmental or commercial organizations, as well as acts of bad attitude on the environment. In corporate website, as well as within social networks Medea shows its position about problems of the ordinary consumer and the environment as each week the company is placed behind the events related to cleaning and maintaining the environment in neighborhoods in Sofia organizes donation events, maintenance of parks and playgrounds, as well as providing "hot lunch" for people experiencing poverty.

By developing the CSR policy Medea is catching the attention of their customers not only with the quality products on a relatively low prices, but with their engagement with actual problems which are interesting for the users. The company is building an image of organization that cares about their clients and is ready to satisfy their needs.

Based on the existence of the social networks and campaigns organized together with customers and clients of the company, as well as the active involvement of the same in the development of the organization's approach and policy of "listening" to the advices and giving publicity on a number of topics that worry or engage consumers on corporate website and in the pages of the social networking, Medea is becoming a leader in the web in its field by providing the face of a new user-centric approach.

Analysis and discussion

As every start-up business, Medea chain relies on traditional marketing and strategy "word of mouth" that in the first years of the millennium still carrying the most success over already flooded marketing programs of mass media. With the rapid development of social networking

and web 2.0 technologies, unfortunately, it became more needed the digitization of activities of all types of commercial and industrial sites, as the new type of consumerism and Western style shopping become more popular in the East as well. The pursuit of the larger and stronger companies to be among the first in the country by funding by programs for national and European competitiveness, launched the need for existence of a number of consulting firms and those for the development of social and e-commerce business models to allow each company its properly establishment and development in the network.

Along with the others, Medea managed to develop its consumer-oriented marketing policy, managing to set to a higher level the experience, benefits and satisfaction of the client. Through company's good informational, engaging and debatable presence both via the corporate website and through its presence in social media, Medea and their team of managers managed to build the company's image, which won not only customer loyalty but also a number of followers and potential customers but free advertising in the field of "sharing", "whispers" and "word of mouth".

From the perspective of modern consumerism, consumers are no longer only looking within a chain in order to benefit from a financial perspective but attitude, service and satisfaction. What Medea offer to each user as on the online stores and the traditional ones, the opportunity to feel committed to the idea of protecting the environment. On the other hand, these same consumers feel socially responsible and concerned for those who have the least, namely poor people that Medea also show generosity and support them.

Following of a social strategy and the active presence of this initiative in web 2.0 pages of the company, allowing it to be more widespread as a theme, thanks to sharing and involvement of users who are not directly associated with the company and do not use its products and services but contribute to the distribution of information and accumulation of positive image of the company on their way of winning more followers and increase profits.

The evolution of social networks in the past five years enable the company Medea, to develop their creativity and capacity in the process of attraction, engaging and satisfy the new customer needs and to find new ways to generating a positive image, social engagement, web 2.0 presence and gain new market shares, both online and in the real economy. Thanks to the professional management of the company, Medea took a strategic decision by changing the ways of communication with the customers. This caused the creation of right targeting process based on

the obtained information about the customers' needs through the social networks. These order of steps ensured the company development in the right and successful direction.

Conclusion

In this age of high technology and constant development of the Internet and associated Web 2.0 applications for companies became extremely important to be in accordance to the fashion and to monitor trends on the market. After the expansion of social networks, the path to the user through conventional marketing channels began to become more and more complicated, which required the development of new methods and strategies for sending commercial communication to the customers of certain companies and brands. Among the new communication methods is 2.0 technologies. which in recent years managed to reward the companies with higher profits, better image and popularity in the social networks.

Due to the extreme availability and need for less effort in the creation of commercial communication and growth in the number of users and the capacity of social networking, Web 2.0 platforms are filled with a number of straightforward commercial messages and advertisements that prevent the proper functioning of the entire marketing mix of the companies because of the element of flooding and creation of negativity through the users.

Based on the analysis that I have made over the output from the survey I would say that the major problem for the users is namely the excessive ways in which the companies are managing their marketing campaigns on the web. The relationship between the business and customers is very close and this trend of dissatisfaction to the consumers is easily transforming into bad reputation for the company, which based on the mother 2.0 technologies can be distributed in a very fast way. Therefore the organizations have to be very careful with their presence in the social network.

The challenges posed to the marketing professionals are related to their ability to synchronize the need for constant change in strategy and their creativity and flexibility with the changes in the "mood" and "opinion" of users in social networks. The marketing should be strongly oriented to

the individual needs of each user and create their products so that they most accurately can reach their target-audience without interfering with the other participants in social the networks.

The active and global socio-cultural changes that characterized the last few years, the development of information technologies and the generation of new consumer society, leads to the need of change in the methods the businesses reach, engage and force the consumers to purchase the product or service. In the center of the relationship between the company and the user is no longer the product itself, but the attitude and perception of the client to the value that it has. Thus the focus of traditional marketing to passive communication should be shifted to establishing of two-way communication in the social media.

The need for integration between traditional, conventional marketing and new type of marketing 2.0 is associated with the generation of competitive advantage of the early users of social networks rather than companies, whose reputation, customer relationship and brand are connected with the offline methods of marketing communication.

In order to survive in the dynamically changing and business environment, organizations need to accommodate permanently in the social media and use the opportunities for reaching greater number of target consumers in order to shorten the distance and time for implementation of promotions and information campaigns, and minimize spending on marketing, advertising and maintaining relationships with customers .

The trend for the future is related to the closer using of social media in the business and marketing strategy of companies. A growing majority of organizations will develop their activities through social networks, as the vision for developing new applications, recognizing the possibility of increasing the number of transactions, realization of timely and innovative advertising and promotional campaigns and engaging more users in making promotional and marketing activities rather than the organizations themselves.

Based on all these facts and expectations for future development in this sphere and compared to the conclusion of the analysis of Medea pharmacy I would say that in the these extremely fast developing business conditions the company development is not possible by using the old methods for marketing communication. The real case of Medea showed how a working business is losing its place on the market as not being a part of 2.0 technological sphere. Based on the

timely decision and taking adequate steps and right implementation of the innovations by the experts Medea is now one of the leaders on the market. The new communication methods give a lot for both parties but at the same time offer challenges. The organizations need to estimate very carefully the pros and cons of this close communication and measure every action taken in the web. Every business should realize the need of constantly development and implementation of innovation if they want to have success on the market.

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