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MASTER'S THESIS

**SOCIAL MEDIA VS. TRADITIONAL MARKETING INFLUENCE ON THE  
COMPANY'S MARKETING PERFORMANCE: A CASE OF AN  
INTERNATIONAL BUS COMPANY**

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GORICA VASILEVSKA

## AUTHORSHIP STATEMENT

The undersigned Gorica Vasilevska, a student at the University of Ljubljana, School of Economics and Business, (hereafter: SEB LU), author of this written final work of studies with the title SOCIAL MEDIA VS. TRADITIONAL MARKETING INFLUENCE ON THE COMPANY'S MARKETING PERFORMANCE: A CASE OF AN INTERNATIONAL BUS COMPANY, prepared under supervision of doc. dr. Gregor Pfajfar

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## LIST OF ABBREVIATIONS

**KPI-** Key Performance Indicators

**ROAS-** Return on Advertisement Spending

**NOI-** Net Operating Income

**SEO-** Search Engine Optimization

**iOS-** an operating system used for mobile devices manufactured by Apple Inc

**ROI-** Return on Investment

**CEE South Region-** Central East European South Region

**ADS-** Advertisements

**APP-** Application

**CPC -** Cost per Click

**CPM-** Cost per mile



## INTRODUCTION

Recent years have witnessed a stunning development of the Internet and the great impact it has on a lifestyle. Online advertising has increased significantly since advertisers have increased the online advertising budget. Modes of marketing activities are changing, as many businesses have turned to e-commerce. Internet gives the company an opportunity to expand its business in an efficient and practical way. Social media is deeply entrenched in our lives: it reaches 82% of the world's Internet population aged 15+ and represents the largest portion of individuals' Internet usage, accounting for nearly 1 of every 5 minutes spent online. It has become the new communications paradigm for company-to-consumer message delivery (Zhu & Chen, 2015).

Through the Internet, marketing research can be carried out, access to new markets, serve customers, have a faster distribution of products, solve customer problems and communicate more effectively with business partners. Benefits of online marketing include a better flow of information, new products and services to customers, improved availability and improved market transparency. In order to be able to design and implement a successful e-marketing program, it is necessary to carefully analyze and understand a number of theories, applications and technologies. This paper will consider the impact that e-marketing with special focus on social media marketing and traditional marketing have on the success of the marketing performance of FlixBus company. The main goal is to understand how FlixBus use social media platforms and traditional media in order to progress consumer-company relationship and to meet customers' needs for quality travel services.

Using Internet technologies, FlixBus managed to give it a new dimension of marketing, and in a very interesting and modern way, they promoted their services to the users via the Internet. Today, most of the world's businesses are run through digital networks that connect people and companies. In this way, users from around the world are connected in a network. Online marketing can be said that stimulates achievement of the set goals by using digital technologies. Internet has created a virtual, global market freed of time and space. In addition, social media is the most common activity consumers pursue online (Cooper, 2016). Old traditional marketing has been replaced by a new concept adapted to the marketing mix instruments in the direction of individual and targeted marketing. The new marketing form is aimed at the individualized Internet consumer through immediate interaction. Instead of mass marketing, there is a marketing mass of individuals on the Internet.

The main hypothesis of the research is that social media usage has an influence on improving marketing performance of the companies compared to traditional media and progress consumer-company relationship in order to meet their needs for quality travel services. Through my research I would like to confirm this statement and through case study of FlixBus company to understand where and how social media and traditional media influence company's marketing performance and their relationship with consumers. The main focus is social media, but also, I will make a distinction between social media and traditional media

and how they differ. I am analyzing data gathered from the FlixBus company regarding their social media activities, like campaigns, promotional price and how those activities influence on marketing performance of the company through sales before and after campaigns. On the other side, from the data gathered from the company I am analyzing their marketing offline campaigns, like commercials on TV, radio, and street promotional vouchers and how they influence on the marketing performance through sales of the company, new customer rate, return on investment (hereinafter: ROI) and other key performance indicators (hereinafter: KPI's) before and after these promotions. Social media has been largely realized as an effective mechanism that contributes to the firms' marketing aims and strategy; especially in the aspects related to customers' involvement, customer relationship management, and communication.

As noted by (Gallup, 2018): "Social media are not the powerful and persuasive marketing force many companies hoped they would be... Consumers are highly adept at tuning out brand-related Facebook and Twitter content". Are these practices still valid? Are they applicable in our societies like Croatia and Slovenia, or we have a different approach and social media influence differently in our society? On the other hand, as (Lee, 2018) says social media analytics refers to the practice of gathering data from social media platforms and analyzing the data to help decision-makers address specific problems. Social media analytics have been used by a wide range of people, including social scientists, business managers, and medical professionals. The methodology of the research is consistent with both quantitative and qualitative methods divided into three stages.

The first stage is empirical work, at this stage, I use quantitative research method in the form of a questionnaire. The online questionnaire was created in a way that respondents could answer each question in a prearranged order, with no opportunity to skip between pages. The questionnaire was distributed among sample size of more than 1000 people and was answered by 157 people who are active on social media and have at least one account on any social media platform. Most of the questions are closed type and I used Likert scale. Collected data were analyzed using the method of SPSS and Excel helped me in comparing gained data as well as easily drafting conclusions.

To complete and deeper my research, in the second stage I use qualitative method in form of in-depth interviews with the marketing sector of FlixBus team responsible for the Central and Eastern European South Region (hereinafter: CEE South Region). These in-depth interviews will help me to analyze FlixBus practices so far, how they deal with social media influence, what kind of campaigns regarding traditional media they use. The goal of these in-depth interviews is to obtain detailed information about personal feelings, perceptions, and opinions of FlixBus marketing employees. The information that I collected and analyzed helped me in answering my research questions and give recommendations to the company. I conclude with a proposal on how to complement FlixBus's social media strategy in the future.



Finally, at the third stage, I use comparative methods that guided me towards corroborating or rejecting the main hypothesis. Using both quantitative and qualitative methods will provide final conclusions and recommendations (Solis & Breakenridge, 2009).

As a secondary data, I used analysis of key performance indicators (KPI) for measuring marketing performance of the company. I used KPI reports from the company that helped me to analyze key factors like sales revenue, customer value, new customer rate, social media traffic, and its conversation rate inbound marketing return on investment (ROI) in order to measure marketing performance of the company before and after campaigns. Analysis of these marketing measures gave another inside of how effective marketing campaigns and how social media and traditional media through separate marketing campaigns have an influence on the marketing performance of the company.

The thesis comprises of five chapters. Chapter one is for the general introduction of the research, which outlines its nature. Chapter two present types of social media, their role in marketing performance as well as their advantages and shortfalls. Chapter three contains traditional marketing, its role, advantages and shortfalls as well as a comparison between both traditional and social media marketing. At chapter four present social media communication with emphasize of Facebook as dominant social media according to the monthly usage. Chapter five presents the research design and its core is analysis of data form the international bus company. Finally, the last chapter conclude the study through an articulation of the research findings, a discussion of their implication presents some recommendations.

## **1. SOCIAL MEDIA MARKETING**

### **1.1 Types of social media platforms and current usage**

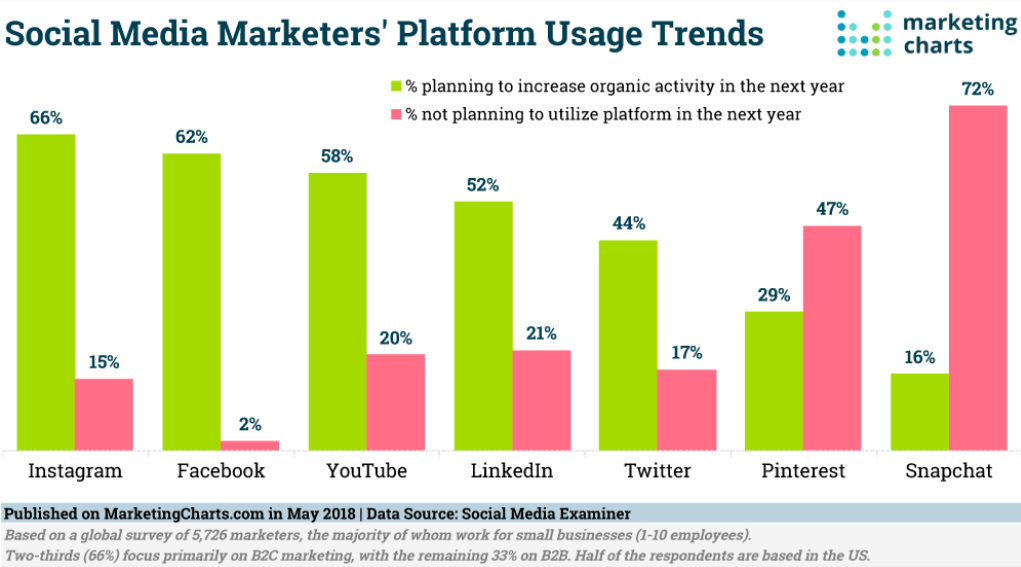
As Solis (Solis, 2010) says social media includes online tools or applications that people use to share content, profiles, opinions, insights, experiences, perspectives and media itself, thus facilitating conversations and interaction on one between groups of people. The researchers indicate that while the media world will always keep evolving, the rules that regulate behavior, interaction and support will not change. The use of social media will always be focusing on communication between their members and interaction with other people. Social media technologies such as Facebook, Twitter, blogs, wikis, Flickr, and YouTube all together have garnered more than a billion users. These tools of communication are more than just friendly conversation and individual reflections of people; they make outstandingly diversity and broad involvement while accelerating the effectiveness of collaborations.

Social media development speaks to an open door for business dependent on data sharing, yet in addition confounds crafted by marketing managers who should be prepared to manage current issues in this field. Internet based media stay in constant development and by certain records have turned into the fundamental channel for costumers to encounter and collaborate

with the world. Facebook and YouTube arrived at in excess of 1000 million users. That implies that more than 33% of all Internet users on the planet, and more than one 6th of the worldwide population, are individuals who use one of these two channels. Second, from a financial point of view, social medias have a significant incentive for the organizations that claim them, albeit frequently users don't pay for these services. The ongoing obtaining of LinkedIn by Microsoft for 26,200 million US\$ (more than 102 US\$ per user), is a case of the potential worth and high competition in the internet industry. Organization's vital mergers and acquisitions to accumulate customers, for example, Facebook acquisition of Instagram and WhatsApp, uncover how significant is for organizations to lead this computerized development. Third, from a marketing approach, social media work as a marketplace in which the two purchasers and dealers exist, alongside different trade facilitators, all communicating with one another in complex ways. The development of social media and its data and innovation base are thought to speak to an extraordinary chance and risk for organizations. Right now, firms get the opportunity to produce inventive plans of action and to expand client connections social networking (Hofacker & Belanche, 2016).

Social media platforms are grouped in categories based on their capability of functioning. A few prominent examples of social media platforms and their usage trends are listed in the following table:

Figure 1: Social Media Usage Trends



Source: MarketingCharts.com (2018).

1.1.1 Facebook

Facebook is a platform where you get instant and live information for various news, on this platform users can be physical people or companies who want to connect with their clients. As of December 2018 Facebook, has more than 2.32 billion monthly active users (Noyes, 2019) which makes Facebook most popular social media platform in the world. Like Twitter,

companies use Facebook get connected with individual users and share information about their company. However, the concept of Facebook is dynamic and changing, therefore the company should always follow trends and update their profile. One of the main purposes of Facebook for companies is creating marketing and reaching to new potential customers (Pearlman & Abram, 2010).

### 1.1.2 LinkedIn

LinkedIn is a professional platform that was built in 2002 and got live in 2003. Through LinkedIn people get connected with companies regarding jobs, individuals can also follow companies and see the latest news. LinkedIn in has more than 610 million registered users as of February 2019 (LinkedIn, 2019). According to several researches, the platform represents online database of professionals. By following companies' users are informed about all news connected to the particular company.

### 1.1.3 Instagram

Instagram is a social media platform that is growing dramatically in the past years. Firstly, the main purpose of Instagram was to be a photography application (hereinafter: app), however, in 2012 Instagram was bought by Facebook and new design and purpose of the platform was announced. Main purpose of Instagram is posting videos and pictures where users represent mainly represent themselves. Lately, Instagram is becoming second Facebook where companies are promoting their products o just inform existing and potential customers about their products (Battisby, 2018).

## **1.2 Role of Social Media Marketing**

Communication on social media platforms has brought innovation in communication with customer by building bridge of two-way communication which was not possible until this moment. (Gillin & Moore, 2009a, p.70-73) state that old method of sending messages to customers where they are not able to respond is no longer enough, and companies should invest more in two-way communication with their customers. They also stress out that company's voice can be spread and heard very fast with little costs and investment and more faster than the traditional marketing can do. Companies have to embrace themselves and dive into the world of online communications. However, it is not easy for companies to do this shift, but it is from essential importance in order to grow their business.

(Brown & Hayes, 2008) say that influence should be seen as ability of one person to make another person purchase something. Influencing other people something very popular on social media nowadays, and there are professional influencers who are hired by companies and are promoting company's products. Therefore, it is highly important that companies connect with these people. The fundamental changes of social media communication were the openness between companies and customers. This challenge was hard to be overtaken by companies that are used to work with traditional marketing tools.

(Gillin & Moore, 2009b, p. 75) described the usual first-time understanding of traditional companies with social media: ‘the first time they are the victims of a blog attack, their instinct is either to get mad or walk away with disgust’. In this phase companies were supposed to get used to accept any kind of comments and make the best possible outcome out of it. Positive or negative comments can make company improve more and get to know what the customer want. Companies that are ignoring negative comments and are not engaging into communication with their customers, tend to fail in fulfilling their needs and their reputation falls. Listening what customers have to say is one of the crucial points in online communication and it can bring prosperity to the business (Tuten, 2008a, p.20).

(Tuten, 2008b, p.22-23) says that social media marketing is new way of communication with customers and businesses who interact with their customers online are prone to success more than those that don’t. However, he also points out that for big and traditional corporations is hard to accept this trend. Nowadays if you are not present on social media it’s like you don’t exist at all. (Gillin & Moore, 2009c, p.78) that customers who complain should be taken seriously by the company, because those kinds of customers can actually bring different approach to the company which can help in further growth and improvement.

### **1.3 Advantages and Disadvantages of Social Media Marketing**

Businesses are offered with many opportunities to use many existing advertising platforms in order to deliver their message to customers. Still, social media marketing offers a different experience because it is cost-efficient, eco-friendly method that provides fun as added value. Using social media for marketing can help business to quickly build a network of supporters, which is a crucial segment to continue business expanding. Referring to others could also be bringing a company’s business, and because of its importance, the company needs to have a group of loyal followers who will share with others their personal satisfaction from the company’s services. Additionally, through social media, businesses create a long-term liaison with customers and businesses can be considered as the important stakeholders in the creation of social media platforms. As (Tuten, 2008c, p.30-31) explains it: ‘Social media marketing is rich with potential branding opportunities and is famous for its engagement potential, due to these brands with many objectives can find social media marketing as an appropriate tool for building brand awareness, researching consumer opinions, identifying opinion leaders, driving traffic to brand websites, spreading specific messages virally, developing customer database, instilling credibility and trust in a brand and enhancing a branding’s image, among others’.

Even though at first it was difficult for companies to accept social media platforms, now they have accepted Facebook and Twitter to promote and sell their products and services. The main assets of using these platforms are ease of implementation, low or no cost continues growing tendency of target audiences and the opportunity to fulfill tasks without using traditional media outlets. The most important about social media is creating communities, something that requires time and cannot be done overnight. In order to see

better results from social media marketing strong dedication and engagement are required, and it may take a few years before the results are achieved. This is also noted at (Gillin & Moore, 2009d, p.80-82) where they explain that social media is different from traditional advertising in terms of achieving results and it is explained that it takes more time to realize results from social media compared to traditional media. (Tuten, 2008d, p.33) also shares this view, according to him while a television campaign can utilize a heavy buy early in its media plan to incite near-immediate awareness and build momentum, social media is just the opposite. This is considered as a shortfall of social media marketing. Yet, despite the shared view that it takes longer to see the result, it remains that social media marketing is cost-effective and can build a long-term lasting relationship between businesses and consumers.

Other identified shortfall of social media marketing is linked to measuring the return on investment (ROI). Because social media marketing is a new channel the methodology for measuring returns is still insufficiently developed, but it is evolving promptly. According to (Gillin & Moore, 2009e, p.95) even though it is hard to measure the outcome of social media campaigns, costs for its implementation are trivial in comparison with the costs of traditional marketing campaigns. Maybe the lack of metrics is a shortfall of social media, but the low cost is an asset that needs to encourage businesses to prefer social media instead of being passive.

Furthermore, the third issue concerning the implementation of social media is the lack of clear guideline on how to use different social media platforms, which will guide businesses in using technology for different activities. In a run for better results, many businesses develop their own approach in using social media platforms that made easy tasks more challenging to implement.

Last, but not least the challenge is to set a clear objective, what will be achieved through social media. Many businesses join social media, but they are not present on the platform. One of the reasons is that they decide to launch an online campaign often without setting a clear objective and envisioning results that could happen at the end of the campaign. Furthermore, they do not know what to expect from the campaign. (Gillin & Moore, 2009f, p.101-103) stress that usually businesses want to experiment through using technology or they are attracted by the low cost of entry and he suggests experimenting is better than staying passive, but in order to boost the results, they need to have a certain plan. (Tuten, 2008e, p.35) explains that in order a business to benefit from social media marketing, needs to set a clear objective of the campaign, as setting an objective is a critical step in any communication and marketing planning process. According to him, objectives need to be clear and measurable in order to be able to monitor and evaluate their implementation, because if it cannot be measured it would be only a waste of time.

## **2. TRADITIONAL MARKETING**

### **2.1 Types of Traditional Media and current usage**

Traditional media exist in numerous forms, starting from tv, radio to newspapers, magazines, newsletters and other. The fundamental communication is based on one-way communication with the audience; therefore, this way of communication is called ‘Mass Media’, a media designed for large audience. Two most important categories in which we can divide traditional media are broadcasting media (tv, radio) and printed media (newspapers, magazines).

### **2.2 Role of Traditional Marketing**

The precepts and ideas of traditional marketing describe the character of the merchandise, the behavior of customers and competitive activity within the market. These rules and ideas are used to build new products, set up product lines and types, design communication, and answer to competitive action (Schmitt, 1999). Different varieties of traditional marketing embrace tv spots or commercials, also as radio spots advertising a business, product or service. (Kotler, 2003) describes traditional marketing as a collective method wherever people or teams will exchange product or services supported their desires and needs. (Kotler, 2008) determines the marketing mix as a collection of manageable plans of action marketing tools that the corporate blends to provide the solution it desires within the target marketplace. (Kotler, Kartajaya & Setiawan, 2017) additional states that this mixture consists of everything the corporate will do to see the demand for its merchandise and classes these tools into four principal groups of variables called the ‘4 Ps’: Product, Price, Place, and Promotion.

However, for the aim of this paper attention is given solely to the promotional a part of the mix, specifically to advertisements (hereinafter: ads). Traditional marketing utilizes traditional media retailers, like radio, TV and medium, like magazines and newspapers, to convey its message to the audience. To realize its objective, traditional media marketing uses the technique of mass advertising, i.e. sending marketing messages to a large mass audience. This idea relies on an assumption that once a marketing message is distributed out to a large mass chance of converting audience into a client is higher. However, some specialists believe that in traditional marketing messages targeting mass audience lead to a waste of advertising resources by addressing each target groups and non-target groups. Additionally, this one-size-fits-all approach of advertising in mass marketing is against the fundamental assumption of the marketing conception.

In traditional marketing, most businesses are characterized by active ‘product-centered marketing’, a marketing approach that prioritizes the sales of a specific product or cluster of products, especially different marketing objectives. Despite the achievements of traditional

media marketing, many criticisms are created by business specialists regarding traditional media marketing practices (Jakovski & Ristevska-Jovanovska, 2004).

### **2.3 Advantages and Disadvantages of Traditional Marketing**

Innovative marketing methods are adding additional value to company and offering new ways of attracting customers. Although they offer new ways, still they are not able to replace the importance of traditional ways of marketing for companies. Traditional selling approaches are widely used and we can be assured that they bring results, yet, online platforms like social media are still counted as unsecure source for growth of the business since they are not available to all people (Gream, 2005).

Traditional marketing is capable of sending a message to wide population of people through its widely known ways like a newspaper, post service, tv or radio. Traditional media is available to almost everyone, compared to social media which is available only to people that have internet and possess social media account. These are biggest advantages of traditional media; however, important advantages are: visibility of the product, own assistance, in person communication, feeling of visible store and more safe payment system. However, traditional media has some disadvantages as well. These disadvantages are connected with not giving personal note to the advertising and not being able to fast connect with the customer, something that is main purpose of online and social media advertising (Kordalov & Zafirov, 2014).

### **2.4 Comparison between Social Media Marketing and Traditional Marketing**

The media play a very important role in everyday life. The media enable fulfillment of two basic tasks: to inform and to animate the entire audience. The role of information is essential in each area of everyday life (Gelev, 2012). Daily people scroll through a variety of magazines and newspapers, follow TV shows and absorb information that causes certain one's reaction. In the field of mercantile and business, the desired reaction refers to concluding a purchase contract. The media influence our daily lives and have an animating role. Following a variety of stories, the audience gets a glimpse of the lives of other people on the globe.

Companies using social media a strategically build one proactive relationship to both buyers/customers and the community after a different basis. Their online presence builds a network of supporters through which, besides offering products and services, they will be able to tell their own story, and the most important of all are the values and goals for which it advocates as a socially responsible company. Social media today play a major role in shaping the image of socially responsible organizations, the promotion of their socially-responsible programs and policies. All this through the vocabulary of socially responsible companies and social media is called "corporate social media responsibility" (Kordalov & Zafirov, 2014).

The development of technology globally changes the overall way of communication and information transfer. One of the fastest and most powerful ways of transmission of information and two-way communication is social media.

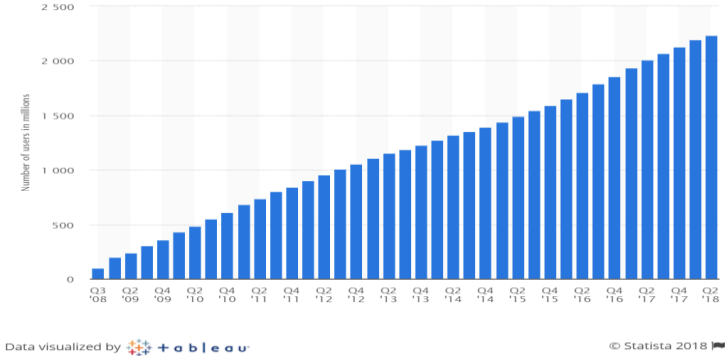
Disappeared are the times of controlled communication and controlled information through traditional media, with a press release or press conference. Today's result is that everyone knows everything! Today, companies need to develop a strategy and teams for authenticity and a decent presentation of companies in online communication and social media, using the same color of voice as the companies and representing them in communicating its core values. Nowadays, social media are opening new opportunities for socially responsible companies. It has never been easier to spread information and the values for which the company advocates such a large and targeted audience as what social media allow and enable it. Uniting it the audience on Facebook or Twitter with a socially responsible goal is established powerful and a loyal network of influential social media users who will at the same time there will be media as such, which will be transmitted virally and will be advocated for setting a social goal (Aikat, 2008). The internal effect of the company is also strong. In this way it creates moral capital, both in the community and with stakeholders, as well as with employees making them motivated and proud of their own company.

### 3. SOCIAL MEDIA COMMUNICATION

#### 3.1 Interaction between customers and social media

Established in 2004, Facebook is a social network that aims to help people communicate more effectively with their friends, correspondents, business partners. The company develops technologies that make sharing easier the information through digital maps of the real world and the social connections of the people. In principle, everyone can be registered on Facebook. In the second quarter of 2018, official numbers say that Facebook has around 2.23 billion active accounts. (Statista, 2018a) For active users are considered those who at least once a month log into the network. Accordingly, this is the most popular social network in the world today.

Figure 2: Number of Facebook users



Source: Statista (2018b).



### **3.2 Facebook like a social media and opportunities**

Many of the small business owners are confused by the avalanche of marketing which surrounds us on Facebook. They can see feedbacks like interactions, by getting new fans, by sharing video, photos, questions, and other content. Moving daily through the updates on Facebook it can be noted that images and questions attract the most attention. But the challenge for most business owners lies in how to use that moment and turn into financial earnings. In today's turbulent times it is necessary to think of Facebook as at the first step towards the personal sales cycle. The ultimate goal is to switch fans from Facebook on the website or on the side for sale, but first you need to build trust and identify buyers (Zafirova, 2014).

Facebook is a powerful community center, giving even the biggest brands human dimension. However, Facebook is not just a place to spam fans. Most often fans are on Facebook for fun and human interaction, not for sales. The more likes, share, comments, and share photos and videos content by fans, the higher will be the personal EdgeRank (EdgeRank is the name for the algorithm that Facebook uses to determine which events should be displayed on the User News Feed) result, which means more fans and friends the fans who will see the posts.

Pictures, questions, and other interactive content, along with clear calls for action like "click here" or "share this" gives the fans attractive opportunities to communicate with your brand. The opportunity for sales is quite interesting via Facebook, which begins by sharing content that fans call not to comment, share or to crawl, but to visit a link outside Facebook. It can be up to a website or Facebook application; Own applications Facebook is a useful tool for keeping the generation in that way allows fans to gather without being transferred outside of Facebook.

### **3.3 Facebook groups and Facebook commercials**

Facebook users can create their own profiles (Facebook profiles), to interact with other users and to offer so-called friendships. Facebook profile refers more to an ordinary user, to performing activities and sharing information. When a given business is in question, then Facebook's presentation refers to the Facebook page. Creating a Facebook page for a given business allows the presence of Facebook, and hence the promotion of the company of that business. The Facebook page is identical to the Facebook profile.

Members can become "fans" of the Facebook page, to write on the wall, learn about special promotions, update photos, join and other members in the discussions that lead the Facebook page for that business. Unlike the Facebook profile, where the number of friends is limited to 5000, Facebook parties have no limits on the number of fans. So, a business can send updates and updates for all new fans every time. Another key difference between Facebook profiles and Facebook pages is that Facebook pages are public (by default), which means that everyone can find the given Facebook page on Facebook search engine and Internet search engines (Google, Yahoo) that allow a given business to be visible beyond the

boundaries of Facebook (Temjanovski, 2012). There are 5 categories of Facebook pages: local pages are for business that benefits from a strong local presence in the market, such as store, agency for advertising and so on, brand, product or organization (Brand, Product or Organization) – these pages are intended for larger national businesses. Example: Coca-Cola, artist, band, public figure (Artist, Band or Public Figure) - these pages are intended for politicians, artists or a music group, entertainment and cause of community (Dunay & Krueger, 2010a, p. 56).

Facebook pages allow adding apps or small interactive software programs so that members can engage in various links, discussions, videos, flash content and more. No matter which category on a Facebook page you will choose to create a side for one business, universal elements that are met in all categories of Facebook pages are pictures, wall tab and info tab (Dunay & Krueger, 2010b, p. 57).

Facebook pages can be called on-line companies for a given business. Due to the way (powerful set of online tools) that allow interaction between customers and great ease of use, Facebook pages increase customer loyalty and business. Facebook offers the opportunity to form a permanent relationship with prospective customers by placing ads. Online advertising goes through incredible growth in the last few years, so there is no exception with social advertising. Facebook ads can be seen on the right side of many areas on Facebook: home page, events, pages, and more. Figure 3 is a sample of a Facebook advertisement.

Figure 3: Sample of Facebook advertisement



Source: Own work.

The payment for a Facebook ad is executed on the principle of an auction system (the same as Google ads). In the process of creating an ad there is an option to choose whether the payment will be of CPC (Cost per Click) or CPM (Cost per mile). The actual costs will depend on the other participants for advertising, that is, the of their bid for auction for the same demographics or keywords. "Bid - bidding" is set based on keywords in search. With

Facebook ad bidding or a cost-per-click bid, it's based the likes and interests in people's profiles. You have to appeal to the so-called Facebook ads to attract your target market, i.e. to develop a long-term relationship with potential buyers, customers. With Facebook it can be advertised for an external website, a web application or something (page, event, or app) that is within Facebook. On Facebook there is also a feature called "sponsored stories", which allows the advertisement of individual activity (example post announcement on some side). Advertising on a given business Facebook page is the best way of advertising because the person - the potential client that clicks on the ad is active Facebook and enters the circle of the target business market.

### 3.4 Measurement of success

Measuring success is essential to determine how implemented marketing strategy ultimately contributes to the business. Considering the pace with which social media is making changes in everyday life, every company should strive to join in this social environment.

For ROI - Return on Investment associated with social media, it is of utmost importance the goal that a business wants to achieve in this place. The goal may be related to strengthening a given brand, generating sales or gain community participants.

These goals are focused on the social audience. They are phases that describe it the purchasing process carried out by the client. The process starts with gaining awareness of the existence of a particular brand, then continuing to challenge interest, i.e. making contacts and finally ending with the client's decision (purchase/sale) These goals are focused on the social audience. They are phases that describe it the purchasing process carried out by the client. The process starts with gaining awareness of the existence of a particular brand, then continuing to challenge interest, i.e. making contacts and finally ending with the client's decision (purchase/sale) (Ghali, 2011).

In the world of social media success, the breakthrough of a given brand depends on all social interactions regarding the company. Attention directly depends on marketing strategy and its effectiveness. But it's not enough to have a big one number of so-called social media "followers"; it is important that they are engaged, involved in the brand. The maximum number of potential interactions that can be achieved through social media, represents the maximum number of people who will enter the scope of the social network of businesses. Awareness of the range or the brand's reach can be judged using the following formula:

$$\text{Brand reach} = \text{Facebook fans} + \text{Twitter followers} \quad (1)$$

Any piece of content that is shared by the business profile of social media can also be shared by fans and fans "Followers" so that the content becomes available to more people. On this way you can calculate the content reach:

$$\text{Content reach} = \text{Brand reach} + \sum (\text{shares}) * (\text{reach of each sharer}) \quad (2)$$

The engagement refers to content engagement and to the way the audience is related to engaging around the content and the brand. Content engagement can be measured by social media actions (retweets<sup>93</sup>, likes<sup>94</sup>). The level of content engagement helps to understand the connection with the audience, or whether the audience feels sufficiently connected with content to share that content on its social network. Sometimes the action on the content refers to clicking on a given link to get more information.

Interactions with a brand are not always generated as a result of the content. There is also a so-called "third party", which is explained by the following formula:

$$\text{Brand engagement} = \text{Likes} + \text{Tweet} + \text{Comments} + \text{Mentions} \quad (3)$$

The impact of the brand is associated with any micro-interaction (daily customer interaction with the product or service) that relates to the company, products, etc. There are several tools that Facebook and Twitter use to determine sentiment customer reviews.

The accuracy of these tools for measuring opinions is difficult to determine because sometimes it is not possible to determine what kind of opinion it is (positively, neutrally or negatively). Measuring opinions are a good general indicator of how much attention is receiving a brand on social media. The second goal, the conquest of contacts, refers to a list of followers that a given business may own. The easiest way is to measure the growth of the brand's reach (brand reach). Also, it is important to understand the way in which likes, tweets affect the brand reach. A big number of tools display these measurements using tables or graphs.

Traditional sales are moving in the direction of quantitative results, everything with in order to justify the time spent on the investment. Online sales focus to the potential client and his participation in the following situations (Ghali, 2011): visits to the web application or website, tracking the brand on Twitter, considerations of multiple tweets and their downloads, visit the web application to learn more information, visit the Facebook fan page of the brand and subscription for using the newsletter.

In the social world, the one-way channel of communication with customers is past. The goal of every business is to achieve a positive micro-interaction, which will contribute the client to move in the decision-making process. Tools used to measure ROI on social media include free services, but also services that need to be paid.

The fourth objective concerns the profits that a given business may have from the participants in the community. This refers to the marketing that the participants can perform. As an example, can be mentioned positive recommendations for products and services that will help the company and will support and encourage new customers. A discussion involving questions and answers is another relevant example of positive micro-interaction and defining the fourth goal.

In the process of measuring the profitability of social media, the most important step is to an approach based on an objective is defined. The goal is that which will help to get to the awareness that social media contributes to the success of the business.

### **3.5 Influence of social media on young people**

Social networks have created the so-called a global Internet language they communicate with young people from all over the world can understand. But youths forget to speak! Everything they call to talk directly to someone, to exchange opinions, views.

Social networks have taken the place of communication in four eyes. Young- most often choose a chat on Facebook, Skype, Viber, the older are being resolved with communication via email. Even in a number of companies where there are younger ones working staff, it's easier for anyone to tell them that they were fined 30 percent of the salary through a message, rather than being called to the office. Simply a younger population is glued to computers and phones, even when we sit with a company. Today life turns on the Internet, on social networks, here is where which "acquire" new friendships and interrupt old friendships. Interview for work, acting in front of a professor, public speaking, verbal communication – orally the pronounced word becomes past. Young people do not know how to express themselves orally, have a fear of talking, have a fear of facing in four eyes. People get alienated from friends because of social network capture and the person forgets to communicate really with friends and becomes introverted. We unconsciously start to abandon the values which mean friendship, respect, compassion. The researchers say that Facebook and other social networks are very important in the life of a teenager.

Young people are excluded from what constitutes a joint experience. Create friends in the virtual world with whom they cannot communicate differently, except through social networks and create an image for the one on the other side that they themselves want to create. The "chat on Facebook" always have something to say. At the table with friends are silent, withdrawn, unconvincing. They say the talks on social networks simplify contact with friends, but sociologists warn that it is not the right way to communicate and that it cannot provide a sense of deeper connectivity, necessary for true friendship. Virtual conversations should be just replenished, not substitute for the real one's social interactions.

Spreading friendships from one side is positive, but on the other hand, there are a lot of such communication negative sides. Discussions on social networks or the popularly called "chat" sociologists say, can endanger social life. They should be used only in the inability to make that person face-to-face or to contact the persons you are at a greater distance. Otherwise, such conversations are the death of what it means publicly speaking and real communication. Social networks affect the overall construction of the young man, starting from the formation of attitudes, habits, ways of communication - vocabulary and speech, as well as the formation of its moral and value code.

Internet and social networks caused a series of changes in all areas of social life. Everything changes the way of thinking, informing, communicating. Speed of communication causes changes in the pace of life, the way of behavior, the overall way of life.

Communication on social networks does not prepare children and young people for co- real-life mutations and social networking conversations are by no means the case can be a substitute for face-to-face conversations.

According to professor (Zafirova, 2014) "If in the past public speaking was considered to be the privilege of the political elite, today everyone is set before the challenge publicly performs - starting from various festivities, celebrations, gatherings, to working meetings, seminars, trainings, holding presentations, etc. And the students themselves, when they will have a public appearance. It is known that communication is a prerequisite for success of each individual. Therefore, this skill is desirable to nurture in schools, further during the course of studies, through appropriate courses or communication training skills or public speech and public appearance. Not by chance today many prominent companies organize for their employees precisely such trainings. The reason is that every profession in the essence of its realization it has the communication and the more successful it is we will manage so much more successfully to face all its demands and challenges".

### **3.6 How dominant is Facebook compared to other social media**

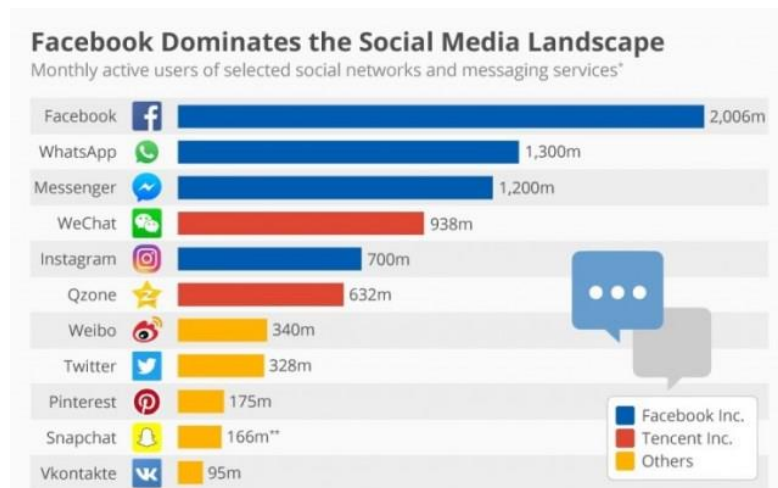
Facebook has strengthened its status as an undisputed king in the jungle of social media in the new research, which showed not only that this social network itself has more monthly visits than any other, but that's also its sister platforms, WhatsApp, and Messenger are not far behind.

The figures collected by the company (Statista, 2018c) show that Facebook owns the four largest world social media platforms and messaging, i.e. only Chinese WeChat is big enough to spoil the fun on top of the list, as Instagram pushed him to fifth place.

Judging exclusively on his own merits, Facebook currently counts two billion active users per month, while WhatsApp and Messenger have already crossed over the amount of one billion. Only Tencent, the Chinese digital giant that stands behind the WeChat mentioned, can get closer to the leading on the list.

Naturally, the advertisers go where the audience goes, attracted not only from the vast base of users, and from the possibility to touch up to pre-selected groups based on likes, comments, and other online activities. It is expected that only in the United States revenue from advertisements on social networks to reach a value of 17.8 billion of dollars this year, and growth will continue in 2018 and the next years, that is, it is expected that Facebook will have the greatest benefit from it. The company recently reported that it recorded profit growth of 45% in the amount of 9.3 billion dollars, based on the continued growth of mobile advertising (Marketing365, 2017).

Figure 4: Facebook domination



Source: Statista (2018d).

## 4. RESEARCH DESIGN

### 4.1 Case study of FlixBus

FlixBus is new mobility provider that is making change in traveling across Europe and USA. Combining technology, e-market and bus companies, FlixBus has grown in the past years and became number one player in many European markets. Innovation and simplicity of reservation system, brought millions of passengers to the company. People recognized this brand and started using their services to explore different cities and places. FlixBus is known by, low price of tickets, eco-friendly and their branded green busses. (FlixBus, 2019).

Their success lays on technological improving of the traditional way of traveling by bus. With technology improvements like the e-ticket, application, free internet in the busses, FlixBus put travel industry on next level. Through smart system development and dynamic prices, the corporation is able to give its clients the best deals possible. FlixBus network depend on close partnerships with small and medium-sized companies as well as family-owned businesses, who are responsible for green busses. (FlixBus, 2019).

### 4.2 Marketing practices of the company

FlixBus has a strategy document in the marketing department communication on the bus company social media networks. The strategy is updated annually, and they have used it since the first day of existence of the company. This strategy can be slightly changed during the years. The strategy was created because of the need to define why to use social media networks, what is the purpose, and what types of content are published, and on which channels for each target group. The strategy is used both for communication on a global level in the English language and for communication in local languages. The Facebook pages are available in all local languages where the company operates and has offices, focus of this

thesis are Croatian and Slovenian markets, that's why I am using only samples from these two countries.

The main purpose of using social media networks for the company is connecting with customers and the public for interaction and building relationships. The purpose is global web presence, exposure and better coverage, building brand awareness, and assisting in search marketing and positioning in search engine. Finally, informing and educating the interested public about the company in order to raise awareness and interest in buyer process. Some of the company's marketing practices on social media and on offline media with focus on Croatia and Slovenia in 2018 like **price promo** -campaigns mainly on the Facebook page of the company, which last from 1 day to several days where followers can get information about price promotion for bus lines, **prize competition** where followers are competing for free tickets to any destination, usually this kind of campaigns last 3-5 days, and are really popular among followers, **tips about travel destinations** this kind of posts are less interesting for followers but still people like to read and get inspired about their future trips, regarding **TV and radio campaigns** the company in this way is trying to get connected with the audience that is not active on social media, **discount for company's rides (vouchers)**- the company is very active in this field, because awareness of existence of the company it's still not as high as competitors. The company organizes many street promotions in Croatia and Slovenia where they give discounts to the people. Vouchers are also given to student organizations, hostels, cinemas, etc.

These are just some of the marketing practices of the company which I will analyze in my research. My focus will be on analyzing KPI and Facebook insights for the mentioned above marketing practices of the bus company. What is interesting to mention is that the company's strategy is to have only marketing activities that are measurable.

#### **4.3 Analysis of Key Performance Indicators (KPI)**

In my research, I am going to analyze relevant KPI reports which are going to provide answers about the marketing campaigns offline and online that the company is doing. This analysis will show which marketing campaigns are more successful compared to others. In my analysis, I will focus on two offline or traditional marketing campaigns and social media posts on Facebook with topics like price promo, prize competitions and tips for trips. These are some of the campaigns that the company is focused on when they try to present the product in front of the customers. The company is young and very dynamic working in the bus industry in which they are not used having a lot of promotions on the street or TV campaigns. On the other hand, they have dynamic society, which is changing every day, many people are active on social media and having advertisements on Facebook and Instagram it boosts the visibility of the company and gives to customers feeling that they are closer to the brand. This research will show if social media has already taken over when it comes to bus industry and countries like Croatia and Slovenia.



### 4.3.1 TV campaigns

The first TV campaign was broadcasted in Croatia in September 2018, September in the bus industry is categorized as a low season month. The goal of the TV campaign was to boost sales in the low season. The commercial was broadcasted on the national TV in Croatia HRT mainly in the morning hours while morning programs are broadcasted. The targeted audience were people aged between 18 to 49 years old. The TV campaign lasted 24 days, the advertisement length was 15 second. For 4 weeks period, the advertisement was played 176. The audience size was 1,422,646, however with this campaign the company reached 902,100 (63%), which is good result.

*Table 1: KPI report audience reach 1st TV Campaign*

<b>Audience size</b>	1,422,646
<b>% Reach</b>	902,100 (63%)
<b>Impressions</b>	6,821,846

*Source: FlixBus (2018a).*

From the data gathered while the campaign was running, the company managed to reach 63% of the targeted audience and to have 6,821,846 impressions. This is a good result for a first TV campaign in Croatia, but the following graphs show if the sales of the ticket were improved and growing in the time of the campaign.

*Figure 5: KPI report visits per day on website*



*Source: FlixBus (2018b).*

Figure 5 shows the average visits during the day and visits during the running time of 15 seconds of the TV campaign. We can note that 99% of the visits or 1831 daily occur outside of the running time of the campaign. This is expected considering the length of the

advertisement and time of its presentation of advertisement which is in the morning hours. According to some other researches made by the company, most of the sales happen in the afternoon.

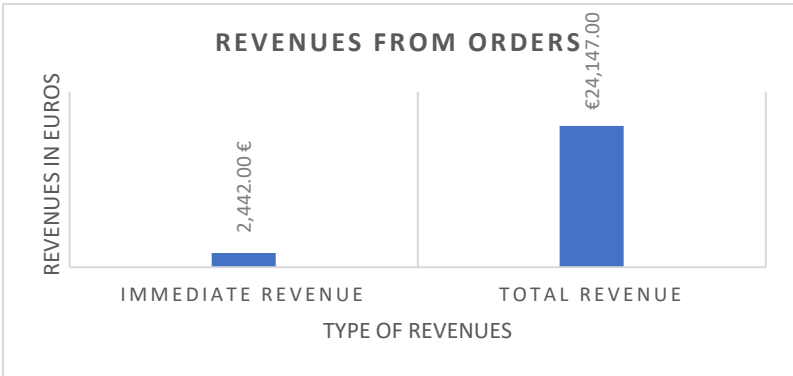
Figure 6: KPI report orders per day 1st TV campaign



Source: FlixBus (2018c).

Regarding orders per day show on Figure 6, the situation is quite similar like with the visits per day. These two are highly connected and have strong correlations. Results are showing to us that orders, while the advertisement is on TV, are on average 4,57 of all orders. Total average orders during the day is 804 in the period when the campaign was running. Number of orders while advertisement is running is very low, but here we have to take into considerations that the advertisement lasts only 15 seconds. However, next graph will show to us the real benefit of the commercial regarding sales.

Figure 7: KPI report revenues 1st TV campaign



Source: FlixBus (2018d).

The revenue on Figure 7 is showing that 9% or 2,442 euro on average of the sales happened during the time of 15 seconds while the advertisement was broadcasted on TV in morning hours. On the other hand, total revenue that company is getting daily in this period is on average 24,147 euro. This is a very positive result regarding revenue. And it means that running an advertisement on TV still has great impact on the people living in Croatia. With

marketing strategy to be visible in traditional media, the company has reached to the population that is not very active on social media, and it is shown, the results and revenue are positive.

Table 2 is giving us results about the second TV campaign which was broadcasted in Croatia in December 2018, December in the bus industry is categorized as a high season month. The goal of the TV campaign was to boost sales in the high season around Christmas. The commercial was broadcasted on the national Tv in Croatia HRT mainly in the morning hours at morning programs. The targeted audience were 18 to 49 years old people. The TV campaign was conducted in a period of 14 days. The advertisement length was 15 seconds and there were played 35 advertisements for period of 2 weeks.

*Table 2: KPI report audience reach 2nd TV Campaign*

<b>Audience size</b>	737,259
<b>% Reach</b>	235,922 (32%)
<b>Impressions</b>	1,990,599

*Source: FlixBus (2018e).*

From the data gathered while the campaign was running, the company managed to reach 32% of the targeted audience or 235,922 people. This is almost twice less than the first TV campaign in Croatia, and the results are not good like the first TV campaign, but the following graphs will show if the sales of the tickets were increased and growing in the time of the campaign.

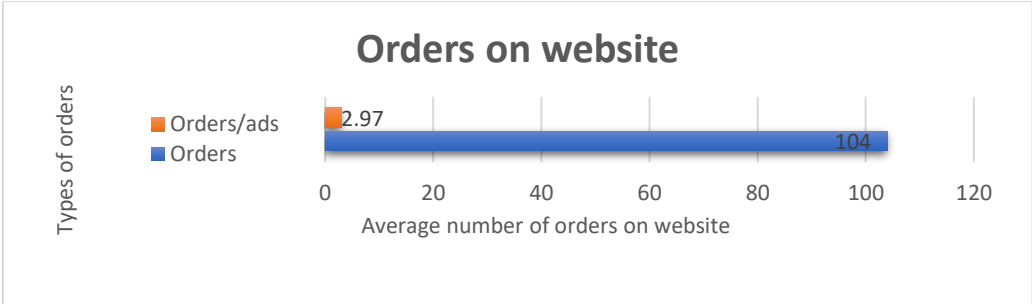
*Figure 8: KPI report visits per day on website 2<sup>nd</sup> TV Campaign*



*Source: FlixBus (2018f).*

Figure 8 is showing the average visits during the day and visits during the running time of 15 seconds of the TV campaign. It is notable that 97% of the visits or 337 on average occur outside of the running time of the campaign. While 3% or only 9,63 visits on average happen in the time of broadcasting the advertisement. This is expected considering the length of the advertisement and time of the presentation of advertisement which is in the morning hours. Also compared to the analysis of the first campaign we can conclude that regarding visits while the advertisement is broadcasted, the second TV campaign is more successful compared to the first TV campaign.

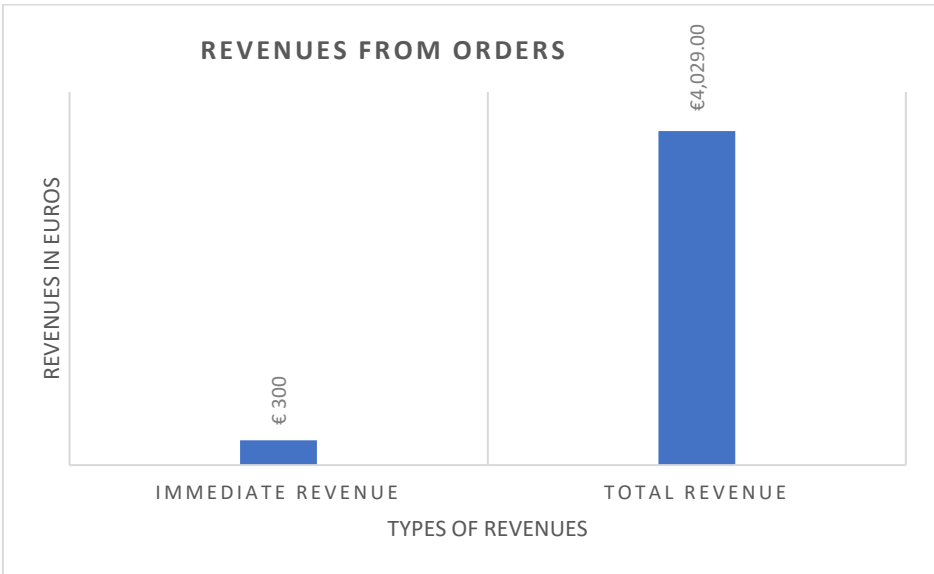
Figure 9: KPI report orders per day 2<sup>nd</sup> TV campaign



Source: FlixBus (2018g).

Regarding orders per day on Figure 9, the situation is quite similar like with the visits per day. These two have strong correlations. Results are showing to us that orders, while the advertisement is on TV, are on average 2,97 of all orders. This number is low and is lower compared to the first TV campaign, where there were 4,57 orders while the advertisement was on the TV.

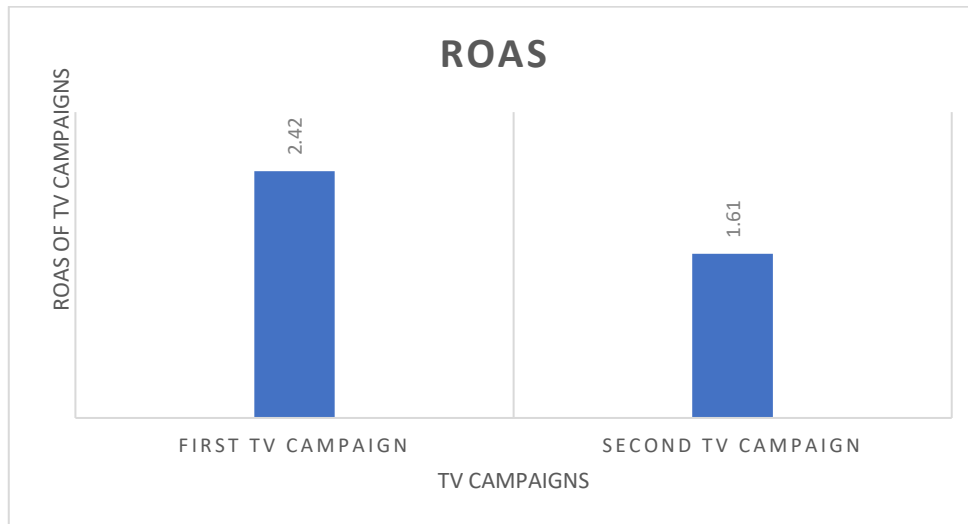
Figure 10: KPI report revenues 2<sup>nd</sup> TV Campaign



Source: FlixBus (2018h).

The Figure 10 is showing that only 1% or 300 euro of the sales of sold tickets happened during 15 seconds of commercial in the morning hours. This is a negative result regarding revenue. Additionally, results regarding revenue are lower than during the first campaign. But to have concrete picture we have to compare the return on advertisement spending (hereinafter: ROAS) of the company because the costs for the first TV campaign are higher than the cost that the company incurred during the second campaign.

*Figure 11: KPI report ROAS TV campaigns*



*Source: FlixBus (2018i).*

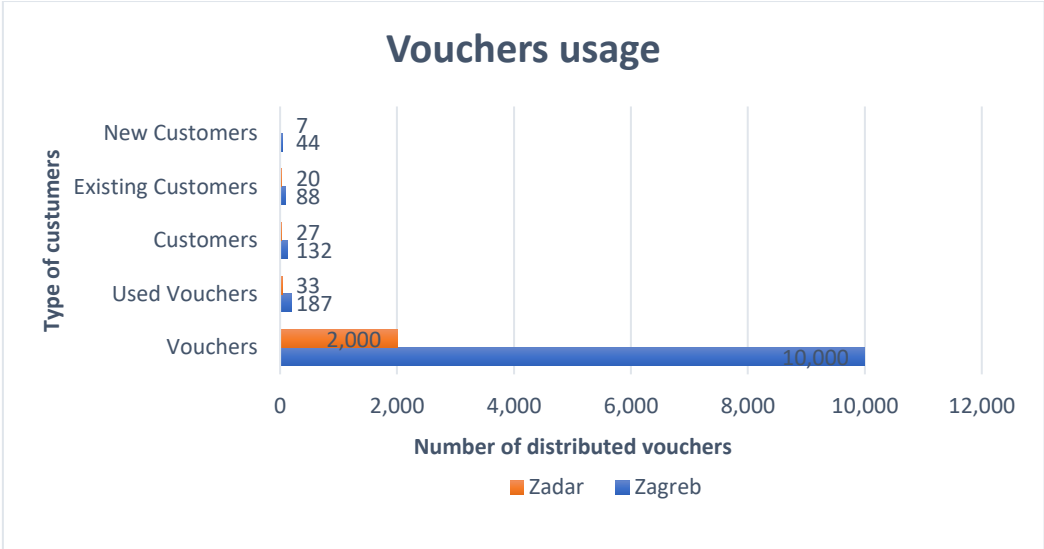
ROAS on Figure 11 are showing to us that the first TV campaign has better results, however from the analysis of visits and order per advertisement, we can conclude that people are more willing to travel during the holiday season and are more curious to explore new ways of traveling. With marketing strategy being visible in traditional media, the company has reached a population that is not very active on social media, and as we can see the results and revenue are positive.

#### 4.3.2 Vouchers street promo in Croatia and Slovenia

The company is regularly organizing street promos on the streets of Croatia and Slovenia. The street promos happen every quarter and they are measured by analysis in KPI reports. The goal of the offline campaigns is to raise awareness among people about FlixBus, but on first place is to get new customers, the company is attracting new customers by giving certain discount which is written on the vouchers. The vouchers have a unique code, and this makes it easier for the company to analyze and measure the impact of the street promo voucher campaign. New customers rate is measured through KPI reports where the company measures how many vouchers were distributed, how many are used, how many new customers used those vouchers, what is ROAS and Net Operation Income (hereinafter: NOI). In the following analysis by using KPI reports of the company I will show how successful were the campaigns in Croatia and Slovenia in July 2018.

The company’s office for the CEE South region is based in Croatia, therefore the company is more known in Croatia than in Slovenia. The company’s marketing strategy in both markets is similar, but they organize more campaigns in Croatia than Slovenia. This is also the case for street promos organized by the company. This research will focus on street promo campaigns that took place in July 2018 in Zagreb and Zadar. Through this research, I will compare street promo campaigns in these two cities, and how successful the promo campaign was, accordingly by analyzing of the KPI, I would be able to corroborate or reject the hypothesis of importance of offline marketing campaigns regarding street promos.

Figure 12: KPI report vouchers usage, Croatia



Source: FlixBus (2018j).

Figure 12 presents answers to many questions. From the analysis, we can see that in Zagreb were distributed 10 000 vouchers and in Zadar 2000 vouchers. The usage of the vouchers in both cities is very low at 1.87% or 187 vouchers in Zagreb and 1.65% or 33 vouchers. Nevertheless, from the analysis, it is notable that new customer rate is good. 33% of the vouchers were used by new customers in Zagreb, in Zadar this percent is lower than Zagreb 25,9% of vouchers were used by new customers. The results are a bit surprising, taking into consideration that the street promo was happening in a high summer season, it would be expected that there should be higher usage on the coast side. However, it needs to be underlined that vouchers were available in Croatian language only, which can explain why the usage is better in Zagreb than in Zadar if we consider the number of tourists who are not familiar with Croatian language.

Table 3: KPI report NOI and ROAS for voucher usage in Croatia

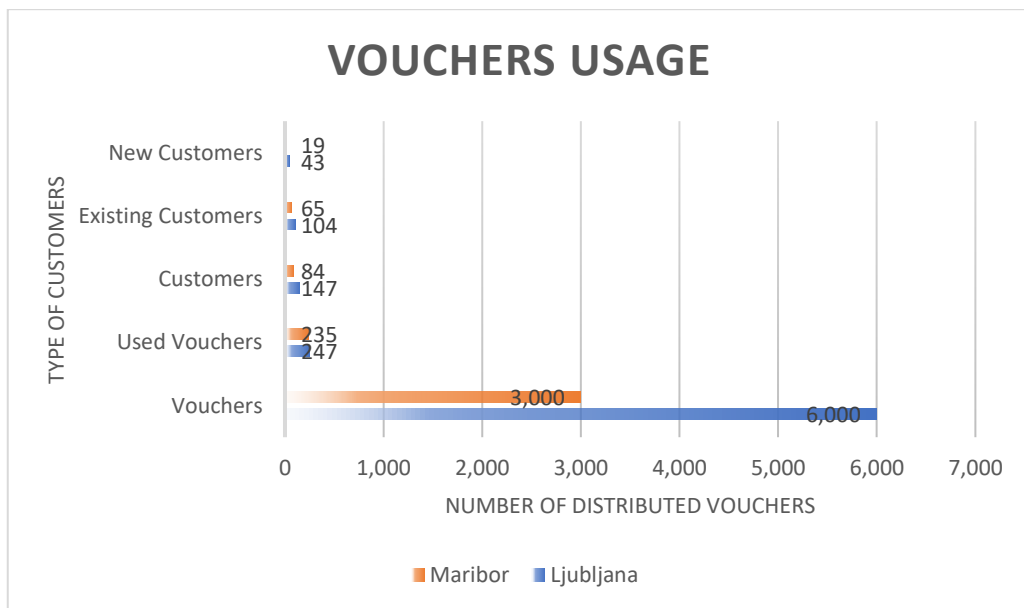
City	NOI	ROAS
Zagreb	€ 6.330,00	18.63
Zadar	€ 963,00	14.18

Source: FlixBus (2018k).

Table 3 shows NOI and ROAS that the campaign brings. It is more than clear that the street promo was more successful in Zagreb, when we see NOI it is 657% more in Zagreb than in Zadar. But we know that NOI it's not always enough to make a conclusion if marketing campaign was good or not. That's why we are analyzing ROAS or cost of revenue is better in Zagreb than in Zadar. We can conclude that marketing campaign was more successful in Zagreb compared to Zadar.

As it was mentioned before, this research will focus on street promo campaigns that took place in July 2018 in Ljubljana and Maribor. Within the research, I will compare how successful the promo campaign was in these cities, and by analyzing the KPI, I would be able to corroborate or reject the hypothesis of the importance of offline marketing campaigns regarding street promos.

Figure 13: KPI report vouchers usage, Slovenia



Source: FlixBus (2018l).

Figure 13 provides answers to many questions. From the analysis, we can see that in Ljubljana were distributed 6 000 vouchers and in Maribor 3000 vouchers. The usage of the vouchers in Ljubljana is 4.1% or 247 used vouchers and 7.8% or 235 vouchers used in Maribor. The KPI report shows to us that vouchers are double more used in Maribor compared to Ljubljana, which is a surprising fact if we compare the flow of people, which daily pass in in Ljubljana and Maribor, as well as in comparison of the number of daily lines that pass-through Ljubljana which is 3 times higher than Maribor. The analysis shows that that new customer rate is good. 29,3% of the vouchers were used by new customers in Ljubljana, in Maribor this percent is lower than Ljubljana 22,6% of the vouchers were used by new customers. I also must mention that vouchers were in Slovenian language only, which means that not many tourists were able to use them.

*Table 4: KPI Report NOI and ROAS in Slovenia*

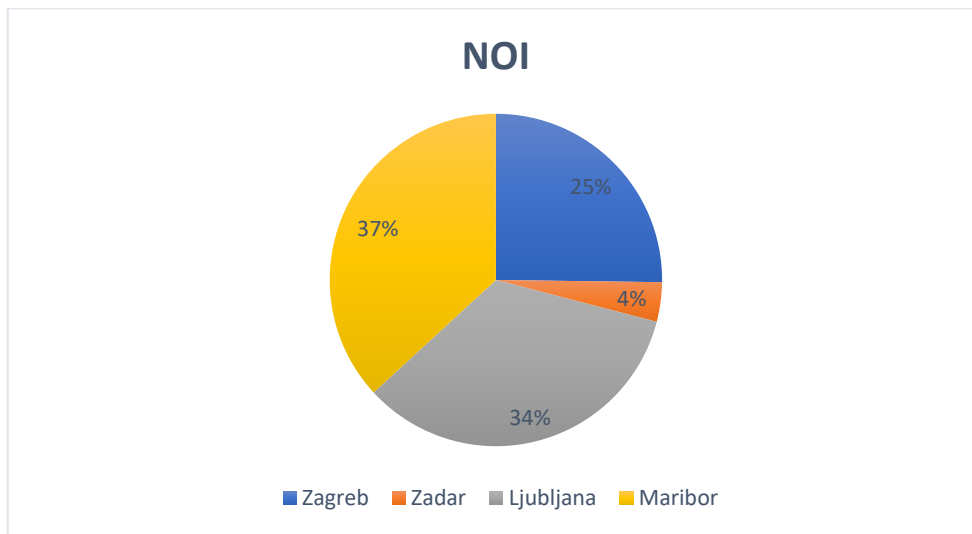
City	NOI	ROAS
Ljubljana	€ 8.564,00	13.02
Maribor	€ 9.249,00	47.02

*Source: FlixBus (2018m).*

Table 4 shows NOI and ROAS that the campaign brought. It is more than clear that the street promo was more successful in Maribor, when we see NOI is 107% more in Maribor than in Zagreb. Despite this, we know that NOI is not always enough to make a conclusion if the marketing campaign was successful or not. That’s why is important to analyze ROAS or cost of revenue, which is better in Maribor than in Ljubljana. It is visible that the difference in ROAS is big between these two cities. We can conclude that marketing campaign was more successful in Maribor compared to Ljubljana. In the following chart I would like to compare campaigns in both countries and see which city had best marketing campaign and in which city the campaign was less successful.



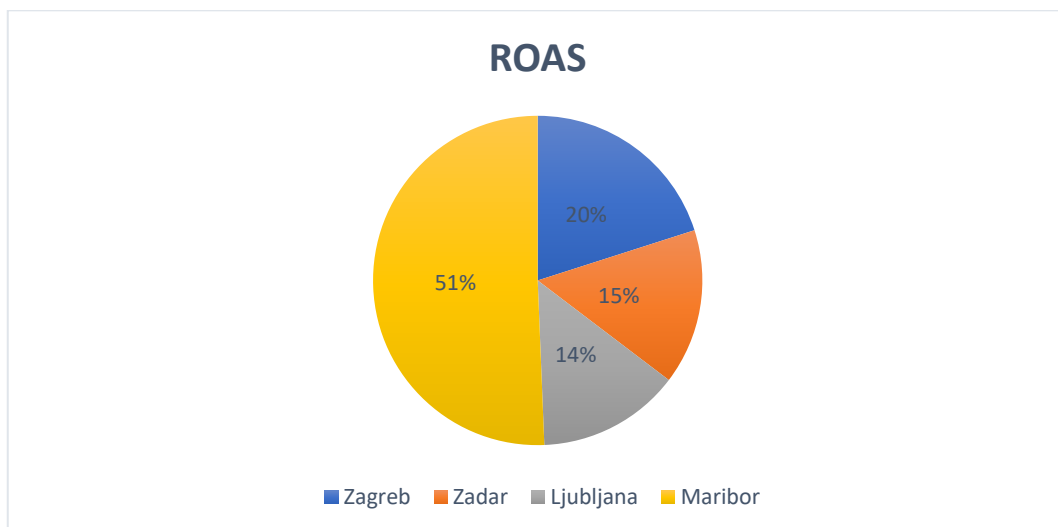
Figure 14: KPI report overall NOI in Slovenia and Croatia



Source: FlixBus (2018n).

By comparing both countries Slovenia and Croatia, on the Figure 14 we can see that most NOI brought Maribor, this is also clear compared to ROAS shown on Figure 15, there is no doubt and we can conclude that the street promo campaign in July 2018 was most successful in Maribor. Second is Zagreb followed by Ljubljana, and the campaign shows the worst results in Zadar. Zagreb and Ljubljana have similar results with slightly better results regarding NOI and ROAs in favor of Zagreb, but it needs to be emphasized that if the NOI is divided with the total inhabitant per city, then we can say that Zagreb is performing worse than Ljubljana. What we can be sure is that Zadar is in last place in this analysis. One of the possible explanations is that in Zadar there are not as many lines as in Zagreb, Ljubljana or Maribor.

Figure 15: KPI report overall ROAS in Slovenia and Croatia



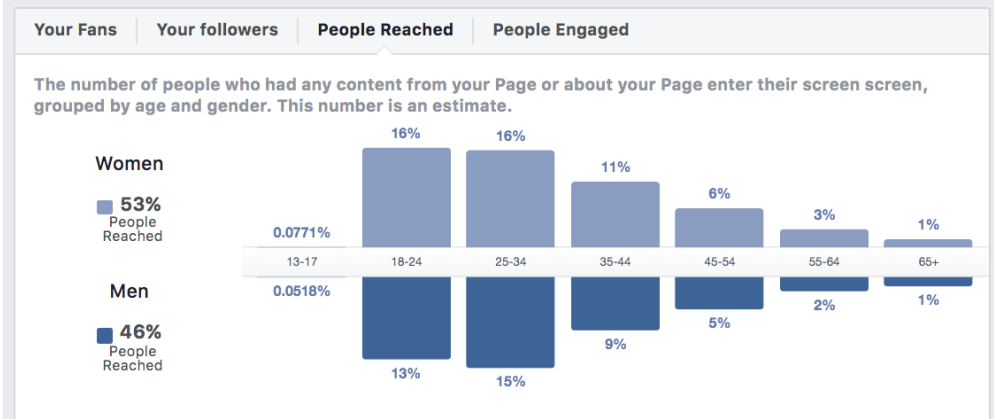
Source: FlixBus (2018o).

We can conclude that people are not interested in buying a product that is not available in their region. This also means, that the awareness of the people about the bus company is low in Zadar, which we will analyze more deeply from the questionnaire. More marketing activities in other cities are more than needed in order to make better awareness among people about the brand. On the other hand, it is shown that offline marketing campaigns have an influence on the overall sales of the company.

4.3.3 Social media posts

This analysis will include 4 posts with different content. Some of the posts that will be analyzed are boosted, and some of them are only with organic reach. The Facebook page is set for the region of Croatia and Slovenia, and it has 55 000 likes, most of the likes are from Croatia, followed by Bosnia, Serbia, and Slovenia. The content that is posted on the Facebook page is in Croatian and English language, this could be a reason why Slovenia is on the 4<sup>th</sup> place by followers I have chosen posts like giving discounts, price promo, free tickets and recommendations for traveling, that the bus company is posting regularly on their Facebook page. In order to understand better the followers of the company, Figure 16 will show some insights about the demographic characteristics of the followers.

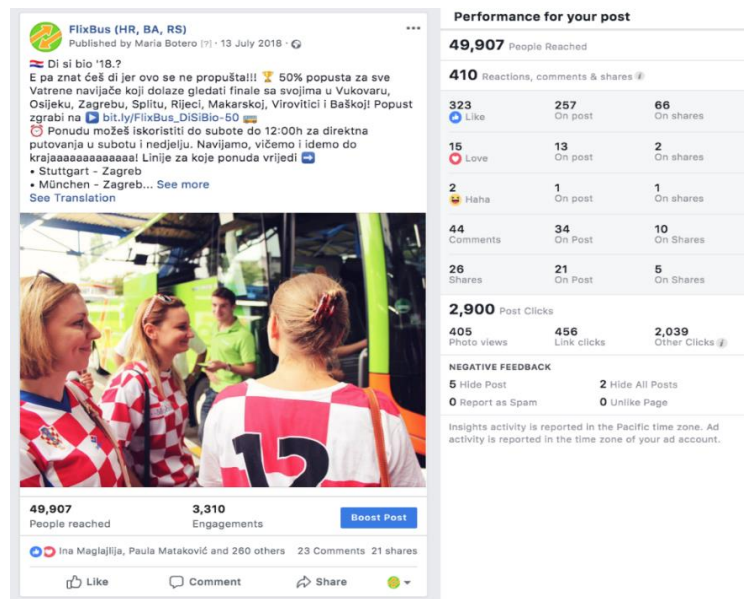
Figure 16: Insights FlixBus Facebook page



Source: Flixbus (2019).

The insights shown on Figure 16 are showing that the gender of the people reached on average is almost the same, with slightly more women reached with 53%, than men with 46%. Figure 16 shows that people reached by posts are mostly young people in a range of 18 to 34 years old represented by 60%, which is target group of the company. Despite this, as it is known the average age of the people on Facebook is slightly moving up, people from 45 to 64 years old are more and more active on Facebook, while the younger population or so-called Millennials are moving to Instagram. However, Facebook is still most powerful tool when it comes to promotions, advertising, and interaction with customers.

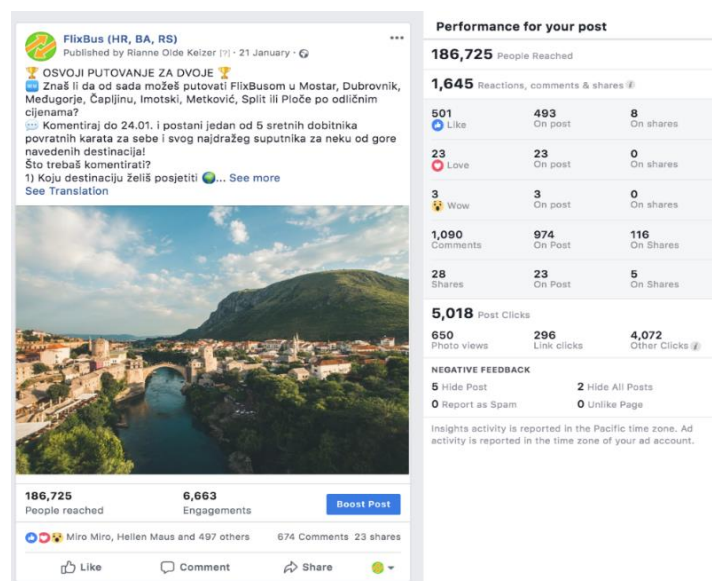
Figure 17: Facebook post



Source: FlixBus Facebook fan page (2018a).

The first post that is analyzed is a promotion before the World Cup final where France vs. Croatia played in the final. The content of the post is a 50% discount for every line that goes towards Croatia. Here I would like to note that this post was boosted. As it is shown there were 49.907 people reached which is almost the number of overall followers, 340 people liked the post, 44 commented and there are 26 shares. We can see that post with content that offers discount are interesting for the people and engaged 3.310 people which is 6% of total followers, which means that the content is interesting for people.

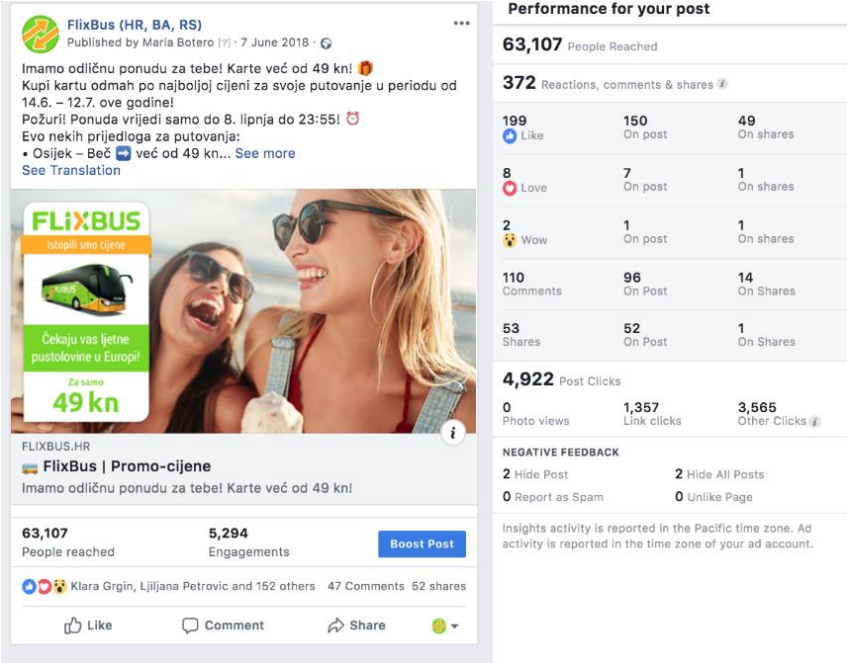
Figure 18: Facebook post



Source: FlixBus Facebook fan page (2018b).

Post on Figure 18 is a bit different from the first one, here the company is organizing price competition where from all the answers one person was selected and got 2 free return tickets for a ride from Bosnia and Herzegovina. This post is created to promote new lines of the company that are starting in Bosnia and Herzegovina to Europe. Here I need to emphasize that this post was boosted. As we can see there were 186.725 people reached which is great results, 527 people liked the post, 1.090 commented and there are 28 shares. It is notable that post with content that offers free tickets are interesting for the people, and engaged 6.663 which is 12% of total followers, which means that the content is interesting for people. From the insights we can see that this post had double more comments than likes, this is because the content of the post was asking from people to comment their favorite destination to travel. Engaging 12% of your followers with just one post is a great way to reach and inform people about new lines starting on the company’s network.

Figure 19: Facebook post



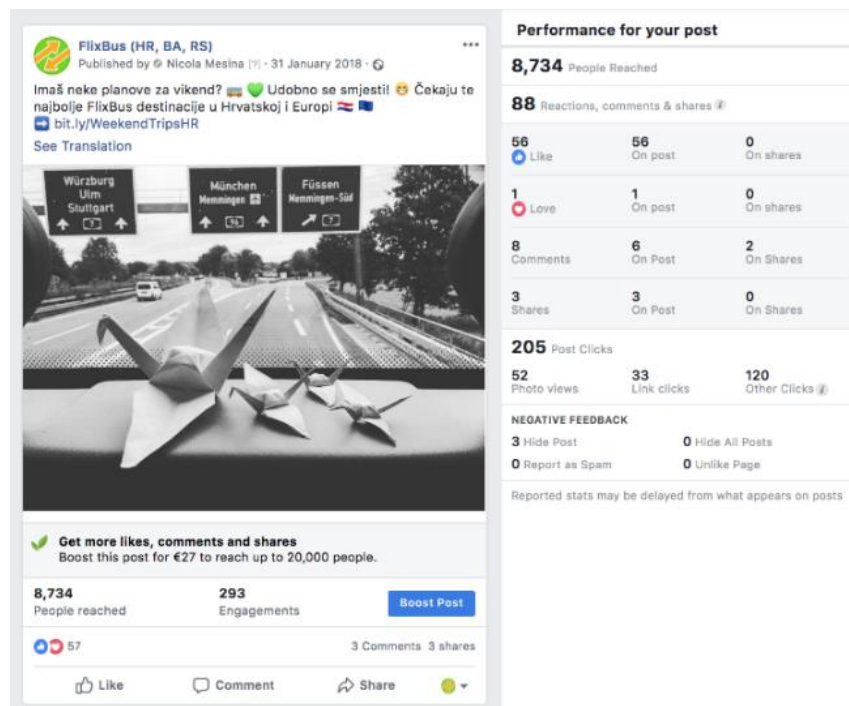
Source: FlixBus Facebook fan page (2018c).

Figure 19 is about promotion of the ticket price from Bosnia and Herzegovina, Croatia and Slovenia. With this post the company wants to boost sales in high season from cities that are not popular among the passengers. The results of insights are showing that this post had a positive impact on followers. This post, like the previous two was also boosted. As we can see there were 63.107 people reached which is great results, 209 people liked the post, 110 commented and there are 53 shares. We can see that post with content that offers price promo are interesting for the people and engaged 5.294 which is 9,6% of total followers, even though in the post are directly promoted not very attractive cities, the content is interesting for people. For this post is interesting that it has 53 shares which is the most among all 3 analyzed posts so far. Engaging 9,6% of your followers with price promo for not attractive

routes is a great way to reach and inform people about the possibilities that the company is offering.

This post (Figure 20) it's a bit different from the first three, this post is not boosted and it's only giving information and facts about destinations which are offered by the bus company. As it can be seen there were 8.734 people reached which is good results for organic post, 57 people liked the post, 8 commented and there are 3 shares. We can see that post with content like tips for travelling is interesting for the people, especially if we have in mind that this is organic post. There are engaged 293 people, which is less than 1% of total followers, which means that this content doesn't engage a lot of people. This post shows the reality that if the posts are not boosted then it is hard to get organic engagement, but once that they are boosted the company shows good results.

Figure 20: Facebook post



Source: FlixBus Facebook fan page (2018d).

#### 4.3.4 Main findings of Key Performance Indicators (KPI)

People are not interested in buying a product that is not available in their region. This also means that the awareness of the people about the bus company is low in Zadar. Marketing activities in other cities are more than needed in order to make raise awareness among people about the brand. On the other hand, we can see that offline marketing campaigns have an influence on overall sales of the company.

Social media campaigns are powerful tools that FlixBus as a company is using. This is also visible from the results of KPI reports. What is important to point out is that although FlixBus

is investing a lot on their Facebook page, fans are attracted more when there are some discounts of tickets or games where they can win free tickets. Contents with tips are not as popular as contents mentioned before. This is one more indicator that people on Facebook expect to get something for free, to play games and win prizes, which confirms that Facebook before everything is one platform for fun.

#### **4.4 Quantitative methods - questionnaire and data analysis**

The research methodology of quantitative method is based on a collection of questionnaire data that was distributed through 1ka channel. The link was sent via email, Facebook groups as well as on the field at the Bus station in Ljubljana, where my goal was to reach the older population that owns social media account but it's not very active on it.

The questionnaire was consisted of several groups of questions, I have used demographic, informative and Likert scale in my research with agreement and disagreement ordinal measure level. Furthermore, it contains 19 questions, of which 4 were Likert scale. The sample size for the questionnaire was more than 1000 people while the response rate was 157 people in total and all of them answer whole questionnaire. Most of the results were gathered from Slovenia and Croatia according to the previously set goal. The questionnaire was available for 15 days. The responses in the questionnaire were also used to answer on the 6 hypotheses set at the beginning of this research. Researchers have found through experimental studies that companies are passing large amount of investment in advertising to keep their product at the peak of the customer's mind. Yet, still consumer buying behavior is complex and not easy to attract customers to purchase company products and services.

##### **4.4.1 Hypothesis development**

The main objectives of the establishments and institutions, that try to survive during this modern era, are to attain their goals through the foremost economical utilization of their physical and human resources; to provide and to promote their product and services, and to derive bigger profits. Advertising is one amongst the foremost effective applications of selling communication for enterprises that want to attain these objectives, to survive among these competitive surroundings and to determine a competitive advantage (Mustafa, Sukran, & Olgun, 2010).

In the questionnaire, I have examined the following hypotheses:

- H1 - People under the age of 25 take action (buy products) after seeing an advertisement on social media.

Trusts of users that are active online in social media advertisement mirrors their feelings about this way of advertising and how useful the same are. According to a study revealed in December 2011 by Epsilon Targeting, 31% of American citizens said they realize ads on social media platforms to be either not very or not at all helpful, associated with simply 13% who notice them somewhat or very helpful (Nielsen and NM Incite, 2013).

- H2 - Consumers who buy tickets on the web, make decisions easier when hear, read, see advertisement than those who buy tickets at a bus counter.

According to (Freier, 2015) Buzz City, lately exposed new study that highlights how customers may be avoiding ads even though the trust in advertisements is high. The study which is built on a survey of 3,000 respondents in 17 countries, is on topic of liking and not liking advertising. Approximately 67% of customers are more trustworthy into internet ads, while 42% of them found mobile ads more trustworthy. Internet ads are trusted by form 27%, on the second place are online video and television with 23% each. However, at the same time these 3 ways of advertising are seen as the most offensive. Around 36% of people answered that they don't like, the number of advertisements that are shown up to them, and even 29% think that these advertisements are irritating.

- H3 - People above the age of 56 make a decision to purchase a product after seeing advertisements on TV.

TV ads are known in history as one of the most useful tools when it comes to influence on people's decision when buying a product. The goal of this research is to determine how important is the background of people when buying products. The results from the survey where gathered from Gujranwala city and villages in its surrounding. A sample of 400 surveys was distributed. Report shows fascinating results, as an example, residents in rural areas like tv ads more than those that live in the cities. Additionally, it is important to mention that individuals living in villages are more prone to purchase products that they don't need it, while those who live in the cities buy products that they only need it. (Hassan, 2015).

- H4 - People who receive display ads on mobile devices, buy bus tickets through a mobile app, more than those who don't receive.

According to a research made by Nielsen group, approximately 1/3 of people trust online videos and advertisements on social media platforms. However only 3% trust in banner advertisement. Advertisements that are shown on mobile phones get least trust from the people (Nielsen and NM Incite, 2013).

- H5 - People who get a recommendation by friends, have traveled with FlixBus.

Study of 29,000 respondents from 58 countries that was published in September 2013, points out that people still put most trust when they get recommendation from their friends or family regarding buying products. Over 84% believe that this is the best way when they want to buy some product. Therefore, it is not an easy task to have people start talking about your product and spread the word. Building good image of our product is the hardest part (Nielsen and NM Incite, 2013).

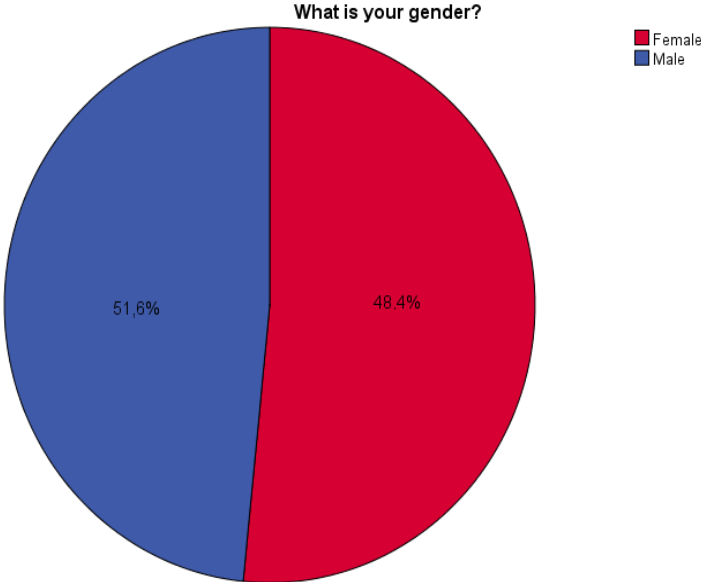
- H6 - People aged under the age of 35 give importance on the Internet when making purchase decisions.

Building trust on internet is one continues process. Companies have to learn all the time and offer the best quality of services that they can in order to gain trust of customers. The possibility of fail when advertising online is higher than that one when advertising offline. Many studies are made on this topic. However, researches agree that there is no unique way of advertising. Each study is showing different results, and companies need to know that they have to create unique approach for their customers and continuously improve their way of advertising (Mao, 2010).

4.4.2 Data analysis

After the data was collected, it was analyzed using SPSS. The entire SPSS analysis can be found in Appendix 3 at the end of this paper.

Figure 21: Gender of the respondents

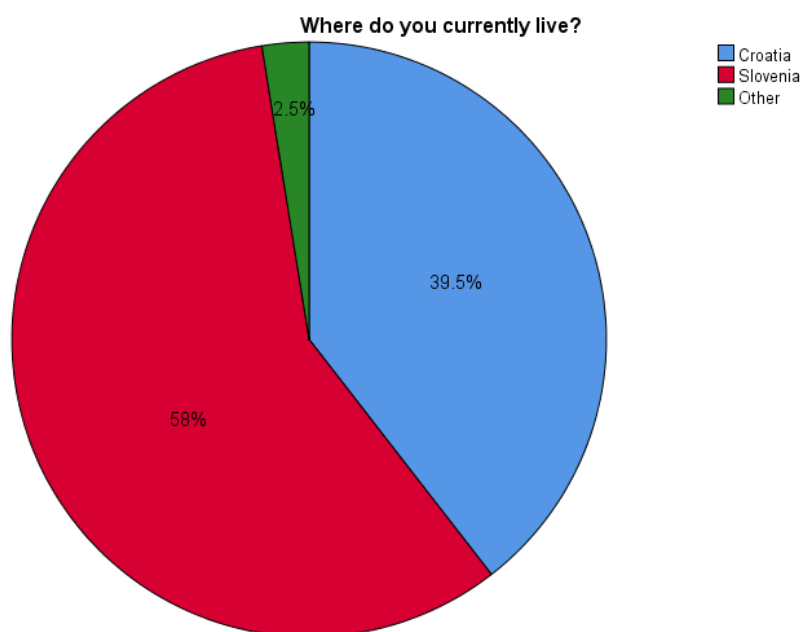


Source: Own work.

Regarding the demographic characteristics of the populations, represented are 81 (51.6%) male and 76 female respondents, 58% of them live in Slovenia 39.5% in Croatia and we have 2.5% other. This represents the perfect balance of the sample.

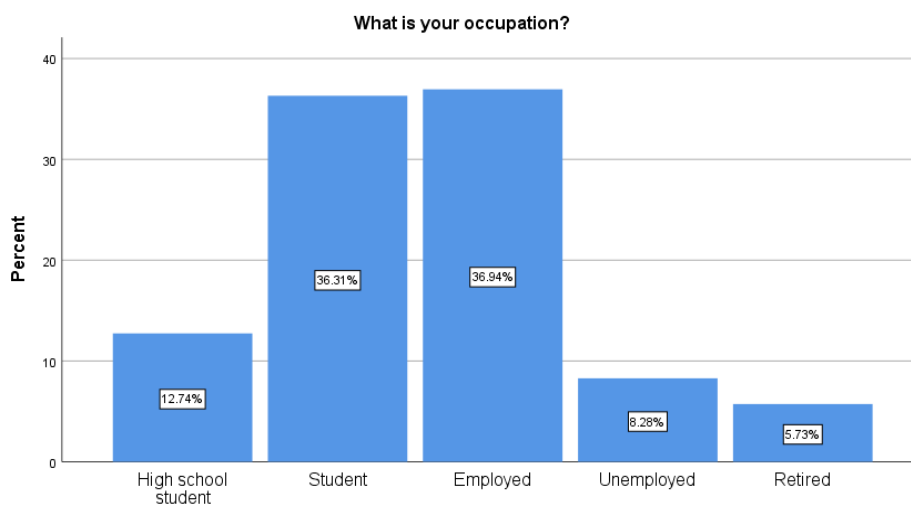


Figure 22: Country of respondents



Source: Own work.

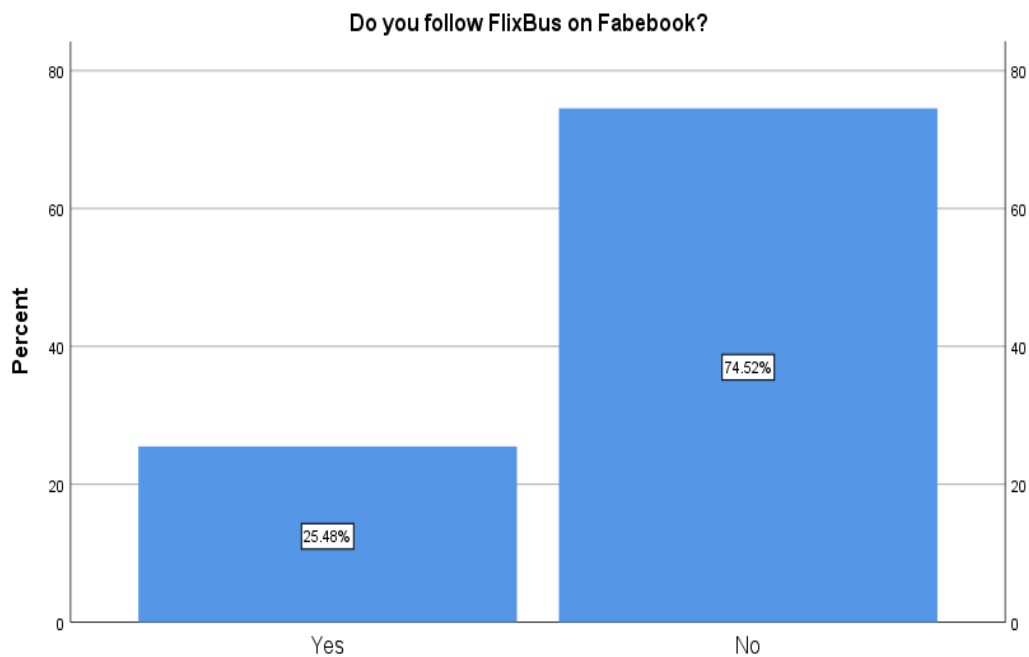
Figure 23: Occupation of the respondents



Source: Own work.

Regarding their occupation of respondents, 36,3% are students, 36,9% are employed while we have 12% of high school students, 8% unemployed and 6% retired. Even though we have a small percentage of retired, the research results were gathered from different groups which give more weight to the results. What is also interesting to point out is that most of the sample are not following FlixBus on Facebook, only 25% are following Flixbus on Facebook.

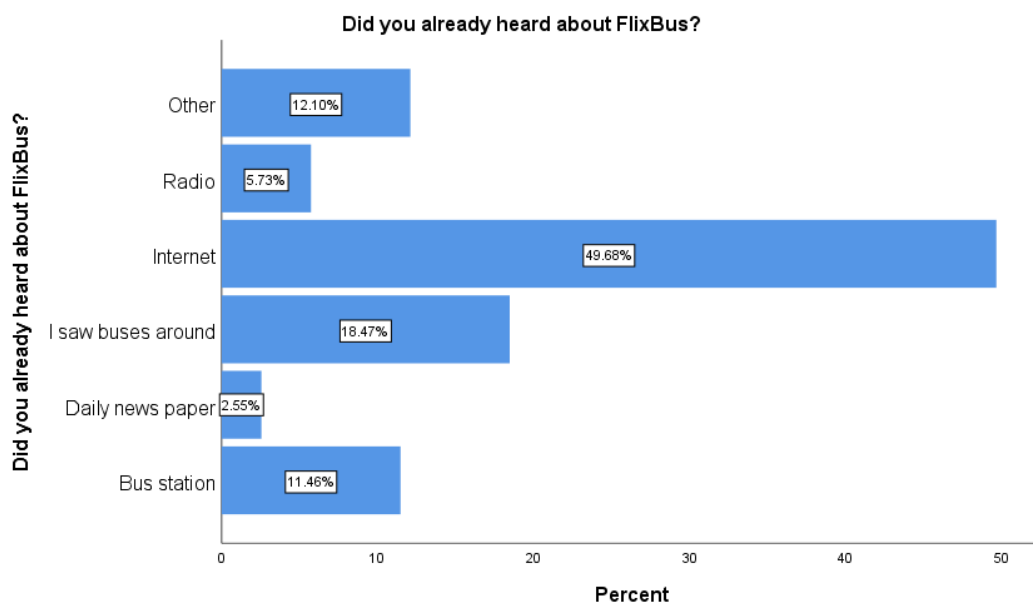
Figure 24: Percentage of FlixBus followers on Facebook



Source: Own work.

Yet, many respondents heard about FlixBus, 48% of them heard on Internet, which means that even though they don't follow FlixBus on Facebook. Internet is a powerful tool for communication and getting to potential customers.

Figure 25: Channels from which respondents heard about FlixBus?



Source: Own work.

From Table 5, I will try to bullet main points and answers of the respondents. What is important is that people who live in Croatia and Slovenia with 42% find it always important a recommendation from friends. This is completely expected since the Balkan culture and recommendation from friends on Balkan is valuable. As we can see also in the next question, advertisements on TV and Social media are important for taking decision for the respondents. While text advertisement on the phone and ads on application are not, which is also confirmed with the hypothesis. More than half of respondents (51%) always or almost always take action after seeing an advertisement on branded website. Advertisement before movies is important for 62 of the respondents or 39,5%, which is interesting and important result for FlixBus, as they have recently started a project with cinema in Ljubljana, Kolosej.

*Table 5: Advertising methods on which respondents take actions*

	Never-1	Almost never-2	Sometimes-3	Almost always-4	Always-5
Recommendations from people	0 0.0%	7 4.5%	32 20.4%	52 33.1%	66 42.0%
Consumer opinions posted online	4 2.5%	37 23.6%	54 34.4%	29 18.5%	33 21.0%
Ads on TV	4 2.5%	12 7.6%	48 30.6%	32 20.4%	61 38.9%
Branded websites	6 3.8%	24 15.3%	47 29.9%	26 16.6%	54 34.4%
Ads in newspapers	23 14.6%	36 22.9%	53 33.8%	22 14.0%	23 14.6%
Emails	13 8.3%	39 24.8%	56 35.7%	27 17.2%	22 14.0%
Editorial content such as newspaper articles	12 7.6%	43 27.4%	54 34.4%	29 18.5%	19 12.1%
Ads in magazines	14 8.9%	38 24.2%	55 35.0%	25 15.9%	25 15.9%
Brand sponsorships	13 8.3%	35 22.3%	52 33.1%	26 16.6%	31 19.7%
TV program product placements	10 6.4%	47 29.9%	40 25.5%	28 17.8%	32 20.4%
Billboards and other outdoor advertising	15 9.6%	49 31.2%	40 25.5%	22 14.0%	31 19.7%
Ads served in search engine results	8 5.1%	37 23.6%	47 29.9%	31 19.7%	34 21.7%
Ads on radio	3 1.9%	38 24.2%	41 26.1%	30 19.1%	45 28.7%
Ads on social media	10 6.4%	44 28.0%	41 26.1%	26 16.6%	36 22.9%
Ads before movies	12 7.6%	38 24.2%	45 28.7%	25 15.9%	37 23.6%
Online video ads	3 1.9%	38 24.2%	43 27.4%	36 22.9%	37 23.6%
Online banner ads	13 8.3%	50 31.8%	36 22.9%	35 22.3%	23 14.6%
Display ads on mobile devices	4 2.5%	56 35.7%	40 25.5%	30 19.1%	27 17.2%
Text ads on mobile phones	41 26.1%	57 36.3%	37 23.6%	13 8.3%	9 5.7%

*Source: Own work.*

These findings provide information important in order to observe ways of advertisement people appreciate and act. Once more, we can conclude that TV or traditional marketing is

still important for people living in Croatia and Slovenia, while advertisement on social media and branded websites are becoming more and more popular among people.

In the following Table 6, I will analyze some of the questions which are important for this research. The following table shows to us that 42% of the sample think that advertisement slightly values when they see, hear advertisement. Regarding on how helpful advertising is, for every third respondent (35%) there is some importance in the advertisements that they see, read or hear.

*Table 6: Percentage of respondents that find ads. helpful and valuable*

	None-1	Slightly-2	Some-3	Significant-4	Don't know-5
How much value does the advertising that you see hear or read offer you	23 14.6%	66 42.0%	49 31.2%	19 12.1%	0 0.0%
How favorable is your impression of the advertising you see, hear or read?	25 15.9%	72 45.9%	50 31.8%	10 6.4%	0 0.0%
How helpful is the advertising you see, hear or read to your decision-making as a consumer?	31 19.7%	57 36.3%	55 35.0%	14 8.9%	0 0.0%

*Source: Own work.*

Table 7 shows how important is advertising on the Internet for the respondents. The results are showing that most of them are finding it somewhat important 46,5%. This shows to us that people still believe and find it more important advertising on TV than one on the internet. With this, we can confirm one more time that people who live in Croatia and Slovenia still believe more in traditional marketing compared to the Internet or social media marketing. However, 16,6% are finding that newspapers and outdoor advertisement are not important. Almost half of the respondents (46%) believe that the Internet is somewhat important, while 8,3% believe that it's extremely important. This is an indicator that Internet is becoming powerful tool, but still there is a way to go for people to gain full trust in advertising that is shown on the Internet. The trust in magazines is similar to the one in newspapers, almost 18% are finding that this way of advertising is not important and almost 27% believe that it's slightly important. This shows to us that printed media is no longer that popular among people. Comparing radio and TV advertisement we can see that trust in radio advertisement is lower than in a TV advertisement, over 13% believe that radio advertisement it's not

important and only 12% find it extremely important. According to this we can conclude that TV and Internet are the most important channels for advertisement.

*Table 7: Importance of Advertising Media in Purchasing Decisions*

	Not important-1	Slightly important-2	Somewhat important-3	Very important-4	Extremely important-5
TV	5	22	55	43	32
	3.2%	14.0%	35.0%	27.4%	20.4%
Newspaper	26	44	55	21	11
	16.6%	28.0%	35.0%	13.4%	7.0%
Outdoor	26	39	50	28	14
	16.6%	24.8%	31.8%	17.8%	8.9%
Internet	10	32	73	29	13
	6.4%	20.4%	46.5%	18.5%	8.3%
Radio	21	29	51	37	19
	13.4%	18.5%	32.5%	23.6%	12.1%
Magazines	28	42	51	27	9
	17.8%	26.8%	32.5%	17.2%	5.7%

*Source: Own work.*

After knowing about the influence of advertisement, for the research it was interesting to know why people use FlixBus. Table 8 shows that half of them (53%) is it very likely to use it because it's cheap, these results are expected as FlixBus is known as for the low-price company. What is surprising is that they are not using it because of the brand or only 14% answer that this is likely. However, it is surprising that 48% are neutral regarding the good service, although FlixBus is the first company that offers high standards in the buses, with Wi-Fi, entertainment, etc. Additionally, only 14% of respondents think that it is fast.

*Table 8: Reasons why respondents use FlixBus*

	Very Unlikely-1	Unlikely-2	-3	Likely-4	Very likely-5
Cheap	1	10	43	53	50
	0.6%	6.4%	27.4%	33.8%	31.8%
Reliable	12	35	45	37	28
	7.6%	22.3%	28.7%	23.6%	17.8%
Fast	11	43	58	22	23
	7.0%	27.4%	36.9%	14.0%	14.6%
Bundleoffer	13	20	53	27	44
	8.3%	12.7%	33.8%	17.2%	28.0%
Brand	20	39	60	22	16
	12.7%	24.8%	38.2%	14.0%	10.2%
Goodservice	15	29	65	28	20
	9.6%	18.5%	41.4%	17.8%	12.7%

*Source: Own work.*

Carsharing in Slovenia and Europe overall is becoming very popular and people started using it and trusting more often. In my questionnaire, I have asked: “Do you like carsharing?”. It is important to understand the perception of people about carsharing since it is a competition of the bus industry. Results were expected and this figure is as high as 43% who like it and only 12,7% who don’t like it. Compared to the next question of usage of carsharing, it is obvious that FlixBus should count on carsharing as a serious competition especially in Slovenia and also Croatia.

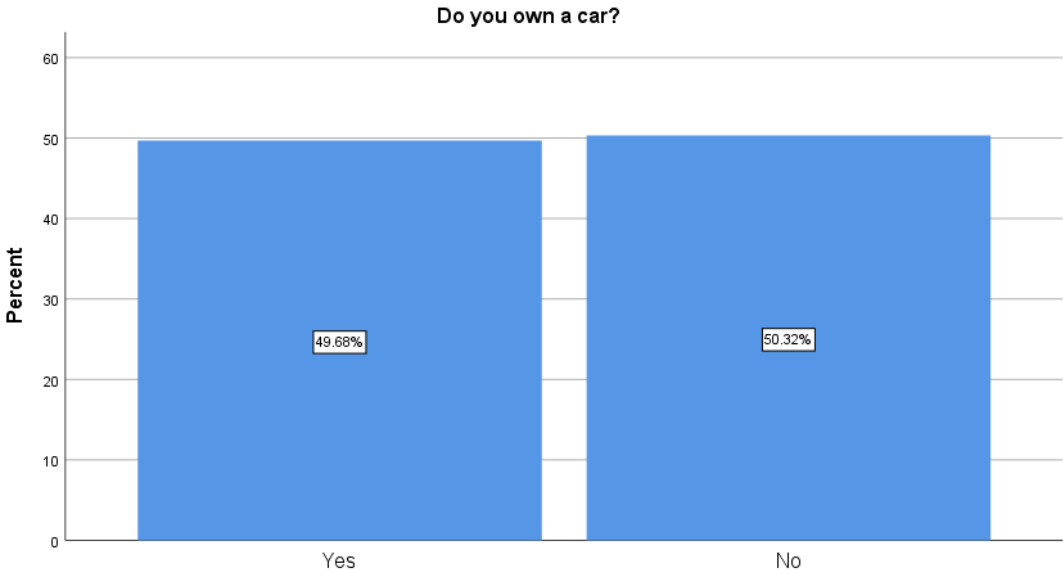
Table 9: Opinion of respondents regarding carsharing

	I don't like it-1	Neutral-2	I like it-3	I don't know-0
Carsharing	20	59	67	11
	12.7%	37.6%	42.7%	7.0%

Source: Own work.

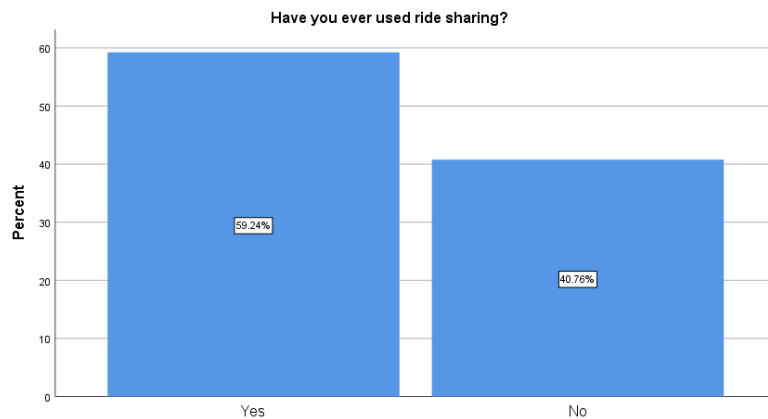
The following questions relate to car sharing and ownership of a car. The results show us that 49% own a car, but also 58% have used carsharing. These results are expected since most of the respondents are from Slovenia and in Slovenia carsharing system is well known and well used. That’s why this way of traveling represents a big threat to bus companies.

Figure 26: Percentage of people regarding car ownership



Source: Own work.

Figure 27: Percentage of respondents who used or haven't used carsharing



Source: Own work.

To get even more deeper knowledge of preferences of customers in both countries separate and to give more deeper analyses to the research. I have compared the most important questions between the two countries and in the following figures I am going to show the results. Most important questions for the research are how people react on social media advertisement and the company TV advertisements, therefore I have analyzed these two questions separately by country.

Figure 28: Importance of ads. on social media in Slovenia

Ads on social networks					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Never-1	10	11.0	11.0	11.0	
Almost never-2	30	33.0	33.0	44.0	
Sometimes-3	22	24.2	24.2	68.1	
Almost always-4	13	14.3	14.3	82.4	
Always-5	16	17.6	17.6	100.0	
Total	91	100.0	100.0		

Source: Own work.

As we can see from figure 28, on the question “How important are ads on social networks?” Slovenians 56.1% answered that ads on social networks are sometimes, almost always or

always important, this is a high percentage and it confirms one more time that Slovenians are a tech-savvy nation.

*Figure 29: Importance of ads. on social media in Croatia*

<b>Ads on social networks</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
Almost never-2	13	21.0	21.0	21.0
Sometimes-3	18	29.0	29.0	50.0
Almost always-4	12	19.4	19.4	69.4
Always-5	19	30.6	30.6	100.0
Total	62	100.0	100.0	

*Source: Own work.*

However, on the other hand, results gathered from the questionnaire show that 79% of Croatians sometimes, almost always or always consider ads on social media as an important factor. Which is for around 25% higher than Slovenians and we can consider this as a big difference.

*Figure 30: Importance of ads. on TV in Slovenia*

<b>Ads on TV</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
Never-1	4	4.4	4.4	4.4
Almost never-2	6	6.6	6.6	11.0
Sometimes-3	24	26.4	26.4	37.4
Almost always-4	14	15.4	15.4	52.7
Always-5	43	47.3	47.3	100.0
Total	91	100.0	100.0	

*Source: Own work.*



Comparing advertisements on TV almost 90% of Slovenians said that they sometimes, almost always or always trust or think that advertisements on TV are important. This is a very high percentage and important for the company to start TV campaigns also in Slovenia. Croatians have shown similar results over 90% think that advertisements on TV are important. We can conclude that people from Slovenia and Croatia are finding advertisements on TV more important compared to advertisements on social networks.

*Figure 31: Importance of ads. on TV in Croatia*

<b>Ads on TV</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
Almost never-2	6	9.7	9.7	9.7
Sometimes-3	22	35.5	35.5	45.2
Almost always-4	16	25.8	25.8	71.0
Always-5	18	29.0	29.0	100.0
Total	62	100.0	100.0	

*Source: Own work.*

#### 4.4.3 Hypothesis analysis

Hypothesis testing starts with a literature review and existing research on the topic and conducted research. Then I have formulated specific variables and analyzed their significant differences to confirm or reject the hypothesis.

- H1 - People under the age of 25 take action (buy products) after seeing an advertisement on social media.

Based on the results shown in tables 1 and 2 in appendix 3, conducted from the SPSS independent two-tailed t-tests with a sample size of 157 people, this hypothesis can be accepted because the significance level of 0.036 is less than 0.05 which is our level of acceptance. Therefore, we can conclude that people under the age of 25 take action (buy products) after they see advertisement on social media. This, one more time it confirms that social media has significant influence on young people, and they trust in this way of advertising, which means that companies should invest more in social media advertising.

- H2 - People who get a recommendation by friends, have traveled with FlixBus

According to the results shown in tables 3 and 4 in the appendix 3, conducted from the SPSS independent two-tailed t-test with sample size of 157 people, this hypothesis can be rejected because the significance level of 0.186 is more than 0.05 which is our level of acceptance, which means that there is not enough proof about statistical difference in the sample. There is not enough evidence about the correlation between people who get recommendation and people who have traveled with FlixBus. This means that not many people got recommended to travel with FlixBus, which means that the company maybe will have to invest in a program which will encourage their customers to invite their friends.

- H3 - Consumers who buy tickets on the web, make decisions easier when hear, read, see the advertisement

This hypothesis can be accepted based on the results shown in tables 5 and 6 in the appendix2, conducted from the SPSS independent two-tailed t-tests with a relevant sample of 112 people, this hypothesis can be accepted because the significance level of 0.047 is less than 0.05 which is our level of acceptance. There is enough evidence that people who buy tickets on the web make a decision easier when they hear, read or see an advertisement. This is again linked to the influence of the Internet that has nowadays. With smartphones always available people who see an advertisement can fast check it by using Internet and if there is possible to buy that product online, they will do it. Luckily, FlixBus is high tech developed company and the goal of the company is to make people buy online, so this is a good indicator for FlixBus to make it buy online and advertising even more connected and more easier.

- H4 - People above the age of 56 make a decision to purchase a product after seeing advertisements on TV.

Based on the results shown in tables 7 and 8 in appendix 3, conducted from the SPSS independent two-tailed t-tests with a sample size of 157 people, this hypothesis can be rejected because the significance level of 0.187 is more than 0.05 which is our level of acceptance. There is not enough evidence that people above the age of 56 make a decision and purchase product after seeing advertisements on TV. This is again connected with influence of the Internet that has nowadays. Due to the availability of smartphones, people who see an advertisement can fast check it by using Internet and if there is possible to buy that product online, they will do it. As stated before, this is an advantage for FlixBus as a high-tech developed company and the goal of the company is to make people buy online, so this is a good indicator for FlixBus to make it buying online and advertising even more connected and more easier.

- H5 - People who receive display ads on mobile devices, buy bus tickets through a mobile app

Based on the results shown in tables 9 and 10 in appendix 3, conducted from the SPSS independent two-tailed t-tests with a relevant sample of 31 people, this hypothesis can be rejected because the significance level of 0.888 is more than 0.05 which is our level of acceptance. In fact, there is not enough evidence about the correlation between people who receive display ads on mobile phones and buying bus tickets through mobile app. This can be because of the low sample of respondents and it cannot be measured precisely. However, this leads us to a conclusion that not many bus companies have mobile applications that's why the hypothesis is rejected.

- H6 - People aged under the age of 35 give importance to internet advertisement when making purchase decisions.

Finally, results shown in tables 11 and 12 in appendix 3, conducted from the SPSS independent two-tailed t-tests with a sample size of 157 people, this hypothesis can be rejected because the significance level of 0.326 is more than 0.05 which is our level of acceptance, show that this hypothesis is rejected. In the first hypothesis, there is a positive impact of social media on people aged under 25, they find it advertisement on social media important when making purchase decision. However, for people aged under 35 and according to their overall view, we see that advertisement on the Internet for them it's not important when making purchase decisions, which is interesting results and opens new space for additional research.

#### 4.4.4 The main findings of hypothesis testing

With hypothesis analysis, we got very interesting results, four out of six hypotheses can be rejected, or there is not enough proof of their significance. The analysis showed us that social media has a high influence on young people and after they see the product on social media they act easily, which it confirms that social media is becoming a powerful tool in digital world and younger generation trust is more. However, young people aged 35 or less doesn't make importance of internet advertisement when purchasing product. Also, with the analysis we can confirm that people who buy tickets online, make decision easier when they see advertisement, and this means that internet overall has a huge overall impact on peoples live nowadays. Some of the unexpected results were that not many people recommend FlixBus to their friends, which is confirmed by rejecting the second hypothesis. Similarly, advertising on TV is not significantly important for people above the age of 56 years when they make buying decision, which means that they are not influenced by advertisements.

The fifth hypothesis was about mobile apps and advertisement as well as their importance. Thus, from the analysis is clear that advertisements on mobile apps are not important for those people who buy bus tickets through the app. Which means that people use mobile apps as a way of buying tickets for different reasons.

#### **4.5 Qualitative method - in-depth interviews and interpretation of the answers**

The final step in completing the research was collecting data through two in-depth interviews with the Head of Marketing for CEE South region and Senior Marketing Manager for CEE Region for FlixBus. Although there are just two interviews, they gave me a lot of insight information and they also gave me depth in answering three of my five research questions. Which are:

- Whether communication with FlixBus consumers is more efficient through the online instead of printed media?
- As social media and traditional media develop, thus altering the manner people conduct their lives, how can FlixBus company find the best ways to reach consumers in order to get better performance?
- Changes in media have driven companies to grow relationships and hold conversations with consumers. How can a company combine traditional media and social media to enhance these conversations to benefit the FlixBus company?

FlixBus as an international high-tech company is using only marketing activities that can be measured. However, for the company it's cheaper and more reliable to find customers online, also the head of marketing confirmed the research that in this region, including Croatia and Slovenia, people are used to buy tickets offline or at the bus station. "All of our marketing activities are data-driven or number oriented. No matter is it online or offline channel, the only question is how much we invested and how much did we get in return."-said Head of Marketing. On the other hand, the Senior Marketing Manager points out that: "We strive to make people to buy online so even our offline activities like street promo are oriented to make the customer to download our app."

Both interviewees find that FlixBus has a successful marketing strategy and the growth in the region is evident. They find street promo as well as online activities as really useful, but according to the Senior Marketing Manager: "...only thing that I would say it's not bringing big results are TV campaigns we had 2 TV campaigns launched in Croatia and recently we have launched one in Slovenia. The results are not as good as we expected, so now we are trying to analyze what is the problem and how to solve it."

The company is using both offline and online channel in order to reach the customers. They agreed that the combination of both offline and online channel could be considered as the most successful model in order to reach customers. According to the Head of Marketing, they are using acquisition and retention channels such as: mobile advertising (advertising on operating system issued by Apple (hereinafter: iOS) and android platforms), search advertising (mostly on Google, AdWords), affiliate & meta-searchers, Search Engine Optimization (hereinafter: SEO) and offline advertising which includes street promotions and different voucher distribution campaigns in order.

In order to build a successful relationship with the customers and to offer a product solution, the company should learn and understand customers' needs. For FlixBus it is highly important to know about customer behavior data, so they have developed methodology in order to measure and check customer behavior. A customer survey is one of the ways to understand how satisfied customers are from the services and what do they need to be improved. "Regarding web experience, we invest a lot to ensure good "shopping experience"- fast web, mobile-optimized, etc. Also, we are trying to understand how often our customers travel, how much are they ready to pay for the trip and how can we make them happier with the product in the end. Our first goal is to provide a better service- better, greener and smarter mobility for everyone."-says Head of Marketing. According to this statement, FlixBus undoubtedly is dedicated to learning about customers' needs and constantly is developing new products in order to meet them.

In addition, a combination of both online and offline approaches is the way to success. It is important to make a research of the market and country context in order to provide an adequate approach. If in one country people are used to online channels it does not mean that offline channels should not be considered in order to reach out customers in a different country or region. The company should work on developing both offline and online channels and to adapt them according to the customers' needs.

Customers need to be informed and aware of the company itself and offered products. For FlixBus, in particular, there are two communication points noted by the Head of Marketing: "The first one is definitely the bus and ride itself. And this is our most important communication point. Together with that, we communicate via app and web. I would say this is the most important part. The 2nd part goes to our customer service." Both agreed that there is always space to improve communication with passengers and find this as really important in understanding their needs and developing new products. Therefore, they are aware of the recommendations made by satisfied customers, but due to data restriction policy they are not allowed to use it as marketing. Still, "The good voice spreads slowly, but it is effective on a long run" - concludes Head of Marketing.

Measuring the success of the campaigns is really important for the companies to understand if the way they were trying to reach customers and to promote their work was sufficient or they need to improve in certain parts. For both interviewees, two of their companies' campaigns stand out as crucial: voucher distribution as well as Webtrekk and AdClear. Again, clearly, they point that success is driven by a combination of both offline and online tools. According to the Senior Marketing Manager: "... KPI reports help us to measure success of vouchers, as well as TV campaigns. For social media campaigns we use Facebook insights and make an analysis. These tools are always helpful to us and are giving us leads for future steps." But for the Head of Marketing it is challenging to measure success of online campaigns because: "...one customer tends to click on many different paid things before he buys"

For both interviews can be concluded that FlixBus is a successful company because of their continued work and development of products that are based on customers` needs. They use combination of both online and offline channels because one model cannot fit all. It is important to understand the context and accessibility of people to both channels and to find the easiest way to promote and offer them right product. This is why this company is leading in Europe in past 7 years.

#### **4.6 Limitations of the study**

Many studies on social media and traditional media marketing point out that both channels of advertising are important for companies. Social media is unique because costs for advertisement are lower and reaching an audience is faster and more efficient than with traditional media. At the same time, interaction with customers and listening to their needs is more relevant and faster on social media.

What is characteristic of this research is that I have used several methods for analyzing, therefore, there are several limitations in my research. Analyzing data gathered through questionnaire gave me an insight of what current and potential customers want to change and what is their perception of FlixBus. However, the questionnaire lasted just 15 days and it is consistent of 157 samples which is too low to make a generalization for Slovenian and Croatian markets. This is also the case when analyzing hypothesis, in some cases, I am analyzing samples of just 10 people, which is too low to make a conclusion and generalization of two markets. On the other hand, having only two in-depth interviews is also not enough to make a general conclusion. Although I have got valuable insights for the company, I believe that better conclusions and better analysis could have been made on a bigger sample of interviewed people.

## **CONCLUSION**

The goal of the thesis was to compare the influence that social media and traditional media marketing have on FlixBus as a core of the research. The main goal was to understand how FlixBus use social media platforms in order to progress consumer-company relationship in order to meet their needs for quality travel services. The main hypothesis of the research was that social media usage has an influence on improving marketing performance of the companies compared to traditional media and progress consumer-company relationship in order to meet their needs for quality travel services. Through the research, I wanted to confirm this statement and through a case study of a FlixBus company to understand where and how social media and traditional media influence company`s marketing performance and their relationship with consumers.

After reviewing the literature, to confirm this hypothesis I have used several methods. First, I have used FlixBus KPI reports and analyzed the data. The campaigns that I have analyzed were Facebook campaigns which last from 1 day to several days where followers can get

information about price promotion for bus lines, prize competitions, tips about traveling and offline marketing campaigns like TV advertisements and street promotions. From the KPI reports I can conclude that people are not interested in buying a product that is not available in their region. This also means, that the awareness of the people about the bus company is lower in Zadar, which was analyzed in deep through a questionnaire. In fact, one of the conclusions is that marketing activities are more than needed in smaller cities in order to raise awareness among people about the brand. On the other hand, we can see that offline marketing campaigns have an influence on overall sales of the company.

Social media campaigns are a powerful tool that FlixBus as a company is using. This is also visible from the results of KPI reports. It needs to be noted that FlixBus is investing a lot on their Facebook page, but still, fans are attracted more by some discounts, or games where they can win free tickets. Thus, tips are not as popular as fun and playful contents mentioned above. Even though it is powerful marketing tool Facebook remains a platform for fun where people get prizes and play games. FlixBus should boost this kind of posts that will engage people to share information and to spread the word instead of trying to engage them with educative and useful tips.

The second tool that I used in the research was survey. The survey was distributed to 157 respondents. The research hypotheses were based on literature review and questions were designed to fit methodology. The hypotheses were tested with SPSS independent two-tailed t-tests. The results showed that 2 of the hypotheses were corroborated and 4 were rejected. From the testing, I can conclude that social media has high influence on young people and after they see product on social media they act easily, which confirms that social media is becoming a powerful tool in digital world and younger generation trust is more. However, young people aged 35 or less doesn't make importance of internet advertisement when purchasing product. Also, through the analysis, we can confirm that people who buy tickets online, make decision easier when they see advertisement, and this means that internet overall has a huge overall impact on peoples live nowadays. It was an unexpected result that not many people recommend FlixBus to their friends, which led to the rejection of the second hypothesis. Additionally, advertising on TV has low impact on people above the age of 56 years when they make purchase decisions.

The fifth hypothesis was related to the importance of mobile apps and advertisement. Throughout the analysis is clear that advertisements on mobile apps are not important for those people who buy bus tickets through the app. Thus, I can make a conclusion that people buy tickets using the app because of different reasons.

The methodology used at the end of the research was in-depth interviews with Head of marketing and Senior marketing manager in CEE South. Based on these interviews can be concluded that FlixBus is using mobile advertising (advertising on iOS and android platforms), search advertising (mostly on Google, Adwords), affiliate & meta-searchers, SEO and offline advertising which includes street promotions and different voucher

distribution campaigns. In addition, their goal is to be profiled as a high-tech company that encourages people to buy online, so they invest a lot in social media marketing and mobile application marketing. Besides the success and investments, there is still space for improvement. On the other hand, according to the Senior marketing manager, it can be challenging to achieve better marketing performance of the company due to centralized marketing campaigns. It is important to point that offline marketing campaigns like TV so far are not giving good results, something that we have already confirmed with analyzing of KPI reports.

The study shows clearly that the financial performance of the company is still the main indicator in terms of marketing performance of a company. In FlixBus this comes even more to the expression because FlixBus is a company that does marketing activities that can only be measured.

Companies in Slovenia and Croatia should follow practices of FlixBus and concentrate more on marketing activities that bring. Firstly, the company should adapt appropriate indicators for their companies. They should realize what is good for their business and what is not. In order to be able to get the best possible results.

Secondly, companies in Slovenia and Croatia are still not making any distinction between marketing and sales, i.e. those that are working on sales are also working on marketing campaigns. There should be a clear focus of which department what is working and to push for best performance.

Third, companies should understand that social media is becoming a powerful tool. Nowadays, is essential to follow the trends and adapt, because new generations are addicted to the Internet, phones and social media, therefore this is a great way to connect with customers.

FlixBus is a company that works on to be in time with technology, therefore their strategy is well developed, however, the company operates in whole Europe and that could be a problem in local markets. FlixBus is trying to adjust some of their marketing strategies, but when they communicate on social media that is a global message that they send to their followers in different content. Slovenia and Croatia are specific markets which need more localization and customers need to be heard.

Overall, one can reach a conclusion that FlixBus is a company that invests a lot in offline and online marketing, therefore their results show fast growth in the market. The hypothesis was confirmed that social media is becoming more and more popular nowadays, but on markets like Slovenia and especially Croatia it is important to keep investing in offline marketing campaigns since people are still finding it hard to trust or take action on online way of advertising which it was confirmed with survey questions.



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## **APPENDICIES**



## Appendix 1: Povzetek (Summary in Slovenian)

V zadnjih letih smo pričča osupljivemu razvoju interneta in vplivu, ki ga ima na življenjski slog. Spletno oglaševanje se je znatno povečalo, saj so oglaševalci povečali proračun zanj. Internet tako omogoča podjetju, da razširi svoje poslovanje na učinkovit in praktičen način.

Glavna hipoteza raziskave je, da uporaba družbenih medijev vpliva na izboljšanje tržne uspešnosti podjetij v primerjavi s tradicionalnimi mediji in vpliva na razvijanje ter napredovanje odnosov med potrošniki in podjetjem, da se zadosti njihovim potrebam po kakovostnih potovalnih storitvah.

Naloga obravnava vpliv digitalnega marketinga, s posebnim poudarkom na oglaševanju na družbenih omrežjih, in tradicionalnega marketinga na uspešnost trženja podjetja FlixBus. Glavni cilj je razumeti, kako podjetje FlixBus pri gradnji odnosa s strankami in pri zadovoljitvi potrošniških potreb po kakovostnih potovalnih storitvah uporablja platforme družbenih omrežij ne eni strani in klasične medije na drugi. Podjetju FlixBus je s pomočjo digitalnih tehnologij uspelo vzpostaviti novo dimenzijo trženja, na zelo zanimiv in sodoben način so svoje storitve promovirali uporabnikom na internetu.

Glavni poudarek je na družbenih omrežjih, temu pa sem dodala tudi razlikovanje med družbenimi omrežji in tradicionalnimi mediji. Analizirala sem podatke zbrane na družbenih omrežjih podjetja FlixBus, njihove kampanje in promocijske cene ter ugotavljala, kako te aktivnosti vplivajo na tržno uspešnost podjetja pred in po kampanjah. Po drugi strani pa sem iz podatkov podjetja analizirala njihove tržne *offline* akcije, kot so televizijski in radijski oglasi ter ulični promocijski kuponi, in ugotavljala, kako vplivajo na uspešnost trženja (ROI in druge KPI) pred in po teh promocijah.

V prvi fazi sem opravila empirično raziskavo, na tej stopnji sem uporabila kvantitativno raziskovalno metodo v obliki vprašalnika. Da bi dokončala in poglobila svojo raziskavo, sem v drugi fazi uporabila tudi kvalitativno metodo v obliki poglobljenih intervjujev z oddelkom trženja v podjetju FlixBus, ki je odgovoren za regijo južno srednje in vzhodne Evrope. Na koncu sem v tretji fazi uporabila primerjalne metode, ki so me vodile k potrditvi ali zavračanju glavne hipoteze.

Kampanje, ki sem jih analizirala, so bile izvedene na Facebooku in so trajale od enega dneva pa do več dni, na njem so objavljali informacije o promocijskih cenah za avtobusne linije, nagradne igre, nasvete o potovalnih in offline marketinških akcijah, kot so televizijski oglasi in ulične promocije. Iz poročil KPI sem ugotovila, da ljudje niso zainteresirani za nakup izdelka, ki ni na voljo v njihovi regiji. Drugo orodje, ki sem ga uporabila, je bila raziskava. Hipoteze raziskav so temeljile na pregledu literature, vprašanja pa so bila oblikovana tako, da ustrezajo metodologiji. Rezultati so dve hipotezi potrdili, štiri pa zavrnilo. Iz testiranja zaključujem, da imajo družbenih omrežjih velik vpliv na mlade. Ko vidijo produkt na družbenih omrežjih, delujejo enostavno, kar potrjuje, da družbena omrežja postajajo močno orodje v digitalnem svetu in da je zaupanje mlajše generacije v digitalne medije večji.

Na podlagi intervjujev lahko sklepamo, da FlixBus uporablja mobilno oglaševanje (oglaševanje na iOS in Android platformah), oglaševanje v iskalnem omrežju (večinoma na Googlu, Adwords), affiliate & meta-iskalnike, SEO in oglaševanje brez povezave, ki vključuje promocije ulic in različno distribucijo kuponov s promocijami. Poleg tega je njihov

cilj predstaviti se kot visokotehnološko podjetje, ki ljudi vzpodbuja k spletnemu nakupovanju, zato veliko vlagajo v oglaševanje na družbenih omrežij in v mobilnih aplikacijah.

Raziskava jasno kaže, da je finančna uspešnost podjetja še vedno glavni kazalec uspešnosti trženja podjetja. V FlixBusu pride to še posebno do izraza zato, ker izvajajo samo tiste marketinške aktivnosti, ki jih je mogoče meriti.

Sklepamo lahko, da je FlixBus podjetje, ki veliko vlaga v digitalni in tradicionalni marketing, zato njihovi rezultati kažejo na hitro rast na trgu. Hipoteza o tem, da družbena omrežja danes postajajo vse bolj priljubljena, je bila potrjena, vendar je na trgih, kot sta Slovenija in še posebej Hrvaška, pomembno vlagati tudi v klasični marketing, saj ljudje še vedno težje zaupajo digitalnim medijem oziroma na njih opravijo nakup, kar je bilo potrjeno z anketnim vprašalnikom.



## Appendix 2: Questionnaire

**Q1 - Where do you currently live?**

- Croatia
- Slovenia
- Other

**Q2 - Year of birth**

**Q3 - What is your gender?**

- Male
- Female
- Other:

**Q4 - What is your occupation?**

- High school student
- Student
- Employed
- Unemployed
- Retired

**Q5 - How often do you take a bus when traveling?**

- Weekly
- Few times per month
- Once per month
- Few times per year

**Q6 - Where do you usually buy bus tickets?**

- Bus station counter
- Web
- Bus driver
- Mobile app
- Agency
- Other

**Q7 - Which of the following do you use on a daily basis?**

More answers are possible

- Smartphone with app
- Email
- Facebook
- Instagram
- Other

**Q8 - In the past 30 days have you bought a product after first getting to know about it on traditional media?**

- Yes
- No

**Q8\_2 - In the past 30 days have you bought a product after first getting to know about it on traditional media?**

- Yes
- No

**Q9 - To what extent do you take action on the following forms of advertising?**

	Never-1	Almost never-2	Sometimes-3	Almost always-4	Always-5
Recommendations from people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer opinions posted online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ads on TV	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Branded websites	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ads in newspapers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Emails I signed up for	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Editorial content such as newspaper articles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ads in magazines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand sponsorships	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
TV program product placements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Billboards and other outdoor advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ads served in search engine results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ads on radio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ads on social networks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ads before movies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online video ads	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online banner ads	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Display ads on mobile devices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Text ads on mobile phones	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q10 - Please answer on the following questions**

	None-1	Slight-2	Some-3	Significant-4	Don't know-0
Generally speaking, how much value does the advertising that you see hear or read offer you	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generally speaking, how favourable is your impression of the advertising you see, hear or read?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How helpful is the advertising you see, hear or read to your decision-making as a consumer?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q11 - Importance of Advertising Media in Purchasing Decisions?**

	Not important-1	Slightly important-2	Somewhat important-3	Very important-4	Extremely important-5
TV	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Newspaper	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outdoor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Radio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Magazines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q12 - What is your perception on car sharing?**

	I don't like it-1	Neutral-2	I like it-3	I don't know-0
Car sharing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q13 - Why do you use FlixBus?**

	Very unlikely-1	Unlikely-2	Neutral-3	Likely-4	Very likely-5
Cheap	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fast	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bundle offer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q14 - Do you own a car?**

- Yes
- No

**Q15 - Have you ever used ride-sharing?**

- Yes
- No

**Q16 - Did you already heard about FlixBus? If yes, where?**

- Bus station
- Daily newspaper
- I saw buses around
- Internet
- Radio
- I haven't heard

**Q17 - Did you already ride with FlixBus?**

- Yes
- No

**Q18 - Do you follow FlixBus on Facebook?**

- Yes
- No

**Q19 - Where is it possible to buy FlixBus tickets?**

- Online
- Offline
- Almost everywhere
- I don't know
- Other:

### Appendix 3: SPSS analysis

**Hypothesis 1: People under the age of 25 take action (buy products) after seeing an advertisement on social media.**

Table 1. Groups Statistics (Hypothesis 1)

Group Statistics					
	Year of birth	N	Mean	Std. Deviation	Std. Error Mean
To what extent do you take action on the following forms of advertising?	>= 1994	71	2.99	1.213	.144
	< 1994	86	3.41	1.268	.137

Table 2. Independent Sample Test (Hypothesis 1)

Independent Samples Test										
		Levene's Test for Equality of Variances				t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
To what extent do you take action on the following forms of advertising?	Equal variances assumed	1.672	.198	-2.111	155	.036	-.421	.199	-.815	-.027
	Equal variances not assumed			-2.120	151.654	.036	-.421	.199	-.813	-.029

**Hypothesis 2: People who get a recommendation by friends, have traveled with FlixBus**

Table 3. Group Statistics (Hypothesis 2)

Group Statistics					
	Did you already ride with FlixBus?	N	Mean	Std. Deviation	Std. Error Mean
To what extent do you take action on the following forms of advertising?	Yes	69	4.23	.843	.101
	No	88	4.05	.921	.098

Table 4. Independent Sample Test (Hypothesis 2)

Independent Samples Test										
		Levene's Test for Equality of Variances				t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
To what extent do you take action on the following forms of advertising?	Equal variances assumed	.097	.756	1.306	155	.193	.186	.143	-.096	.468
	Equal variances not assumed			1.320	151.300	.189	.186	.141	-.093	.465

**Hypothesis 3: Consumer who buy tickets on the web, make decisions easier when hear, read, see advertisement than those who buy tickets at a bus counter.**

Table 5. Group Statistics (Hypothesis 3)

Group Statistics						
	Where do you usually buy bus tickets?		N	Mean	Std. Deviation	Std. Error Mean
	Bus station counter	Web				
Generally speaking, how much value does the advertising that you see hear or read offer you	Bus station counter		93	2.28	.852	.088
	Web		19	2.68	.946	.217

Table 6. Independent Sample Test (Hypothesis 3)

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Generally speaking, how much value does the advertising that you see hear or read offer you	Equal variances assumed	.356	.552	-1.852	110	.067	-.405	.218	-.838	.028
	Equal variances not assumed			-1.727	24.326	.097	-.405	.234	-.888	.079

**Hypothesis 4: People above the age of 56 make a decision to purchase a product after seeing advertisement on TV.**

Table 7. Group Statistics (Hypothesis 4)

Group Statistics					
	Year of birth	N	Mean	Std. Deviation	Std. Error Mean
	To what extent do you take action on the following forms of advertising?	>= 1963	147	3.82	1.121
< 1963		10	4.30	.675	.213

Table 8. Independent Sample Test (Hypothesis 4)

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
To what extent do you take action on the following forms of advertising?	Equal variances assumed	5.771	.017	-1.327	155	.187	-.477	.359	-1.187	.233
	Equal variances not assumed			-2.050	12.666	.062	-.477	.233	-.981	.027

**Hypothesis 5: People who receive display ads on mobile devices, buy bus tickets through a mobile app**

Table 9. Group Statistics (Hypothesis 5)

Group Statistics					
To what extent do you take action on the following forms of advertising?		N	Mean	Std. Deviation	Std. Error Mean
Where do you usually buy bus tickets ?	Never	4	1.75	.500	.250
	Always	27	1.67	1.144	.220

Table 10. Independent Sample Test (Hypothesis 5)

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Where do you usually buy bus tickets ?	Equal variances assumed	3.077	.090	.142	29	.888	.083	.586	-1.116	1.283
	Equal variances not assumed			.250	8.839	.808	.083	.333	-.672	.839

**Hypothesis 6: People aged under the age of 35 give importance on the internet when making purchase decisions.**

Table 11. Group Statistics (Hypothesis 6)

Group Statistics					
Year of birth		N	Mean	Std. Deviation	Std. Error Mean
Importance of Advertising Media in Purchasing Decisions?	>= 1983	115	2.61	1.114	.104
	< 1983	42	2.81	1.174	.181

Table 12. Independent Sample Test (Hypothesis 6)

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Importance of Advertising Media in Purchasing Decisions?	Equal variances assumed	.028	.866	-.986	155	.326	-.201	.204	-.603	.202
	Equal variances not assumed			-.962	69.688	.339	-.201	.209	-.617	.216

## **Appendix 4: In-depth interviews transcript**

### **1. Head of Marketing Interview**

1. What marketing strategy the company is using in Croatia and Slovenia?

All of our marketing activities are data-driven or number oriented. No matter is it online or offline channel, the only question is how much we invested and how much did we get in return. Ofc, there are other factors like time and scalability, as not every campaign can be done everywhere.

In general, for us, it is both cheaper and easier to find a customer online, so in this region we are investing a lot of efforts in converting offline customers to online (web or app). And a lot of our materials have extra instructions to help people buy online. The majority of people in Croatia, Bosnia, and Serbia still buys tickets offline, mostly at the bus stations.

2. How would you evaluate the success of the marketing strategy?

So far, the results are better than what we expected. We see that online sales grow way better than offline. For example, we have a 200% app sales growth compared to last year.

3. How do you reach potential customers, which channels do you use?

All that work. We distinguish acquisition channels from retention channels. And out of those that fit to the acquisition group are mobile advertising (advertising on iOS and android platforms), search advertising (mostly on Google, AdWords), affiliate & meta-searchers, SEO and offline advertising which includes street promotions and different voucher distribution campaigns. Recently we started with TV advertising and the results are positive.

4. What do you do to understand the needs of customers? Do you believe that there can be an improvement?

We regularly check customer behavior data. Our acquisition process & retention is almost 100% measurable and we are optimizing each step. Regarding web experience we invest a lot to ensure good “shopping experience”- fast web, mobile-optimized, etc... Also, we are trying to understand how often our customers travel, how much are they ready to pay for the trip and how can we make them happier with the product in the end. Our first goal is to provide a better service- better, greener and smarter mobility for everyone.

5. According to you, which is the right way to approach customers, through online or offline marketing in markets like Croatia and Slovenia?

It is a combination of both. We've seen that Slovenian customer are more »online savvy« than the Croatians. So it is easier to reach them via online channels. But on the other hand, we've seen that there are some offline campaigns that work great as well in that market. And there is always one group of customers who still prefer offline buying. In Croatia, it is quite



different per region. There are a lot of tourists as well who come during the summer season. For them- online is almost the only channel they use.

6. Do you believe that better communication with customers can lead to better awareness of the product? Is the company doing enough regarding this?

There are many communication points that we have with customers. The first one is definitely the bus and ride itself. And this is our most important communication point. Together with that, we communicate via app and web. I would say this is the most important part. The 2<sup>nd</sup> part goes to our customer service. If you ask me can we do it better and does it help to build product awareness, the answer is yes. But it is not easy to do huge improvement steps in fast-growing and big systems as our is.

7. Have you ever got some good recommendation from a customer that you later used in marketing purposes?

Not from the customer as the data restriction policy is quite strict regarding such cases, and we are not allowed to use it in our own marketing campaigns. But we've seen a lot of customers posting something good about FlixBus on their web and those posts used to collect a lot of good feedback from other customers. Also, we cooperate with different brands in the market and we often get recommendations from they have been happy with working with us. The good voice spreads slow, but it is effective on a long run.

8. How do you measure the success of your campaigns, give example of one?

All our voucher distribution campaigns have a unique discount code. So, we check the costs of the campaign, redemption rates, and earnings. If the math works, we continue doing this. For online channels we use different programs to help us calculate the total "online mix". Some of the programs we use are Webtrekk and AdClear. The biggest challenge here is how to decide which channel is and how much responsible for the sales. As you may know, one customer tends to click on many different paid things before he buys.

## **2. Senior Marketing Manager Interview**

1. What marketing strategy the company is using in Croatia and Slovenia?

We have various marketing activities offline and online; we are measuring all of our activities. We strive to make people to buy online so even our offline activities like street promo are oriented to make the customer to download our app. In this market we are using balanced scheme of offline and online marketing activities

2. How would you evaluate the success of the marketing strategy?

The growth in our region is more than evident. Our street promo activities brought to us big growth, whenever we have an online campaign on social media there is huge interest from

our fans, only thing that I would say it's not bringing big results are TV campaigns we had 2 TV campaigns launched in Croatia and recently we have launched one in Slovenia. The results are not as good as we expected, so now we are trying to analyze what is the problem and how to solve it.

3. How do you reach potential customers, which channels do you use?

We use many channels to reach potential customers. Some of them are advertising on mobile phones, search advertising SEO as well as I already mentioned offline marketing which includes street promotions

4. What do you do to understand the needs of customers? Do you believe that there can be improvement?

Mostly we are getting data from our surveys that we send to the costumers after each trip. We have so far gathered more than 3 million answers which in the past also helped us to improve. We have realized that our customers need to know where exactly to sit, so we made this possible, they wanted to know where exactly their bus is, so we launched live tracking of the bus which is available anytime to the customer prior to their traveling. Passengers are in the first place to us that's why we are trying to hear their opinion and work hard to make changes according to their taste.

5. According to you, which is the right way to approach customers, through online or offline marketing in markets like Croatia and Slovenia?

There is no right or wrong way. We are in a specific market where younger generation is super high-tech envy while older generation it's still stuck with old methods. Therefore, we are trying to combine things that work. From making cooperations with famous brands like Coca-Cola to giving free tickets on our Facebook page. Everything that brings good results, we continue to do it.

6. Do you believe that better communication with customers can lead to better awareness of the product? Is the company doing enough regarding this?

As I have mentioned before passengers are on our first place, and the best communication that we have with them is to hear their opinion through survey. However, I believe that there is always a way of improvement and we have to work hard to be even better. We are huge international company which became number one in Europe in just 7 years.

7. Have you ever got some good recommendation from a customer that you later used in marketing purposes?

Before the GDPR we had more freedom and we got some wonderful ideas. But lately, with GDPR this process is a bit harder than before.

8. How do you measure the success of your campaigns, give example of one?

Our KPI reports help us to measure success of vouchers, as well as TV campaigns. For social media campaigns, we use Facebook insights and make analysis. These tools are always helpful to us and are giving us leads for future steps.