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European Business Administration

The Word-of-Mouth Phenomena in the Social Networks
Century; Are Social Networks Becoming More Persuasive
than Word-of-Mouth Marketing in the Czech Republic?

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Statement of Originality

I, Alexandra Bakhnova, hereby declare that the material contained in this submission is original work performed by me under the guidance and advice of my mentor, William Pattison. Any contribution made to the research by others is explicitly acknowledged in the thesis. I also declare that this work has not previously been submitted in any form for a degree or diploma in any university.

Alexandra Bakhnova, December 1, 2016

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1. Abstract:

The aim of this project was to prove or disapprove following ideas and to answer following questions:

- 1) There can be seen a new shift from traditional Word-of-Mouth to a new kind of the internet Word-of-Mouth marketing.
- 2) Determine whether reviews that appeared in social medias are more reliable than the Word-of-Mouth in real life or not.
- 3) What influences more on the purchasing behavior of the Czech people: social networks or Word-of-Mouth marketing?

The main reason for creating this project was the strong belief that the key findings that were to be made from this project could be useful to all business located in the Czech Republic. The results of this project could provide marketers with an easier understanding of the Czech consumer behavior, so that it would help companies to adapt their marketing strategies to the market's needs and wants.

2. Introduction:

The mentality of a nation is a complex concept, which is built up from many different factors, that is why each nation behaves itself in its own manner. This behaviour determines the decision-making process, when it comes to making a purchase. Some nations are ready to take risks, some are very price sensitive, and others are willing to pay the good price for the good quality. So what kind of people are living in the Czech Republic?

How often do they leave a review online? Do they talk a lot about their shopping experiences to their friends and family? Do they check for different opinions before making a purchase? And what is the most valuable source of opinion for them?

The Internet has a huge impact on our lives, accelerating it, making information flow easily reachable and widely distributed. The voice of each and every one willing to be heard has a chance to go viral and get their own "15 minutes of fame". One of the goals of the research is to show how Word-of-Mouth was transmitted into the online version of itself by means of the social media and other Internet tools.

"15 minutes of fame" are important nowadays, for the reason that we are living in the century of the self and ego. Consequently, marketing has developed and evolved. Starting from primitively associating product with basic emotions, wants and needs, ending up making a person feel himself unique, while wearing or using the same product or service just like the others.

This research aims to marginalize and identify how the Czech people are making their purchase decision. This goal was achieved through a created questionnaire that was filled by a large group of people from different parts of the country. That will allow the research to make the valid conclusion on how Czech people assess information on the

experience of product or service usage. This information will be beneficial for any type of business in the Czech Republic.

However, in order to create useful information out of data acquired, basics of marketing field discussed further should be thoroughly explained. Starting out with fundamental ideas, slowly shifting into the deeper analysis of what Word-of-Mouth is, covering Social Media Marketing, and how it changes the psychology of regular online users.

3. Definitions and Basic Principles:

Since this whole project is purely in the marketing field, its basics and further derivatives should be identified. **Marketing** is a process of identifying and understanding the wants and needs of a specific group of people and then satisfying these needs through 7 Ps of marketing.

The first “P” stands for **Product**, which assumes physical features of a product like its shape, colour, dimensions, its brand story, instructions, warranties, packaging, accessories and so forth.

The second “P” is the **Price**; it determines strategy used by marketers in order to define how much money to charge for a product or service.

The third “P” associates with **Place** and it directs where to sell the product, through retailers, distributors or internet, etc.

The fourth “P” means **Promotion**, which is the way company chooses to communicate the story to their customers. It includes advertising, sponsorships, events and many other tools to promote the brands, goods, and services.

The fifth “P” strategy includes **People** or the human resources, and it assists to establish the particular standards for them. Employees, especially those who are directly dealing with customers are supposed to have certain identified characteristics meaning their demographics and psychographics.

The sixth comes to **Process**; that is the way of how a customer gets a product, what particular steps he or she is supposed to go through before actually getting the product. As an example, a person wants to buy a bicycle in any Internet shop. Customer firstly should go onto the website, then search for the product, choose it, put it into "shopping

cart," leave order details (like billing and shipping addresses and phone number), pay for it and only then receive the actual product.

The final "P" is Physical **Environment** or **Ambience**: the actual environment of the shop, which affects five human senses: taste, smell, vision, hearing and feeling.

There are also 4 Cs represented to the world as a customers' respond to the companies' performance. Their viewpoint on 7 Ps of Marketing could be represented in next 4 points, which shift the focus from business to the customer.

The first C is Customer Value, and it opposes the Product. The chosen good becomes a tangible asset after the selling process comes to an end. This asset is used and therefore needs customer service.

The next C is Cost, and it opposes the Price. The process of price determining should not only comply with the cost that takes the business to create product or service; determining should also take into consideration the fact that customer has to spend time and energy in order to look for, buy and sustain the product.

The third C, which opposes Place, is Convenience. As stated before - the customer has to spend time and energy to find the needed product. Therefore, one of the main tasks functional business faces is to establish the easiest, most intuitive and obvious way for the customer to get and use the product.

Communication is opposed to Promotion, and is the last C. This concept assumes that business should not focus on the right way of promoting what they have to offer to the sought-for particular audience. Instead, it should consider what kind of product its customers are willing to buy, what business could offer. Meaning that the key goal is not to find the right audience for your product, but find the right product for the audience.

In this particular project, the 4th P- Promotion and 4th C-Communication are the main field of the research and their aspects will be closely analyzed and discussed.

A placebo is commonly a simulation of medical treatment that has no actual effect, and is created in order to deceive the patient. The patient who is receiving and consuming such medicine, after which is feeling better, then he is experiencing a phenomenon called a placebo effect.

Customer-for-life: customer, who became very loyal to the brand and, ideally, would be purchasing any products that the particular brand releases.

Main two concepts that will be discussed and compared in this project are Social Media Marketing and Word-of-Mouth marketing. For clear understanding, these concepts should be defined as well.

Social Media Marketing or SMM is the process of usage of the Internet social media and websites to reach new customers with their product and also to engage with the existing customers.

Word-of-Mouth or WOM marketing assumes personal words and recommendations of friends and family or any other close people. This information is supposedly more reliable than ads coming from a commercial source. Moreover, it should be highlighted, that Word-of-Mouth marketing that took place through the Internet is defined as viral marketing. However, since the Internet enables the use of different media tools, which transmit not only the human voice, Word-of-Mouth could be conducted by the means of sharing pictures or videos.

4. History of Marketing

Before the beginning of 20th century, businesses did not yet come up with the notion of marketing, mostly explaining through their advertisements the practical and positive characteristics of the product or service that they were trying to sell.

The great documentary called "The Century of the Self" (2002) by BBC (Adam Curtis) explains this shift from practical selling to self-marketing very well. Mr. Edward Bernays at the beginning of 20th century presented his point of view on how business should position its products and how they should be promoted. He took the ideas proposed by his uncle, Sigmund Freud and showed how easy it is to manipulate the minds of the masses; he showed American corporations how to sell to target audience products, which those people did not even need. The main idea assumes that product should be promoted through subconscious desires of people, manipulating them by satisfying human ego; this led our society into the state of consumerism in less than 100 years. Therefore, instead of selling the product, promoting its physical features, Edward sold emotions and feelings, which were deeply interconnected with the product. What helped Bernays in his success was the understanding that people mostly think irrational, and are prone to make emotional and impulsive decisions. Taking this into respect, he started creating stories that touched audience's hearts, engaging them emotionally as much as possible. He successfully made people believe they will feel better only and only if they will buy the one particular product promoted. As the example, in 1929 George Hill, the president of the American Tobacco Company, realized that at that time, he was missing a share of the market - women, since there was a taboo for them to smoke. He hired Mr. Bernays, setting in front of him an impossible goal - shift society's perception and destroy the smoking taboo. Mr. Bernays created an advertisement campaign for cigarette producer, which was so successful it had changed the perception

of women's freedom and rights. He hired a group of women, and informed the press that there will be a demonstration for women rights on Easter Sunday Parade. "Torches of Freedom," or simply cigarettes were lighted up by the group of women publicly, so that it would be maximally exposed. Keeping in mind that it was a time of the taboo, the campaign left a drastic mark on society's consciousness, shifting it from a taboo state to a symbol of women's freedom, equality and even power.

A fact worth mentioning is that 30 years later after this "Torches of Freedom" campaign, Edward Bernays was mostly supporting anti-smoking campaigns.

Marketing evolved in the way that it started to connect products not only with the feelings and with desires. Marketers started using celebrities in their campaigns to connect success of the given known person with the product promoted in the eyes of their audience.

Marketers create stories people want to follow and believe in. Marketers are the masters of creating a Placebo Effect, making people feel the right emotions while using the product or service. As an example, if a woman buys a perfume called "Passion by Christina Aguilera" then she will feel herself more passionate and attractive, even though everything it does is adding a pleasant aroma to the body. The Placebo effect here comes from the fact that this perfume is associated deeply with "sex-symbol" Christina Aguilera, with her beauty and success, who is the official face of the brand. Moreover, this perfume is an opportunity for those women who want to be on Christina Aguilera's place, to feel themselves in that way.

If marketing strategies are set and performed properly, it can create long-lasting relationships with the customers, or even create the customers-for-life, what in its turn can lift company's income to an absolutely another level. The main disadvantages of

this strategy, commonly called a "Pull" strategy, are that it is quite expensive and each step of its process is very time-consuming.

On the opposite side, there is a "Push" strategy, which includes whatever possible means of sale (like discounts, contests, happy hours, etc.) in order to force a customer to get the product or service. Throughout time, it became quite cheap to sustain and not very time-consuming. On the other hand, such a strategy does not encourage on its own a customer to engage in the long-term relationship with the seller-company.

Marketers are always looking for the best way to promote their product, in order to bring the information and communicate ("tell") their stories to their target audience, they try every possibility. There are already many methods to make people recognize about the existence of the product or service, and one of them is the personal communication channel. It is a communication of two or more people directly with each other face-to-face, over the telephone or through e-mail and the Internet. Such type of communication is one of the most effective since it brings almost constant and instantaneous feedback. Some of these channels are controlled by the seller-company, through its salesperson. Some of them are not directly controlled, however, are still established through consumer guides, advocates or other independent third parties' experts.

5. Basic Promotion and Communication Principles

All the financing that organization is spending on marketing has the one and only main intention – deliver to both existing and potential customers a consistent message. The 4th P and C of the marketing mix are the main principles, basing on which marketing makes this delivery possible. Promotion or Communication mix is a set of both “push” and “pull” strategies, aimed to make people recognize promoted brand. This mix consists of many different techniques, most of them which are crucial to the topic discussed. Such things like Consumer Sales are meant to make a short-term increase in sales. Things like the advertising, PR and sponsorships are there to create "buzz," which will be discussed later in the research. Professional Selling and Direct Marketing are creating the most personalized communication channels, which are of the biggest interest to the research. To support these statements, each of the notions have to be analyzed.

Consumer sales promotions are cheap in the implementation tools like small contests and games organized with the public, coupons that provide the customer with discounts, rebates, etc. These purely profit driven campaigns are made up of promotions that do not cross or blend with any other type of Communication mix, and are independent. All is intended to do is to make the customer to take action as soon as possible.

Advertising is the main marketers' tool for distribution of a short message to large group of people, identifying and reminding about the existence of the brand. Almost every type of known media is used in this type of Promotion: newspapers and magazines, television and radio, mail and the Internet. Telephones also are a tool, as well as the Internet includes in itself different social media and blogs.

Public Relations or PR is the type of promotion which goal is to create, correct and promote the image of the company or particular brand. This Promotion tool by its nature is the most objective out of all of them, for the reason that all the information created has to be perceived by everyone else as if it was tailored by a third party. By information it is meant – press releases and conferences. When a company grows bigger, sponsorships and other derivatives generate Public Relations. After a while of doing business, company's sponsorships, especially of events and "experiences," grow so big and important as much as PR that they start to be considered as separate parts of Promotion mix, conducted by separate departments. Public Relations is one of the parts of the Promotion mix that could be conducted not only from inside of the company but could be as well outsourced to PR agencies.

Sponsorship is a notion of providing financial support to different kinds of events or experiences, which in their turn target specific, interesting for sponsoring business, audience. Such events do generate Public Relations and support positive company image. The more sponsorships conducted and more finances invested – sponsorships become more and more important for companies' PR. For example, company Red Bull, which supported different sports events like motocross, will be negatively affected in case their sponsorships will be canceled. Moreover, many businesses are involved with each other in a practice like partnership. This practice implies creating product, service and even events helping each other and maintaining mutually beneficial relationships with each other that are positively affecting both images of the companies involved.

Direct marketing assumes promotion materials to be delivered in the most personalized in some cases even interactive manner possible. Communication channels are similar to the Advertisements ones: the Internet with e-mail, direct mails, direct-response advertisement, catalogs and so on. The idea behind direct marketing is an assumption

that personalized promotion will motivate the audience to interact with the brand intensively.

Professional selling assumes a direct interaction between a buyer and seller. Such interaction most of the time becomes a basis for developing the relationship between customer and salesperson and, therefore, with a company. The goal there is to create long lasting or even lifetime relations. It could be performed through different communication channels like in person, the Internet, telephone or another kind of technology. It should be noted that with such a high level of interaction both buyer and seller have objectives to be satisfied simultaneously for an agreement to be successful. However, it should be mentioned that the most utility such strategy gets out of Business to Business relationships, rather than from Business to Customer ones.

6. Word-of-Mouth Marketing and Its Advantages and Disadvantages

The target audience can get statements or opinions about the product from people of their circle - family, friends, neighbours, etc. Such a channel is considered to affect many areas of the product, for a simple reason that person while talking about a product puts his or her personal reputation at risk. The marketing itself happens when the name of the brand is reflected in daily dialogs of the targeted audience. Such engagement is often encouraged through public activities that were set up by companies, or through “buzz” that was produced by specific piece of media (photo, video, soundtrack) that went viral. Another way to make people create Word-of-Mouth is to exceed their expectations. Provide them with a product or a service of a better quality than they expect, and it will create “buzz” around your product or service as well. Therefore, depending on your choice of “buzz” source, it will take a different amount of capital to generate it. It could be a part of your production cost, in case you create an excellent

product or service, or a part of employee salary, if you employ ambassadors who spreads the word.

Three key advantages of Word-of-Mouth could be highlighted. The first and the main advantage is **trust**. Statistics show that 92% of the customers are willing to trust people from their network, and 70% of them to those anonymous reviews that are posted online (Patton, 2015). Trust is crucial in any business relationships. It doesn't matter if a business operates B2C or B2B - Word-of-Mouth ensures that people spreading the word are increasing the level of trust to the brand. As a consequence, second key advantage can be derived, which is **loyalty**. Constant successful relationships based on trust lead to loyalty. "Gaining new customers for your business can be a challenge, but with a referral program, it doesn't have to be" (Patton, 2015). Customers that got interested by Word-of-Mouth tend to stay loyal to the brand longer. Moreover, it is an 18% higher chance that they are more likely to keep on operating with the business than those who recognized about it any other way. "People tend to have a stronger attachment to an organization if their friends or acquaintances share a bond to the same establishment" (Patton, 2015). The third advantage is the one that keeps people talking – “buzz”. To make the Word-of-Mouth effective there should be actions or events that are "always on," providing people with new "fuel" for the further discussions.

On the other side, such sort of marketing is not ideal, bringing with itself some restrictions and burdens. For example, the speed of spreading the word. It takes time for employees to tell others about what the business does. It might take even longer to build up a group of people big enough to become bearers of the word and risk their reputation while advising the product to others. Surely, the Internet tools can speed up this process; posting information in business blogs, social media will bring people's attention quicker. The drawback of that online way is that it is less personal. Another drawback, caused by

the speed of spreading, is the limitation of the audience. At the same period of time, Word-of-Mouth will reach fewer people, comparing to any other type of marketing, since there are just that much people in one's circle. Over the longer period it will reach other potential clients, however, in the meantime there might be a shortage in clients' database of the business.

Another issue arises, when it comes to further marketing planning. Word-of-Mouth does not bring a trustworthy basis for such planning. It is almost impossible to track those who acquired information about the business through Word-of-Mouth. The client could be asked when he or she comes to "store", however, it is just a portion of those people who got to know the business. Others, who did not react to the Word-of-Mouth marketing are off the charts, meaning an unknown and unidentified variable in your plan.

And last but not least - the negative recoil. Such marketing is uncontrollable, which means you are not able to correct the information that carries Word-of-Mouth. And in a case of non-satisfaction, a person will spread negative opinion on product or service with pleasure. Even worse is the fact, that most likely business will have no idea about the negative recoil unless the person who have heard it himself will inform about that or it was posted online.

7. Social Media Marketing and Its Advantages and Disadvantages

Social Media Marketing (SMM) is a type of the Internet mean of spreading the word about the company and its brand. It is conducted while using websites, social networks, blogs and media channels as the main tools. Social Media Marketing allows firms to reach those potential customers, who otherwise could not be reached due to geographical or temporal limitations. The main idea is to come up with such content that users will be willing to share on their web pages and within their networks. That, in its turn, leads to increasing of exposure of brand, opening new horizons of potential clients.

The key component of Social Media Marketing is Social Media Optimization (SMO), which is a strategy that assures that new customers will be brought to the website. There are few main methods of how it could be done. Popular content can contain a social media link, or a link to the RSS feed or a sharing button - therefore providing a user with as many simple ways as possible to share the information. Another more of a straightforward way is to post the content constantly by uploading it on your social web page, "tweeting," creating blog posts or updating status.

In those cases, when one already knows what he wants from which company and how he or she is most likely to know the web address. In any other case - there are search engines. Except for a paid position on the list of returned by the engine results- websites (including social media pages) are searched for and are listed according to particular texts presented on the page. The process of presenting the exact right information on the page so that search engine would consider it suitable according to search criteria is called Search Engine Optimization or SEO. Marketers have to comply search engine optimization manager and vice versa for page not just to attract, but at least to be found

on the enormously large World Wide Web. It considers not only the text alone, but the overall architecture of the website: starting with where and what links lead to specific further pages, a name of each page, ending up with the right place for the share button, so it would be intuitive and easy for a customer to surf through the website.

With a simple presence on the Internet or having a complex Social Media Marketing, a company gets one of the fastest ways of acquiring feedback from customers. That makes company's customer service look more personalized, as their complaints are heard and are responded to, as well as their questions being answered. Such feedback is an unlimited source of information for managers to track customer-identified problems with a product or a service and helps to determine new market opportunities. Acquiring information in the real time and ability to instantly react to gained feedback is considered to be the passive approach.

An active approach assumes social network to be used as another communication channel. It is not as personalized as Word-of-Mouth channel, however, is still much more effective than most of the other media marketing ways. It is so, for a simple reason, that targeting a specific audience is more precise and much easier. The electronic basis of the channel also provides marketers with "effective and measurable customer-engagement tool." "Using customer influencers (e.g., product user forums) can be an efficient and cost-effective method for announcing new products or services" (David Hall, 2015).

There is quite a lot of similarities that could be found between Word-of-Mouth and Social Media Marketing. However, Social Media Marketing stands out with its one major advantage - the amount of information and speed of its transmission. Moreover,

this potentially enormous amount of information could be easily organized and designed in such a way, so a potential customer could easily digest it.

Furthermore, people are not just "reached," they choose to follow your page. In addition to the fact, that targeted advertising on social networks sorts potential customers according to their personal information, social media provide a cheap and targeting-precise platform for marketing.

"Not only has new media demonstrably altered how often people communicate online, but it has also enlarged the pool of individuals they communicate with, and led to new ways for behaviors to be influenced" (Nadaraja & Yazdanifard, 2013, p.3). The social networks are getting bigger and bigger each day, providing marketers with a larger pool of people that could be brought into interaction with the brand. In the context of the Internet usage, interactivity assumes almost any kind of action done online. The more interactivity brand provides - the more there are reasons for users to create their own content. User-generated content (UGC) is almost any kind of track left after online interaction: video, image, blog post, comment or a review posted online. Interactivity keeps the "buzz" online. Therefore, it is a fairly easy way of spreading the word about the brand. Because of reliable online reviews, and online "buzz" it creates, user-generated content is the last but not least advantage of the Social Media Marketing. As well as it is its first disadvantage.

All the ratings and reviews posted online, are useful and bring prosperity, only when they are positive. Otherwise, it could be devastating for the brand image, since user-generated content has a relatively high degree of other customers' credibility. People online become ambassadors, advertisers, and marketers of the brand - they have a force of pressure, which could be negative or positive for the brand, regardless of what the

company wants. The vector of ambassadors' reviews, in this case, is determined not only by the quality of a product or a service obtained but also on how a brand is presented and acts online. Unsatisfied clients or other competitors can post offensive or detrimental content, and there is not many things what marketers can do about it.

With high interactivity and the huge amount of user-generated content comes a problem of copyright and trademark issues. "Companies should monitor their own social media outlets as well as third-party social media platforms to ensure that those providing content through the media outlets are not misusing their intellectual property" (Nadaraja & Yazdanifard, 2013, p.5). Furthermore, problems with privacy and security issues might occur when interactivity is high. The company has to be sure that crucial business information saved online (employee's personal data, work databases, etc.) would not be exposed, will not become a target of data fishing, and so on. Creating any sorts of campaigns or contests via third-party social network brings a risk that user-generated content of consumers or other parties might violate privacy policy or terms and conditions of the social media, not to mention the fact that brand itself has to determine terms and conditions for all of its social media outlets. Moreover, the setting of a strict and specific prohibition on trademark usage in user-generated content is crucial in case marketer conduct campaign or promotion online. Therefore, in order to protect its own intellectual property, the company has to constantly monitor not only its own social media outlets but also the ones belonging to the third parties.

Social Media Marketing includes in itself so many different aspects and interactions that it takes as much of commitment. Separate employees or even a whole department is required for this type of marketing since they are responsible for monitoring the legitimacy of online content connected with the brand, answering the questions and inquiries (working closely in cooperation with customer service department) and

reacting to user-generated content as well as generating own content about a product or service.

8. The World Marketing Trends

Nowadays, marketing developing is so fast paced that in order to keep strategy effective all the trends and shifts in marketing have to be considered. For example, any business in 2016 has to keep in mind the fact, that buyers' decision-making process is getting more complicated. Dave Chaffey, in his article "Over a 35-day period, it averaged nine visits to 5 different websites amounting to 34 minutes in total. The influence of online channels is clear with 82% of purchasers researching online against 4% using offline only" (Dave Chaffey, 2015). Potential customers are getting selective and demanding. They are able and are willing to use available online information in order to make their choice. Which means that they are now spending much more time with electronic devices in order to complete their research, then getting their info offline.

Talking about time - generally, each adult member of humanity spends two times more time online than it was in a far 2008 (2,7 hours/day in the year 2008 vs. 5,6 hours/day in the year 2015). It should be mentioned that in the past, the mobile internet usage was miserable (only 0,3 hours per day) comparing to laptop and desktop computer browsing (2,2 hours per day). Last year, the computer browsing increased a little (2,4 hours per day), while mobile internet browsing increased drastically exceeding the computer browsing (2,8 hour per day). This only proves opinion of many that technologies integrate more into our lives (Dave Chaffey, 2015).

Therefore, companies have to adjust accordingly to the new trends. At the beginning of the digital era, when it was just a dawn of digital marketing, corporations and business organized their departments in a logical at that moment way. One team was responsible

for product marketing and branding, and another, absolutely separate, was leading the digital marketing. However, as it was discussed before - times change; digital is integrated with real life. The main problem right now that the majority of companies faces is the fact that when it comes to a campaign creation, digital aspect is a "silo," which is not able to communicate with the other marketing agencies. As a result, there are campaigns created, which are not able to go across different media and platforms. Amanda Rendle, HSBC global head of marketing for commercial banking and global banking and markets, stated: "We need to go back to what marketing is, and the product is marketing. More people need to remember that, get off the drug of digital being something separate and get back to what we do best" (2015).

The bottom line there is that the further it gets, the more companies should get rid of specialists with pure digital skills and create teams, where digital become part of classical marketing activities. The research "Marketing Trends for 2016 – Will we be in a post-digital era?" done by Dave Chaffey in 2015 proves that challenge of such integration exists in the majority of companies. Therefore, a company that will embrace technologies today may become on the spearhead.

9. Psychology of Social Networks

Following part of the project is dedicated to the topic of impact on a socio-economic aspect of humans' lives. What is the first thing that social media change? Social ties. As well as everything that is processed through the Internet is getting magnified, one's personal connections get multiplied a few times. Those connections in social media are called friends. However, a better term for such connection is "a weak link." Whether they are or not weak or important, those links, either way, become publicly accessible. Writing down a name and a phone number into personal address book was always considered to be a private activity. Now having electronics as a medium for contacts managing, makes this aspect of life publicly opened, adding to that a fact that friends' connections are opened publicly as well.

According to the research "Social Computing: Study on the Use and Impact of Online Social Networking" conducted by in 2008 by Romina Cachia, most of the users of Facebook use its capabilities for two main purposes (p.19). First is trivial - keeping contact with those, who were close in the past and old friends, meaning those with whom there is no constant opportunity to meet. Second reason to use such social media is to get to know better those people, who were met recently offline. Basically, it helps to understand what this person is all about. . "Another study carried out by Pew Internet [states that] only 17% of all social networking teens used these sites to flirt" (Romina Cachia, 2008, p.20).

The bottom line here is that not only one's social ties are available to anyone willing to know them. Social networks are pushing people to post online more and more of their personal information. And, people are willing to share this information. "Warhol's prophetic statement that everybody will be world-famous and have their 15 minutes of

fame could be one reason for such behaviour” (Romina Cachia, 2008, p.20). The more information one's profile consists of, the more interesting it becomes. Interest attracts people, making the one's social network larger, connecting more people. That brings fame, at least for those "15 minutes". Being famous online implies that you have the edge over other people online, and is associated with the status and prosperity.

Communication through the Internet makes a great contribution to social capital. It is believed that weak links are potentially the ones that are able to become as important as the real-life connections. These weak links have a potential of bringing new opportunities and information. Not to mention the possibility that user-produced information is more likely to go viral in the case of multiple weak links. However, another view assumes that online connection makes social capital poorer, since the Internet brings less face-to-face communication in real life. This impoverishment of social capital is simply explained by the fact, that despite the richness of personal information provided - trust issue could be aroused against almost any information source.

A question of trustworthiness could consider not only the information source but also the one who collects the data as well. The privacy issue brings more and more attention with each further year of people using Facebook or other social networks. As an example, in "terms and conditions" it was identified that users' data or its previous versions are saved within server's memory for an unlimited period of time. “Another issue is that deleting a profile is one thing, but deleting all the data, such as comments or photos posted on other people's sites, is much more difficult and laborious” (Romina Cachia, 2008, p.28).

Therefore, it is hard to define even the amount and extent of the information produced by the user that could or should be deleted.

10. Phenomena of the Internet Word-of-Mouth

In the year 1997 for the first time was used a marketing strategy that implied sending e-mails that contained next message "Get your private, free e-mail from Hotmail at <http://www.hotmail.com>," followed by sender's personal opinion on the service. Back then, Tim Draper labeled strategy of the e-mail service Hotmail as "viral marketing." Even though nowadays most of the literature on the marketing define the viral marketing in numerous different ways, depending on the field of marketing in the context, back in the 1997 definition was short and simple - network-enhanced Word-of-Mouth. "According to Vilpponen, some of these terms use to describe electronic Word-of-Mouth include "interactive marketing," "Internet Word-of-Mouth" and "word-of-mouse," "stealth marketing" and "referral marketing" (Xavier & Summer, 2009).

Having such technologies at our disposal, it is clear that Word-of-Mouth now does not have to be face-to-face, conducted directly between people momentary. Once generated Word-of-Mouth could be saved online, making someone's opinion on a product recorded for years, while offline Word-of-Mouth and product evaluation fade much faster. Therefore, the main point and goal of the viral marketing are to create the trustworthy experience online, attracting people with information labeled as "Personal recommendation". For example, an email from an anonymous with cheeky agitation to visit an unknown website will not have such an effect, as would have if it was sent from a friend or a family member. That implies, that "word-of-mouse" uses an informal language, personalized in a way to make the audience feel comfortable while digesting information, which they can get through the various communication channels mentioned above. . "They may encompass various types of content ranging from text and images to Microsoft PowerPoint files, Adobe's Flash animations, YouTube's video clips and so on" (Xavier & Summer, 2009). Moreover, the Internet Word-of-Mouth

campaigns seem to be more gentle since they provide such a personalized and, at the end of the day, filtered and unbiased information.

For this research, there are two main differences between viral marketing and Word-of-Mouth that should be highlighted. The viral marketing's electronic basis itself assumes the absence of the face-to-face communication. Probably, the worst aspect of the Internet Word-of-Mouth is that the information it brings is unsought for by the recipient, which means that this unwanted information has a chance of not being digested by the targeted audience. On the other hand – if it is not digested, probably, it is not the targeted audience.

11. Fake Reviews on the Internet

Integration of the Internet technology in our life provided us with a new mean of the decision-making process, when it comes to making a purchase. This means reviews online, which are generated by those users who had an opportunity to use the product or service discussed. The online Word-of-Mouth is an advert, creating the positive or negative reputation for the brand. However, the idea that it is created only by the users is faulty, leaving ignorant people with decisions that will lead to the useless purchase. IT Research Company Analyst at Gartner supports this idea, stating that already in the year 2014 all of the reviews that were generated on popular websites like "Amazon" or "Yelp" on 15% consisted out of the fake ones, for a simple reason that it is proven to be one of the cheapest marketing tools (Nisen, 2015). And it is not simply about a review; it is about the rating that a fake review provides the potential customer with. A half of the star more into the rating and it will already bring to the company up to 19% increase in a sales level. The first ones to use such an insidious strategy were smaller businesses, since every additional sale might be crucial for their future (Nisen, 2015). Since then the market did change, and now bigger corporations are not afraid to get their hands dirty - they enter the game of best or worst reviews, potentially bringing, even more, damage (Streitfeld, 2015).

The fake reviews are divided according to the extreme of its rating. The closer rating is to the "golden middle" the cheaper it is; the five or one-star ratings are the most expensive ones. As a result, there is a review war going on, where companies are attacking each other with negative fake opinions, trying to steal a share of the market from each other, involving in this unethical practice more and more businesses, like in a chain reaction (Roggio, 2012). "The net result is that while the Internet should increase transparency and give shoppers access to loads of information and the honest, unbiased

assessments of the masses, consumers often feel engulfed in a murky Web that's not entirely trustworthy," states Brad Tuttle in his article "How Computer Geeks Aim to Put a Stop to Fake Online Reviews" for Times Magazine (2012). Bing Liu, a computer-science professor at the University of Illinois in Chicago also adds that amount of misleading opinions to the same product can reach up to 30% out of total reviews on the same source.

Considering those cases, when customer acquires product or service with a great discount or even for free, and is asked to leave an online review - would it be considered as a fake review? Would an opinion posted by the person still be objective, or will it be affected by the fact of the companies "benevolence" and be part of the unethical business practice? That is the gray part of the issue. Therefore, a realization of potential customers that each next review might not be objective makes them skeptical about them; consequently, the Internet becomes less trustworthy for the purposes of purchase decision-making. If things stay the same, the World Wide Web will no more be a place for information search on products characteristics (Kurtz, 2012).

As to any other issue, there is a bright side to this one as well. At the end of the day, it does not matter if the review is fake or not, in case a customer with demand finds himself or herself a suitable supply due to the found online review.

12. Cases:

12.1 Yelp

In the digital era, the Word-of-Mouth concept rapidly transitioned to the expanses of the Internet.

From an enormous amount of forums and discussions in blogs, major websites and apps are taking the lead. One of the most well-known



platforms for posting reviews and evaluating businesses, such as restaurants, stores, schools and others is Yelp. It is an essential part of a company's online presence, especially for local small and medium size businesses. It is both a website (yelp.com) and an application, where people can share their experiences and rate places with stars. Places become known, as people who visit them can instantly give their recommendations to others. According to Yelp official website, by the third quarter of the year of 2016, they have on average 25 million unique application visitors per month and about 72 million mobile web unique visitors.

With online Word-of-Mouth opportunities, people are no longer restricted to the close surroundings and contacts. It now expanded to the whole world, allowing users to know what is the best place to eat, when they travel to another continent. It not only assists consumers to make better-informed decisions but is also it helps businesses to receive valuable feedback from clients and helps to identify any flaws the service, product or ambiance might have (Tiana Tucker, 2011). It is crucial for the business owners and managers to know what customers are saying about the company, to have a proactive approach, respond to their comments and to be a part of the conversation.

The website has special algorithms to filter out fake reviews and repeated reviews for one place from the same IP address. They also do not allow business owners and their relatives to review their own business in order to avoid bias opinions. The senior vice president of Yelp, Vince Sollitto (2013) claims: "Yelp uses sophisticated software to sift through the more than 42 million reviews contributed to finding the most reliable and helpful ones. Those reviews that don't make the cut get filtered out" (YelpBlog.com).

The unique characteristic to Yelp is that despite being a website they reckon both online and offline communities. People that are actively using and contributing to Yelp with their reviews are commonly called "Yelpers". There are local communities of "Yelpers" in the most major cities, including Prague that are meeting in real life to review a place of meeting (i.e. a bar or a restaurant) and to discuss other businesses they have visited recently. Yelp still encourages the traditional Word-of-Mouth and the real communication along with online sharing (Gail Martin, 2013).

12.2 TripAdvisor

Another example of successful online Word-of-Mouth sharing is the website called TripAdvisor.com. The idea behind this website is similar to Yelp, but as the name would suggest it is more focused on the tourist destinations, hotels, and entertainment places.



TripAdvisor has partnered with Facebook in order to bring the online Word-of-Mouth marketing to the new level. Now, TripAdvisor allows Facebook users to plan the trip together with their friends to get a better publicity and attract even more users to visit their website.

However, one of the main points of teaming up with a well-known social media platform is to keep the recommendations and comments as real as possible. The website encourages users to register and login through their active account to minimize the effect of fake reviews. Of course, it does not completely eliminate the risk, but it helps users to see by whom the review was left and make a better decision of its trustworthiness. Not to mention, that TripAdvisor also has an application for smartphones and tablets for mobile technologies users.

12.3 YouTube:

Another great source of Word-of-Mouth marketing is the video-sharing website YouTube.com.



Famous "YouTubers", such as PewDiePie (game player) or Zoella (beauty blogger) and others with millions of subscribers are the great influencers and opinion leaders for their audience. Their recommendations of games, self-care products, home related items and books are instantly becoming world-wide best-sellers. That could not be left unattended by marketers, so sponsoring "YouTubers" became a common practice.

For instance, Audible.com which is Amazon's audiobooks platform, widely use sponsorships to partner with the major "YouTubers"; they ask to be mentioned at the beginning of the video, along with the specific recommendation of a particular book to listen and give a promo code for a discount after 30-days free trial) (Carey Martell, 2016).

There are two main types of sponsorships for video content creators. The first one is when companies pay "YouTubers" to review products or services, show demonstrations and recommendations for use. The second one is when they send trial packages with

free products for "YouTubers" to try. This is indirect sponsorship, as they do not get paid for sharing information or opinions about the brand, but if they like the products they could mention them in their video. "YouTubers" have a huge influence on followers' purchase behavior; as example, if a person is following a specific "YouTuber" (in his or her area of interest) for some period of time, and he or she like this particular "YouTuber", when this "YouTuber" reviews a product or service, and he or she likes it, that person may be willing to purchase this product or service just as if it was advised to him or her by a close friend. This is a great example of the Internet Word-of-Mouth phenomena.

13. Survey

13.1 Overview:

The goal of the survey conducted was to focus on the consumer behavior of the entire population of the Czech Republic; however, the majority of the respondents ended up being from Prague. In order to get the higher amount of responses, the format of the survey was distributed in both print and online forms, both in English and Czech languages. It was expected to collect at least 300 responses, and this goal was successfully fulfilled. 587 responses were received, out of which the majority (318 surveys) were collected online, and the rest (269 surveys) were completed in a print form.

The online version of this survey was distributed via e-mails, Facebook and LinkedIn postings in groups like “Fryday Prague” and personal messages.

The print version was distributed among students of different universities in the Czech Republic, in the Czech National Library of Technology and among local people in public places like restaurants (especially in the restaurant “Rest.”) and on the streets.

The whole process of obtaining, processing and analyzing information took about seven months to be completed. Survey was created with the help of Google Forms tool, and all analysis (diagrams, graphs) was done through Microsoft Excel.

Survey consisted out of 16 questions, where:

- First question is meant to filter interviewed audience, leaving to answer only those people who were fitting the criteria of targeted audience
- Next, six questions with one possible choice were collecting information about the demographics in order to understand who the respondents are (their age, educational and income level, the region of accommodation).

- After what comes one grid question that collects information on the frequency of different related to the topic actions.
- Than six questions with one possible choice related to the topic in order to determine preferences in different aspects.
- Two open questions in order for the respondents to express their additional ideas.

13.2 Analysis:

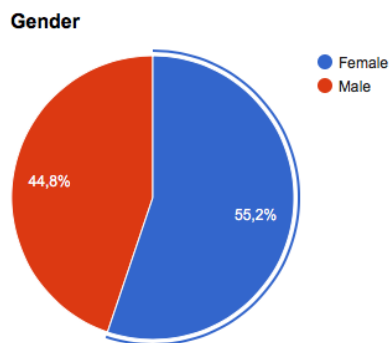
Following is the analysis of all the 16 questions, starting from the demographics and moving on to the content of interest.

1. Do you live in the Czech Republic more than three years? If YES, please continue, if NO – this is the end of this questionnaire.

This question was asked in order to gather responses only from people who lived in the Czech Republic for long enough period to be considered familiar with Czech mentality.

Why three years? Before creating this survey, there was a pre-survey conducted. 31 Czech people of different genders, ages and educational level were asked to answer the following question: "How long should a person live in the Czech Republic in order to be able to understand the mentality of Czech nation and culturally assimilate with Czech society?" The majority of respondents said that the process of full cultural assimilation takes at least three years; that was taken as a basis.

2. What is your gender?



The gender distribution is the following: 44,8% are male representatives, and 55,2% are females. That was considered as a fairly diversified and solid basis for further research.

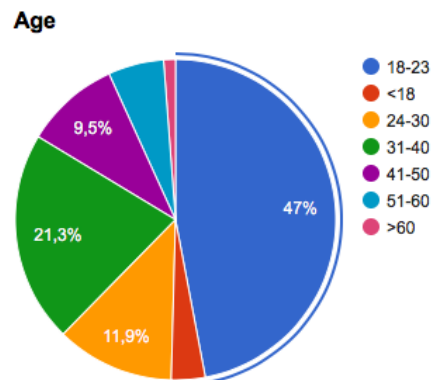
3. How old are you?

The survey was distributed between people of different ages.

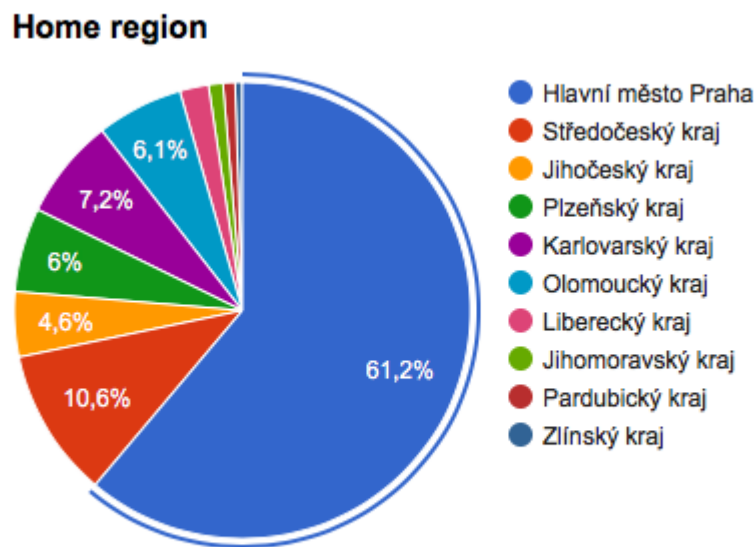
However, the majority of respondents turned out to be young adults of the age between 18 to 23

years (47%). There was a

fairly small portion of surveyed people younger than 18 or older than 60 years old (5,1% together). People aged between 31 and 40 are the second largest group of the respondents (21,3%). And the rest groups are people of the age 24-30 (11,9%), 42-50 (9,5%) and from 51 to 60 years old (5,2%).



4. What region of Czech Republic do you live in?

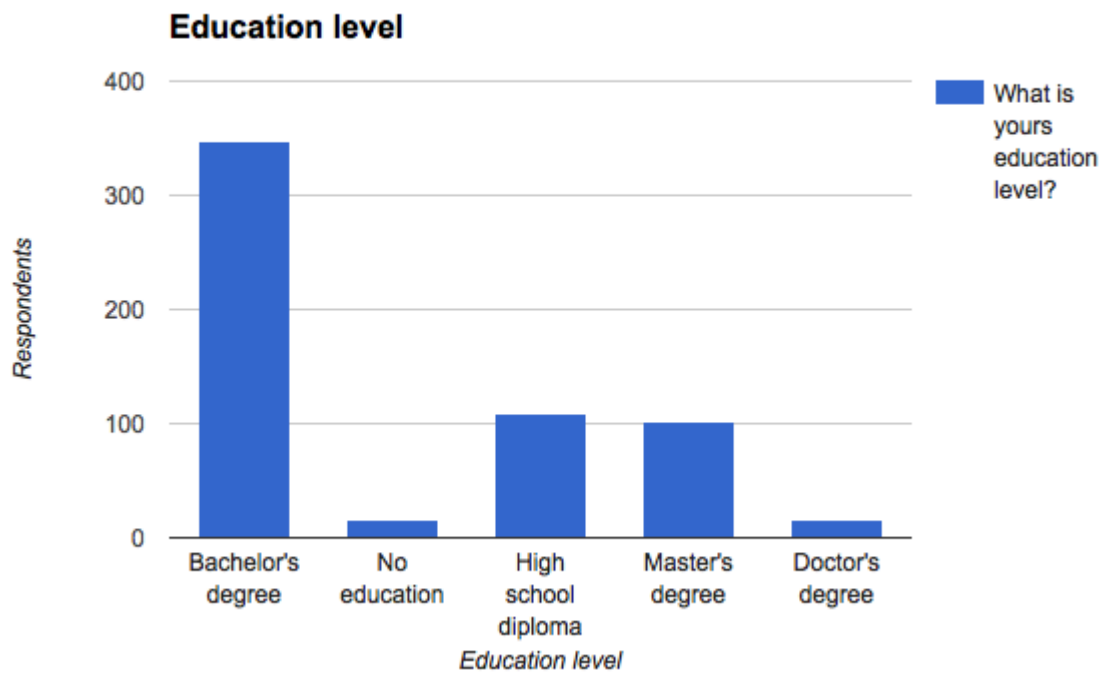


The goal was to focus on the whole Czech Republic in order to have an opportunity to obtain the data from every region of the country and then suggest consumer behaviour strategy according to the information collected in these regions. There are 14 regions in the Czech Republic.

Despite the attempt to obtain the information from all the regions of the country, the vast majority of respondents ended up being from Prague (61,2%) and Stredocesky Kraj regions (10,6%). Other regions from which fair amount of information was received are Karlovarsky Kraj (7,2%), Olomoucky (6,1%), Plzensky Kraj (6%), Jinocesky Kraj (4,6%). The least amount of responses was collected in the following regions: Zlinsky Kraj, Pardubicky Kraj, Liberecky Kraj, Jihomoravsky Kraj (total together 4,3%).

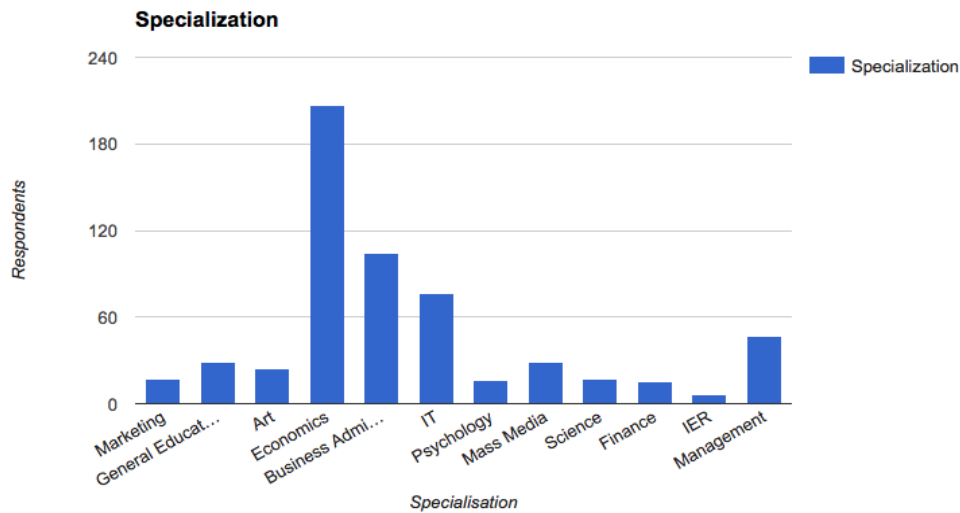
Unfortunately, there were four more regions of Czech Republic from which no legitimate responses were received.

5. What is your educational level?



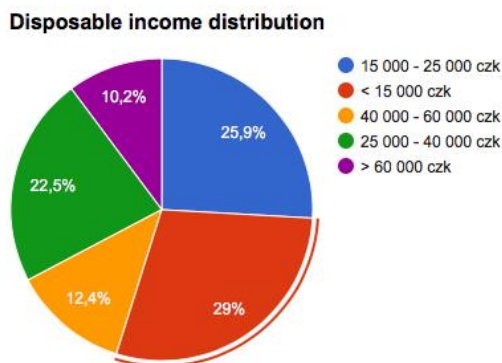
As it can be seen from the graph, the dominant group of education level is people who have accomplished Bachelor's degree. Only a few of respondents have no high education. Next two almost equal groups are people with high school diploma and Master's degree graduates. Finally, participants with Ph.D., Doctor's degree or equivalent level of education. That provides research with a basis of respondents, who are undoubtedly educated enough to understand the concept of the Internet reviews and their online search.

6. What is your specialization?



The majority of respondents are specializing in economics, business administration, IT, and management. Among other specializations are mass media, marketing, art, science, finance, etc. Initially, that question was meant to provide a strong basis for future research, as it would marginalize the type of people research would deal with.

7. What is your disposable income per month?



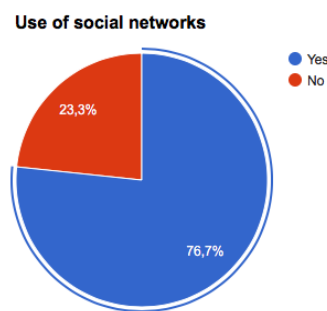
The majority of the respondents are people aged between 18 and 23, who are mostly either students or junior specialists. Therefore their disposable income is divided into two groups:

those who earn less than 15,000 CZK (29%) and those who earn from 15,000 CZK to

25,000 CZK (25,9%). 22,5% of the participants have disposable income of 25,000 CZK to 40,000 CZK (22,5%). Those who earn from 40,000 CZK to 60,000 CZK (12,4%) are mostly people having IT specialization. Finally, those who have disposable income over 60,000 CZK tend to have master's or doctor's degrees or are involved in their own business.

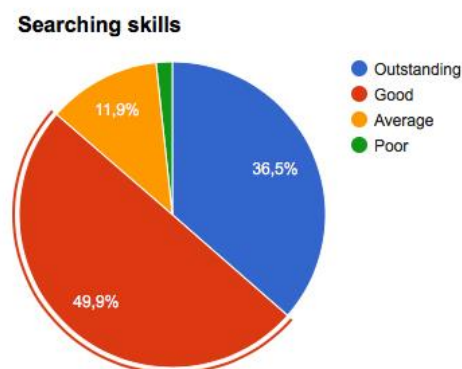
8. Do you use social networks?

As it can be seen from the graph, 76,7% of surveyed people are using social networks, while the rest (23,3%) do not. Those, who said that they do not use social network platforms, are mostly people above the age of 50.



9. How would you grade your skills of searching information on the Internet?

The majority of interviewed people believe that their searching skills are either good or outstanding (49,9% and 36,5%). "Average" and "Poor" are the smallest groups, where at least half of the respondents were of the age older than 50. This question is meant to be correlated with others in the survey

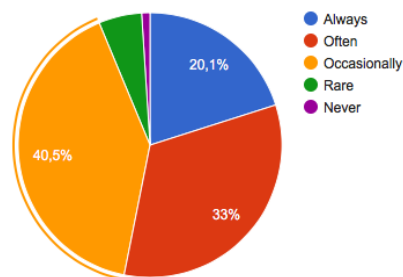


(amount of fake reviews online, and reliability on internet reviews after failed expectations). The correlation of the three will be discussed further in the research.

10. What is the frequency of you performing following actions?

1. The graph shows that roughly two-thirds of the people are interested in user generated content that describes the product they are looking forward to buying, however not in a constant manner - some of

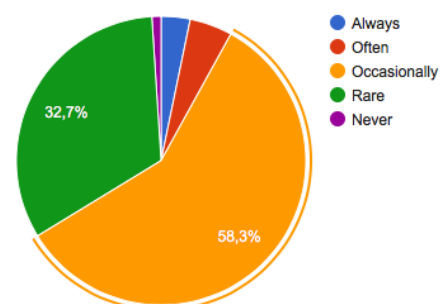
Frequency of looking up for a review of product or service on the Internet



them more, some of them less (73,5%). One fifth of them is always searching for opinion online (20,1%) The rest (6,4% together) does it rarely or even never. For research, that means that people are rather willing to search the world wide web before making the decision.

2. From this graph, it could be seen that majority of respondents (58,3%) occasionally leave a review for a product or service they purchase on the Internet. Second, the largest group is consisting of people who rarely leave a review (32,7%); thus it could

Frequency of leaving a review for product or service on the Internet



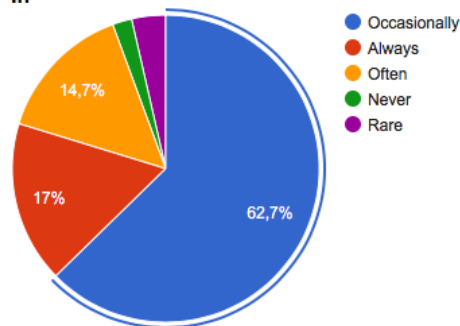
be concluded that people are reluctant when it comes to leaving a review. Very few

people always or often leave reviews for a product or service, as well as never. Such a frequency makes think that people are willing to create Word-of-Mouth, when emotions or experience after using the purchased product exceeds their expectations, or opposite, fails to fulfill them.

3. This chart clearly shows

the frequency, where the majority (62.7%) of the respondents from time to time ask their friends, family and peers think about product or service they are interested in

Frequency of asking friends/family/colleagues about the product or service you are interested in

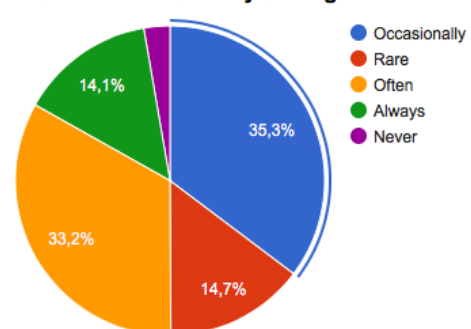


purchasing. Almost one-third (31.7%) of respondents do that more often and even constantly. Groups of people, who are doing it rarely or even never are the smallest ones (5,6% together). Therefore opinion of people close to us is important, and trust is its main criteria.

4. From this graph, it could be

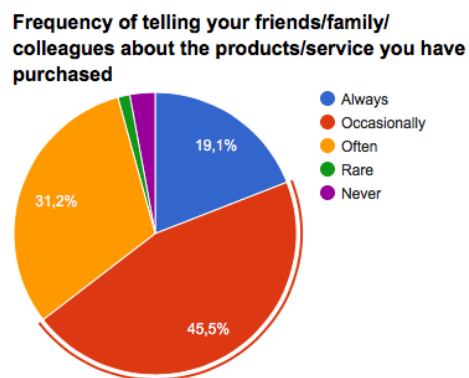
seen that more or less each group of frequencies on this graph has the same portion of percentage. However, it should be highlighted that "often" and "occasionally" make up two-thirds of respondents

Frequency of buying the product or service based on friends/family/colleagues reviews



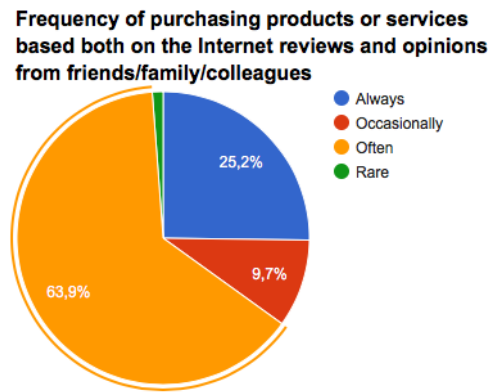
and are almost identical (33,2% and 35,3% respectively). "Never" (2,7%) is making up such a small portion of the graph that it could be concluded that people tend to trust their friends, family, and colleagues, but not always rely on their opinion 100% of the time, since "rare" group makes up 14,7%. That means that recommendations of one's surrounding people are valued, and definitely are able to affect consumers' behaviour.

5. From this chart it could be concluded that consumers like to share their opinion, since "occasionally" and "often" groups are the biggest ones (45,5% and 31,2%



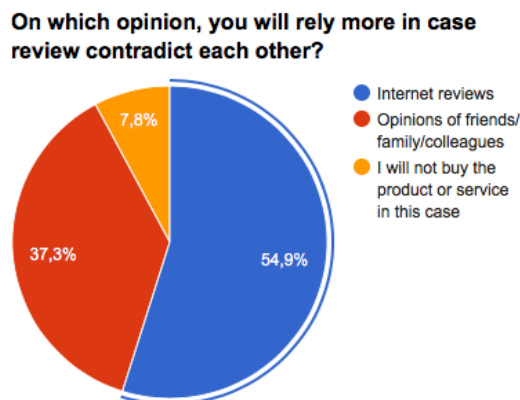
respectively), not mentioning the other 19,1% of the respondents, who do so always. There is almost a full absence of those, who do not share the good or bad opinion about the product service they have received ("rare" and "never" groups make up 4,2% together). It could be assumed that prevailing amount of cases are happening, when mentioned expectations about the purchase are exceeded or failed. Since people are social in their nature - sharing thoughts is a part of social life. And it is clearly shown that it is more important to share your opinion offline with those around, than leaving a review online. It should be noted that there is no point of creating fake opinion, in case trust between the two is valued.

6. This chart shows that the majority (63,9%) of people often, and 25,2% of respondents - always, are purchasing products and services based on both: personal recommendations of



friends and family and internet review. There was no respondent, who would have answered "never, and very few (1,2%) of them responded "rare". This provides this research with a strong confidence in an assumption that people try to use all the sources of information available in order to make a good purchase and protect themselves from a bad experience and faulty expenses. This fact assures us that people are willing and are able to think critically, when it comes to purchasing products or services.

11. In the case of opinion, you receive from friend/family member contradicts with the reviews found on the Internet, which option would more likely influence your purchase decision?



purchase decision?

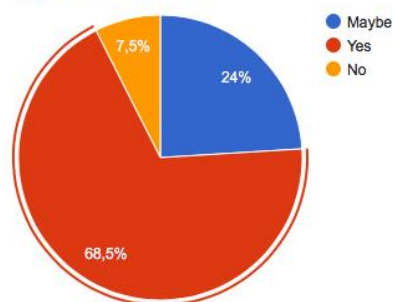
The graph shows that 54,9% of the respondents tend to rely on the Internet reviews, even if it contradicts to the recommendations of people from their surroundings. The reason

for such high rate is that most of our respondents are aged from 18 to 30 years, who are frequent users of social media. 37,3% are the people who rely more on the opinions of their family members, friends and colleagues; and in this category are those aged 40 and above. And only 7,8% of the survey participants said that they would not buy a product or service if the opinion of relatives and peers contradicts to online reviews, and this group relates to people aged between 30 and 40 years. What can be concluded from the results of this question is that the older generation tends to believe more people from their real life, rather than people online, while the younger generation has the opposite opinion in this case.

12. Will you still rely on the opinion of your friends and family members in case product or service you bought based on his or her advice did not come up with your expectations?

The results of this questions demonstrate that even if purchased goods or services recommended by close ones

Reliability in case of failed expectations/Friends, family and colleagues



do not meet expectations, most of the people (68,5%) will still rely on their opinion and recommendations. 24% of the respondents maybe will rely even on after not so successful purchase and only 7,5% decided that they will not rely on that friend's, family member's, colleague's opinion again.

13. Which social networks or websites are you using to get the recommendations/reviews/price comparisons of the products or services? Any why these?

This was an open question; so the respondent could list several web sites that he or she is using for getting a reviews of products or services and then write the reason for using these particular websites.

The most frequently named web site was **Heureka.cz**, mostly used because of price comparisons and reviews from real people on the products. The respondents said that the main advantages of the heureka.cz are the following:

- the ability to buy products directly from the Heureka.cz website, not being transferred to the website of the selling shop
- after making a purchase of product or service you receive a survey from the Heureka.cz to review your shopping experience

Next almost similar to Heureka.cz website was Zbozi.cz (owned by the popular Czech search engine website Seznam.cz), which also allows customers to compare products based on its price and leave reviews for the products they purchase.

If the Czech traveler is planning a trip or a vacation, he is exploring internet reviews as well. Planning of the trip includes looking up all related reviews of hotels and places nearby their future temporary accommodation and even city as a whole. In search for such information, mostly, they are visiting two websites: TripAdvisor.com and Booking.com.

The majority of women responded that if they are in search for reviews on beauty products they are most likely to visit the following websites:

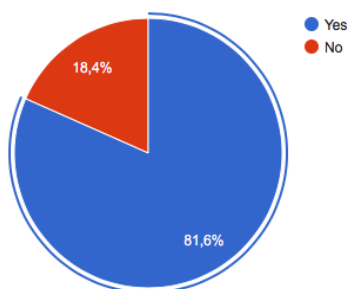
- the Czech website Omlazeni.cz
- the American website Makeupalley.com.

- Another website of the American beauty blogger Christine Temptalia.com, which is also very popular amongst Czech women, because of high quality reviews on wide range of products including their vivid photos.

As Czech people are adherents of good and interesting cuisine, it is common for the nation to have their meals not only at home, but in restaurants as well. There are three most commonly used websites for checking the reviews of a place to spend some time and money at, while enjoying a nice meal: Restu.cz, Zomato.cz and Yelp.cz.

If the Czech citizen is in the search for a specific business there is a very useful website Firmy.cz (also owned by the popular search engine website Seznam.cz), which allows them to find the firms they need with help of filtering system installed on the website and checking or leaving reviews on them. .

14. Do you think there is many fake reviews on the Internet?

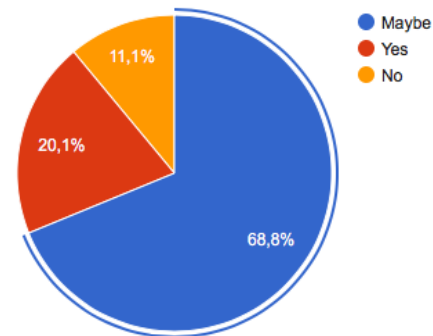


The graph shows that most of the surveyed people (81,6%) believe that the Internet is full of fake reviews. People are very sceptic about that; even though major websites, like Yelp.com and Tripadvisor.com attempt to persuade users in the

reliability of their platforms and upgrade their algorithms to deal with fake reviews; which is also contradicts to the fact that they still prefer to rely on online reviews and invest their money in products and services (referring to the question 13).

15. Will you still rely on the Internet source (like TripAdvisor) in case product or service you bought did not match your expectations, which were based on the reviews you found in the source?

Reliability in case of failed expectations/Internet



In this case, even though in question 13, it was found out that people believe that there are plenty of fake reviews on the Internet, people will still might rely on the online recommendations even after having the negative experience (68,7%). Surprisingly, 20,3% replied that they will still use the Internet as a source of recommendations, perhaps because they may believe that they faced fake review and had not done a research good enough. Lastly, 11% of the respondents will not trust the online reviews on this particular internet source again.

While in question 12 it is shown that product that was bought based on the opinions friends, colleagues and family members did not match the expectations - consumer will still trust his or her surrounding people; here the surveyed respondents tend to lose trust to the internet reviews and its sources; which is a surprising conclusion since in question 11 the majority of respondents said that they would prefer the opinion found on the Internet more than the opinions of the relatives and friends.

16. If you have anything to add, please write it there:

Not that many respondents were willing to answer this question (out of 587 only 74 person wrote at least something). Not that surprising was the fact that not all of the answers were related, or somehow interesting to the topic discussed (the most common answer was “nothing”). Nevertheless, there are some, worth mentioning.

A male respondent older than 50 years old, marking his searching skill at a “good” level, was quite clear on the fact that he will never again believe reviews online, believing that “every second one is fake”.

On the other hand, female respondent, aged from 31-40 years old stated that she is a very active user of Heureka.cz, meaning she leaves her opinion online on almost each and every product she buys. Reason for that, as she explained, is that people tend to value her opinion and have trust in it. This is a case of “15 minutes of fame” for that particular person.

Comments on survey:

After the research had been done, a few things seemed not to fulfill its goals. Next, comes a criticism on how the survey could be conducted better. Unfortunately, these possible changes were realized only after the survey was completed and analyzed.

- The question that was meant to identify what kind of education did a respondent achieved: it could have brought better results if questionnaire asked for the "work area" instead of education. The reason for such conclusion is that it could happen in life that one will work in the area different from what he or she has studied.
- Also, in order for this questionnaire to be more precise, it could contain more responses from people of higher age.

13.3 Summary of the survey:

- In order to assimilate with the Czech society, a person would need to live in the Czech Republic for at least three years.
- The majority of respondents are from Prague (61,2%).
- Most of respondents are aged from 18-23 (47%) and 31-40 (21,3%).
- Bachelor's degree is the dominant level of education, and the economics is the main specialization.
- Most of the respondents earn less than 15,000 CZK or from 15,000 CZK to 25,000 CZK
- Three-fourths of the respondents are using social networks.
- About 87% of surveyed audience believe that their searching skills on the Internet are above the average.
- Despite failed expectations based on friend's review, the potential consumer will still believe his friend's opinion in the future, whereas the Internet source, from which the consumer received the opinion that did not match the expectations, would have its trustworthiness questioned. However, most of the respondents said that if the reviews from friends and those from the Internet contradict each other, they will still rely more on the Internet reviews.
- People like more to share the opinion about the products or services with their friends and family members, rather than to leave them online.
- Consumers (about 64%) make their buying decisions basing them mostly on opinions received from both the Internet and surrounding people.

13.4 Conclusion on Survey:

Conclusions that are could be derived from the results of the survey are as follows:

In Prague and Stredocesky Kraj regions marketers should focus more on Social Media Marketing in order to be successful, and that is Promotion strategy. That means that their main communication channels should be realized through the Internet tools like email and personal messages in social media as Facebook, as well as paid adverts through same media. It is reasoned with the fact that most of those who use social networks are from Prague.

In other regions business' marketing department's ideal strategy is to develop the two-way strategy - both Word-of-Mouth and "Word-of-Mouse," since people are still using social media, however, small towns have quite a big speed of information distribution offline. However, in order for organizations to reach a more diversified audience they have to develop "Word-of-Mouse".

Any business that wants to be at least recognized has to place itself on such resources like heureka.cz, srovnanicen.cz. This is justified, because the Czech people are using these web pages in order to get the best price since they are very price sensitive (most Czech people will choose product based on its price rather than looking at actual benefits of the product); also business should do the search engine optimization for Google.cz and seznam.cz, as these are the most popular search engines in the Czech Republic. Moreover, web sites like heureka.cz and zbozi.cz are common-used web sites for the Czech people to look for and leave reviews on products and services they were or are going to try.

14. Conclusion

The idea of Word-of-Mouth was proven to be quite deep and complex. This research assesses the analysis of the idea through few simple steps. First of all, Its roots and basics were discussed. 7 Ps and 4 Cs are marketing's main principles; however, only Promotion and Communication were crucial for the topic. It was shown how marketing was created under influence of Edward Bernays, developed through time, becoming wider and covering more aspects of life. Recent trends in marketing implementation assume integration of Social Media Marketing into marketing department rather than having a separate one, since technologies are integrating into our lives deeply as well.

After crucial marketing principles being explained, research compares Word-of-Mouth with Social Media Marketing, its advantages, and disadvantages. Word-of-Mouth was proven to be the source of trust – the carrier of the Word-of-Mouth about the brand will act only in such a way that will keep the trustworthiness of relationship between him and potential customer. It was proven by a questionnaire that the Czech nation consists of people willing to share their opinion with each other. Social Media Marketing, on the other hand, was shown to be more reachable and fast, getting to more people in a shorter period of time, while being a great measuring tool. The main issue of this information mean is trust. And Czech people were proven to be very sensitive in that respect. First of all, they are reluctant when it comes to leaving reviews online.

The deeper technology integrates into our life, the more technological and real life aspects are binding together. The Word-of-Mouth fuel, "buzz," and its generation is accelerated with the help of Internet, the opinions themselves appear on the World Wide Web, and are spread through sharing. It was proven that Word-of-Mouth was welcomed online and evolved into Word-of-Mouse. With such an easy Internet accessibility, it is not surprising that social media usage is increased drastically. This leaves a deep mark

on people's lifestyle and psychology. Today a list of contacts is not a private thing anymore, and those "weak links" are getting more potential than ever before when it comes to spreading the information, especially being useful for creation of the "buzz". Marketers did not leave this fact without attention and found a way to use it. Therefore, consequently, fake reviews appeared online. As results of the questionnaire have shown people in the Czech Republic are willing to believe more to the online reviews, even though still realizing there is a lot of fake ones present. This is where the trust issue comes into play. In case expectations that were based on the information received from the Internet source failed, the Czech person will probably lose trust to the resource, and move on to another one. On the other hand, it is worth mentioning that, in the case of opinion passed through Word-of-Mouth from friends, family members or colleagues, it will not sabotage trust in between the two in case expectations about the product would fail.

The last question that was meant to be covered by this research is: "What influences more on the purchasing behavior of the Czech people- social networks or Word-of-Mouth marketing?" The answer is simple - both. Results of the survey show that typical Czech consumer before making a purchase decision is more likely to look through both sources of information - the Internet and his close ones. Moreover, in the case of opinions are matching, it is more likely that from the potential group a customer will shift into existing one.

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