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University of Zagreb
Faculty of Economics and Business
Master's degree in business: Trade and International Business

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PRODUCT CATEGORIES**

Master's thesis

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Zagreb, September 2023

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Master's thesis

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Zagreb, September 2023

Statement of academic integrity

I hereby declare and confirm with my signature that in writing my master's thesis I will adhere fully to the Ethical Code of the Faculty of Economic & Business, University of Zagreb.

Student's signature _____

Summary

With the introduction of electronic commerce in business, companies faced new challenges and opportunities in the field of marketing. Social networks, which have experienced their boom, have become a key tool for making purchases easier, developing a visual identity, and building brand recognition. This paper highlights the importance of these marketing activities in the context of adapting companies to the market through electronic commerce. Electronic commerce has enabled companies to reach the global market and make direct contact with consumers without geographical limitations. In addition, various business models such as B2C (business between companies and consumers), B2B (business between companies) and C2C (business between consumers) provide flexibility and enable adaptation to the needs of target groups. Social networks have become a central place for promoting products and services. Through platforms like Facebook, Instagram, X and LinkedIn, businesses can build and nurture relationships with customers, share product information, provide customer support, and collect feedback. The purpose of this paper is to show how companies adapt their business to the market through electronic commerce and active involvement in social networks. Through these adaptations, companies can build a strong presence in the digital market, increase their competitiveness, and achieve long-term success. Electronic commerce and social networks are becoming key tools for achieving company goals in the digital age.

KEYWORDS: internet store, social networks, marketing, business mode

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1. INTRODUCTION

Social commerce is the use of social media, in the context of e-commerce, to assist with buying and selling products and services online. It evokes the fusion of two big digital trends, e-commerce, and social media.

Social networks have a significant influence on online commerce, and this influence is growing year by year. Social networks allow marketers to reach a large number of users and potential customers. Through regular publication of content, stores can attract the attention of users and direct them to their websites or products. They provide powerful platforms for advertising and product promotion. Targeted advertising allows marketers to show their products to those users who are most likely to be interested in them. This can significantly increase product visibility and lead to more sales (Stanojević, 2011).

Influential individuals on social networks, known as influencers, can be very useful for product promotion. When influencers recommend or use a product, it can help build trust with potential customers and encourage them to try it. Social networks allow users to share their experiences with products and services, which can be useful for consumers seeking information before deciding to purchase a product. Positive reviews and recommendations can improve a store's reputation and increase consumer confidence (Linda, 2010).

Monitoring user trends and behavior on social networks can help marketers better understand the needs and wants of their target audience. This makes it possible to adapt the offer and marketing strategies to better respond to market demands. Some social networks allow marketers to integrate their sales channels directly into the platform. This means that users can browse and buy products without leaving the social network, which can increase the likelihood that they will make a purchase. Social networks provide a channel for customer support and communication with customers. Customers can ask questions, express concerns, or provide feedback, and the store's quick response can improve customer satisfaction and build brand loyalty.

1.1. Purpose of the thesis

The aim of the paper is to investigate and explain the impact of social networks on online shopping. The paper will

- Broaden understanding of how social networks influence the traffic of online stores and how they can increase the number of visitors to store websites.
- Analyze and elaborate on the impact of social networks on the sale of products and services through online stores, including the increase in conversions, the impact of user reviews and recommendations, and the impact of product trends and popularity.

The subject paper covers various aspects of the influence of social networks on online commerce, including traffic, marketing, sales, customer support, brand building and long-term store growth.

1.2. Source and methodology

The methodology includes analysis and research of the given topic in articles and books by contemporary authors with an emphasis on the topic of social media and e-commerce. Various scientific methods will be used during the preparation of the paper, the most important of which is the compilation method, which will be used to develop the theoretical part of the paper. More precisely, by collecting adequate literature and using the method of analysis and synthesis, key chapters in the paper will be created. Inductive and deductive methods will be used when selecting the main titles within the literature. The method of analysis, which will be used for the purposes of analyzing the collected material and data about Internet trade and the application of social networks in business.

In addition to the analysis of theoretical background, the primary research will be conducted in the form of a survey. The purpose of the survey is to examine how consumers use social media platforms to find and purchase goods. Specifically, we want to understand how consumers behave while looking for and purchasing electrical products on social media platforms as well as when purchasing fashionable clothing. The primary research will be conducted based on a

questionnaire created in Google forms. The questionnaire will be distributed electronically in different Facebook, Instagram and WhatsApp groups to respond to a different profiles of respondents. The sample will include more than 120 respondents with various socio-demographic characteristics.

1.3. Concept and structure

This paper is divided into six chapters. After the introduction, there follows a theoretical analysis of internet commerce that includes definitions, historical development and models of internet sales. It will also discuss the competitiveness, security and profitability of electronic commerce, as well as the advantages and disadvantages of online commerce. After that, it will focus on the determinants and guidelines of social networks, including the definition, purpose, development and types of social networks. Social media communication and marketing will then be explored, analyzing the benefits of social media advertising and the marketing techniques used on these platforms. In the next chapter we will do a survey on using social platforms for buying and selling goods and the level of satisfaction among users, how successful, useful and effective it can be. We will compare two different types of products and consumer behavior while buying different types of products using social media platforms. The conclusion will summarize the main findings of the paper, highlight key points and possible future directions for research. References will be listed at the end of the paper, including sources and references used in research and writing.

2. THEORETICAL ANALYSIS OF INTERNET SHOPPING

E-commerce is a key component of electronic business that enables the purchase of products and/or services via the Internet. It often stands out as the fastest and cheapest way of shopping, which makes this type of store very attractive to consumers. Many arguments support the claim that Internet commerce is the most profitable form of commerce due to its simplicity and low costs, while electronic commerce itself represents the most developed aspect of e-business. The continuous progress of technology and the increasing possibilities of using the Internet for various purposes contribute to the development of trade, which has a positive impact on the overall economy of a particular country. The Internet has been generating consumer empowerment for over a decade. Brick-and-mortar stores are slowly but surely closing down because of the rise of e-commerce. (Rita, Oliveria, & Farisa, 2019)

Due to constant development, there are many types of online stores that develop independently of each other. Before we define Internet commerce, it is important to clarify the difference between electronic business and electronic commerce. Electronic commerce involves the exchange of goods and services between buyers, business partners and sellers. But when we try to explain the concept of electronic commerce in the simplest way, we can describe it as "the sale of information, services and products, and the maintenance of business connections through computer telecommunication networks" (Turban, Outland, King, Lee, et.al. 2017). The following chapter deals with the characteristics, types and models of Internet commerce and analyzes the historical course of its creation. We will also explore the characteristics of modern internet sales.

An online store has its own characteristics that make it unique and successful. First, it is available 24/7, which means that customers can shop at any time, regardless of the opening hours of brick-and-mortar stores. This flexibility provides great convenience to consumers, which is a key factor in attracting new customers and retaining existing ones. Second, Internet commerce enables global business. Marketers can reach customers around the world without the need for a physical presence in each country. This opens the door to new markets and provides an opportunity to expand business internationally.

Third, online retailers can collect and analyze large amounts of data about their customers. This wealth of information allows marketers to better understand the needs and preferences of their target group and can adjust marketing strategies to better suit the needs of their customers (Christakis & Fowler, 2010).

2.1. The concept and definition of online shopping

Internet commerce, although not clearly defined in the literature, generally refers to the purchase and sale of goods and services through digital communications and the Internet environment. This includes all commercial transactions conducted over electronic networks, such as the Internet. According to Ferenčić (2012), "Internet trade implies the exchange of goods and services and the transfer of funds through digital communications." Digital cards, digital cash and other digital payment methods are used here". Benson, (2018) defines electronic commerce as commerce that includes all transactions between individuals, natural and legal persons, or entities equal to them, which are carried out through electronic networks, such as the Internet. This definition emphasizes the importance of exchanges between different entities, which may include transactions with third parties. Online shopping is one of the fastest-growing phenomena and is defined as a form of electronic commerce which allows consumers to buy products and services over the internet (Aryani et al., 2021).

Bezić, Gašparini & Bagarić, (2009) add that we often associate the concept of electronic commerce with the perception of the process of buying and selling via the Internet. In addition to financial transactions between organizations and consumers, electronically assisted transactions between organizations and third parties involved in the exchange should also be considered. In accordance with Ružić's (2009) definition, electronic commerce is the process of buying, selling or exchanging products, services or information via a publicly available computer network, the Internet. In addition, it emphasizes the importance of reducing the cost and time of transactions achieved by using the Internet environment.

The activities of electronic commerce coincide with the activities performed in the sale of goods and services via the Internet. This includes setting up websites, online advertising, collecting, and analyzing consumer data, and using the Internet environment to facilitate and improve commerce and business. Websites for sellers of their own goods or services share similar elements, functionalities, and designs with Internet retailers, but there are significant differences in their functions and roles. The seller of their own goods or services focuses on the production or provision of certain products or services, while the Internet is for them only a means through which they reach consumers (Grbavac & Grbavac, 2014).

On the other hand, Internet retailers act as intermediaries between original producers and final consumers, being somewhere in the middle of the value chain. Electronic commerce encompasses business processes and transactions that take place electronically via the Internet or other networked data processing systems. This includes the exchange of goods in whole or in part by electronic means. The sale of goods through electronic commerce can be divided into three groups: the sale of soft goods, the sale of hard goods and the sale of services (Benson, 2018). Soft goods sales include digitally distributed products such as movies and games. They are easily digitized and are the oldest form of distance selling. The sale of hard goods refers to tangible products that exist in the physical world. Here we distinguish between two flows: the information flow, where the buyer and seller exchange information, and the physical flow, where the products are physically delivered. Online merchants, unlike sellers of their own goods or services, usually do not produce anything, but offer products or services from other manufacturers. Their websites are more consumer oriented, focusing on the competition and conducting marketing activities.

The online retailer acts as an intermediary, connecting the original producers with the end customers. Their role is somewhere in the middle of the value chain, which they often shape themselves. An electronic retailer creates an electronic marketplace and is focused on maintaining and supporting one or more marketplaces. This is different from sellers of their own goods and services who do not have to worry about maintaining a market, as they are focused only on their own products or services. In a narrow sense, online trade includes the purchase and sale of goods, services, and information via the Internet, and includes all trade transactions that

take place electronically (Hajli, 2014). The online store is known for its profitability and ease of operation, since it does not require large costs.

However, it is important to note that electronic commerce represents only a part of the broader concept of electronic business. Electronic business includes all business activities that take place electronically, while electronic commerce refers only to commercial activities via the Internet. We can think of e-business as an iceberg, where the visible surface part represents the e-commerce or interface used by customers, users, and partners. However, the whole iceberg represents a wider spectrum of electronic business, which includes the internal readiness of the organization to carry out business activities through an electronic system and interface to customers and users (Kovač, Protrka, & Novak, 2016).

Therefore, electronic business encompasses much more than just the process of buying and selling via the Internet. This includes the integration of electronic systems into all aspects of business, such as procurement, inventory management, customer relationship management, marketing and logistics. Electronic business enables organizations to improve their efficiency, adapt to changing market needs and achieve competitive advantages. Through e-commerce, organizations can reach a wider audience, increase their visibility and create new business opportunities. It also enables better interaction with customers, a personalized experience, faster and more efficient transactions, and monitoring and analysis of customer data to improve marketing strategies and adjust offers. In short, although online commerce has its advantages in terms of simplicity and profitability, we must not ignore the larger picture of e-business that encompasses all business activities that take place electronically. Electronic business provides organizations with the ability to transform and improve their business through the integration of technology and electronic tools into all aspects of their operations.

Smartphone adoption is growing quickly, which expands the pool of potential customers who will use their mobile devices for routine pre-shopping, shopping, and post-shopping activities (Knežević & Delić, 2017). As a result, one of the unavoidable trends in the technological advancement of the contemporary retail industry is the deployment of mobile technology. Today, mobile commerce is more than just making a purchase on a mobile device; it is also the

identification of the consumer in terms of solutions used to promote customer loyalty and automate payment transactions via mobile phone.

2.2. Historical development of online shopping

The historical development of online commerce can be traced back to 1960, when the concept of electronic data interchange (EDI) was first developed. This system replaced traditional ways of delivering purchase orders, delivery notes, invoices and payment notices, enabling digital data transfer between computers. Initially, only companies used EDI to exchange data. However, with the development of personal computers and the emergence of the World Wide Web (WWW), i.e., the Internet, the creation of websites and e-commerce became possible. Michael Aldrich is considered to have created the first distance shopping system in 1979 (Ferenčić, 2012).

His invention enabled viewers of television programs to order a product over the phone that would be delivered to their home address, thus becoming the father of electronic commerce. Key events in the development of online commerce from 1980 to 1990 include the launch of the first B2B (business-to-business) online shopping system by Thomson Holidays UK in 1981 and the introduction of Minitel by France Telecom in 1982, which enabled online ordering throughout France. In 1984, Tesco introduced the first B2C (business-to-consumer) online shopping system (Christakis & Fowler, 2010).

At the very beginning, the Internet was considered a new marketing tool, but it quickly became essential for business operations. Electronic commerce was created with the aim of making a profit through a system for the sale and purchase of goods and services via Internet networks. The first public electronic transaction was announced at the first World Wide Web conference between Geneva and Amsterdam in May 1994. The following year, in 1995, Jeff Bezos founded the famous web store Amazon.com, and Dell and Cisco began aggressively using the Internet for commercial transactions (Mata & Quesada, 2014).

Pierre Omidyar also made a significant mark in the history of electronic commerce by founding eBay as AuctionWeb. In the years after 1995, the Alibaba group was also founded in China, and

PayPal was bought by eBay (Benson, 2018). With the establishment of these leading online stores, e-commerce and online business continued to grow steadily. However, in the history of the development of online commerce, there are also challenges. One of such challenges was the so-called dot-com speculative bubble that lasted from 1995 to 2001. During this period, the market for Internet companies experienced rapid growth, resulting in overvalued stocks and investor speculation. That bubble "burst" in 2000, causing the collapse of many Internet companies (Bezić, Gašparini & Bagarić, 2009). Despite these challenges, the development of online shopping has not stopped. On the contrary, online commerce and e-business have continued to grow and develop, bringing new opportunities and changes to the global market.

Starting and running an electronic store requires advanced technological, business, marketing, and managerial skills. Especially for shops that carry out numerous transactions, it is crucial to provide access to products and services 24 hours a day, seven days a week, which is called the 24x7 principle (Panian, 2013). Companies that manage to provide the most reliable, functional, user-friendly, and fastest services have the best chance of success in the world of online shopping. Through electronic commerce, people can conduct many financial transactions online. This includes paying bills, issuing payment orders, and cashing checks, trading securities, taking out consumer, housing, and other loans, and managing financial assets online.

Traditional forms of money will gradually disappear, replaced by more convenient forms and payment technologies, such as smart cards, digital money, and services of specialized financial services (Payment Gateway) (Hajli, 2014). In addition, intelligent computer programs and software agents will take care of the financial and logistical aspects of interactions between individuals and companies in doing business over the Internet. Contemporary trends in electronic business and online commerce include mobile electronic sales (M-commerce) and artificial intelligence (AI).

Mobile commerce is electronic transactions and communications conducted by using different mobile devices and typically with a wireless connection (Knežević, Delić, & knego, 2015). M-commerce refers to all transactions of monetary value that are realized through a mobile telecommunications network. This form of commerce uses mobile devices as an electronic

technology and channel for doing business. M-commerce represents a subset of all e-commerce transactions, including both B2C and B2B segments (Ferenčić, 2012). In the future, e-commerce and online business are expected to continue to grow and develop. Advances in technology, especially artificial intelligence, and mobile technology, enable increasingly sophisticated and personalized customer services, which will further fuel the popularity and expansion of e-commerce around the world. With the right approach, creativity and innovation, companies will be able to take advantage of all the advantages that online commerce provides and achieve success in the market. The development of mobile commerce and the advancement of artificial intelligence are key technological factors shaping the future of online business. Mobile commerce, known as M-commerce, enables business entities to improve their competitive position towards customers through its specific attributes, such as presence in any place and at any time, convenience of application, interactivity, personalization, and localization.

A significant portion of online shoppers use mobile devices as a shopping tool and this percentage is significantly growing over time (Knežević et al., 2015). Today, M-commerce accounts for as much as 40% of all e-commerce activities and it is expected that this share will continue to grow due to the simplicity and numerous advantages it provides (Christakis & Fowler, 2010). One of the important aspects of mobile commerce is mobile payment. Simplicity of mobile payment is essential for the success of mobile commerce. Mobile phones are increasingly replacing traditional electronic wallets and enabling micro-payments. Mobile payment applications are being developed that provide attractive mobile services in the market. Examples of mobile payments include mobile entertainment (music downloads, mobile betting), information services (sports news) and various services, such as parking payments.

Some network operators even enable payment in stores via mobile devices, such as the m-Pay service. Artificial intelligence, which was once considered science fiction, is now a powerful tool in e-business. Artificial intelligence uses computer systems that try to mimic the human brain, including reasoning and optimization. Combined with e-commerce, artificial intelligence is becoming extremely important for companies soon. With the growth of electronic commerce, the amount of data to be processed also increases, which becomes a challenge for human

processing. It is here that artificial intelligence finds its application and helps in the analysis and processing of large amounts of data.

Numerous companies are already using artificial intelligence in e-business to improve customer experience, personalize offers, collect information about customers and make strategic decisions. Big companies like Apple, Amazon and Intel have already implemented artificial intelligence in their business (Benson, 2018). Electronic commerce complements traditional physical stores, and virtual sales points on the Internet offer an unlimited quantitative offer of products and services. Online stores can provide a wide range of products, which is difficult to do in physical stores. Also, online sites are being developed where the offers of different sellers and traders are presented, which allows users to easily compare and find the best offer.

2.3. Key trends of e-commerce in modern business

Today's business is faced with dynamic economic conditions, changing consumer behavior and new technologies. Increasing attention is being paid to the study of the role of new technologies in business, especially in the context of electronic commerce, to better understand the ways in which new technologies are changing modern business and commerce. E-commerce allows companies to expand into the global market, which brings numerous advantages. Companies can quickly and easily participate in the market, collect information about customers and adapt their offer to their individual needs. The E-commerce concept was initially coined to describe the processes of undertaking business activities electronically using technologies based on electronic funds transfer (EFT) and electronic data interchange (EDI). These technologies were developed in the late 1970s to enable information sharing and electronic transaction execution between organizations through invoices electronic purchase orders. While these technologies laid the foundations for e-commerce, technological growth and the internet created online platforms that led to the development of the electronic business that combined data exchange and both monetary and non-monetary transactions. (Rosário & Raimundo, 2021)

Automation of systems based on e-commerce facilitates the sales process and reduces costs. Reducing the number of suppliers enables direct delivery of products from the seller to the customer, which further reduces delivery time and costs. The key role of companies in setting up electronic commerce is to create a safe environment for customers. Distrust of an online store can deter customers from shopping. Therefore, companies must ensure high security standards to protect their customers and their data. Internet commerce, despite possible risks, can be safer than other payment methods, because it uses SSL and SET protocols that encrypt and protect data during exchange (Panian, 2000).

SSL enables secure sending of personal data and credit card data over the Internet, while the SET protocol ensures secure payment and enables greater user privacy. Data secured in this way are protected from possible misuse and theft (Linda, 2010). Overall, electronic commerce provides companies with the opportunity to expand and compete globally. Using new technologies and security protocols, companies can ensure the trust of their customers and provide them with a pleasant experience when shopping online. Understanding the role of new technologies in business and their proper implementation are key to success in the modern market. Retailers and brands may find more success by focusing on how they can satisfy specific shopper segments (Ladhari et al., 2019).

The profitability of any company depends on the way customers are approached during and after the purchase. The key is to provide security and guarantee to customers before, during and after the transaction, and to provide the option of exchanging or returning the product in case of dissatisfaction. Companies should adapt their offer to the needs of customers and always look for new solutions so that shopping becomes more than a simple transaction (Bezić, Gašparini & Bagarić, 2009). The growth of e-commerce, which is moving from traditional computers to mobile devices and applications, requires additional experiences for customers. Increasing online sales also reduces storage and distribution costs, which contributes to higher profitability of companies (Grbavac & Grbavac, 2014).

Keeping up with market trends is critical to e-commerce success, and many businesses are turning to popular trends set by giants like Amazon, Alibaba, and Walmart. One notable trend is

programmatic advertising, which uses data sets to target audiences based on their spending. Ads are shown to a selected audience with the goal of achieving a higher return on investment. Automated marketing enables a personalized offer for each customer, recommending products like those he has already viewed or purchased (Ružić, 2000).

Artificial intelligence is becoming essential for electronic commerce because it helps to process a large amount of data that a human would not be able to process alone. Companies like Apple, Amazon and Intel are already using AI to improve customer experience and make strategic decisions. Contextual shopping and multi-channel sales are based on the analysis of previous customer behavior on websites, social media, and other channels (Ružić, Biloš, & Turkalj, 2014). This enables companies to anticipate customer needs and provide them with an optimized user experience.

M-commerce, or mobile shopping, is becoming increasingly important due to the ubiquity of smartphones. Data from many countries show that e-commerce and m-commerce is rapidly growing with much higher dynamics than traditional offline sales (Stefanska, Knežević & Stojković, 2018). Mobile commerce offers numerous advantages, and access to e-commerce content via mobile devices is becoming a key priority for many companies. In recent years, mobile commerce has been experiencing continuous growth thanks to the increasing use of smartphones, tablets, and laptops, as well as wide Internet access and free Wi-Fi signal in many places (Knežević et al., 2015). In 2019, smartphones accounted for more than 67 percent of all retail website visits worldwide and these numbers are increasing (Dumanska et al., 2021).

One of the new trends in e-commerce is the "take a picture and buy" concept. This innovation allows users to point their camera at the product they see and then order it through the online store. Pinterest is one example that has launched its own camera with image recognition and interpretation capabilities to provide relevant product information. This partnership with various stores, e-stores and search engines makes it easier for users to find and buy products based on images (Bezić, Gašparini & Bagarić, 2009).

Fast distribution and delivery have become key factors in e-commerce. Sellers and buyers strive to deliver products within 24 hours, which has become a challenge that many are trying to

achieve. Fast delivery methods aim at customer satisfaction and enable them to receive their ordered products as quickly as possible. Chat bots are also ubiquitous in e-commerce. They represent the interface for customer communication and provide customer support through messaging. Integrating business intelligence into these chat bots achieves the goal of communicating with customers in an efficient manner (Turban, & Gehrke, 2000).

These trends indicate the constant evolution of e-commerce and adaptation to technology and customer needs. Quick and easy shopping via mobile devices, the ability to search for products via images and improved customer support through chat bots are key components of successful e-commerce in today's digital age (Ferenčić, 2012). Businesses that recognize the importance of these trends and adapt to market demands have a better chance of achieving success in this dynamic e-commerce environment.

2.4. Basic models of online sales

In electronic commerce, there are three parties involved: Government, companies and consumers. Nine e-business models arise from them: G2G (Government to Government), G2B (Government to Business), G2C (Government to Citizen), B2G (Business to Government), B2B (Business to Business), B2C (Business to Customer), C2G (Citizen to Government), C2B (Customer to Business) and C2C (Customer to Customer). In the following, the emphasis will be on the orientation of those models that have found wide representation in electronic commerce, namely: B2B, B2C and C2C, while a brief description will be given for the other models.

B2B electronic commerce is a type of business that enables the exchange of goods, services, and services between companies, focusing on business consumers. This trade has evolved from the former electronic wholesale trade that dominated until the mid-nineties (Turban, Outland, King, Lee, et.al. 2017). At the time, large sums of money were transferred between banks through closed computer systems, including international money trading. Today, electronic wholesale refers to business transactions between business entities, where many managers use the Internet to simplify and speed up business activities. Through B2B electronic commerce, economic entities

can make purchases necessary for their company, whether it is the acquisition of ballpoint pens or complex chemical plants (Grbavac & Grbavac, 2014).

This type of commerce is experiencing a real revolution on the Internet, as business entities are quickly realizing the potential cost savings they can achieve through purchasing and sales automation. The CyberAtlas company revealed by conducting research that B2B electronic commerce reached 3.6 billion euros in 2005, which is an impressive growth compared to 233 million euros in 2000. Other research shows that by 2005, more than 500,000 companies used electronic commerce, as buyers, merchants or in both roles, which clearly indicates that B2B electronic commerce will continue to grow and strengthen day by day (Piri Rajh, Previšić, Ozretić Došen, 2004). Through B2B e-commerce, companies realize numerous advantages, including market expansion, greater efficiency in the procurement process and reduced transaction costs. Customers have access to a wide range of products and services from different sources, and retailers can reach new customers around the world.

Modern B2B electronic commerce enables an easier, faster, and more efficient business life, encouraging business growth and the potential for global cooperation. Overall, B2B e-commerce represents a key aspect of modern business that will continue to shape the way companies do business in the future. B2B electronic commerce plays a key role in a wide range of industries, including automotive, aerospace, petroleum, chemical, food, energy, pharmaceutical, and many others. Using B2B trading networks, auction stations, stock exchanges, online product catalogs, and product exchange sites and other online resources, companies have the ability to reach new customers, better serve existing customers, and make purchases in an efficient and economical way (Panian, 2013).

Large B2B retailers today offer a wealth of information about products, purchases, and related services via online platforms. This availability of information facilitates the processes of identifying new sources of supply, negotiating, making transactions and payments, and managing supply chains, which includes planning production lines and co-designing and developing products. B2B exchange creates efficiency at many levels of business (Hajli, 2014). For example, customers can find new suppliers and sources of supplies through online shopping networks,

which allows them to expand the scope of their business activities. Negotiations and transactions also become more efficient through the rapid exchange of information through online platforms.

EC Europe is an example of a large B2B trade network that includes nearly 100 trade websites and provides an opportunity for international networking of companies and government organizations around the world. Through such networks, companies gain access to important information and competitive opportunities, which helps them expand their business globally. With the Global Business Web and other international electronic commerce networks providing platforms for companies from various industries, recent years have also seen a significant increase in product exchange sites. These platforms allow companies to make contacts, research the market, promote their business and conduct trade transactions.

Although such electronic market spaces are becoming more and more popular, it is interesting to note that as much as 93% of the total B2B electronic trade functions through private websites (Ružić, 2009). Online sellers are increasingly choosing to establish their own private trading networks to have more control over the displayed products. These private networks also allow them to build stronger connections with customers and sellers by providing additional services and value. The advantage of setting up private websites is that businesses can customize the interface and functionality to better meet the needs of their clients.

Customers can easily search and purchase products, schedule deliveries and process warranties, all within their own company-controlled environment. This enables greater personalization and facilitates business between business entities. With private networks, companies can also provide specialized services and customized offers to their customers, which strengthens their competitive advantages in the market. In addition, such networks create trust and long-term business relationships, which is crucial in a B2B environment (Mata & Quesada, 2014).

B2C electronic commerce, also known as electronic retail commerce, means business in which business consumers target end consumers, which results in a wide circle of small consumers who discover a new world of electronic purchases and payments (Stanojević, 2011). For sellers, online business owners, the Internet provides unlimited access to different demographic segments, thus opening endless market opportunities. Today's B2C e-commerce is taking advantage of

technological advances and computerization, with the Internet playing a key role in the future of retail.

Statistical reports show that B2C e-commerce still lags behind B2B e-commerce in terms of total revenue and transaction volume. Nevertheless, B2C trade has its place and represents an important segment of the market. The main form of B2C electronic commerce is electronic catalog sales, which stands out as one of the most popular forms of online advertising and sales. Many new smaller businesses use this option to reduce the cost of printing and distributing traditional catalogs. Customers can learn more about products through pictures, descriptions, drawings and other information available on websites (Šulc, 2019).

B2C electronic commerce also represents active forms of sales in distant markets, which is made possible by advances in communication technology. This sector is rapidly developing and adapting to the needs of modern consumers who increasingly prefer online shopping. B2C e-commerce brings new opportunities for sellers and consumers, creating an innovative way of interacting in the market. Advances in technology and the increasing connection of people via the Internet will further shape B2C trade and encourage the development of new approaches to sales and marketing (Panian, 2000). Through this digital transformation, retailers will be able to better meet the needs of customers, and consumers will have an increasing variety of products and services at their disposal, making it easier for them to shop from the comfort of their own homes. Despite the negative predictions, online shopping by consumers continues to grow strongly, with consumers switching from purchasing cheaper items such as books, videotapes, and DVDs to more expensive items such as travel.

The C2B (Consumer-to-Business) e-business model is the opposite of the B2C e-commerce model. In this model, the individual (consumer) acts as the seller of the product or service, and the company is the buyer who pays for it (Mata & Quesada, 2014). It can be said that the C2B model is a twisted B2C model. In the traditional B2C model, companies offer products and services to consumers, while in the C2B model, consumers, as individuals, independently provide products or services to companies. This model allows individuals to identify their skills and expertise and offer them on the market to meet the needs of companies.

One example of the C2B model is the online platform Fiverr, where independent programmers, designers, writers, and other experts provide various services to companies and individuals. For example, a developer may provide a website development service for a company that needs a web presence for its electronic commerce. Such service providers are not employees of the company but act independently as sellers of their expertise. The C2B model provides the flexibility for individuals to work at their own pace and deliver their services on their own schedule. At the same time, companies benefit because they can find specialized and qualified individuals to provide services on demand (Mata & Quesada, 2014).

This model also allows companies to quickly adapt their needs and find the best solution for their projects. The C2B e-business model represents an innovative approach to commerce where individuals become sellers of their skills and services, while companies play the role of consumers who pay for those services. This model enables flexibility, efficiency and adaptability in the market, which makes it interesting and attractive for both parties - individuals and companies.

C2C (Customer-to-Customer) model of electronic retail trade and communication takes place via the Internet between consumers themselves who are interested in exchanging products, services, or information (Linda, 2010). This model allows for a wide range of different products and services that can be purchased or exchanged directly between individuals. C2C e-commerce gives people the opportunity to reach a much wider audience than traditional local flea markets or classified ads in newspapers, because all these opportunities can now be found online. Platforms like QXL, Alando, eBay and other auction sites have become hugely popular shopping destinations selling almost anything - from art, antiques, clothing, shoes and jewelry to computers and consumer electronics. For example, eBay is one of the largest C2C online trading communities with more than 42 million registered users worldwide and transactions worth billions of dollars. More than 2 million auctions in over 18,000 product categories are held on this platform every month. C2C e-commerce on eBay allows people to exchange information through forums and online groups that bring together specific interest groups (Hajli, 2014). These activities can have commercial and non-commercial purposes.

Forums are discussion groups found on commercial online services such as AOL, where users can exchange messages in real time or post classified ads. Participation in such forums allows people not only to use information about products, but also to actively participate in their sales. Buyers join online interest groups to share information that has become an important influencer in purchasing. News about good companies and products spreads quickly, and negative information about bad companies and products spreads even faster.

C2C electronic commerce enables direct communication and trade between consumers via the Internet. This type of trade provides a wide range of possibilities for the exchange of products, services, and information, enabling consumers to become active participants in the market. Internet platforms and forums play a key role in connecting individuals and facilitating C2C trade, which makes this model increasingly popular and significant in the global market.

2.5. Advantages and disadvantages of online shopping

Without a doubt, social media allows companies to interact with customers using richer media with greater reach. The interactive method of social media not only allows advertisers to share and exchange information with their customers, but it allows customers to share and exchange information with one another as well. Companies have the opportunity to move relationship with customers from dialog to triologue, in which customers partake in noteworthy relationship with one another and with the companies (Ohajionu & Mathews, 2015).

Online shopping has several positive characteristics that make it increasingly popular and useful for businesses and end consumers. Quick access to information allows customers to easily find the products or services they are looking for and make informed decisions. The transformation of documents with minimal costs enables more efficient business, and the openness of the information space enables business transparency and better availability of information (Kovač, Protrka, & Novak, 2016). The ability to create their own databases and analyze products and services allows companies to better understand the needs of their customers and adapt their offers. Online shopping also facilitates the exchange of experiences and knowledge among

business entities, which can contribute to further development and innovation in the industry. While it is influenced by many external and internal factors, consumer shopping behavior plays one of the key roles in establishing and achieving an enterprise's main objectives. Many offline retailers attempt to enter the e-commerce market through online stores, which are easily set up at low cost, to advertise and sell their products over the Internet (Svatosova, 2020).

Despite its many advantages, online shopping also carries certain risks and negative social characteristics. Securing data from destruction, protecting the secrecy of information and the privacy of individuals represent important challenges for companies and society. It is necessary to invest efforts in ensuring security and data protection to avoid misuse of information technology. However, despite these risks, online shopping provides numerous advantages for businesses and consumers. Shopping online is very practical, saves time and provides access to a wide selection of products and services. Online stores are open 24/7, which means that customers can shop at any time that suits them (Ružić, Biloš, & Turkalj, 2014).

Online shopping also provides better choice and access to products because sellers are not limited by physical boundaries. Customers are offered the ability to compare information about companies, products, and competitors, making it easier to make purchasing decisions. Customer ratings and opinions play a key role in the reputation of online stores, providing useful information to other consumers when making purchasing decisions. This encourages retailers to provide better service and product quality to maintain the trust of their customers. Overall, online shopping brings many advantages, but it also requires attention to security and data protection. As technology develops and security measures improve, online shopping will continue to grow and shape the future of business. Online shopping, although it brings many advantages, also faces some negative features that can affect the customer experience. One of the biggest obstacles customers faces is payment security and possible additional costs that may arise when shopping online. Purchasing through various credit and debit cards seems quick and easy, but there is a possibility of identity theft based on personal information, which can cause concern among customers (Ružić, 2000). Also, customers often experience an unpleasant surprise when the product they ordered does not arrive in the expected time, or additional costs appear at the very end of the order process, such as shipping costs, fees, or customs costs.

Such unforeseen costs can result in customer dissatisfaction and even encourage them to cancel the order or not to buy from the same seller again. Another negative feature of online shopping is that it is more difficult for a customer to get a feel for a product when they see it only through an online image or description. Sometimes it can happen that the product looks different than it is shown on the website, which can lead to customer disappointment. Despite these challenges, online shopping has many advantages for both businesses and customers. Companies can more easily communicate with customers, find out more information about their wishes and needs and provide them with personalized offers (Panian, 2013).

Also, the Internet allows companies to reach a larger number of potential customers around the world, which opens new market opportunities. Customers also have access to a wide selection of products and services on various websites and can shop regardless of physical boundaries. The Internet offers the ability to compare prices and reviews of other customers, which helps in making informed decisions. The online store offers companies the possibility of personalizing the offer and targeting small groups or individual clients according to their needs. Through direct communication with customers, companies can better understand their preferences and provide them with customized products and services.

This kind of personalization improves the user experience and increases customer loyalty. The advantage of electronic channels lies in reducing costs and increasing the speed and efficiency of service provision. Online business enables automatic order processing, faster deliveries, and more efficient inventory management, which helps reduce operating costs and improve the customer experience. However, online shopping also has some disadvantages for businesses. The higher cost of equipment, including hardware and software, can be an initial challenge for businesses looking to start an online store. Also, the lack of professional staff for management and work in this form of sales can be an obstacle in the optimal use of the potential of the online store. To take advantage of all the advantages offered by online commerce, companies must devise appropriate e-commerce strategies. The key is to adapt the strategy to the industry in which the company operates and to be innovative in its approach (Šulc, 2019). Understanding the needs of the target audience and providing new value through online business play a key role in the success of an online store. In addition, companies must be ready to change and adapt

traditional business models to maximize the benefits of online commerce. Developing an online presence and investing in online marketing and advertising are also important steps in attracting new customers and achieving online business success.

3. DEFINITIONS AND GUIDELINES OF SOCIAL NETWORKS

Social networks have become an indispensable part of our daily life, providing us with various opportunities and benefits. Most users use them to maintain simple social contact, group by interests, share photos and communicate en masse. However, recognizing their potential, many organizations and individuals are directing their marketing efforts toward creating relationships with consumers through these networks. This is because social networks enable faster, easier, and cheaper transmission of information for the purpose of improving reputation and creating a positive image (Piri Rajh, Previšić, Ozretić Došen, 2004).

Each social network has specific characteristics and audiences, and it is necessary to approach them with different marketing techniques to get the most benefit. Social media (networks) allow the exchange of ideas, content, thoughts and interpersonal relationships over the Internet. Social media differs from traditional media in that anyone can make content on them. Social media include text, sound, video, image and community of people (Zeljko, Jakovic & Strugar, 2018). Communication between sellers and consumers, service providers and users now have a new dimension thanks to this advertising tool. By publishing content, images and advertisements, organizations can attract many users and gather feedback on their products and services in a short period of time. Social networks reveal invisible social links through relationships with friends and their acquaintances, providing a sense of belonging. In addition to being easily accessible and mostly free, they enable fast and simple connection between users (Zavišić, Mijatović, 2015).

The value of a social network can be measured by the number of active users and unique visitors, which is important for evaluating its popularity. There are many different social networks with different purposes and ways of connecting users. Some of the examples include (Ružić, 2009):

- Professional social networks, such as LinkedIn, are geared toward building professional connections and business opportunities.
- Community social networks, such as Facebook and X, focus on creating networks of friends and communities with similar interests.

- Music social networks, such as Last.Fm and SoundCloud, are dedicated to music lovers and enable the sharing and discovery of music content.
- Multimedia content sharing networks, such as YouTube and Instagram, allow users to share photos, videos and other media content.

Today, many social networks are actively used, and each of them has its own unique characteristics and attracts different groups of users. Their influence on our society and way of communication is constantly growing, which makes them an important tool both for personal use and for the marketing strategies of organizations. As technology continues to evolve, we're sure to see further innovation and change in the realm of social networking.

3.1. Definition and purpose of social networks

In today's digital age, social networks have become an indispensable part of our daily lives. They are platforms that allow people to stay in constant contact with family, friends and colleagues, regardless of distance. However, social networks are not only a means of maintaining connections with loved ones. They have also become a key tool for the business world, and knowing how to use them has become a serious profession. Before the advent of social networks, media such as television and radio were primary sources of information and entertainment.

However, with the advent of the Web 2.0 era and the specific way of using social networks, communication has become two-way (Stanojević, 2011). Instead of a one-way transmission of information, users can now actively participate, share their thoughts and feelings, and communicate with others. Although the concept of social networks has been mentioned for more than half a century, their real boom occurred with the development of the Internet and the popularization of platforms such as LinkedIn, Facebook and Instagram. Today, social networks represent the main channel of communication between users, but also communication between companies and end consumers. Social commerce an outcome of technological advancement web 2.0 and e-commerce that has brought a revolutionary shift in the modern business world. It provides greater business opportunities for both new and existing businesses (Stratmann, 2010).

Traditional marketing approaches are undergoing profound changes due to social networks. They enable direct and personal interaction with users, which is unimaginable in traditional media. Companies and entrepreneurs use social networks to promote their products and services, provide customer support, and establish and maintain lasting relationships with clients. Their platforms are the major tool to establish the initial and long lasting relationship with customers (Laudon & Carol Guercio Traver, 2018). Social networks bring together communities of users with similar interests, enabling them to connect and share experiences through an online service. They are an ideal base for business cooperation, and through their network, marketing gets a new dimension - it reaches every user around the world.

One of the key advantages of social networks is their ecological nature. Given that no physical materials such as paper are needed for communication, social networks reduce consumption and waste generation, contributing to the preservation of the environment. Social networks remain at the center of the digital revolution thanks to the constant development of Internet and mobile technologies. New applications and platforms continue to be developed to provide users with an even better experience and greater connectivity with the rest of the world.

3.2. Development of social networks

With the development of the Internet, social networks have become an indispensable part of our everyday life. The first modern social network, SixDegrees, was launched in 1997 and allowed users to create profiles and connect with friends. Since then, social networks have experienced explosive growth and today are used by hundreds of millions of people worldwide, including Facebook, X, Google Plus+, YouTube and many other platforms. The marketing potential of social networks is enormous (Turban, & Gehrke, 2000). In addition to enabling relatively low campaign costs, social networks provide quick feedback, increase traffic to websites, strengthen brands and enable easy and quick launch of new products or services. Social media has been widely used by enterprises as a marketing strategy tool. As a part of social media, social networking sites (SNS) allow users to connect with each other. (Wibowo et al., 2020).

They are especially popular among the younger population who use platforms like Facebook to share statuses, photos and create groups to connect. With the development of new media, different types of specialized social networks have appeared for different purposes, such as establishing virtual friendships, entertainment, learning, marketing, or exchanging knowledge and information. One of the key advantages of social networks is the freedom and ease of access, allowing users to choose a network based on their needs and interests.

However, recently it has been noticed that businesspeople are also joining social networks, opening pages for their companies to improve their visibility and connection with users. The concept of social networks has existed for more than half a century, but only with the development of web sites such as Facebook, X, and LinkedIn, have they become widespread and frequently used Internet terms. In any case, social networks enable the discovery of invisible social connections, whereby users can see who their friends are, who their friends' friends are, and so on, through a simple and accessible interface.

The history of social networks is parallel to the development of the Internet, and to date they have experienced impressive growth and diversity. From prototypes in the 1990s to global giants like Facebook and X, social networks have become central to our digital interactions. Social networks have become a key tool for marketing strategies and business promotion. Their popularity depends not only on the number of registered users, but also on the number of active users and unique visitors. But the value of social networks goes much deeper than just numbers. One of the key advantages is the possibility of direct interaction with users. Through comments, messages and content sharing, the company can listen to its users, find out what is important to them and identify opportunities for improving its business (Piri Rajh, Previšić, Ozretić Došen, 2004). Active users also allow ideas to be tested before marketing campaigns are launched.

Additionally, social media helps build brand credibility. Consumers today spend a lot of time researching products and services before making a purchase decision. Social media enables transparency and displays an authentic brand voice, which can ensure consumer trust. The social media tools can be very powerful and if they are used in an efficient manner they can raise brand awareness in the online environment and not only. The social media phenomenon is growing at

an incredible speed. Multinational companies having branches on two or more continents have recognized the importance and the potential of social platforms (Monica & BalaAY, 2014).

One of the key characteristics of social networks is fast and direct communication. Instead of waiting days, weeks or months for answers, companies can respond to customers almost instantly, which builds trust and enhances the customer experience. Through social media, businesses can also track trends and analyze data about their audience. This allows them to adjust their content and strategy to achieve better results. In addition, social networks are an excellent platform for collaborations with other brands, influencers, and experts. Such collaborations can expand a company's audience and help it reach new target groups.

Another advantage of social networks is their availability. They are publicly available for little or no cost, allowing even smaller entrepreneurs and start-ups to reach their audience. Social networks are a powerful tool for creating an online presence, building customer loyalty, and increasing sales. Proper use of social networks can bring many values to business and enable companies to achieve competitive advantages in the modern digital world. Social media represents an interesting combination of traditional and social media.

They are the media used by the community, and in some cases, some radio stations, TV stations and news agencies are managed by professionals, while others are in the hands of amateurs. These media use elements of traditional and social platforms, which makes them special. Šulc, (2019) points out that social media represent a challenge for companies. The seven key building blocks he outlined identity, conversations, sharing, presence, relationships, reputation, and groups have important implications for businesses that want to successfully participate in the world of social media. By analyzing these blocks, companies can better monitor and understand how social media is changing in terms of its functions and impact. Therefore, they should develop a social media presence strategy to match these changes. The term "social work" is becoming more and more common. This reflects the fact that social media is not only a marketing tool but has multiple roles in organizations. They can be related to customer service, human resources management and development and progress (Ružić, Biloš, & Turkalj, 2014). Social work

emphasizes the importance of an open and collaborative relationship between employees and the outside world, which is made possible by breaking down the barriers that social media offers.

3.3. Types of social networks

Facebook

Facebook is a revolutionary social network that started as a student project at Harvard in 2004, and today it has become the largest social network with more than 900 million active users (Kirkpatrick, 2012). Its popularity not only allows people to connect with others and share information, but it has become an excellent platform for advertising. Creating a Facebook page has become an affordable and easy way for entrepreneurs, website owners and community managers to reach a larger number of people without much effort and expense. By publishing news related to their activity, products and industry, and by promoting special offers and discounts, companies can raise the visibility of their brand among users.

Using Facebook Ads makes it possible to target precisely selected groups of users according to various characteristics such as location, language, gender, age, interests and education (Kirkpatrick, 2012). It is important to emphasize that a successful Facebook campaign is not focused on aggressive product promotion, but on sharing useful and entertaining content that attracts the attention of users and creates trust. Photos are a particularly popular content on Facebook, which is confirmed by the huge number of published photos per day. Facebook also stands out with authentic profiles with full name and surname, which attracts users to follow the activities of their friends, acquaintances and family. This is one of the reasons for its global popularity. On the other hand, users have the option to remove or deactivate their profiles whenever they want.

Despite its many advantages, Facebook as a social network also has some disadvantages, such as concerns about data privacy, possible information overload, and negative effects on mental health due to exposure to social media. Facebook, one of the most famous social networks in the

world, has become an indispensable tool for many companies and individuals who want to increase the visibility of their pages and reach a larger number of users. Paid ads on Facebook provide an extremely efficient and affordable way to achieve these goals, especially for new sites that are just building their audience (Kovač, Protrka, & Novak, 2016).

One of the key benefits of Facebook advertising is the ability to precisely target your audience. Advertisers can select groups of users based on various criteria such as age, location, interests and many other parameters. This allows ads to be shown to those users who are most likely to be interested in the content offered, increasing the chances of engagement and reactions to posts. The Facebook Insights page offers valuable information about campaign performance. Advertisers can track how many new "likes" they have attracted, how many users have seen their content, and who has mentioned the site on their profile (Kirkpatrick, 2012).

These analyzes allow advertisers to better understand their audience and adjust advertising strategies to achieve even better results. Although Facebook cares about the privacy of its users and gives them the ability to control the level of privacy according to their own wishes, it still faces criticism regarding the use of user data. User information is used in marketing research, internal university investigations and even for police purposes. Such use of data has raised concerns and resistance from many users and privacy activists.

Despite the criticism, Facebook remains one of the largest and most powerful social networks in the world. Its global presence and large number of users allow advertisers to reach huge numbers of people and build successful campaigns. However, this position also carries the responsibility of using user data in a transparent and responsible manner in order to preserve user trust. As with all technology platforms, it is important to continuously monitor and analyze the ethics and security of data usage, to ensure that Facebook and other social networks continue to improve their practices and provide a positive experience for users around the world.

X

The social network X, which was known as twitter founded in 2006, has become one of the most popular microblogging services on the Internet (Ohajionu & Mathews, 2015). Its unique format is based on publicly posting and receiving short text messages, known as "tweets", which are limited to a maximum of 140 characters. This limitation encourages users to clearly express their thoughts and ideas, providing them with a platform to quickly share information and opinions. Registered users can post tweets, while non-registered users can only view content. In addition, users can express their interest by "subscribing" to other users, becoming their followers or "followers" (Turban, & Gehrke, 2000).

This concept allows people to follow content that interests them, whether it's their favorite people, companies, media or influencers. X has a significant impact in the business world as companies can use this platform for promotion and advertising. By publishing tweets, companies can attract people's attention and redirect them to their websites, introduce new products, or share their business results and successes. A key tool for connecting and promoting on X is hashtags (#). Using them, companies can tag their tweets with relevant keywords and topics related to events, campaigns, or specific products (Zavišić, Mijatović, 2015).

This allows users to easily find and participate in conversations related to a specific topic, which contributes to strengthening the company's brand and visibility. Advertising on X can be done in a variety of ways, including Promoted Tweets and Trends. Promoted Tweets allow businesses to target their messages to users who share similar interests or characteristics. Trends, on the other hand, help companies to highlight their events, products, or campaigns among current popular topics on the platform. Thanks to its ease of use and wide reach, X is an extremely effective tool for reaching many people. Businesses can easily communicate with existing and potential customers, create communities of loyal followers, and enhance their brand. With a creative and carefully designed approach, X has become a powerful ally in achieving marketing goals and business development.

Instagram

Instagram was founded in 2010 in San Francisco, California by Kevin Systrom and Mike Krieger. Initially, the application was called "Burbn", but later they decided to change the name to Instagram, which is a combination of "instant camera" and "telegram", reflecting its purpose - instant sharing of photos with others (Ružić, 2000). Creating an Instagram profile is easy, requires only an email address, and allows users to share content with their followers. Profiles can be public or private, depending on user settings.

Facebook acquired Instagram in 2012 for an impressive US\$1 billion, further increasing the platform's popularity and attracting new users. After the acquisition, Instagram soon introduced advertising on the platform, which attracted numerous advertisers worldwide (Panian, 2013). Today, Instagram advertising takes place through Facebook advertising, which allows for better audience targeting and measurement of campaign effectiveness. Advertising can be very successful, especially for products and services that are visually appealing.

It is important to emphasize that Instagram continues to develop new features and applications to meet the needs of its users. Constant improvement and strengthening of the position in the market make Instagram one of the most popular social networks today. Instagram is a popular social network that was originally designed as a photo sharing app and later added the option to share short videos. This platform has attracted a huge number of users worldwide, with more than 400 million monthly active users, which has significantly increased its popularity since its inception until today (Panian, 2000).

The simplicity and speed of using Instagram attracts users, who stay only for a short time on a particular profile. For this reason, it is important that the profile provides clear and concise information that will convey to users who you are and what you do. Through photos, videos, as well as short and graphic slogans, missions, or visions, you can convey your story and goals. Creating a business Instagram profile has many advantages, especially if you have a related business Facebook page. This will create greater visibility and connect your online presence. On Instagram, you can share photos, videos, and even photo albums to capture the attention of your followers.

A unique visual identity is key to success on Instagram. Regularly publishing quality content will help build your presence and user engagement. A picture really does speak a thousand words, so it's important to invest in attractive and impressive visuals. In addition to free posts, Instagram also offers the option of paid ads to reach a wider audience. Ads can be placed through Facebook advertising, making it easy to integrate them and track their effectiveness. Over the years, Instagram has introduced new features and applications that have contributed to its growth and popularity. The takeover by Facebook brought additional users, but also advertising opportunities on a global scale. Expert tips for successful Instagram advertising emphasize visual appeal as a key factor for success. Products and services that look aesthetically appealing, such as food, travel, clothing, and footwear, often attract the most attention on this platform.

3.4. Advertising of companies through influencers

With the emergence of social media, marketing and advertising strategies have modified themselves from industries relying on mass market channels such as television and radios to the social platform. All the major brands and organizations today boast of having huge fan base and followers on majorly all social media platforms like Facebook, X, YouTube, Instagram etc. Social media platforms are not only cost effective, but they also increase the closeness between the producer and consumer.

The role of influencers in the modern business world has become crucial for the marketing strategies of many companies. Influencers are people who have gained a significant number of followers on social networks and manage to attract the attention and trust of their audience with their content. Influencers work tirelessly to attract the attention of viewers, build a loyal community, and thus acquire celebrity capital (Brooks, Drenten & Piskorski, 2021). Companies have recognized the value of influencers as a marketing tool, as their influence enables effective promotion of products or services in a subtle and authentic way. What distinguishes influencers from classic advertisers is their authenticity and connection with their audience (Turban, & Gehrke, 2000). Followers often feel that influencers share their interests and values, which creates a personal and emotional relationship.

When an influencer recommends a particular product or service, it is perceived as the opinion of a trusted person, often resulting in a higher likelihood that followers will accept and consider the recommendation. Companies use this strategy to present their products or services to a target audience through influencers who have already built trust and reputation on a specific topic. In addition to helping increase product visibility and awareness, influencers can prompt followers to act, such as making a purchase or participating in promotions.

However, it is important to emphasize that transparency and authenticity are key factors for the success of influencer marketing. Followers appreciate honesty and expect influencers to only promote products or services they endorse. This is why ethical principles are important for the long-term success of influencers and the trust of their audience. Influencers have become a powerful bridge between businesses and consumers, and their role in marketing campaigns will continue to grow as social networks become ubiquitous in our daily lives. However, to remain relevant and effective, influencers will have to maintain an authentic relationship with followers and be open to collaborations that reflect their values and interests.

4. COMMUNICATION AND MARKETING OF SOCIAL NETWORKS

Advertising on social networks has become an indispensable tool for companies that want to strengthen their presence in the market and increase sales of products or services. Social networks enable the targeted sending of messages and information to potential clients, thus achieving greater advertising effectiveness. Through various campaigns, sweepstakes and innovative approaches, businesses can capture the attention of their target audience and build a loyal fan base. It is important to emphasize that, although in most cases advertisers do not pay money to publish their ads, the time users spend on social networks becomes a means of payment for advertisers. Prospective clients need to set aside some time to research the product or service that the company is promoting. Social media platforms play a big part in the daily lives of their users. Moreover, social media allows users to connect with peers by adding them to networks of friends, which facilitates communication, particularly among peer groups (Ismail, 2017).

Advertising on social networks has several key features. First, it is a paid form of promotion that differs from publicity, where a certain information or message appears in the mass media but is not paid for. Second, advertising is an impersonal presentation, which means that communication takes place through mass media to many recipients, unlike personal selling. Also, it should be noted that advertising can be directed towards an idea, product, or service. In modern advertising, promotions of services, banks, insurance institutes and the like are of increasing importance. Social networks, as one of the key advertising channels, are becoming an increasingly important place for promotion.

One of the essential characteristics of advertising on social networks is the recognition of the sender of the message. Unlike communications that present opinions and ideas, advertisers are usually clearly identified as well-known entities. This helps build trust with the audience and increases the likelihood that the message will be effective. Through creativity, innovation and targeting, advertising on social networks can have a significant impact on creating an image and positioning a product or company in the minds of potential customers. Through these marketing

strategies, a market is created, the behavior of potential customers changes and sales are stimulated (Piri Rajh, Previšić, Ozretić Došen, 2004).

Social networks have become an indispensable tool in modern advertising and marketing. Their popularity is growing day by day, offering huge opportunities to communicate and connect with clients. Through social networks, companies can directly contact consumers, reach their virtual homes, and establish a new channel of communication with them. In this digital age, marketing has become a crucial aspect of any organization that wants to do business successfully. Information technologies have revolutionized the way we conduct marketing activities. The Internet allows customers to access information about products or services anytime, anywhere. Customers now can quickly find information about products, but also about the competition. This is why it is crucial for businesses to position themselves well on social networks to ensure a presence in the digital space and attract new customers.

Social media marketing is based on a strategy that encourages potential customers to share information about products or services, comment and spread promotional messages. By interacting with consumers, companies can create more exposure for their products and services and increase brand awareness. Advertising on social networks has numerous advantages. It helps to increase product recognition, attract more visitors to the company's website and strengthen its presence on search engines (Stanojević, 2011). Also, quality marketing on social networks can increase customer loyalty and trust, which in the long run contributes to the growth and success of the company.

It is important to emphasize that social networks change and evolve rapidly, so it is necessary to follow their changes and adapt marketing techniques to get the maximum benefit from them. Creativity and innovation are key to successful positioning on social networks and building a strong digital identity. As social networks continue to grow and change the way we communicate, marketers must be ready to adapt to new trends and technologies. In this dynamic environment, companies that succeed in harnessing the power of social networks will have an advantage in attracting new customers and maintaining a successful business.

4.1. Analysis of social networks

Social network analysis is a popular technique in recent years, exerting an increasingly important role in many fields, such as social media networks, transportation networks, epidemiological networks and web networks (e.g., building the structure of the World Wide Web). It is used not only to analyze online social media applications such as X (Twitter) and Facebook but also to provide integrated services in the area of scientific research (Kong et al., 2019). Social network analysis provides the opportunity to study the structure of social relationships within groups to reveal informal connections between people. This methodology existed even before the emergence of online social networks and can be successfully applied to them as well. The key difference in social network analysis compared to conventional approaches to business problems lies in the assumption that all people are interconnected and dependent on each other. This assumption differs from traditional research approaches that assume that people's thoughts, actions, and feelings are independent of their relationships with each other. When we apply the appropriate method of social network analysis in a business context, it is important to take into account the following business facts (Ružić, 2009):

- **Groups:** The first step in the analysis is to identify the social groups or networks to be researched. A group can be composed of individuals with certain roles and tasks or it can include an entire community in which the specific roles of individuals are not clearly defined. The members or actors that make up the group are important for analysis.
- **Interactions:** Social network analysis examines relationships among group members. The nature of the relationship to be analyzed may vary depending on the research objectives. For example, it can be investigated whether there is an individual or subgroup in the network that significantly influences the formation of other members' attitudes. Such individuals or groups are often referred to as "opinion makers". In general, the goal is to discover the structure of ties among members of a social group or network.

- Attributes: Attribute data can help identify systemic factors that influence how members of a group or network interact. For example, the analysis may reveal that some individuals often communicate with each other, while others never do.
- Tie strength: Ties between members of a social group can be categorized according to their strength. The basic division is into strong and weak ties, but it is possible to develop more complex categorizations with several degrees of strength of ties.

Any quality analysis of social networks should include these four components. Analysis is important because social networks, even those originally intended for entertainment, encompass a wide range of activities such as marketing, promotion, business expansion, and the like. Therefore, the analysis of social networks is extremely important to understand their structure and use their potential in a business environment.

4.2. Advantages of advertising through social networks

Social media advertising is the practice involving the use of paid adverts on social networking sites (SNS) like Facebook, X (Twitter), YouTube, blogs and other content (Ohajionu & Mathews, 2015). Today, in the era of the digital revolution, social networks represent an indispensable part of the marketing strategy for almost every company. They have become an important channel for communication and interaction with consumers, enabling companies to communicate directly with their target audience and to adapt their marketing tactics more quickly and efficiently (Ryu & Park, 2020). Thanks to social networks, the traditional campaign monologue has turned into a dialogue, and transparency has become key to successful business (Šulc, 2019). Companies now receive feedback from consumers that is valuable for shaping further marketing steps.

This direct communication allows companies to better understand the needs and wants of their audience, resulting in better quality products and services. Careful preparation and effective implementation of a marketing strategy are essential for a successful social media presence. Prior to choosing a platform, a business must carefully consider which one best serves its objectives

and brand. It's crucial to offer professionals and resources that can handle the presence on these platforms well. However, a company's online efforts should not stop at having a social media presence. A successful firm also needs a strategic plan and a functional website.

The website serves as both the main focus and the starting point of communication with users. Setting goals, a strategy, and tactics correctly will guarantee that the business has the success it wants in the digital world. There are many advantages to using social media as a marketer. Monitoring conversations enables insight into user opinions about goods and services, and two-way communication with customers offers the chance to better understand their wants and desires. Additionally, social network advertising online offers innovative possibilities and a quicker deployment of marketing strategies.

Through social media, companies can create a strong bond with customers and build trust in their brand. Regularly updating news, supporting customers, organizing contests and promotions, as well as using social networks to find new customers and employees, are becoming key activities in online presence. In today's digital age, social media presence has become an inevitable part of business. Regardless of the size of your business, social media provides a powerful tool to connect with your target audience and create a business story that will attract new customers. The rapid development and widespread popularity of social networks have changed the way the market moves and communicates and companies that have taken advantage of this opportunity can achieve competitive advantages. Easy access to information about products, services and projects through an optimized website creates a parallel world where consumers can get all the information, they need with just one click of the mouse. This allows companies to focus on creating value and quality offers and send them to potential customers through digital channels. In addition, social networks open doors for small and large companies, giving them the same opportunity to reach the audience and build a recognizable brand (Ružić, Biloš, & Turkalj, 2014). Creating quality content and engaging with followers on social media allows businesses to create a personal relationship with customers, which helps build trust and brand loyalty.

Also, through social networks, companies gain invaluable insights into the expectations and needs of their target audience. By monitoring user interactions and feedback, businesses can quickly

adjust their marketing strategies and products to better meet market needs. However, it is important to emphasize that presence on social networks also carries responsibility. Companies must be aware of the strengths of these platforms, but also of the potential risks. It is necessary to carefully plan communication to avoid negative reactions or crisis situations (Zavišić, Mijatović, 2015). Transparency and honesty in communication with customers are key to building trust and loyalty.

Social networks have become an indispensable part of business in the modern digital age. Success on social networks can significantly contribute to the growth and reputation of a company. To achieve a high-quality and effective social networking presence, companies should carefully consider three basic components (Panian, 2000):

- **Strategy:** A key element of any successful social networking presence is a well-defined strategy. This strategy should include all aspects of social network performance, as well as clearly defined goals for a specific period. Questions which strategy should answer include the purpose of social media presence, selection of relevant platforms, type of content to be shared, frequency of posting and how to deal with crisis situations. It is important that the strategy is aligned with the company's marketing and communication strategy in order to achieve a synergistic effect.
- **Selection of social networks:** It is essential to carefully select social networks on which the company will be actively represented. The key is to study whether the target group of companies has a presence on a particular social network and whether the company has suitable content to share on that platform. It is not necessary to be present on all social networks, but to choose those that best suit the company's goals. This will ensure focus on the relevant audience, which will increase the efficiency and reputation of the company on social networks.
- **Community Management team:** Professionals in community management (community managers) should be tasked with overseeing the social network's success. These experts are in charge of monitoring user communications, answering questions, handling emergencies, and producing content. To effectively address every difficulty, it may be necessary for larger businesses to put together a team of community managers. Because

a good social network presence needs a lot of work, time, and attention, hiring pros is essential. A properly planned and implemented social media presence has several benefits for the business. Any error will be noticeable quickly due to social networks' ability to measure results. Therefore, it is important to continuously monitor the results, analyze the data and adjust the strategy according to the needs of the target audience. Social media presence management is critical to the success of any business, regardless of the industry in which it operates. Developing an effective social network strategy and managing user communities requires careful consideration and adherence to certain rules.

Since communication on social networks is continuous, social network managers must be prepared to work continuously. To support users and address potential issues, it's critical to be there and respond quickly. The majority of social media posts need to be relevant to user requirements and interests. Content that offers value, resolves issues, or inspires action is more likely to get noticed and encourage interaction. Adding images and videos to posts increases their attractiveness. Users' attention can be rapidly caught by visual material in the sea of information on social networks. A person with in-depth knowledge of the platforms on which he operates should be the manager of social networks. Building authority among users requires being able to use all social network features and comprehending changes and trends. Social network communication should be approachable, kind, and friendly. Users like to know that there are actual people listening to them and respecting their needs and opinions on the other side of the screen. Every comment and exchange is archived online, making careful management of a company's online reputation important. A quick accountable response to criticism or emergency events may reduce the damage to the company's reputation. It's crucial to act responsibly, openly, and transparently in times of crisis. To win back users' trust, the business should take the initiative, provide the facts, and resolve the issue rather than deflecting blame. Every employee has an effect on the company's online reputation. Therefore, it's critical to inform staff members of the significance of their actions on social media and to motivate them to behave as positive brand ambassadors. Each social network has a unique set of characteristics and a distinct target

audience, therefore it is essential to customize content and communication for each platform. It is not advisable to simply copy content from one network to another; rather, it is vital to adjust to the features and demands of users on each network.

Ultimately, successful social media management requires thoughtful strategy, engagement, expertise, and adaptation to each social network. A commitment to quality content and attention to users are key to building a strong online presence and user trust.

4.3. Marketing techniques on social networks

All the major brands and organizations today boasts of having huge fan base and followers on majorly all social media platforms like Face-book, Twitter, YouTube, Instagram etc. (Singh, 2018).

The Internet, with its intensive development, has become an indispensable marketing medium that plays a key role in the business of companies. Especially with the advent of social networks, marketing has undergone significant changes, and the way companies communicate with customers has experienced a revolution. In the last 10 years, the Internet has experienced tremendous growth in the number of users and has become the leading channel for spending money on advertising in more developed markets, even during recessions. One of the key reasons for this is the possibility of providing quick, measurable results, cheaper investments and directing communication towards specific groups of users - exactly what the Internet as a medium provides. Applying the appropriate technique of social network analysis in business has significant potential for companies. Taking into account business facts, this analysis should include the following key elements (Ružić, 2000):

- Identification of groups: The first step in the analysis is to identify the social groups or networks and determine which of them will be investigated. Each group may consist of individuals with specific roles or tasks that they perform within the network.
- Interaction analysis: Social network analysis examines relationships among group members. The nature of these relationships may vary depending on the objectives of the analysis and the reason for conducting the research.

- Influence of attributes: Data on the attributes of individuals can help determine the existence of systemic factors that influence interaction within social networks. These factors can be very diverse, including incentive programs that create common interests or cultural similarities and differences.
- Strength of ties: Ties between network members can be categorized as strong or weak, and it is possible to elaborate them in more detail in several degrees of strength.
- Immediacy of the relationship: Relationships can be distinguished between immediate or direct relationships and indirect or indirect relationships. A direct connection is one between two people, while an immediate connection implies connection through "friends of friends".

Using these methods of social network analysis, companies can create a deeper understanding of their target groups' behavior, their needs, and preferences. Based on these insights, companies can adjust their marketing strategies to be more effective and targeted, resulting in better customer engagement and, ultimately, increased sales. The incorporation of SMM (social media marketing) components like user ratings, reviews, recommendations, referrals, wishlists (public), sharing of products purchased on Facebook & X are the part of social media marketing and are widely adopted by e-commerce companies (Yadav & Rahman, 2017).

5. EMPIRICAL RESEARCH ON BUYING AND SELLING THROUGH SOCIAL NETWORKS

5.1. Definition and goal of the research

The goal of the research is to see the consumer behavior on searching and buying products using social media platforms. There is a growing body of evidence that social media plays an increasing significant role in consumer buying behavior (Vithayathil et al., 2020). The main goal is to determine consumer behavior on buying different types of products using social media platforms, in this research we will see consumer behavior buying fashion clothing products and behavior when they are searching and buying electronic products using social media. The studies and data show that clothing and footwear dominate the online market (Sosa Meštrović et al., 2019), but in this survey we will focus on two specific categories which are clothing and electronics. The research was conducted in September 2023.

5.2. Research methodology

The primary research was conducted based on a questionnaire created in Google forms. The questionnaire was distributed in different Facebook, Instagram and WhatsApp groups to respond to a different profile of respondents. The data were collected exclusively via the Internet, and the research sought to determine consumer behavior on buying different types of products using social media.

The primary data was obtained from a survey of 114 consumers of a younger and middle age because they often use electronic commerce tools and social media for information and purchasing products. The survey questionnaire on consumer behavior on buying different types of products using social media was distributed electronically in the form of a Google form, on the social networks Facebook, Instagram, and WhatsApp. It consisted of different types of questions with multiple answer(s) and questions that used a Likert scale, that is, a scale for measuring attitudes. In the questions that used the Likert scale, respondents were asked to express the degree of agreement with certain statements on a scale from 1 to 5, where the degrees indicate:

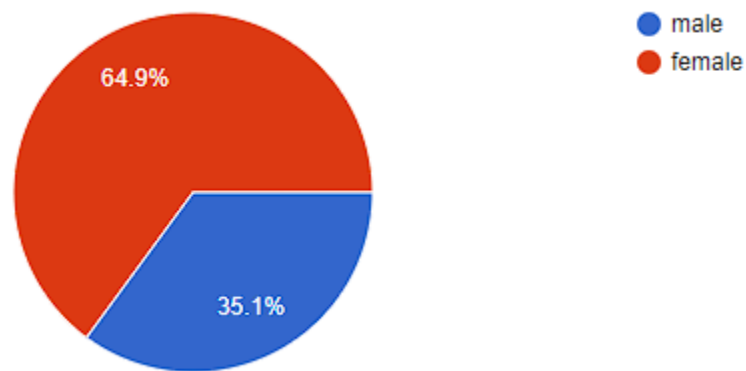
1 = I do not agree at all, 5 = I definitely agree. In one question it indicates the level of effectiveness: 1 = very Ineffective, 5 = very Effective.

5.3. Discussion of Research results

In the survey 114 participants took part, the figure below shows the gender share of respondents:

- 74 (64.9%) female respondents
- 40 (35.1%) male respondents

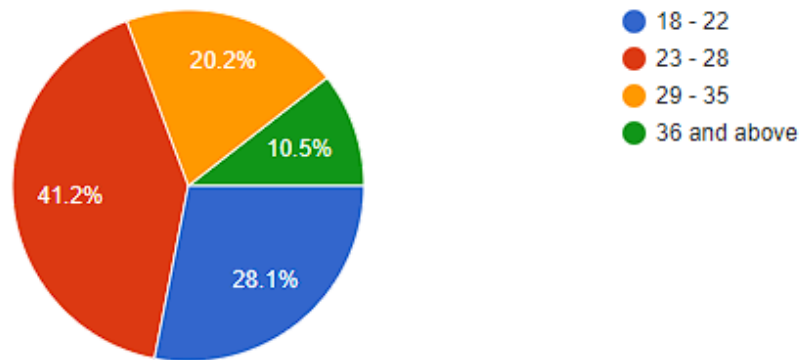
Figure 1: Gender share of respondents



Source: Based on data from the author's research

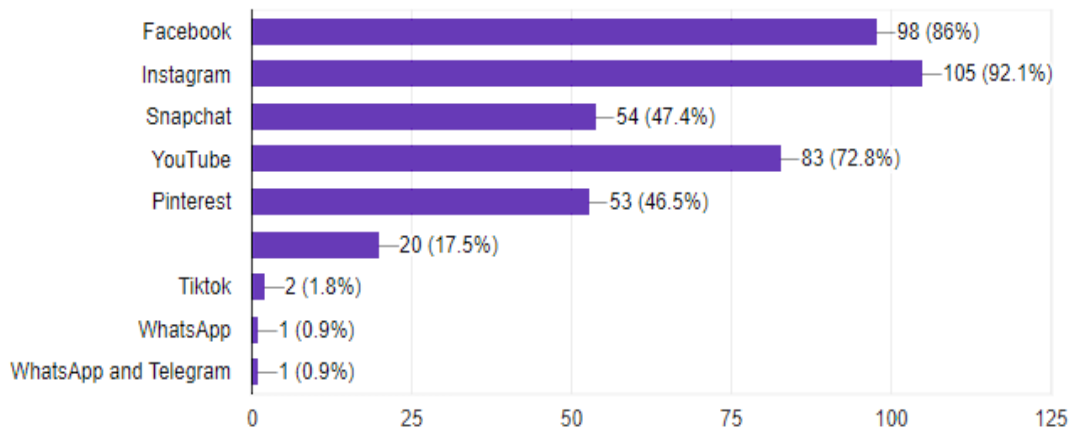
Figure 2 shows the age wise distribution of respondents, the largest share of participants of 47 (41.2%) aged between 23-38 followed by 32 (28.1%) participants aged between 18-22 followed by 23 (20.2%) participants aged 29-35 and 12 (10.5%) participants were aged 36 and above. Due to the use of Google forms, it was to be expected that a larger number of respondents would be of younger age groups as young people are using internet and social media more than others.

Figure 2: Age wise distribution of respondents



Source: Based on data from the author's research

Figure 3: Mostly used social media platforms

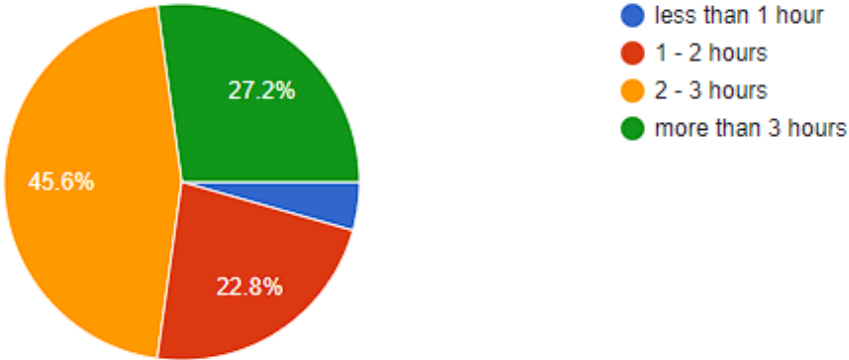


Source: Based on data from the author's research

Figure 3 shows the usage of social media platforms, this was a checkbox question means they could choose more than one answer as well as they were able to add their own answer if not already among the choices. As we can see Instagram is the most popular social media App nowadays as 105 (92.1%) out of 114 participants said they are using Instagram, followed by

Facebook which is second on the list with 98 (86%). YouTube was the third most popular as it is one of the best places to find and gather information about any products we are planning to purchase. Snapchat and Pinterest are the other two popular platforms with 47.4% and 46.5% respectively. Participants added TikTok, WhatsApp and Telegram as their own choice which they use daily, these platforms are also amazing places to get information about products and to buy. Nowadays most businesses use WhatsApp Business App to reach their customers and to create closer relationships with the customers.

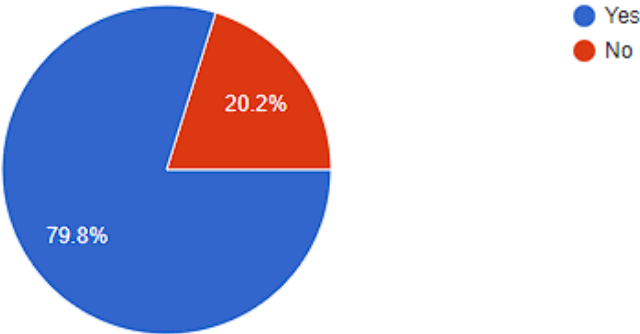
Figure 4: Amount of time spending on social media



Source: Based on data from the author's research

Participants were asked question about the amount of time they spend on social media daily. 45.6% of respondents answered that they are spending 2 to 3 hours daily on social media followed by 27.2% of respondents spending more than 3 hours daily which shows the importance of social media in today's life and how much time and effort people put on them. 22.8% of the respondents said they are spending 1 to 2 hours daily and 4.4% of the respondents spending less than one hour daily.

Figure 5: Using social media to purchase products

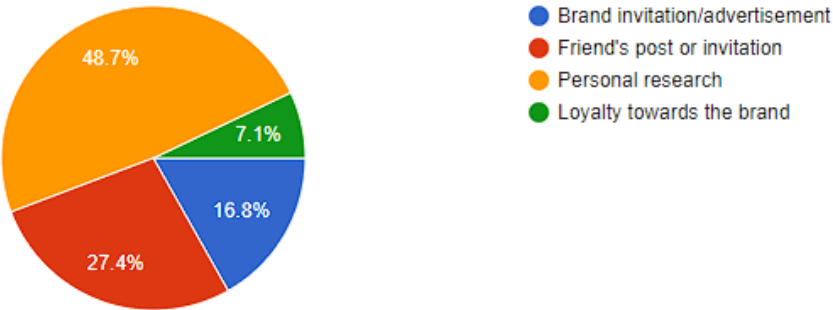


Source: Based on data from the author's research

Question was asked that have they ever used social media platforms to purchase products, overwhelming portion of 79.8% respondents answered Yes. And only 20.2% of respondents did not buy products using social media yet. This shows how these platforms are influencing the customer behavior, as it is very easy to search for any products we need and get information about them on social platforms and to buy them.

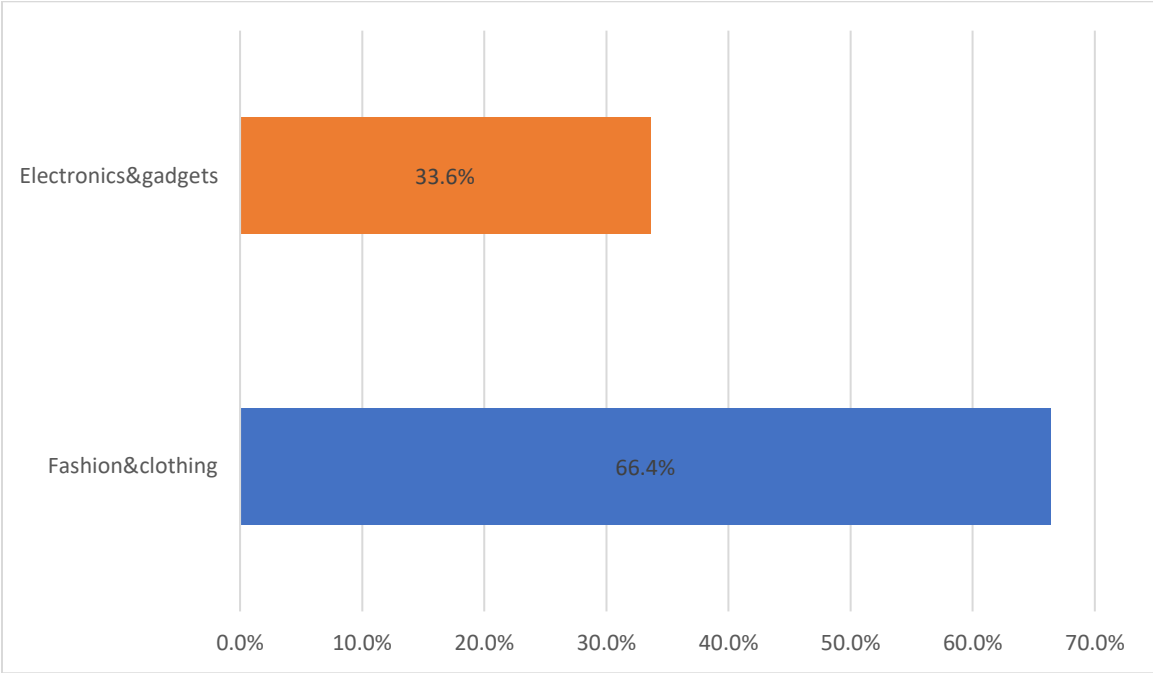
Figure 6 shows the motivation behind purchasing on social platforms, we asked the question which of the followings motivated you to buy products using social media and the responds were: 48.7% respondents answered personal research followed by 27.4% respondents answered Friend's post or invitation. 16.8% respondents said Brand's invitation/advertisement and 7.1% answered loyalty towards the brand.

Figure 6: Motivation behind purchasing on social platforms



Source: Based on data from the author's research

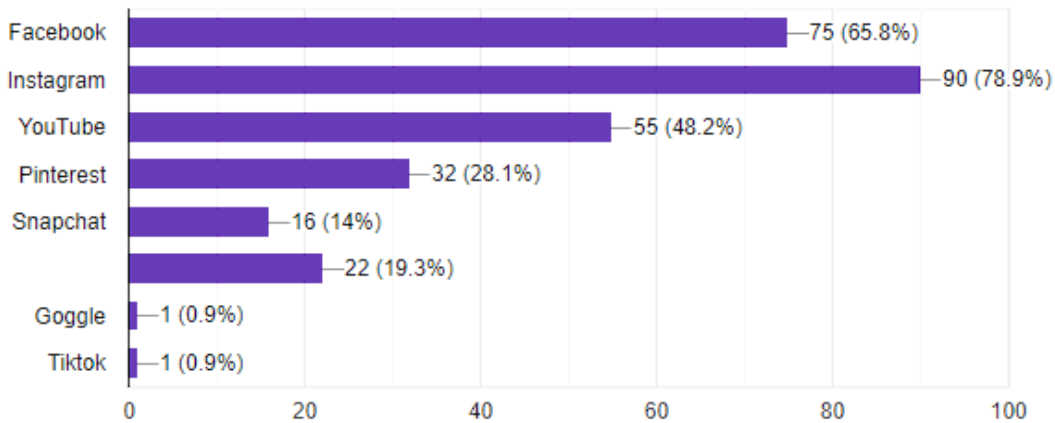
Figure 7: Using social platforms to get information and buy fashion clothing or electronic products



Source: Based on data from the author's research

Figure 7 shows the consumer behavior on buying two different types of products using social media platforms. Question asked about their preferences on buying different types of products using social media platforms, 75 (66.4%) of respondents said fashion clothing while 38 (33.6%) said they prefer Electronic products and gadgets. Similar type of question asked respondents about their monthly spending on these two types of products, on which 76 (67.3%) answered clothing fashion and 37 (32.7%) answered electronics and gadgets.

Figure 8: Preferences on platforms for seeking information about products



Source: Based on data from the author's research

Participants responded on their preferences among different platforms for seeking information about products and buying products. The most popular one is Instagram with 78.9% of users, followed by Facebook and YouTube with 65.8% and 48.2%, respectively. Another fantastic app for finding information, wonderful product ideas, and new, useful things is Pinterest.

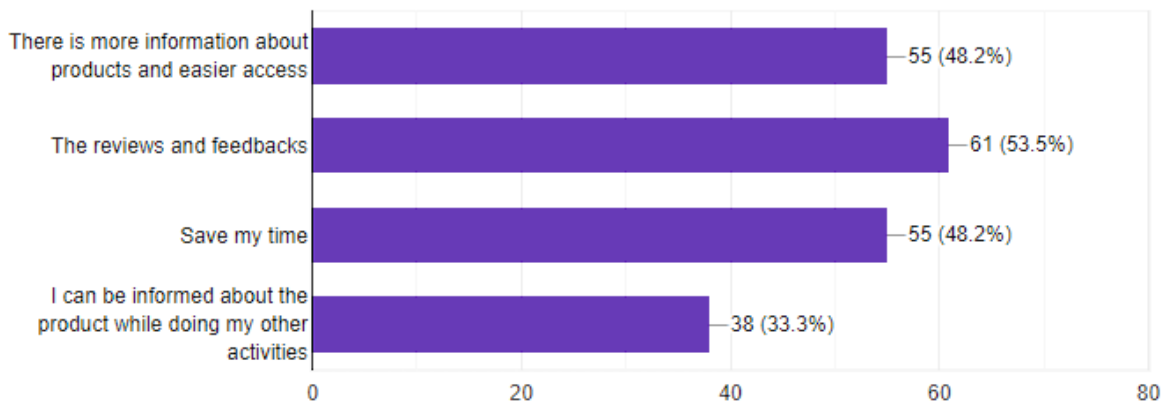
The benefits of using social media platforms are displayed in Figure 9. When we asked the participants about the benefits of shopping on social media, we gave them four options with the chance to choose more than one.

The benefits are as follows:

- There is more information about products and easier access
- The reviews and feedbacks
- Save my time
- I can be informed about the products while doing my other activities

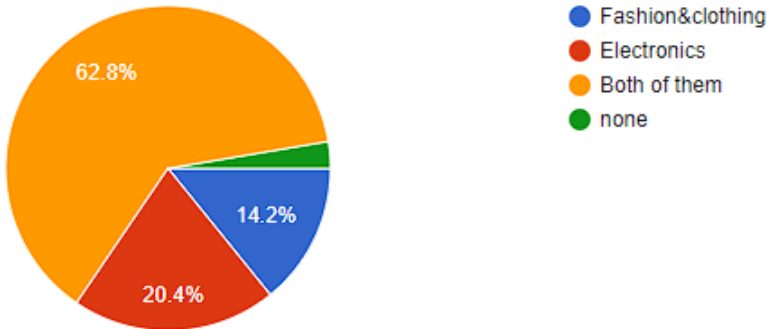
Percentage of participants who answered that reviews and comments are an essential component and an advantage for them is 53.5%, while 48.2% said that knowledge and easy access to the goods are advantages for them. Saving time was favored by 48.2%, and being informed while engaging in other activities was cited as an advantage by 33.3% of respondents.

Figure 9: Advantages of using social media for shopping



Source: Based on data from the author's research

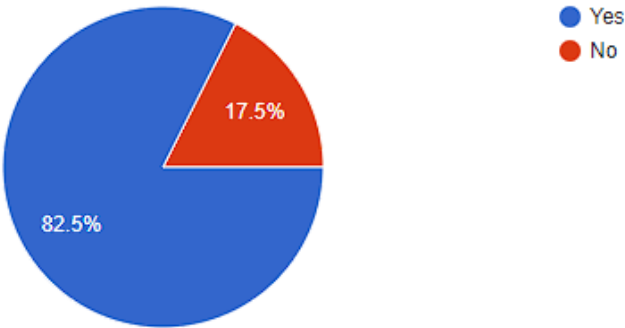
Figure 10: Importance of feedbacks and reviews on clothing products versus Electronics



Source: Based on data from the author's research

While shopping online, the primary relationship is not between the seller and buyer, but rather between buyer and the mediated environment (Wolfenbarger & Gilly, 2001). We examined the value of feedback and reviews on fashion clothing products with electronic products after asking participants about the significance of feedback and reviews on two different categories of products on social media. In comparison, 62.8% liked reviews on both types of products, 20.4% liked reviews on electronics and 14.2% preferred reviews on clothes products. Only 2.7% of respondents stated reviews and feedback from other customers have no influence on their purchasing decisions.

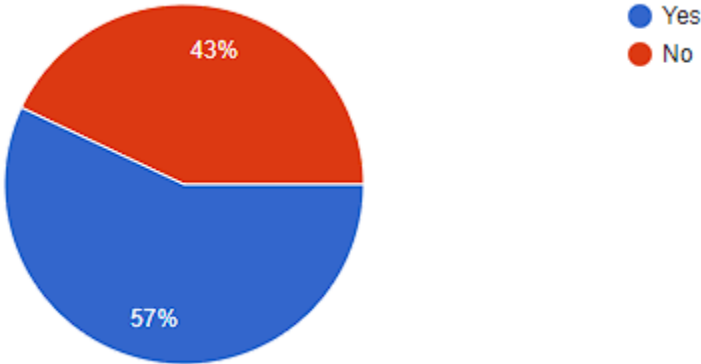
Figure 11: Discounts and sales



Source: Based on data from the author's research

We questioned participants about what drives people to make purchases on social media. Nowadays, practically every company and brand has a presence on a social media site, and they frequently post about discounts, promotions, deals, and seasonal offers to encourage customers to consider purchasing those things. Figure 11 shows 82.5% of respondents indicated that they follow pages on social media in search of discounts, while 17.5% indicated that they do not follow pages for discounts.

Figure 12: Unplanned purchase on social media



Source: Based on data from the author's research

We questioned participants about whether they had ever made an unforeseen purchase on social media. Figure 12 reveals that 57% of participants admitted to making an impulsive purchase after viewing a few things on social media. 43 percent of participants have not yet made an unforeseen purchase on social media.

For the following statements, the participants had to choose the answers from 1-5 that they marked.

Table 1: Consumer attitudes on Discounts and sales

Statement	Label 1=never 5=always					Arithmetic mean
	1 Never	2 Rarely	3 Sometimes	4 Mostly	5 Always	
Discounts and sales motivate you to buy products on social media?	7(6.1%)	7(6.1%)	33(28.9%)	37(32.5%)	30(26.3%)	3.66

Source: Based on data from the author's research

On table 1 we can see (Discounts and sales motivate you to buy products on social media?) scored a 3.66 arithmetic mean, indicating that many people are encouraged to purchase things when they notice deals and discounts. 37 of the participants, or 32.5%, indicated that they buy things the most of the time when they see them on sale. 33 (28.9%) of the participants answered that they are occasionally driven to buy things when they notice sales, while 30 (26.3%) of the participants said that they are always motivated to do so. 7 (6.1%) of the participants claimed that promotions and discounts do not at all encourage them to buy things.

Table 2 illustrates the significance of influencer recommendations for specific products and whether or not they have an impact on consumers. We can observe that the effectiveness of influencers' advice had the lowest arithmetic mean score, which indicates that many individuals are uninterested in their promotion and recommendations. Only 10 (8.8%) of participants identified 5 as the product that they felt was most impacted by influencers' recommendations on social media, while 23 (20.2%) and 19 (16.7%) participants claimed that influencers' advertisements and recommendations had little impact on them. The majority of participants, 36 (31.6%), indicated that it might occasionally have an impact on them.

Table 2: Effect of influencer’s recommendations

Statement	Label 1=Very Ineffective 5=Very Effective					Arithmetic mean
	1 Very Ineffective	2 Ineffective	3 Maybe	4 Effective	5 Very Effective	
How much the influencer’s recommendations about products are effective for you?	19(16.7%)	23(20.2%)	36(31.6%)	26(22.8%)	10(8.8%)	2.86

Source: Based on data from the author's research

Table 3: Level of satisfaction on buying products using social media

Statement	Label 1=Very Dissatisfied 5=Very Satisfied					Arithmetic mean
	1 Very Dissatisfied	2 Dissatisfied	3 Neither satisfied nor dissatisfied	4 Satisfied	5 Very Satisfied	
Level of your satisfaction on buying products on social media?	2(1.8%)	4(3.5%)	31(27.2%)	46(40.4%)	31(27.2%)	3.87

Source: Based on data from the author's research

The question ("Level of your satisfaction on buying products on social media?") Received the highest arithmetic mean, indicating that most people are satisfied with their online purchases made through social media. When making an online purchase, it occasionally happens that the item is not what we anticipated. Because of this, most people read reviews and customer

comments before making a purchase in order to learn as much as possible about the item and other people's experiences. 31 (27.2%) people were rated as extremely satisfied, while 46 (40.4%) participants were rated as satisfied. Only 2 (1.8%) of them were identified as extremely dissatisfied, and 4 (3.5%) of the participants expressed dissatisfaction with their online purchases. Of these, 31 (27.2%) expressed neither satisfaction nor dissatisfaction with their purchase.

6. CONCLUSION

Online shopping has become a key segment of modern business. It simplifies the buying and selling of products and services online. There are different models of online sales, including B2B, B2C, C2B and C2C, each with its own characteristics and goals. The historical development of online shopping shows its constant growth and evolution. The online store of the new age is characterized by the development of technologies, such as smartphones and mobile applications, which made it possible to access the store on the go. Competitiveness, security, and profitability of e-commerce are key aspects of successful business on the Internet.

Social networks have become ubiquitous and play an important role in people's daily lives. They make it possible to connect, share information and communicate on a global level. The development of social networks follows technological progress and changes the way we communicate and interact with others. Social networks such as Facebook, Instagram, YouTube, and TikTok provide various means of communication where users share content, such as images, videos, and comments. The implementation of social networks in business today is essential because of their significant contribution in creating the popularity and recognition of the company.

Users tend to connect and actively participate on these platforms, which allows businesses to create loyal users. Companies recognized this trend and provided users with a more direct and simple approach to creating their popularity. Also, users have the opportunity to actively participate in creating the image of the company, express their opinions and influence new potential users. Given that each social network has its own characteristics, it is important for companies to recognize which one suits them best and adapt their content accordingly.

Visual identity has a lot of emphasis, so it is important to provide attractive visual content. Also, the trend of sharing video content is on the rise, which social networks follow by adjusting their offers. Today, it is almost unthinkable that a company is not active on social networks, which indicates that digitization is essential for business. Through social networks, businesses can interact closely with customers, improve their reputation, create loyalty and attract new potential

customers. Therefore, taking advantage of the opportunities provided by social networks becomes essential for successful business in today's digital age.

Communication and marketing on social networks have become key tools for promoting and building brands. Social network analysis enables understanding of the audience and targeted communication. The benefits of social media advertising include broad reach, audience targeting, customer engagement, and measurement of results. Social media marketing techniques include creating relevant and engaging content, using influencers, engaging with users, and tracking results.

The findings of our study show that consumer behavior when purchasing various products on social media sites varies. In contrast to the elder age, the younger generation uses social media quite a bit. According to the survey's findings, the majority of them use it for 2 to 3 hours every day, and some of them even longer. Considering this, social media is a perfect platform for companies and brands to build strong customer relationships, tell customers about new items, and advertise discounts and offers.

Nearly 80% of the participants claimed to have made purchases using social media, proving that it is one of the most effective venues for businesses to market their goods. On these sites, users mostly look for products to learn more about them, including their features, appearance, and uses. We compared the two product categories of clothing and electronics, and we polled participants on each one. A larger percentage of participants stated that they prefer to look for and purchase fashionable clothes rather than gadgets, and that they typically spend more on clothing than on electronics.

In conclusion, online shopping and social networks represent important aspects of modern business. Proper use of e-commerce and social networks can provide numerous benefits, including increased visibility, wider audience reach, better communication with customers and increased profits. However, it is also important to consider the disadvantages, such as security issues and excessive dependence on technology. Proper planning, implementation and monitoring of results are key to the success of online shopping and marketing activities on social networks.

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Curriculum Vitae

PROFILE

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Master's Degree in Business Faculty of Economics and Business, University of Zagreb Zagreb, Croatia	2021 - Present
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Croatian as a Second or Foreign Language Filozofski fakultet Sveučilišta u Zagrebu, Zagreb, Croatia	2014 – 2016
High School Diploma International Mazar-e Sharif Afghan-Turk High School Mazar-e Sharif, Afghanistan	2008 – 2013

VOLUNTEERING

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