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The role of social media in enhancing the modern market relations

Augustin IGNATOV*

Abstract

The Social media environment represents one of the most prospective domains of developing marketing campaigns. This fact is a result of the fundamental characteristics of social media networks which could be summarised by the following: low cost of developing an advertising campaign and a wide audience which it can be addressed to. The present research has found that social media marketing can provide immense opportunities in reaching target audiences. Social networks lead to the shrinking world phenomenon which is catalysed by the digital revolution. Moreover, the research has determined that social media changed the way people consume, thus clients are equally interested in the product itself as well as in the story standing behind this product. Communities created within social media platforms represent an important driver of local development. Social media acts as an intermediary between clients and firms increasing the quality of modern market relations since it provides the opportunity to maintain permanent feedback with all market participants. The general conclusion reached summarises the idea that business – consumer relations have been intensified due to the development of social media networks.

Keywords: democratisation of marketing, social networks, community relationship, Facebook, values sharing.

JEL Classification: M20, M30, O33, O35, P46

Introduction

Attention is the most valuable commodity the humanity has ever known, presently, efficiently trade through social media platforms. According to Achrol and Kotler (2012) marketing in a form or other presupposes exchange of goods, services, personages, places or ideas between the elements of society, including individuals and businesses. Presently, social media is a world-wide market where consumers are reached in the most precise way. By far the largest sellers of online advertising are: Alphabet which has registered, in 2016, \$59.62 billion in media revenue. This company is followed by Facebook, \$26.2 billion (2016), YouTube, \$9 billion (2015), Instagram, \$2.81 billion (2016), Twitter

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Inc., \$2.5 billion (2016) (statista.com). The idea behind these numbers is that selling the attention of people has become a crucial feature of the modern economy. This market is the place where technology, marketing and consumerism met. Thus, technological development has considerably changed the way different market participants interact. Computer mediated environments reduced the cost of this interaction, providing a wide range of tools to reach specifically determined marketing objectives. Internet and telecommunication technologies form the digital marketplace, where digital marketing strategies are developed to reach specific target audience. Digitalisation permits to reach directly the target groups, in the shortest and most efficient way. It also makes it possible to model certain markets according to specific interests (Yadav and Pavlou, 2014).

Soukhoroukova *et al.* (2012) underlined that digital environment makes it possible to thoroughly study a market enabling the firms to develop new competitive products and strategies. Widely distributed knowledge needs permanent analysis requiring high standard competences as marketers need to deal with constant change and information flow. New products and new markets development are determined by efficient sourcing, filtering, and evaluation of new ideas. It is believed that presently there are 2.56 billion global mobile or social media users, this fact means that 1/3 of the world's population is a part of the global social media market (We are Social, 2017). The main advantage of social media is linked to its conceptual framework since it combines all strengths of traditional advertising multiplied by the easiness of interchanging information among thousands of users. Nevertheless, as it was mentioned, the volatility on this market matches its convenience. Thus, few will succeed in standing out the immense flow of information and even fewer to successfully ride the wave of word of mouth marketing- one of the key features of social media.

The researched matter in the present paper is complex comprising various aspects starting with the psychology of interaction between firms and businesses and finishing with the impact of social media networks upon SMEs. Therefore, the methodology involved to reach relevant results and conclusions includes mainly qualitative aspects of analysis. Qualitative analysis is applied in order to identify the main drivers of the so called "shrinking world phenomenon". It describes the main concepts and ideas relating to it and includes a short review of the historical context in which it was proposed. Furthermore, the impact of modern social media upon this phenomenon is assessed and its role is evaluated in the context of the present time consumerism. A qualitative analysis is also applied to assess the impact of social media upon firm-consumer relations in the social media environment. The main advantages which social media offers for both consumers and firms are uncovered. Moreover, the qualitative impact of social media on the perspectives of businesses and at the same time consumers is determined. In this context, it has been decided to come up with relevant examples explaining the general idea behind building marketing in the digital environment. Finally, a

qualitative analysis is used to generally highlight the main beneficiary of the new technologies which are mainly the SMEs.

The present research is intended to provide marketers, practitioners, as well as the academic community with a recent view about how you can reach and maintain consumers' attention long enough, as to be able to build mutually convenient relationships. This paper goes beyond the traditional understating of clients' rationality to comprise certain psychological aspects which determine higher interaction between firms, individuals and the community. Considering this framework, several assumptions need to be made. Firstly, attention is intrinsically ephemeral. Secondly, consumers are highly heterogeneous. Nevertheless, there are several common characteristics for all of them, starting with the fact that, more or less, they are emotional beings, as well as not always rational. Finally, the idea that humanity is highly social and technology has immensely determined the way human interaction takes place can be underlined.

1. The role of marketing in the new digital era

In order to have a more comprehensive view on the researched matter, a subset of relevant literature has been selected. Thus, it can be mentioned that entrepreneurship has always been linked to organisational and individual transformative dynamics. This fact is valid from both a strategic management perspective, as well as employees' operational one. Irrespective of the firms' size, they get through a permanent change, driven by both internal and external factors. Nevertheless, the amplitude of change depends of various aspects, starting with the basic ones, such as the number of employees, and getting to more complex aspects determined by marketing networks, strategies and competitive advantages (Teece, 2012).

Webster and Lusch (2013) argued that marketing has become an important part of our lives since it touches every aspect of our activity. Presently, a successful marketing strategy must be committed to long term goals. First of all, a marketing campaign should promote sustainable values, principles and ideas, avoiding minor, greed determined short term financial gains. In this regard, it should promote both value creation and consumer satisfaction. The priorities should be widened from the customers and firms' narrow interests to a general societal perspective concentrating on citizen-consumer and environment relations. Value co-creation within a socio-economic system must follow the principles of shared visions with a clear identification of the responsibilities that each market participant has. Furthermore, Yoo *et al.* (2012) concluded that digital technologies have penetrated every aspect of our life. They can be found in every service and product we consume. These technologies determine operations of the firms and radically change the way these approach their

consumers. Digital world is beneficial for the business processes since they offer wide opportunities characterised by affordability and accessibility. The main elements of the online world include digital technology platforms, innovation distribution networks, and knowledge of stakeholders. Technology is pervasive, nevertheless, marketer's competences are determinative in assuring company's success. At the same time, Aral (2013) highlighted that social media revolutionised the way we live, work, eat, watch TV, collaborate and finally, create. Business has never been offered such a wide variety of tools to use in order to reach strategic goals as well as operational objectives. The Digital world demolished previous business dogma by offering a totally new perspective. Business transformation is closely linked to digitalisation since the way business and society communicate has consistently changed.

Co-creation is an important feature of modern marketing. Thus, Hoyer *et al.* (2010) underlined the idea that modern technology has made available, for both consumers and marketers, a wide range of tools which makes it possible to foster interaction. This fact resulted in greater role of consumers' ideas, opinions and perceptions in developing and promoting new products. However, marketers, by following different strategies, are not only followers, they could be also creators capable of developing new markets through rightly approaching consumers. The first and the second aspects form co-creation and the role of it in the future will expand due to technological progress. Nevertheless, co-creation is presently weakly understood, since it is a new domain which needs more involvement of the scientific community.

Labrecque *et al.* (2013) stated that the rise of the internet brought significant influence to consumer power. The digital era enabled multiple ways of determining, in details, specific market characteristics to better meet clients' expectations and preferences. The power of consumers is derived from their demands, available information, and established networks. Technological development comes to enable an increased interaction between these variables and a successful marketer should be aware of these aspects to have the right approach. Despite the fact that consumers are determinant in shaping products and services, of increasing importance is the phenomena related to marketer created demand. Lee (2012) mentioned that co-innovation is an important part of present business activity. It emerged as a necessity of firms to adapt to global market changes affected by present socio-economic mega trends. Organisations or firms are no more isolated cells of the society, they should widely interact with various factors i.e. NGOs, media, cultural and religious communities, and adapt to certain needs, wishes or preferences. This fact does not only imply the delivered product dimension but also organisational values, missions and visions. This process, co-innovation determines the production of shared values through the involvement of several key elements: engagement, co-creation, and compelling experience for value creation. The firm's competitiveness

ability depends on the existing linkages and social relations. Galvagno and Dalli (2014) came with the idea that there are two main steps regarding co-creation, co-innovation and values generation which involve science, innovation management, marketing and consumer research. Different analytical tools offer a whole new dimension to identifying individual preferences and necessities. The customer is a generator of wide information flows which should be analysed to better determine the existing trends and identify potential ones. Thus, filtering the wide consumer data flows remains one of the challenges of present marketers. The concept has been broadened by Seraj (2012) who said that presently, knowledge creation is a joint process at which various stakeholders including businesses, consumers, third parties such as experts, or even bloggers participate in. Consumption is no longer only oriented towards satisfying ones needs, it is a form of self-promotion and self-realisation. Socialisation does not necessarily involves family or friends, it considers wider communities unified by certain specific interests. Sharing experiences became a product widely consumed over the web. Instigating engagement and co-creation of value are some of the key features of modern day digital business expressed through intellectual, social, and cultural factors.

At the same time, Tsimonis and Dimitriadis (2014) determined that social media has become an important tool used in achieving specific branding objectives. The digital environment makes it possible to create complex marketing strategies and policies which bring increased return due to its individualised character of firm-customer interaction. Moreover, it allows the possibility to stay in touch with potential buyers raising their awareness about the company's activity. Customer engagement provides opportunities to build client networks around the firm's activity and, therefore, making it more facile to determine other clients to buy certain products or services. Aarikka-Stenroos and Sandberg (2012) concluded that network relations have a determinative role in the distribution and dissemination of innovative products. Firms should be aware of the necessity of strong connectivity with all stakeholders, of whom the most important are customers, in order to ensure the success of their activity. Firms must engage in the complex mediation process which includes the following steps: customer preparation, supply networks building, marketing interaction, relationship consolidation, and credibility building. Competences of the firm to coordinate this complex networks will assure the success of new products or new markets. Moreover, Michelini and Fiorentino (2012) said that modern entrepreneurial challenges motivated businesses to pursue new development models. Thus, the social and inclusive business models have emerged to enhance inter-stakeholders' connectivity. They are based on partner networks directed towards shared values creation. Value chains and use of knowledge, in this regard, are determinative in distributing innovative products or services. Core of the business remains profitability, yet, the vast part of it is decided by the interaction

among the value generation, governance and corporate responsibility, social risks and economic sustainability.

It is of strategic importance to understate how the business should operate social media tools in order to reach its goals. Social media allowed developing brand communities characterised by structure, scale, content and storytelling. Social context and affiliated brand communities are determinative in building efficient firm-customer networks capable of offering permanent interchange of information. Marketing managers must pay attention to keep these communities aligned to the company's activities providing the opportunity for customers to determine strategic directions in new product development (Habibi *et al.*, 2014). Digitalisation has challenged the old business models which have been developed in the 20th century. Technology, in the conditions of globalisation, has changed the logic of business. The IT sector marks the changes of the businesses' strategies and processes which, now, are not only directed towards maximising profitability, but also and more importantly, to reaching sustainability goals. The digital era has connected the entire world and created bridges where technology, represented by the IT sector, is widely interpenetrated with advanced industries as well as day to day consumers (Veit *et al.*, 2014). When developing a new business, it is in the interest of the new entrant to gain certain competitive advantages by choosing a proper development model. In the conditions of creating a new consumer market, the creator has substantial advantage at the beginning which should be wisely exploited to provide the firm future competitive opportunities (Casadesus-Masanell and Zhu, 2013). Presently, it is not surprising to involve consumers in the design process of new products. By involving firm's customer in this process, the company can obtain important information leading to a superior market position expressed through a higher willingness of the clients to buy and provide word of mouth advertising. Moreover, by absorbing permanent consumer feedback, businesses can enlarge their customer base, diversify their profiles, and, therefore, build a more favourable image of the firm. Nevertheless, the marketers' task is to filter the information flow coming from the consumers and select the most feasible ideas (Schreier *et al.*, 2012).

According to Dobre *et al.* (2009) the majority of consumers are rather reluctant to new and innovative products. Nevertheless, a small part of them are opened to new experiences. These consumers are considered to be opinion leaders or risk takers, and therefore, the success of a new product on a market depends on their opinion. Thus, entrepreneurs should be careful in their choosing of their markets to introduce new products as this fact will determine the overall product performance. Kotler and Gertner (2002) highlight that an important role for the success of entrepreneurs in promoting new products is played by the origin country's image. Thus, consumers tend, more often, to be opened to new products coming from states with more favourable perceptions and reputation,

since the country's brand represent a promise for quality and enhanced utility. Consumers tend to buy products from industrialised countries even if the level of quality is the same as compared to other developing nations. Consequently, one will expect to purchase products labelled "Made in Germany" rather than, for instance, those "Made in Vietnam". This assumption is particularly valid when speaking about new products or new product markets.

In the opinion of Sheth and Parvatlyar (1995) an efficient marketing strategy is based on building mutually convenient relationships between marketers and consumers. From this perspective, it is important to identify which the factors motivating consumers to choose a certain company are. Thus, there are a range of components determining the final product choice including personal, social and institutional influences. Therefore, the effectiveness and intensity of the existing marketer-consumer relations motivate the willingness of consumers to try new innovative products or engage in a new market. Atwal and Williams (2017) offered an insight from the perspective of the luxury goods markets. Thus, the traditional luxury branding strategy, where first products are adopted by affluent audiences rather than by the masses, is presently challenged. This fact affects all the products markets starting with clothing and finishing with electronics. In this regard, marketers are challenged in finding new innovative approaches in creating demand for a certain product. Nevertheless, the technological development assured wide availability of the purchase promotion/stimulation tools which, if wisely used, can determine higher returns. Thus, before creating a product market for masses, often its luxury variation is provided to catalyse future demand.

Sarwar and Soomro (2013) underlined the role smartphones play in our lives. Thus, smartphones have intensified the interaction of people with technology. They became an important part of our social life connecting various areas of our activity in just one device. Smartphones have offered a whole new dimension to conducting marketing and changed the way marketers build their strategies. Social interaction by smartphones is accompanied by various challenges, one the most acute being personal privacy. Nevertheless, these devices cannot be replaced, and this fact allows marketers to know consumers better than the proper consumers know themselves. Furthermore, Akturan and Tezcan (2012) covered the area of modern digital payments and its role in performing marketing activities and achieving particular objectives. Consequently, technology has determined the way we pay for the goods and services. Presently many of us use their smartphones with written numbers to pay for real goods. It is no more relevant to carry on burdensome coins and in some cases even paper money since a transaction could be done with a touch on the smartphone's screen. Despite the usefulness and perceived benefits, most people are reticent to these kinds of transactions due to perceived security issues, time and privacy risks. Nevertheless, the real cause determining restrained consumers' attitude is hard to find.

Albuquerque *et al.* (2012) said that the value of promotional activities becomes higher depending on the wider aggregate impact on the individual-level choices. Interdependency between consumers and marketers on a digital market is determinative when considering the success of new products. The firm-based efforts should pursue lighting up word-of-mouth advertising the fact which will multiply the firm's efforts several times and therefore boost the efficiency. Price promotions and traditional marketing, despite having strong impact upon awareness, has little to do with individual purchase decisions, whereas, public relations is more suitable in this regard.

Robinson *et al.* (2013) concluded that the innovation's potential is crucial for the development of humankind. It can be considered as a pill for all ills since the innovation's applicability is various comprising each aspect of human activity. Nevertheless, it should be weighed against multiple uncertainties. New technologies are determinative for our economic success in the conditions of growing global challenges, including global warming and the rising need for resources. Moreover, for a technology to be useful, it should bring utility and be sufficiently efficient to cover the cost of transition to it and at the same time, to cover operational ones. In the area of marketing, innovation regards consumer analytics. Erevelles *et al.* (2016) underlined that consumer analytics has always been a prominent area of interest for marketers. It can offer multiple answers to a wide range of questions. With the raise of digital era, technological revolution, consumer analytics has been given a whole new dimension since the flow of information increased at a rate higher than expected. Competitive advantages are of high importance for the firms to reach their financial goals, thus, various digital tools can be involved to collect and store evidence from consumers, then extract consumer insight and, finally, utilise this insight to reach firm's goals and enhance its competitive capabilities.

Marketing efficiency has been considerably increased with the ascension of social media. This fact is a direct result of the change in the communication pattern with consumers. Emails and telephone calls are, by far, less important as compared to social media. Modern social media tools offer a huge amount of information about consumers, and the real challenge comes with the processing of all this data. Practitioners have changed their research priorities underlining new technologies' superiority over the traditional one (Patino, 2012). Thus, modern managers must keep up with the present changing and interconnected international environment. Both firms and customers are involved in the production of values. Social media, if properly managed, could bring significant advantages to marketers. Moreover, digital infrastructure allows making local-global and global-local relations. The main tasks of managers in this regard are to stay in permanent touch with technology, customers, and social media through actively engaging with clients, implementing technology, and invest in developing employees.

Furthermore, bureaucracy should be limited as much as possible to allow benefiting from talent (Berthon *et al*, 2012). Moreover, some authors considered the dimension of consumer reviews which are crucial in promoting a product on a certain market. Thus, the higher the level clients engage in analysing and offering a certain opinion is, the higher the probability the product to be introduced on a market and, consequently, to be bought is. This fact is particularly important in the early stage sales and has the tendency to decrease over the time. Marketers and practitioners should take into account various aspects of online reviews when launching a specific product or developing a new product market (Cui *et al*, 2012). Other authors analysed this issue from the perspective of the SMEs. Thus, according to Zortea-Johnston *et al.* (2012), the modification of customers' needs by the SMEs provides important competitive advantages in the process of doing business. The capacity of firms to model consumer intentions to buy certain products can cause changes of market structure favouring those market participants who are at the origins of this leveraging. These changes are driven by product innovation. Nevertheless, the object of change can either be driven by specific strategies of firms or by certain consumer predispositions.

Therefore, the researched literature offers a throughout insight upon the interaction of marketing with technology underlining various aspects starting with the interdependency of firms with consumers in the process of new product development and finishing with the effects of digitalisation upon payments. Moreover, the importance of new tools in determining marketer's success at different levels i.e. large company or small family owned business has been covered. Nevertheless, the present research comes to underline the role of marketing, particularly in the digital environment, to create new product markets which consumers neither need nor are aware of prior to the marketing campaign.

2. A Shrinking world?

The present connectivity among people has never been so high until the ascension of social media. This fact makes it possible to share information in just seconds among thousands and even millions of people. According to Jon Guare (1990) who popularised the ideas of Frigyes Karinthy, each individual on the planet is six or fewer "handshakes" away from each other, an opinion which was conceptualised in the theory of six degree of separation. In order to understand this concept, the main characteristics of the time when it was proposed should be examined. After the First World War humanity has known a period of accelerated urbanisation. At the same time, an impressive technological breakthrough particularly visible in such important areas of human activity as telecommunications and transport has been started. This fact improved the degree to which people

became interconnected. Large physical distances among human beings were no longer a barrier to communication. Consequently, the population of the globe developed important networks on the basis of which the whole economic activity was established starting with the sale of securities and finishing with radio marketing. It was a revolution since every person got a way or another to interact without having physical contact in a relatively short, accessible and cheap way. In this context the ideas of Karinthy (cited in Guare, 1990) emerged who assumed that at least two individuals could be connected through at most five or six acquaintances. From the very beginning people got interested in the assumption trying to find a way to prove or deny it. Hence, six degrees of separation, as an idea, has become widely popularised in pop culture and technology. Considering the framework of the present paper, it is not as much relevant whether these ideas are correct or not, the concept itself is important since it describes for the first time something similar with what we call modern social networking and its impact.

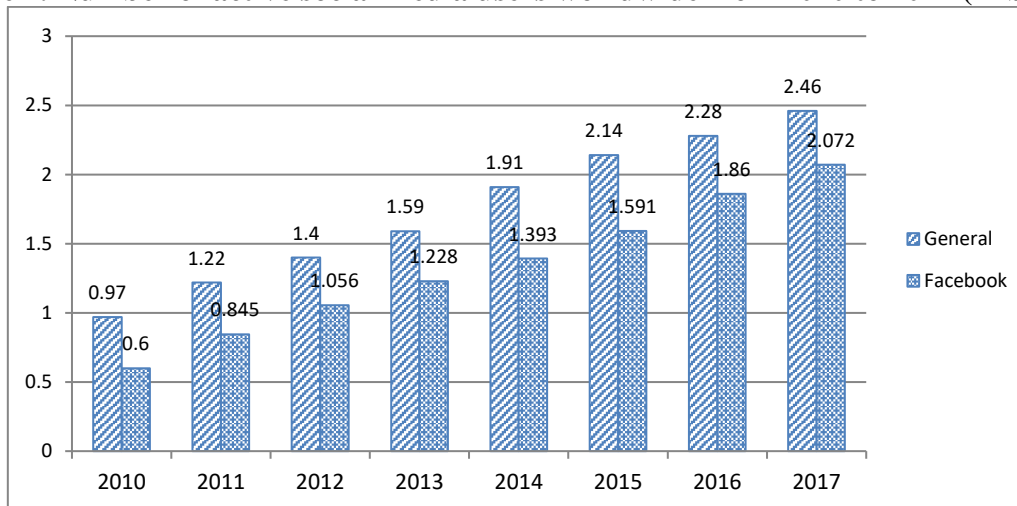
According to a research performed by Facebook (2016) through the use of high complex algorithms, it was found that there are only three and a half degrees of separation among people in USA and 4.57 in the whole world. It should be taken into account that this analysis refers only to the active users of this social network which at that time were 1.6 billion persons. Considering the fact that a normal survey can comprise hundreds or thousands of people and the results are relatively reliable, the conclusion obtained by Facebook through analysing 1.6 billion people's profiles are by far outreaching. The methodology exemplified by the performers of this research is impressive comprising many aspects, each of them directed towards processing and filtering the huge amount of information. Having the possibility to calculate these numbers, properly expresses how advanced modern social media is and which opportunities it opens to marketers.

Shrinking world is a result of technological development which brings people together either, at the beginning, by the use of telegraph or through the intermediation of modern social networks. Nevertheless, none of the technological breakthroughs matches the performance of social media in terms of human interaction which revolutionise the way we live, eat or go shopping. Social media offered a new magnitude to globalisation since we all are influenced by popular trends. The competition in the space of social media is enormous; therefore, the phenomenon of changing trends occurs highly often, what yesterday was trendy, at present it does not interest anybody.

In the paper, Facebook will be considered as the main platform for performing research. There are several important reasons why this social network was solely selected. First of all, it is the largest company of this kind comprising the highest number of users (figure 1). Thus, if in 2010 it included 600 million active social media users or 65% from the total number of people regularly staying on social networks, then in 2017 Facebook reached more than 2 billion users making up almost 85%

from the total number. Therefore, the dominant position of Facebook on this market can be remarked by far.

Figure 1. Number of active social media users worldwide from 2010 to 2017 (in billions)

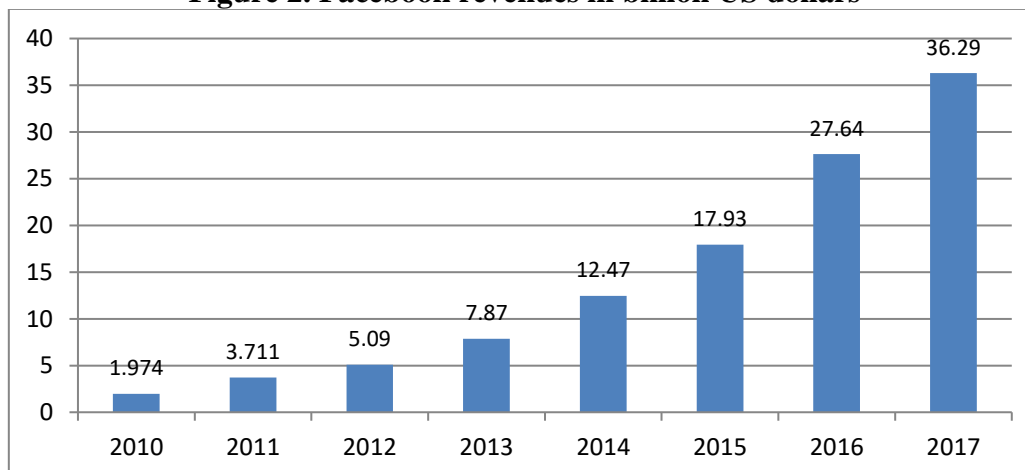


Source: Data retrieved from Statista.com on December 20, 2017

3. The Maturity of the social media market

In figure 2, the increase in revenues of Facebook have increased in the period of 2010-2017 can be observed. Therefore, if in 2010 the total revenue of the company reached almost 2 billion US dollars, then in 2017 it overpassed 36 billion (expected financial result for 2017). It should be underlined that according to the data provided by statista.com, the whole market of social media advertising was estimated to be 41 billion US dollars, thus Facebook has generated almost 89% of the total revenues which came from social media marketing. This number has grown with almost 20% since 2014 when the stake of Facebook was 69%.

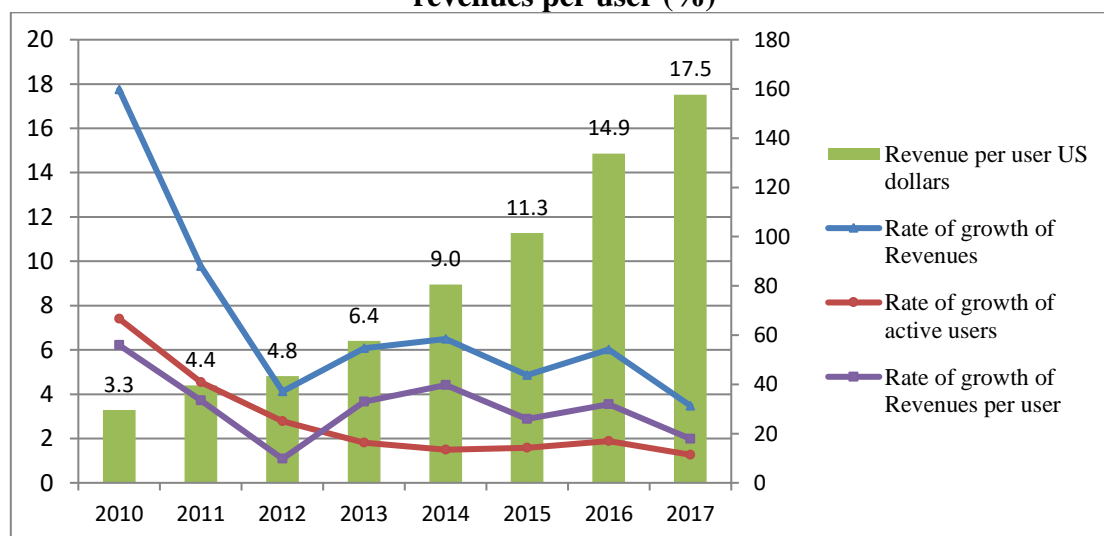
Figure 2. Facebook revenues in billion US dollars



Source: Facebook investor relations (2017), available at investor.fb.com.

Within the period of 2010-2017 the size of revenues per active user of Facebook has grown from 3.3 to 17.5 US dollars. Generally speaking, in 8 years the revenues per user have increased with 430%. This fact underlines the idea of the growing penetration of social media in our life since we consume more advertising and marketing content (figure 3). Moreover, social media becomes more complex since there a higher availability of marketing tools are provided to be used to reach the interests of companies which runs marketing campaigns on this social network. Growing revenues are a sign of expanding market comprising two directions, firstly, growing number of users and, secondly, the increase of advertising content consumed by existing users. In order to determine which factor has had a greater power in the enlargement of social media market of Facebook, the rates of growth of revenues and, consequently, of users (figure 3) should be compared. It can be observed that the rate of growth of revenues is higher that of users during the whole period. Nevertheless, it should be mentioned that in the first years it was much higher than the rate of growth of active users, however, over the years the difference has gradually decreased. Therefore, it can be underlined that for 2010 the percentage difference between these rates was more than 90% while for 2017 it decreased to only 20%. The fact that the differences tend to decrease speaks about the process of stabilisation of the market. There is no more bursting growth of the market of social media but rather a more constant one. This condition is imposed by two circumstances including the stabilisation of growth of the number of users and, somehow, the maturity of new technologies and operating algorithms. The third rate which has been calculated regards growth of revenues per user which comes to confirm our inference about the stabilisation of the market.

Figure 3. Facebook revenue per user (US dollars), Rate of growth of revenues, of users and of revenues per user (%)



Source: Designed by the author based on the data provided by Statista.com

By analysing the information provided in table 1 it can be observed that the rate of growth of revenues per user is both positively correlated with the rate of growth of revenues and of active users, it is logic since these two indicators are components of the first. Nevertheless, the main idea behind this calculus is to underline that revenues and therefore company's income is firstly motivated by the growth in the complexity of this particular market and, afterwards, its physical expansion. This fact is demonstrated by 0.22-point difference in the correlation index.

Table 1. Drivers of the growth of Revenues per user

Correlation	Rate of growth of Revenues	Rate of growth of active users
Rate of growth of Revenues per user	0.86	0.64

Source: Calculated by the author based on the information provided by Statista.com

Concluding this section, it can be highlighted that Facebook is the main social media platform which within the period of 2010-2017 has stabilised and grown in the complexity as a market. In such a way it developed functional intermediation mechanisms between the demand and supply. In our case demand is the need for companies to advertise and develop marketing campaigns while the supply is the people's attention. The main attribute of Facebook regards accumulation, processing of people's attention free of charge while the distribution of it to firms wanting to raise sales, for instance, charging a specific price. It should be pointed out that consumers in this case offer their attention by changing it for specific services Facebook is providing relating to fostering our social interaction.

4. Firm-consumer relationship in the social media environment

The advantage of social media and in particular of Facebook as a market intermediary regards the possibility to gather all consumers on one platform allowing quick interchange of information through specific channels. Moreover, social media provides the opportunity to pool consumers depending on specific characteristics and features such as interests, age, location, preferences and many others. Thus, despite the fact that all consumers are present in the virtual environment, they are structured according to different principles which ease the process of approaching consumers at least at three levels, including general, narrow group and individual. This possibility is not present in such an extent on other markets. For instance, at the general level awareness rising campaigns of broad interest i.e. relating to national elections, to ecological and climate changes, and other can be undertaken.

Nevertheless, when including specific commercial interests, several elements have to be remembered in order to have success. Firstly, it is necessary to touch the interest of the general public i.e. through promoting a cause, belief, value or by introducing something revolutionary and game-changing on the market, aspects which are necessarily to have a high degree of novelty. In this case, firms besides their resources will cumulate people's attention and enhance their participation. Secondly, the emphasis should not be on accentuated on commercial characteristics, but rather on the primary social goal touching each individual. At the same time the campaigns undertaken at the level of group or individual should consider specific characteristics in such a way as to be relevant for them. Fortunately, social media provides a wide variety of this kind of instruments which are presently extensively involved to boost efficiency in developing reliable and stable relationship with consumers.

From the point of view of the firms, social media, in general, and in particular, Facebook favours both smaller and bigger companies offering equal opportunities. For the small firm social media is beneficial due to possibility to build, in a relatively short period of time, a customers' base and increase their participation in dissemination information about firm's activities, ideas and values. Furthermore, small firms have higher chances in lighting buzz advertising if coming on a market with an innovative idea. This fact is particularly valid for technological start-ups or creative ones. Thus, according to an article published on the international edition of The Guardian in 2017, Nikolay Piryanov succeeded in gathering 195000 pounds from crowd-funding to develop his online jewellery start-up. Also, several products have been developed due to the contribution of crowd-funding which otherwise would not have been introduced on the market. Thus, according to Forbes (2014), The Pebble E-Paper Watch, Ouya (open-source game console) and Pono Music became financed in amount of \$10,266,845 in 37 days, \$8.5 million in 29 days and respectively \$6 million raised in just 30 days. All of the examples underline the idea that social media is a powerful tool which can be used in developing impactful marketing campaigns, which in other conditions would not have been made.

In the case of already established brands, for instance, either in technology or clothes the digital environment offers the possibility to maintain a permanent relationship with the customers. This fact is particularly important in modern competition since the customer is not being seen as "just" a consumer of a firm's products or simply as a client but rather a participant in the process of creation. The Relationships between firms and customers are more often regarded as partnerships which help both parts in satisfying their demands. The simple process of buy-sell has become increasingly complex with many peculiar aspects expressed through a variety of loyalty discounts, firm's community membership opportunities and other aspects.

The focus of modern business is put on the community in which both the firms and customers co-exist and on the respective relationships. In this regard, it is necessary to bring the example of Tesla's CEO and one of the brightest entrepreneur of our time, Elon Musk who responded to a frustrated customer (who said that sales representatives of Tesla were not kind) on Twitter mentioning that it was not ok and the situation should be clarified (CNBC, 2017). There are several messages which derive from this example. Firstly, social media made it possible to flatten the distance between consumers and the firm's highest leadership. It is already a fact, that a post of an average client which gathered a sufficient number of likes or re-posts will determine the firm's higher representatives to take it into account. Secondly, the novelty of this act combined with the high reputation of Elon Musk has brought important favourable attention to Tesla's image. This action has catalysed word of mouth advertising and the most important aspect regards the fact that it did not cost Tesla anything. The act itself and the image of the CEO made it possible to determine people to participate in disseminating information which quickly spread over the social networks, including Facebook, the site where I found the post. Thus, with few resources and indirect marketing it was possible to reach a global audience, an opportunity which only social networks can offer in such an extent and impact. The only disadvantage is its short-term existence.

5. Small and Medium Sized Enterprises-Facebook binomial. Win-win choice

Building communities is the key aspect which determined the success of social media, in general, and in particular of Facebook. SMEs are the driving force of modern social media since they are flexible enough to meet the most peculiar demands of consumers the fact which results from the close relationship with the client. Facebook brought this relationship at a whole new level since it allows maintaining permanent contact and interchange of feedback. In April 2017 Facebook overpassed 65 million advertisers capable of reaching an audience of over 2 billion people (Forbes, 2017). By far the largest part of the businesses is represented by SMEs which boosted the revenues of Facebook within the last years. Firms became interested in going online due to the opportunities offered by this particular social media platform. It brought firms closer to their customers and allowed both businesses and clients to work together for the best interest of the community and of the society as a whole. Moreover, social networks provide the opportunity to go beyond present political and cultural differences, beyond borders, to create global communities united by mutually shared values and beliefs. At the same time, it determines the increase in intensity of the collaboration between firms and their clients at the local level. In any case, social media provides win-win choices due to its conceptual business model based on flexibility.

Certainly, social networks help businesses to grow and develop. At the same time, these firms make the role of networks more important as a digital market. The interaction among technology, business and clients makes it possible to democratise modern marketing. Sheryl Sandberg says “*The technology is democratizing. Your phone can shoot a video ad, and for just a few dollars, you can reach people on Facebook. In the past, it would have likely required a large budget to reach the demographic you wanted*” (Forbes, 2017). The distances among people and business became narrower; this fact allows keeping permanent feedback which is the driving force of progress and community’s growth. The merit of Facebook is that it unites people finding out which are our common interests, ideas and values. Social media revolutionised the concept of business and of marketing, since society is not only interested in what the company is selling, it is also concerned about the story standing behind the firm (Forbes, 2017). Furthermore, mobile technologies made it possible to reach each person individually and keep him/her connected to a narrower or wider community. In such a way, the services offered by Facebook extent to the ease of the process of interaction between business and technology and clients.

Conclusions

Digitalisation is the newest stage of development of human civilisation. It is a corner-stone of the information society we live in. The importance of the digital revolution could be compared only with industrialisation or renaissance which occurred in the past centuries. Social media is one of the most important parts of the digital environment. It provided a whole new level of interaction between firms and clients and emphasised the role of the community relationships in daily business.

The present research comes to underline that social media in general, and in particular, Facebook has considerably improved the quality of marketing. It provides businesses with an enormous flow of information which can be processed to reach the best results. Moreover, the relationship between firms and customers are considerably enhanced since the last have higher participation in determining businesses to produce more specific and individualised goods. This fact improves the quality of consumer satisfaction determining higher standards of living. Particular opportunities, the social media environment provides for new businesses coming on the market with products characterised by a high degree of novelty. Thus, in a short period of time and with relatively few resources a company having an innovative idea can develop and attract investments. Society and entrepreneurs are both better off since one receives a desired product and the others the financial resources. This fact is possible only because of the conceptual framework of social media environment which shrink the distances both physical and cultural among people creating a

favourable climate where best ideas can find a way to become realised. Besides this, social media has changed the way people consume. Thus, the proper characteristics of the product is equally relevant as well as the story standing behind its creation or creators.

As it was mentioned in the introduction, attention has been the most valuable commodity humanity has ever known. In this case, social media is the market where attention is most efficiently exchanged, including buying or selling it. These attributes belong to businesses who purchase attention and market intermediators which sell it, in our case on Facebook. Nevertheless, consumers are the primary decision making factors who ultimately decide where to direct their attention as well as their money. Market intermediators as well as most of the firms just conform to the desires and wishes of consumers and supply the necessary tangible or intangible goods/ services. However, fewer businesses can create demand and turn the market to bring them a certain advantage. At the same time social media offer particular advantages to SMEs. It can help entrepreneurs to consolidate their positions at the local level and created efficient communities collaborating to reach common goals.

Therefore, it can be mentioned that social media is inherently different from traditional media since it offers a more diversified bundle of tools for marketers to develop advertising campaigns. Moreover, it brings connection between people at a higher level and makes it possible to have permanent feedback between firms and consumers. Relatively low costs of developing marketing campaigns on social media offer considerable opportunities for smaller companies or individuals to create, and obtain the attention of people.

Some of the limitations which this research confronted with regards first of to having all coverage of just one social media company. Nevertheless, a justification is its dominant position on the market, the company comprising by far the largest part of active social media participants. Secondly, many aspects of the research are related to the psychology of humans the area characterised by a high degree of heterogeneity. Therefore, just several driving aspects which represent generally the research's mainframe have been covered.

Further research opportunities regard the possibility of underlining specific methodologies applicable by the firms in order to reach particular consumers and register an expected result. This area could be developed by comprising specific areas in which companies operate taking into account the firms' characteristics including size, resource availability. At the same time, the importance of talent in developing marketing campaigns within social media can be assessed. Moreover, since digitalisation offered broad opportunities, the firms' entrepreneurial culture should adapt accordingly. Thus, in order to attract creative and motivated employees able to face the modern challenges, management of the companies should develop proper cultures to provide the staff with the required liberty but at the same time obtain the desired outcome. As it can be observed, digitalisation in

general, and in particular social media offer increased opportunities for all participants i.e. businesses or free-lancers. In this context, it should be remembered that digitalisation shortened distances among people, but at the same time it determined higher competition in which only those gifted with talent and who developed consistency and perseverance as well as discipline can keep surfing on the wave of the success.

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