Czech University of Life Sciences Prague Faculty of Economics and Management Department of Management



**Bachelor Thesis: Business Promotion using Social Media.** 

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## CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

# **BACHELOR THESIS ASSIGNMENT**

Yelizaveta Zagranyuk

**Business Administration** 

Thesis title

**Business Promotion using Social Media** 

#### **Objectives of thesis**

The diploma thesis aims to analyze the effectiveness and efficiency of using social media for marketing promotion.

#### Methodology

The methodology is based on the analysis of primarily categorical frequency response data obtained by random selection of customers potentially influenced by social media in their shopping behavior.

The results will be descriptive characteristics supplemented by possible association dependencies for possible segmentation / global service of the selected market.

#### The proposed extent of the thesis

40-60 pp A4

#### Keywords

brand loyalty; promotional tool; marketing strategy; social media marketing (SMM);

#### **Recommended information sources**

- CLOW, K E. BAACK, D. Integrated advertising, promotion, and marketing communications. New Jersey: Prentice Hall, 2007. ISBN 978-0-13-607942-2.
- ODDEN, L. Optimize : how to attract and engage more customers by integrating SEO, social media, and content marketing. Hoboken, N.J.: Wiley, 2012. ISBN 978-1-118-16777-9.
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- SLOAN, L. QUAN-HAASE, A. The SAGE handbook of social media research methods. Los Angeles: SAGE Reference, 2017. ISBN 978-1-4739-1632-6.

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Prague on 10. 03. 2022

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## Declaration

I declare that I have been using only the resources mentioned above to bring a topic of "Business Promotion using Social Media" As being an author of the bachelor thesis, I declare the thesis doesn't break any copyrights and doesn't correspond to any plagiarism.

In Prague on 10/03/2022

Yelizaveta Zagranyuk

## Acknowledgment

I would like to say the heartiest thanks to prof. Tomáš Macák who taught me the theory of management, management skills and with his given explanations during lectures and seminars convinced me to write about the particular topic

## **Business Promotion using Social Media.**

### Abstract:

It is very important for any organization to stay competitive nowadays. Due to the fact the competition has been growing immensely, the companies must search for a new way of promoting their products and brand name. There are many ways to do so, by focusing on building trust and maintain a good relationship with customers. That's where social media comes into place. It became a new way of marketing which affects a target audience and shape their opinions through social media tools. That's why the thesis is focused on such factors as: Brand Reputation, Online-Social Trust, and Interactions. All of them create "Trust" in general to a certain company. That's why the survey of 8 open questions was applied to see and analyse the correlation of how media shapes customers/readers/users' opinions to a certain company, and whether the media is an effective tool to promote business in general.

Key words: brand loyalty; promotional tool; marketing strategy; social media marketing (SMM).

## Podpora podnikání pomocí sociálních médií.

### Souhrn

Pro každou organizaci je v dnešní době velmi důležité, aby zůstala konkurenceschopná. Vzhledem k tomu, že konkurence nesmírně roste, musí firmy hledat nový způsob propagace svých výrobků a značky. Existuje mnoho způsobů, jak toho dosáhnout, zaměřením na budování důvěry a udržování dobrých vztahů se zákazníky. Zde přichází na řadu sociální média. Stal se novým způsobem marketingu, který ovlivňuje cílové publikum a formuje jeho názory prostřednictvím nástrojů sociálních médií. Proto se práce zaměřuje na takové faktory, jako jsou: Reputace značky, Online-Social Trust a Interactions. Všechny vytvářejí obecně "důvěru" určité společnosti. Proto byl použit průzkum 8 otevřených otázek, aby bylo možné zjistit a analyzovat korelaci toho, jak média utvářejí názory zákazníků/čtenářů/uživatelů na určitou společnost a zda jsou média obecně účinným nástrojem podpory podnikání.

Klíčová slova: věrnost značce; propagační nástroj; marketingová strategie; marketing sociálních médií (SMM).

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## Acronyms

e(WOM) – electronic Word-of- Mouth FOMO – Fear of Missing Out PPC- Pay Per Click TV- Television

## **1** Introduction

This chapter will provide concise overview of media/social media. The chapter begins with a brief background of media, followed by a few problem discussions on how and what media/social media tools are mostly consumed by people. Eventually, the author will disclose research problems, research questions as well as the main goal of the bachelor thesis, all in all, everything concerning the given topic will be introduced and shown to the reader.

In the old day's advertisements were done absolutely differently than today. Through conventional, non-targeted and traditional ways such as: magazines, televisions, radio, and direct emails. Although, in recent years all of these "old-ways" of promotional tools lost their audience and people get attached to mostly to either smartphones, tablets or computers and whilst using social media to gain information. According to the research by Stelzner, M (2015), shows that audience's attention is slightly shifting to online channels. According to Palmer & Koenig-Lewis (2009) around 36% of European internet users watch less television, 28 % of newspaper reduction was recorded by publishing companies as well.

I am focused on that topic, mainly because it is partly connected with a core field of my study. The subject of "Management theory" and study block of this subject had an influence of my topic. I am also interested in defining how media works in the business field. What is the concept of media?

Nowadays, social media plays a huge role in our daily live. People see advertisements everyday outside, without even noticing. It became our routine live. As mentioned by Marshall McLuhan (1989), who was the Canadian philosopher, he coined the term "Global Village" and pretty much predicted how people will be living. As time goes by, the technology development is getting better and better which becomes very dependent factor for people and their basic communication. Today, social networking websites influence our daily life considerably, such as: Facebook, Instagram, twitter, LinkedIn and extra. These websites have a major influence on our thinking, and i will show that influence in Chapter 3.3. What is more shocking and insanely unbelievable is that the youth of today are spending overly ten hours a day on social networking. This is one of the questions that will be asked for one of the focus groups in practical part. People prefer to watch advertising and product promotion on different websites or elsewhere, rather than conventional television. Nowadays, customers/reader/users are more in power to talk about a certain brand online, write different feedbacks, post these feedbacks on their own social pages, and be opened to anything. Therefore, companies have no choice but accept the influential fact of a social media marketing and take this fact

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into consideration, with care and respect. Due to such influence on customer's decision-making process, every business now days needs to take care of a proper social media marketing. By taking care of a proper media touch to your brand, as a business owner you not only generate more profit but also connect with new customers and improve your product quality to a higher level.

The author has approached the topic with theory papers such as; McLuhan & Harold Innis (1969), Palmer, A. & Koenig-Lewis, N. (2009) and many more. Electronical resources will be also available in the literature chapter with the highlighted links.

The goal of the bachelor thesis is to understand the perception of media from the perspective of customers/users/readers and evaluate/analyze the media as an effective business tool from the perspective of business owners/company.

## 2 Main goals and objective of the project

The first part is devoted to explaining the concept of media, advantages, and disadvantages in different spheres such as (education, business, and society). However, for the author to be clear for the reader, the author wanted to explain that part shortly since "media" and "social media" are the terms which are quite understandable.

The second part of the bachelor thesis is partly based on the studies of (Tuten & Solomon, 2016) where both of researchers have described the phenomenon of marketing content, where they precisely described that as a right strategy to generate a valuable content for consumers and gain profit for business owners. According to Tuten & Solomon (2016), reputation in their case was the priority.

The practical part is dedicated to analyzing the relationships between consumers/users/readers with a certain brand/company/business owner. It is a qualitative research which includes a didactive approach where data and materials were collected through two different focus groups, consumers/users/readers, and brand/company/business owners. A non-probability sampling was based on people of close relationship of author but, only one person was unknown. A random-probability sampling parameter was used in that research. A random sampling was done in Czech Republic.

### 2.1 Methodology

The research has got a qualitative character. The qualitative research was done based on the secondary data by Bryman & Bell (2016). The research is aimed at analyzing on how consumers/readers/users process a certain type of information. On the other hand, how business owners/companies use media as a tool to promote business effectively and what "Reputation" mean for both groups. A random-probability sampling parameter was used in that research. Two focus groups: consumers and owners. Comparison of both will give the author a clearer picture of how influential and powerful toll media is. The empirical research was based only on one criterion (Reputation). There are 8 questions to be asked (See Appendix 1), at two different focus groups, based on the mentioned criterion. This research does not have any expectations of desired outcomes, openness can be considered as a keyword within this research, according to Bryman & Bell (2016). The author will also analyze advantages/disadvantages of social media on different fields such as: from business perspective and customer perspective.

## **Research questions**

How consumers/readers/users evaluate/associate "Reputation" criteria of a brand within media context?

## Purpose

The goal of this research is to define how effective "media" as a business tool to promote business/brand/company based on the "Reputation" criteria.

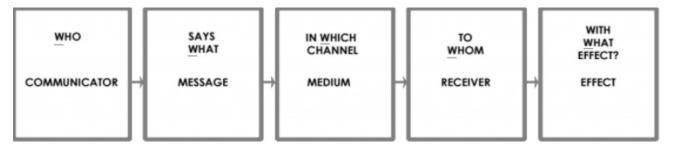
## **3 Literature Review**

### 3.1 Definition of "media"

The word "media" assigns to the communication channels, mostly it is the way people disseminate/receive news, movies, promotional channels, educational information, or any data in general. Basically, it depicts so many ways through which we communicate in society. Simply explained, it outlines all the means of communication. Everything, covering from news on a TV, covering a part about the weather that we process in the morning in our brain, can be called media.

The term "media" was firstly introduced by Marshal McLuhan in 1954. The author agrees with McQuail (2010) concludes the media as an institution with the main aim of producing and distributing knowledge in the widest sense of the world. The words "media" means middle and is a term with a strong purpose used to describe its location between the media institution "creator of a content" and on the other hand "receiver" the member of audience who will benefit from a certain information. The author is also prone to agree with the statement of Lasswell (1946), he describes an act of communication as ""Who (says) What (to) Whom(in) What Channel (With) What effect). The precise theory of communication is shown in Figure 1.

Figure 1: Theory of communication by Lasswell



Source: Lasswell (1946).

## 3.2 Types of media

Wendy (2020) classifies media in three main categories.

- Print media
- Broadcasting media
- Social Media

Print media is a classy way to deliver or convey information to the public. For different generations print media was always the same. Wendy (2020), explains that people were relied on newspapers and magazines to find out everything, recipes, and entertainment news to important

information about country or the world. Such media implies (newspapers, billboards, banners, books, magazines, flyers, brochures and extra.)

Broadcasting media entails audio, video or a written content that has important or entertaining meaning. Such media are (radio, television, movies, motion pictures and extra)

Social media, according to Wendy (2020) conclusion, people rely on this type of media most of the time. It is the best form of media for cultural promotion and social awareness. Such media are (internet in general, websites, podcasts, smartphones became of the devise which can be assigned to social media, but it certainly came with the progression of technology development).

#### 3.2.1 New Media, Social Media or Digital media?

As it has been mentioned in Chapter 1, by Stelzner (2015), people are shifting towards online media or so-called digital media. Everything can be done within two or three clicks. Such social networks as: Facebook, Twitter, Instagram, hi5, Xanga comprise content in stored/saved/retrieved in digital form. Whether it would be saved pictures, video, or even whole movies in Drop Box. Any type of information can be stored/saved and used/viewed again later.

Barr (2000) concluded that social media helping people make sense from a vast amount of information online. While people search for free, Google turns our clicks into big profits, gaining advertising when people click on their sites, another words PPC. The advantage from a user's perspective is that, based on the behavioral marketing, people see advertisements based on their own search from terms, another words tailor-made marketing, you see what you recently investigated. (Ranieri, 2016) concluded that "New media" and "Digital media" are certainly the same, they differ from each other but have the same goal. Barr (2000) states that new media is a mix of digitalization, globalization, and marketing. All these types of media have come into one place. See Figure 2.



Source: (Ranieri, 2016)

Therefore, we must use a laptop and a wireless connection for communication, entertainment, work, play, research, and shopping, as many users do. With only a few clicks you can either order food, get an online order so it will be delivered to your door and even more, it just a matter of a few clicks.

Tapscott (2009) found out that internet users, born in between January 1977 and December 1997 will probably choose to watch a movie and talk at the phone at the same time, rather than focus on one thing only. Television became the backdrop for these types of users.

Obviously, the chance to access television over the social media is very small for consumers, using a computer and television at the same time seem to be very rare. What Tapscott points out, is the tendency for a consumer/user to be viewing TV is small. Again, (Tapscott, 2009) it is to early to talk about the death of traditional media as there is a lot of evidence for Australian public service broadcasters, see, for example, Bovill & Livingstone (2011) or Livingstone (2011). McQuail (2005) argues that "it is too early to conclude that mass audience will disappear".

## 3.3 Social media impact on various fields

#### **3.3.1** Positive social media impact on business

Abhimanyu (2012) showed that social media represents itself as a new buzz/trend in marketing that entails business, organizations and brands which helps to create news, make a bunch of connections and friends and even followers. Basically, any business tries to achieve a certain goal or objective, mainly it concerns annual sales of organization. Social media or "digital media" in that case provide a perfect chance for communication on different platforms that support two-way communication, between a company and their customer or even shareholder. Chu (2011) examined the link between Instagram and related brands such Nike, Adidas, and Reebok, and highlighted a few interesting points where and how business can be promoted. One of the ways is advertisement, by giving an advertisement on social media in order to attract users/customers, mostly are done through the use of Facebook/Instagram and many more. His conclusion was that big brand such as Nike, can easily attract customers by promoting sale/discounted outfits/clothes. Nike usually use lots of coupons/vouchers. With the help of social media, concluded by (Chu, 2012) organization can make/plan their strategy to promote their brand. Below, the reader will be able to find the advantages/disadvantages of social media on business field analyzed by (Abhimanyu, 2012).

Social media usage by an organization (Abhimanyu, 2012):

- Marketing is crucial and viewed as a common use of social media in business, especially for big brands such as Nike, Adidas, Reebook. It helps them in targeting the right sections and right audience.
- HR's greatest tool to find the right talents acquisitions/talent directly. Social media helps HR departments to establish their company's benefits and corporate culture to outside world.
- Operations/Strategy, many of the sites like LinkedIn, helps businesses by connecting with experts who can share strategic plans.
- Business Development, professional networking sites can be used to connect with the clients.
- Helps to enhance market insight and stretch out beyond your rivals with online networking.
- Social media helps to better understand their audience by their likes and dislikes.

### 3.3.2 Negative social media impact on business

Abhimanyu (2012) concluded the following disadvantages:

• In any business social media isn't entirely risk-free, due-to allowance of different platforms, any user/customer is free to post/say feedback about any company which can lead up to the failure of an organization. It might be assigned as one of the external factors for any business.

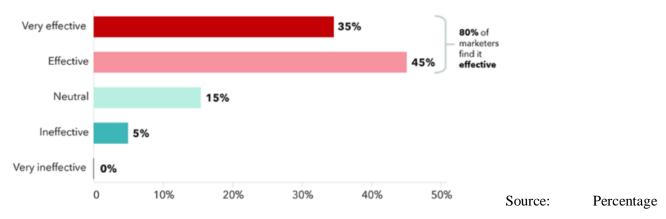
- Many organizations have fallen victim to the hackers.
- Incorrect online brand strategy can put company in a huge social disadvantage.
- Mostly companies have problems measuring benefits of social media advertising.

#### 3.3.3 Positive social media impact on customers

No matter what field of business it is, people benefit from using social media all in all. Panagiotopoulos & Shan (2015) concluded pros and cons of social media on customer purchasing behavior. Partly, it was deeply linked with the brand name, customers who used to buy any type of products online, will always turn to the same online shop, and order it again. Khalifa & Frini (2000) writes that a brand is one of the most valuable assets of an organization, which simply means that today's organization has a need to understand that it is important for them to benefit from their brand. There are various means of creating brands, which can take the form of advertising, catering to specific customer needs, attaching a specific image to a service or product, identifying, and satisfying a need that competitors must identify, fighting communications, and setting a pricing strategy (Burger et al., 2009).

According to the conclusion of Bryman & Bell (2011), the survey showed that it just saves so much time. Customers agreed with the statements, the products they bought in the past were sold to them according to their lookup preferences. Bryman & Bell (2011) also thinks that these types of products were properly promoted, priced, and placed at the right time. See Chapter 3.3

The magazine Percentage Adopting of Technology, (2018) showed an interesting article on how people are getting used to buy different products through Internet. It shows relatively high percentage of effectiveness regarding influential marketing. See Figure 3. Only 5 percent out of 10.000 thousand users responded ineffectively and nevertheless, this 5 percent as it turned out, were adults, over 54 years old, on average.



#### Figure 3:Effectiveness of influential marketing

Adopting of Technology (2018)

#### **3.3.4** Negative social media impact on customers

Abhimanyu (2012) concluded that social media has also negative effect on people's lives. In a way, that they don't even realize. Spending too much time on social networking sites can easily affect your mood. In fact, chronic users are more likely to report poor mental health, including symptoms of anxiety and depression. Barr (2000) shows perfect example of FOMO, (Fear of Missing Out), unsurprisingly it is one of the most negative effects of social media on society. Other disadvantages are in a shorten format are listed below:

- High expectations, since social media forms unrealistic expectations of life. It is tightly linked with the product/service order. According to the survey of Bryman & Bell (2011) 60 percent of customers who had experience ordering online, were dissatisfied after delivery, they admit, they had high expectation.
- General addiction. Social media is a very addictive, even more then cigarettes and alcohol.
   Young generation admits, sometimes they just pull their phone out, for checking what's new (Stegner, 2016).

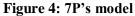
However, I agree with the Stegner (2016), as with everything else, social media has good and bad sides. I have shown some of the negative effects of social media on many, but it's up to you to decide if it will benefit or harm you the most.

## 3.3 Social media and Marketing

Social media marketing is a term that can be explained as "utilization of social media platforms as marketing tool. According to Weinberg (2009), he refers social media marketing as leveraging the

'social' the trough the 'media' to 'market' businesses' constituents, in other terms, it is supposed to be a correct process thought which any individual/business/company is empowered to promote their websites, brands, product or services with online channels. See Appendix 1(Question N6-8). Thus, customer's buying conduct is often influenced by the proper marketing model, which is a part of 4P. (Promotion, Place, Product, Price). Although, in 1960, E. Jerome McCarthy created the 7Ps model. See Figure 3. Nevertheless, even nowadays the model is very relevant to consider for any type of business.





It is no longer surprising that most media advertising is not as effective as it has been in the past, because featured posts tend to reach many more people through mass media than the prospect anticipated (Weber 2009; Weinberg 2009). A social network is a place where people with common interests can get together to share comments, thoughts and ideas; therefore, instead of continuing to work as broadcasters, marketers should become aggregators of customer communities; that is, the Internet should not be seen as a simple advertising channel, it is a place where marketers can listen to and respond to communities, view content, and promote a specific piece of content in a wider social sphere such as community building. With the inadequate advertising budget that companies often face through traditional channels, social media marketing, in particular, can be easier and more effective for small and medium-sized businesses to get the most out of it. While social media marketing is an emerging technology with great potential, the role of marketing still resembles the

Source: McCarthy E. J. (1960)

same - targeting the market, reaching out to prospects, building loyalty, engaging customers, and so on (Weber, 2009).

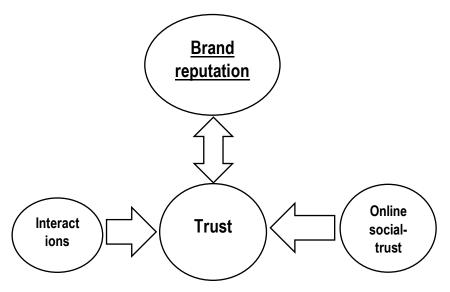
He explains his proposal on how to tap into a strong social media strategy instead of the traditional ones, which are usually: facilitation in natural discovery of new content, boost up in traffic numbers, strong relationship building, as well as cheap alternative to traditional marketing. Unlike the traditional advertising, individuals in the social media era have access to contents that are not necessarily associated with commercial intent, hence if a person likes content, he/she is likely to pass it on to their peers, families, and friends, via social sites, then the content will spread quickly without interfering with traditional marketing. (Weinberg, 2009). Social media offers opportunities for building massive communities or group, once a company has established the proper reputation of itself as a community member to follow, eventually others are likely to be interested in what it shares and will pass it on. In addition, in the new marketing era, brand revitalization relies solely on community engagement (Weber 2009; Silverman 2001), and as a result, if a company truly pays attention to community members, strong relationships can be built; for example, through spending time answering reviews, concerns, and feedbacks.

I totally agree with the statements of Weber (2009) and Silverman (2001). The so-called "online support" plays a huge role in terms of answering/solving customer's problems. I also have had many experiences with online shopping, and as a result was satisfied with solution along the way. Company's name is Alza.cz.

### 3.4 Reputation is a part of social media

Gensler et al (2013) states that social media challenges the protection of a company's reputation in case company's priority aren't customers, reputation of a brand in that case, decreases. Kaul& Chaudhri (2015) argues that the reputation assists companies' transparency amongst their strategies and values. Lee (2015) concluded however, that organization/companies should be using social media as a main tool to empower their reputation. It is tightly linked with social media and reputation. The interaction amongst customers can arise information concerning a company and this information can also play a vital role for a company's reputation (Kaul & Chaudhri, 2015). According to Carroll (2015), a company has got to offer a valuable content which can be transmitted in a positive way, so it associates with a good reputation and gains trust. Tuten & Solomon (2016), however argues that people are able to build a good reputation pretty much for any company, the company it-self might not be even involved into community members (See Weber, 2009 & Silverman 2001). But just because of a good quality of products, the reputation builds itself.

**Figure 5: Illustration of literature summarize** 



Source: self-generated.

## 3.5 Trust

Christoffersen & Robson (2017) stated that trust is built on a mix of expectations and relations between two parties. The closer you are to the other part, the easier and faster you become to trust someone. The further away you are, the harder it gets for the company to gain trust from you. Online social trust is more important than ever due to increased numbers of users. Since online-shopping scope is increasing, customers do not interact physically with salesperson, they aren't able to see or touch a product, they are prone to rely on promises and uploaded images by the consumers. Anon (2008) states, it saves so much time form a customer perspective, but it is a big problem regarding physical interactivity.

Online trust is deeply dependent of a content. This so-called "Trust" is a result of people's imagination and enthusiasm. With this, comes positive interactions and negative. When a consumer does not agree with a company's values or what they promote, it immediately creates a negative atmosphere which occurs within virtual communication platforms (Kaur & Singh, 2016).

Anon (2008) concludes that, in order to gain an online trust among users, you have to provide the consumers with a valuable content, further he states that by starting an interaction process with a customer, online trust is more likely to appear between two parties. Social media has changed the way we think (Kaur & Singh, 2016) people are more trustworthy nowadays. We are getting to be used to pay online and get a delivery to the front of our door and it is significant to understand that the "online trust" fades-away as soon as customers get gypped. After such experiences, according to (Kaur & Singh, 2016) we stop trusting-online. If a consumer finds and feels strange actions done by the company towards him/her, their trust and loyalty most likely to decrease, since the trust "online trust" has been damaged, it is less likely go gain it back (Ashley & Leonardo, 2009). Reichheld (2003) argues that if a company doesn't convey a high sense of trust to their customers, customers will not trust the company and turn to elsewhere for their purchases. Otherwise, when company has already gained the trust of a customer, still it is quite hard to maintain that level of trust in a long - run. In case if a company maintains the interest level, the consumer will be always buying special offers and customized product and services, as a result (Reichheld, 2003). He also states that is not the price that rules on the social network, but social network and experience. When a company gains a trust of consumer, the consumer is willing to provide its personal information since he/she was satisfied, which in the long-run lead to a closer bond and most probably, such customer will spread a positive information regarding the company.

Singh (2016) concluded in his survey, that trust is more important than ever. Even not online users usually base their purchasing decisions on a trust factor. Elderly people who are not the usual users of online shopping, might get affected by online platforms however, they prefer to buy products based on their trust criteria. They would rather go directly to the shop and find a relevant information in person, rather than buying something online. He stresses, because such people aren't used to buy product online, due to a low level of trust.

## **3.6 Interactions**

Interaction on social media include chats and conversation-dialogues among users and within their network (Tuten & Solomon, 2016). Behavior, attitude, and values are being promoted by social interactions, says (Falk, Morelli, Welborn,2013). Interactions that create an interest among consumers could be by electronic word-of-mount (eWOM) and buzz. According to Falk & Morelli (2013) eWOM includes all interactive activities (video calls, chat-messengers, emojis and extra) everything that can express either emotions or feelings, online. As online platforms are growing rapidly, the quantity of users of these platforms grow as well. For this reason (eWOM) has become more effective regarding being an influential channel of online communication. Buzz refers to the excitement, that spreads around, for example a product, brand, or a company. Which means consumers actively must be motivated and interested in spreading their opinions for a buzz to be considered effective. Barr (2000) states that companies must consider the value of buzz, regardless of their brand or reputation on the market. If they don't focus on buzz content, customers sooner or later will leave to the different platform and post and comment their opinions regarding different segment/product.

Barr (2000) also states, that companies should not ignore when a negative buzz goes around their brand, since it leads to drawn-down damage between the company and their customer. Usually when it happens, according to (Barr, 2000) reasons are two; either customer was dissatisfied with the customer service or his/her expectations were not met. This type of interactions are considered to be viral marketing that spread around very quickly. People who recieved a lot of attention online, tend to react on a certain information very quickly and more informative. They feel themselves needed, as experts. Hence, it has a greater credibility and stronger influence amongst the consumers (Lee, 2015). Due to this, social media is a very big platform where users spread tons of information and find it very valuable for society. He also stated that people that are engaged in an online platform where discussion is an ongoing process, those people tend to react and interact more stronger among consumers. Thus, consumers might adopt to their feedbacks and reviews in a different way. Some consumers/customers/readers might percieve it negatively or positively, and some might take such information indifferently.

## **4** Practical Part

#### **Research Methodology**

This is qualitative research with a deductive approach. Deductive approach will help to explore: How consumers/readers/users evaluate/associate "Reputation" criteria of a brand within media context? Further, the selection method is shown in Chapter 2.1 The main method used are focus groups, since the purpose is to define how effective "media" as a business tool to promote business/brand/company based on the "Reputation" criteria.

## **4.1 Research strategy**

The research is based on the design of Malhotra (2010), the framework or guidelines for conducting the research. According to Malhotra's research, there are two main approaches that are usually, inductive, and deductive. The inductive approach shows that the theory is based on the collected material, and the theory is the result of research. By comparison, deductive strategy is when theory drives the direction of research and what material to collect. In this study, I decided to use a deductive approach, as the theory deduced a set of materials to answer a research question. That is why, in this research, I am prone to apply a deductive approach even though this is qualitative research, since the theory derived the collection of material.

### 4.2 Qualitative research

Since the research has got a qualitative character by Malhotra (2010), describes qualitative research as a strategy. Primary, this type of research will be focusing on quality of information rather than the quantity of words. The author decided that this type of research will be focused on quality of the information rather than quantity, in order to have enough means to answer the research questions. The author analyzed (Bryman, 2016) statement about a qualitative research approach, and Bryman concluded that, it is suitable approach sinch it aims to collect knowledge regarding how individuals understand and interpret certain given situation. Since the purpose of this research is to understand the perception of any brand, based on their "Reputation" criteria and how effective is that in the context of social media? Additionally, the author prefers qualitative research thus, the research is open and ready for unexpected results and outcomes. Since this research doesn't have any expectations, openness can be considered as a keyword within this scope of research, according to Bryman (2016).

## **4.3 Principles of ethic**

Bryman & Bell (2011) set-up regulations and demands to consider, while doing research. The research gave all the questions to the participants to respond openly, before the participants were informed what will happen after they are done with answering questions. The author also considered confidentiality and anonymity for all the participants: customers/users and business owners/workers. In this research, all materials are transcribed and doesn't include any personal information, only available for the author. The collected data will be used only in this research.

### **4.4 Collection of material**

Primary and secondary data were the main ones of the data type. According to Bryman & Bell (2011). The information of this data can be considered as secondary data since the information collected from already existing research. The data however were primary since the collection of data were done by the author. In this research, theoretical data of a secondary character is considered to be a framework that has been done. Primary data refers to when the author gains data on their own by interviews, observation, or social media articles. Data of a primary content has been gathered through focus groups. Within this research, the data for the business owners/workers were gathered through social media sites/blogs. The customer/user group were collected personally. The structure of the data is followed by theoretical part and has been analyzed with the help of formulated questions. See Appendix 1. The reason for that is because I wanted to obtain a consistent and legible structure of the entire research.

## 4.5 Focus groups

Since the first group was more close relationship to the author, the author knew couple of preferences of everyone, the advantage of that was that the author somehow already knew the answers of a few participants in advance. Especially, questions that were tightly linked with the social media content. A focus group includes interaction between participants and allowance of discussion if a big plus, so the author can detect more things on a personal comment relating to a certain question. Bryman & Bell (2016) revealed that if you let the focus group talk for a longer period of time, the discussion might lead to a wider and not necessarily relevant topics, in order to avoid it, the author wanted to be clear and control the conversation by asking following/open questions. The participant's perception of how they use social media was of a significant importance in this research. Bryman (2016) explains that a focus group should give honest and clear answers, revealing of their personal feeling might be a better advantage to make conclusions. All the participants, at least once in their live, had had to experience the online-shopping or a good catchy promotion of a certain product on

social media, that they ended-up buying. The criteria were fulfilled by everyone, so the author could understand the driving behavior and reaction, based on these experiences.

The second focus group however (business point of view) was not obliged to fulfill the criteria, since in these cases, business owners/workers were as a provider of a certain services. However, the author admits, that the questions that should be asked, are more of a business-oriented questions, which Bell (2011) explains as an appropriate equation. This will give an author two views of one true.

#### Size of the focus group

For this qualitative research, for me was slightly difficult to assemble enough people who could contribute to useful information. If a focus group has a small number of participants, it will be limiting lots of different opinions provided to me (to the author), on the other hand will give a precise imagination of how customer (Group 1) view "Reputation" with a social media content. Is that a powerful tool that could be correctly and appropriately served, promoted, and sold to? Within this research, the author decided to limit the first focus group in order to get a qualitative information, See Chapter 4.2. The first group had 4 participants. The second group however supposed to have only one participant and it should but turned out to be two. Eventually a manager of a certain shop joined the conversation.

#### **Group compositions**

Participants of each group have had a minimum of common experience or criteria, the author decided that this criterion will be aged. So, all the participants from the first focus group were students, in their twenties and who were all active on social media, all of them at least once bought something through online. However, there was one criterion which differs all of us, it is sex. I decided to question 2 male and 2 female.

The second group consisted by two-men, one manager of the shop and second is a worker. Both worked for a company for quite a long time, so they were also active on social media, and shared their experienced.

Participant	Gender	Age	Study Area
Participant 1	Male	23	Business Administration

#### Table 1: First focus group

Participant 2	Female	23	Business
			Administration
Participant 3	Male	24	None
Participant 4	Female	23	Economics and
			Management

#### Table 2: Second focus group

Participant	Gender	Age	Work area
Participant 5	Male	30	Manager of a shop
Participant 6	Male	26	Worker/Assistant

Source: self-generated

### The role of the researcher

Bryman & Bell (2011) states, there are two different roles that an author can use, passive and active roles. A passive role is meant that an author asks questions, and the conversation flows by itself, when someone is very passionate about a certain question, the author have to record it. In this research, an author needed more time for the second focus group, due-to certain sequences that occurred. The manager joined conversation unexpectedly and slightly shocked the author with his appearance. Anyway, the author decided to be somewhere in between. Both roles were applied.

#### Place for the focus groups

Focus group of customers were held at Czech University of Life Science in Prague (CULS), where a study room was booked beforehand to make sure the focus group will not be interrupted. When all participants gathered, the author welcomed everyone, thanked for participating and started explaining what will happen. The questions were handed to each participant personally, and they could start answering freely and openly. There was no specific order. After everyone was done answering, the author started a short discussion.

The second focus group was in a way of short meeting, where an author had to stop twice, to book proper time for the worker to get ready for a short conversation. Before that, an author had to stop by, say hi and explain to the stuff of the company author's needs and requirements. The staff agreed.

#### **Sampling parameters**

As stated above, in Chapter 2.1, the research has a non-probability sampling. Since all the participants were actively involved in social media, therefore these individuals were more likely to be chosen. Within non-probability sampling (Bryman & Bell, 2016) used a snowball sampling, as described as a methods whereby small groups of people have something in common and propose other individuals to participate and bring people, they know would fit in. Most of the focus group of customers, were speaking Russian language, roots were from Russia, Ukraine, and Kazakhstan.

#### Evaluation criteria for qualitative research

Qualitative research focuses more on quality rather than quantity, which requires different criteria within the two research types, according to Bryman & Bell (2011). The author did not let the participants values affect the research and they were open-minded whilst answering questions, listening to discussions within the focus group.

### **4.6 Empirical collection**

The following chapter represents the empirical research material which was collected through two focus groups where questions came from the operationalization. See Appendix 1. The structure of this following chapter consists of detailed discussion with the first focus group. Relevant answers were written down by the author and quoted; in order to pass on to the reader the feelings and realistic life-situations.

#### **First focus group**

## 1<sup>st</sup> Question:

Half of the participants agreed that they do spend over 5-6 hours a day on social media. They know who they interact with for the most part. The ones that they don't even know, they still keep interacting with till the point of exchanging information, especially valuable information, easy to assimilate. One of the participants admitted that she/he has got a health problem because of how much time she/he spends on social media and internet in general, yet she/he admitted that the reason of that a part-time job which usually ends at 2 AM.

"I am not a social media person, but I do see advertising for the most part of my time when I am being of Facebook, sometimes it is not even relevant to me"

#### Participant 3

The rest admitted that they see advertisements and sale promotions according to what they looked recently up on Google.

"Facebook, Google, Instagram generate a pattern based on what we like/dislike and offer to us a certain product or service."

### Participant 2

"I ordered a "Nike" t-shirt for my father recently because he is a big fan of soccer, and ever since, even when I am on YouTube, I can see the different offers of clothes, drives me insane sometimes"

#### Participant 3

### 2<sup>nd</sup> Question:

Since there is social media such as Booking nowadays, the participants discussed that the information they find there affects how they see a brand or company. But a reputation about a company or brand comes mainly from word of mouth, according to the participants.

I asked the third participant personally. Why did he buy "Nike" T-shirt for his dad? He responded:

" My dad is a big fan of football; he loves Cristiano Ronaldo"

#### Participant 3

The rest agreed, reputation plays a huge role in buying process. It gives them confidence for the product quality, another words brand is important. Only one participant disagreed.

"I don't think about reputation when I buy something, I usually act based on the prices and sales."

#### Participant 3

I asked what was his last purchase based on social media promotions/sales? He responded:

"I bought shoes from that company, and it was only because of the advertising that I saw online."

#### Participant 3

In general, focus group agreed, that they aren't influenced by a bad reputation that can occur on social media, they would rather listen to recommendations from friends or family. Participant 1,3 said, they don't want to be involved in negative discussions, especially on social media, but there are of course exceptions.

"Once I had a conversation with my friend, and he said that the Parka he bought from Nike, was not good enough in a winter season, I immediately realized that I will not purchase such a product

either."

#### Participant 1

This part of focus group is more open to spread information through word of mouth (WOM). Therefore, their perception and opinions about a company or a brand doesn't get affected so much due to information from social media, since they instead tend to share/listen to information in the surroundings rather than search/share information on social media.

3<sup>rd</sup> Question:

Three out of four participants agreed on the effect of word-of-mouth, a purchasing behavior depend mostly on how close of individual who recommend them to use certain services. Along with that, the individuals who share their personal experience of a certain company on social media, doesn't have to be reliable.

"I have to know that people of a close relationship had to be satisfied with a purchase and service."

#### Participant 4

"My personal experience was terrible with the Nike, I used to play soccer when I was a child and my soccer shoes were always of a bad quality, they would torn-apart in two-three months"

#### Participant 1

I realized that the participant was young, and that the quality of a product might have become better, thus I decided to ask the following questions where he received the following response:

> "Last time I bought trousers, I can't complain but I didn't pay attention on the quality, I would rather pay attention to the way how it looks on me".

### Participant 1

According to the participant who disagreed, with the stated above. Explained that, information on the web site does influence a purchasing behavior of his/her. Since on the website there are different confirmation and standards that she/he could rely on. Such as: Better-Business-Bureau, Charity-Navigator and so on. – (Participant 3).

4<sup>th</sup> Question:

Since the group is very social-media oriented but all of them agreed that they don't spread much of information on social media. Only one participant had a horrible experience with Indian restaurant and had to share it on social media. See detailed discussion in "2<sup>nd</sup> Question" The rest of

the focus group explained the following, they never share negative experience on social media, since it might be misleading for the rest out there.

"I personally don't like to share a negative experience, we all are humans at the end of the day, and all do mistakes, I wouldn't share a negative experience on social media for sure"

Participant 4

#### Second focus group

5<sup>th</sup> Question:

The participants within a focus group without any expectation responded that this is the main reason of working for the company they work in now. Because of a prestige brand and good reputation. They seemed to be frank and honest. The author personally had experience with them. All of the following factors can be considered as "Reputation" criterion (Trustworthiness, Differentiation, Credibility, Reliability, Responsibility, Willingness to support, Recognizability, Relevance.)

"I started working for a company when I was 20, and the reputation of that company was already on peak, 10 years later, still on peak"

Participant 5

6<sup>th</sup> Question:

Both participants agreed on the same thing, social media and their reputation is the reason they still function, most of the sale made are due-to social media and marketing. Such partners as YouTube, Google, Facebook, Seznam.cz even Alza.cz are effective media sites that promote and bring profit.

"We as a unit of workers use Instagram on a daily basis, sales, promotions, social events. We post everything, even intern events"

#### Participant 6

The company's reputation, however, plays a huge impact on sales. The author with 95 percent of confidence can actually conclude, that even the reader of the given bachelor thesis, once owned a product of that company. Reputation is a key factor for that company. It is already on the market for over 57 years. Even during the discussion with the Focus group 1, I noticed having participants these products.

Participants of the second focus group concluded, the term "Reputation" is directly linked with the legitimacy. It is how the company position themselves towards customers. All values such as (respect, loyalty). The company treats its employees with respect. Both workers were satisfied with terms and conditions of a company. They admitted that they have good benefits from the company such as (Giveaways, discounts, salary-raise, sport activities, travelling events and extra).

"We value all our customers, the company spends more than 10 million USD a year, for improving customer service."

Participant 5

7<sup>th</sup> Question:

Social media is used by every company possible. Participants were opened to show me their Instagram page, where they had statistical data shown such as (visitors, order, comment and extra). Quite frankly, I was shocked by how many people visit Instagram page per day.

As a company, it uses different social media tools, participating in many charities, reinforcing their brand. We do different outside events such as (Running, Swimming and Rob-jumping). They are the sponsors of many Football teams, Basketball teams in USA, and many more. Social media is very important, the author would conclude it is one of the main key factors for such company. Not only social media is a key, but media in general.

The company's employees had an interesting story to tell which the author ended up finding.

During a basketball match in USA, one player flipped over and torn a shoe. The company had a massive scandal and even was sanctioned for a product failure, but because of the "Reputation" and brand name, everything turned-out to be all right. See (New-York Times, 2019).

## 8<sup>th</sup> Question:

Both participants said, any negative comment towards company, certainly somehow influence the brand and its reputation. But it all comes down to how big of an external factor is. Participant 5 explained that recently an athlete wrote bad feedback about the company, and company's price-pershare wend rapidly down, which was a much bigger effect on company's statements and financial reports.

The respondent also mentioned the issue to do with emotional engagement. Specifically, the respondent said that they "observed that when customers are emotionally engaged there is a positive attitude that comes with humor and enthusiasm, but when negatively involved (skepticism and rigor), then purchasing power collides." When consumers converse with each other on Facebook the

responses can go either way depending on "the advice given, and recommendations given by the fellow consumers".

## **5** Analysis

This chapter involves analysis which was built from the theoretical framework and collected material from both focus groups in order to extinguish how social media tool is close to "Reputation" criterion and what both groups think about "Reputation" in general. Firstly, I will be analyzing "Reputation" which was described in literature review by (Kaul & Chaudhri, 2015) and extra. The further, I will be continued analyzed by the brand, interaction, and online social trust. All the factors, however, belong to the "Reputation" criterion. See (Figure 5.)

### **5.1 Reputation**

As Barr (2010) states, reputation is built upon different criteria, such as (symbol, design, or a name) or a combination of mentioned. Social media has a dominant position over a brand. Reputation can be affected in many ways, a perfect example of that would be, Participant 1, and his experience with visiting Indian restaurant. The participants however had different opinions regarding this matter, none of them agreed that they would listen to someone on social media, or read feedbacks, unless it is someone close to the first focus group. Participant 3, however explained that his purchasing behavior depends on the price of a product. His last purchase was a camera, just because it was cheap and corresponding to the quality of price, he bought it.

Further, Lee (2015) states, that companies must consider social media as a main tool of empowering their reputation, one of the aspects is a qualitative interaction. The participants in the first focus group have discussed social media such as (Facebook, Instagram, Google, YouTube and extra) that all of them concluded that they can share, rate, and discuss their experiences. However, from all their comments, that author analyzed, all participants prefer the physical word-of-mount rather than electronical-word-of-month. Thus, the first focus group of participants did not believe that information on social media influence their perception of a brand until they experienced it themselves or someone in their close circle experience it.

Participant 3 claimed that reputation have decreased towards Nike company, since he ordered a t-shirt for his dad, after all he kept on seeing advertising campaign for Nike T-shirt, he admits it drove his insane, the reputation towards marketing strategy now decreased. This is a typical example of over-marketing one product. Companies must consider it as well. However, all participants agreed that the reputation of a Nike company is big and trustworthy although they use a lot of advertising to the point when it becomes kind of stressful to see it everywhere. One participant acknowledges that, he associates the brand name indifferently, and I assumes that his very first experience with the soccer-shoes has a lot to do with his perception of a brand. If once, a customer had a bad and negative experience, it is very hard to return it trust back (Tuten & Solomon, 2016). Which seem to be very true in this case. That also state that it is much easier to promote the brand, symbol, design, or name when it is already famous, which is a case of Nike. However, the reputation might be affected in many ways. Some of the participants agreed that even the influencers, that promote the brand and name of a company might have a slight effect to their purchasing behavior, such as example of participant N 1.

The author decided to write shortly about the "Trust" as if it is tightly linked with the "Reputation".

### 5.2 Trust

Anon (2008) states that trust enables communication between companies and customers and broadens their ability to interact with each other at the same time. The participants argues that trust is not always the case, when they make a move. Since all of the participants have had an experience with online shopping, they concluded that the biggest disadvantage of buying online, is that you physically do not touch and see the product. Your expectations eventually are not met at the level (Anon, 2008).

If a company doesn't provide a better sense of trust towards their customers, the consumers will not stay loyal to the company. Some of the participants explained, that they wouldn't go back to the company they weren't satisfied with. As said later by (Barr, 2000) it is very hard to maintain the level of trust, since it is a major part of reputation. When trust is broken, the reputation is not something they look for. They would also not recommend the product, company, or the brand to another consumer since they did not want them to experience the same dissatisfaction. Nevertheless, all participants agreed on that, they don't want to be a part of discussions online, since they don't know who they are interacting with, and sometimes people are very mad on these platforms because of opinions that differ. For the author, it is quite clear that the participants do not trust all other consumers on social media. However, they did mention that they would contribute to a negative word-of-mouth if they were unsatisfied with a product or a company but never share incorrect information regarding it.

According to the Ashley & Leonard (2009) a trust can easily decline due to undercover use of marketing. Participant 1 explained that he sees advertising campaign, which aren't relevant or him.

From a business perspective it is quite clear, to cover as much as possible. Still, it can harm the trust and undermine the reputation of the company (Ashley & Leonard, 2009).

Participant 3 and 4 agreed that a trust towards a company is also based on a relevance of a content. They try not to share their personal information with companies since they expect them to send tons of emails with promotional offers which they don't want. Filtering information for them is very important. They wouldn't share their personal details nor credit cards as a way of payment, if they decide to order something online, they would rather order it and pay it in the shop when they pick the order product up.

### **5.3 Interactions**

Interactions on social media includes chat dialogues and blogs where conversation between users is an ongoing process. Within my focus group, it was clear that every participant had been involved at least once in their live, in a social media conversation. Most of them interact in only on social media and even purchasing process is slightly but surely is going online. Comments, likes and sending messages online, the full engagement has shifted to an online world. Values, behaviors, and attitudes are being promoted online and by social interactions (Kaul & Chaudhri, 2015) where participants of both focus group agree on. Most of the participants claim that social media is a good place for promotion where both of the focus group are able to communicate, such as an online customer services and other individuals.

Consumers are active within a social network, consumer are most likely to suggest product and services that they bought in the past, but it all depends on their experience with the purchase. Consumers who had bad experience with its product and the whole purchasing process, will most probably skip it next time. However, almost 80 percent of a focus group were not actively involved in a social media content sharing, therefore they might recommend to the other people to search a hotel on a Trip Advisor. They would rather share information in person, with their friend and families.

Kaul et., el. (2015) stated that interaction process creates an interest between users/consumers/readers which eventually might lead to a bigger extent of conversation of electronic word-of-mouth. The electronic word-of-mouth was something that participants used in regards of reading reviews on social media for a hotel or restaurant or even buying a T-shirt. However, one participant stated that he isn't involved in the social media discussions, so he would rather experience things physically. Listening to the other consumer's recommendations as a part of electronic word-of-mouth was also discussed among the participants, and that where both focus groups deviated in their opinions. Some stated that they read it and the other half said they wouldn't be affected by a discussion which will eventually

change their minds. Therefore, all participants agreed that recommendations and reviews of previous consumers give them preview of a product and makes them feel safe. But as mentioned before, the one Participant 3 was skeptical, because he relies on unknown people's review.

As it was mentioned it the research of Tuten & Solomon (2016) that consumers usually do not rely on a quantity of a shared information but rather they would rely on a quality. Withing the 1<sup>st</sup> focus group, I noticed the same correlation. All participants stated that quality is something that they would mostly rely on as first. However, from the perspective of business owner, the online platforms such as Facebook, Google and extra which helps them to analyze the feedbacks and reviews, for them it is crucial to have both, quantity, and quality of feedbacks.

Participant 2 stated that she doesn't know whom she interacts with, and sometimes for her it is very hard to distinguish whether an information she reads is true. She asserted that she only needs to believe in their own ability regarding what is true and what is not true if he keeps interacting with online users.

Participant 5 and 6 stated that they keep loyal to the consumers to convey a high sense of trust towards their consumers. The consumers will stay loyal if they see how they are being treated by a company. The strategy that we use is simply, sign-up a customer and get his email, usually we do not insist on providing a feedback form a customer perspective, however it is very relevant for us to know what experience of customers with us was. Khalifa & Frini (2000) also concluded that company must have certain strategies of interactions to improve its quality and services. Nevertheless, both Participants 5 and 6 agreed that the brand name and its reputation is big, and they don't find that difficult to talk about their products with their customers directly.

Some of the participants were in line with this and stated that if they plan to buy a product and service from a company and eventually wouldn't get satisfied, they most likely not to go back. However, most of them just didn't like to provide any feedbacks, they would rather share their experiences with their close surroundings.

## **6** Conclusion

Within this chapter the author's purpose was fulfilled, exploring how consumers/readers/users evaluate and base "Reputation" criteria of a brand within a social media context. The goal of this research was achieved as well. The author has defined how the media is effective to promote its business activities based on the "Reputation" criteria. After conducing this research, the author can conclude that based on both focus groups responses, all the factors are relevant in the following manner:

### <u>Trust</u>

The content which is generated within a social media should be overlooked by both focus groups consumers/reader/users and business owners. Since the consumer group is mostly focused on a good quality of product and price as well. And the business owners should maintain the "Trust" criteria on a high level, make sure that an application of the right strategies to get feedback of consumer regarding certain product, to generate a positive perception of a Nike brand. Brands need to be engaged with the consumers and be visible and reachable for consumers in order to keep the high interaction. Consumers on the other hand need to share their values and opinions in a way, that will provide honest feedback so the company will be able to improve that stages where it misses.

#### **Reputation**

A company's reputation, however, doesn't get affected by the amount of attention such as likes and followers that they have on social media. However, if a big accident could happen which was told by a Participant 5 and 6, the company might have a negative effect and could be judged for its product quality. The quality of a product is way more important than content. But still, even though quality is on its first place, the company also invests a lot of money to promote its advertising campaign which concludes that the social media and the correct strategy of marketing are important.

#### **Interaction**

Consumers tend to share both, positive and negative feedbacks in relation to any company. In the research most of the participants would rather share it in person, instead of publicly. Because they are aware that their negative feedback might influence others in a way that might not be even true. All of them, however, find the online social media as a good platform to interact with companies and individuals. Participants stated that they need to have a negative experience as a lesson to further distinguish the right information. Therefore, participants find it slightly difficult to trust other

consumers that provide feedbacks online. However, some of them do share in case if their expectations have been surpassed, by doing so, they show they gratefulness, towards a company.

## 7 Further research

Even though the interaction, reputation and trust on social media is rather unexplored field, the author suggest doing more research in within this framework. More specifically, it would be interesting to make quantitative research in this field where both focus group could have shared more of monetary aspects. Since the author believes that numbers will explore more details and dig more deeply on how interaction, trust and reputation is approached on behalf of two focus groups, by asking such questions like: How much consumers are willing to spend on a certain product or how do they value the marketing strategies that are applied by companies within a social media context. Another interesting option would be to see the correlation of money spend on marketing within social media and sales volume, whether it increases its sales because consumers see advertising more systematically. Nevertheless, all factors that this paper is based on are relevant for both groups. Each individual approaches each factor in a different manner.

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# Appendix 1: Questions asked by the author

Main Concept	Questions	
Reputation, Interaction, Trust.		
Consumers/readers/users	<ol> <li>How many hours/minutes a day you spend on social media? What kind of advertising do you see on social media?</li> <li>Is reputation important for the brand? If yes, why?</li> <li>Does information from other consumers change your opinion about a company? If yes, why?</li> <li>Do you spread information about brands on social media? If yes, what makes you do so?</li> </ol>	
Business owner/workers	<ol> <li>How as a business owner/worker do you think is reputation important for you?</li> <li>Social media and reputation are close to each other? If yes, why?</li> <li>What social media does company use to promote their products?</li> <li>Does a bad review/feedback influence your company brand? If yes, how exactly?</li> </ol>	