**Utilization of Social Media in Business Advertising in Central Bosnia Canton**

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***Abstract:*** *The purpose of this study is to investigate the utilization of social media in the context of business advertising in Central Bosnia Canton. Typically, companies in Bosnia and Herzegovina employ traditional advertising, but more recently these companies are starting to use social media for alternative advertising and consequently becoming more satisfied. Most of the companies are already developing efficient ways of promoting their goods and services through social media. The remaining ones are getting in touch with such technologies. This study used a survey method (online and via telephone) as the main research tool to examine 50 randomly chosen companies on their advertising strategies. The research model proposed for the study consisted of the following variables: perceptions, usage and effects of social media on business performance. The study found out that customer behavior, awareness of the potential of social media, positioning and building the brand of the company, all play an important role in the process of utilization of social media. On the basis of these study findings it can be concluded that social media has a substantial influence on people and businesses. It is taking a major role in advertising in Bosnia and Herzegovina. This developing trend provides a plenty of opportunities for future research.*

***Keywords:*** *Social media, advertising, perceptions, effects and usage of social media.*