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| **UNIVERSITY OF ECONOMICS - VARNA FACULTY OF „MANAGEMENT“ DEPARTMENT OF „MANAGEMENT AND ADMINISTRATION“** |

**Roksandra Zhivkova Shtereva**

**„IMPROVING BUSINESS MODELS OF ORGANIZATIONS IN THE ENTERTAINMENT INDUSTRY“**

**ABSTRACT**

of the dissertation for the award of the educational and scientific degree "Doctor" in the scientific field  
**"Social Management"**

**Scientific Supervisor:**  
Assoc. Prof. Dr. Desislava Borisavova Serafimova

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**ABSTRACT**

**for the dissertation for awarding the educational and scientific degree "Doctor" in the field of 3.7 "Administration and Management", doctoral program "Social Management"**

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**GENERAL CHARACTERIZATION OF THE DISSERTATION**

***Relevance of the Issue***

**INTRODUCTION**

The ongoing widespread digitalization and continuous technological advancements in all areas of public life also lead to changes in the way modern individuals entertain themselves and spend their leisure time. This gives rise to changes in the existing industries that create products and services related to fulfilling these needs. Over the years, these industries have evolved in response to changes in the environment, encompassing various types of resources, utilizing diverse approaches, and shaping different directions. Specialized literature uses various terms for these industries, including entertainment, cultural, and creative industries.

Directly related to the creation of products and services aimed at satisfying entertainment needs is the entertainment industry, which is the focus of this dissertation. It brings together organizations, individuals, and groups in society that produce or offer products or services for the enjoyment of people's free time. The concept first appeared in the USA in the 20th century, influenced by the introduction of new technologies in art. Today, there are many types of the entertainment industry, including the music business and sound recording, show business and performing arts (theater, musicals, circus, dance, cabaret), amusement parks, festivals, carnivals, and outdoor entertainment, the film industry, the video industry, satellite and cable television, radio broadcasts and multimedia entertainment, video games, publishing and gambling industries, private galleries, and auction organizations.

In the Bulgarian context, for a certain period of time, the entertainment industry was also known as "show business," a term that is no longer very popular today. In the National Statistical Institute's Economic Activity Classifier (NACE 2008) in Bulgaria, the entertainment industry is not clearly defined and is not separated into its own section. It is represented as part of Section R "Culture, Sports, and Entertainment" and is dispersed as an element across its four subsections: №90 "Artistic and Creative Activities," №91 "Other Activities in the Field of Culture," №92 "Organizing Gambling Games," and №93 "Sports and Other Activities Related to Entertainment and Recreation." As a result, the entertainment industry in the NACE is viewed as interconnected with cultural, artistic, and creative activities, sports, and gambling, as well as with the activities of libraries, archives, museums, cultural and historical monuments and sites, botanical and zoological gardens, natural parks and reserves, etc. The NACE does not make a clear distinction between the entertainment industry and the activities mentioned in Section R in terms of scope, elements, and boundaries. Furthermore, this classifier has not been updated since 2008, meaning it does not reflect the connections of the entertainment industry with modern directions such as media, digital technologies, and more. This highlights the need to update the understanding of the scope of the entertainment industry, taking into account good international models and traditions in Bulgaria, as well as the influence of constantly evolving technologies and digital transformation.

The broader industries are perceived as cultural and creative industries. The popularity of cultural industries grew in the mid-20th century, and the term "cultural market" was used from the early 1980s. It represents a place for the exchange of cultural values, which are defined as cultural products. Cultural industries, as a product of new technologies (printing, sound recording, photography, video, internet), enable mass production and distribution of artistic goods and services. The rapid development of information and communication technologies has contributed to a shift in focus from cultural policy to the economic potential of the arts. New means of production, distribution, and consumption of cultural goods and services have emerged. Based on cultural industries, creative industries have developed. Their popularity has increased in recent decades and is associated with creativity in the creation of cultural products.

The entertainment industry has its own characteristics, which justify its separate study. Therefore, the focus of this dissertation is on the entertainment industry, considered as a concept that broadly encompasses the film, music, production, promoter, and comedy sub-industries.

The need for this research arises from the fact that the entertainment industry is changing under the influence of various factors. The rapid development of new technologies requires Bulgarian companies in the entertainment industry to transform their business models, applying innovations in them, similar to large and well-known companies on an international scale.

The concept of business modeling is relatively new and has developed in recent decades as a specific element of management. One of the main reasons provoking interest in business models is the role of digitalization, which leads to the need for transformations in the way companies operate. At the same time, issues concerning the essence and types of business models used by contemporary organizations are still debated, and the understanding of their application is not sufficiently clarified in theoretical and methodological terms.

The emphasis in early interpretations of the role of business models is associated with their purpose to clarify how organizations function, create value for customers, and generate profit (Slywotzky 1996, Timmers 1998, Mahadaven 2000). Business modeling is also associated with the process of competitive positioning in the search for long-term competitive advantage (Afuah & Tucci 2001). In research on the essence of business models, the contribution of Swiss researcher Alexander Osterwalder (2004) stands out, as he clarifies their content and structure and lays the foundation for diverse discussions regarding their application and interaction with other management tools.

Research continues to focus on the financial value of business models through information on costs, pricing methods, and revenues, and their transformation into profit (AL-Debei & Avison 2010, Teece 2010, Casadesus-Masanell & Ricart 2011, Tennent & Friend 2011). During this period, views on the role of business models in designing organizational structures to support corporate strategies have also gained popularity (George & Bock 2011). In subsequent years, research on business models has expanded to include the relationships between participants inside and outside organizations – consumers, suppliers, partners – and the satisfaction of their interests, as well as factors influencing the offered product (Ovans 2015). Later, the business model is interpreted as the overall framework for understanding, defining, and designing a business in the market (Cuofano 2019).

Despite the increasing number of publications on the topic, more and more scholars comment on the lack of clear distinctions between the essence and application of business models and the traditionally used techniques in the process of strategic planning, as well as their specificities in various sectors of activity. As a result, the application of business modeling in different industries, including the entertainment industry, has begun to be studied. Common characteristics have been identified, classifications and trends have been developed, but these reflect best practices in leading countries in the entertainment industry – the USA, the UK, Italy, Spain, India, Japan, South Korea, and others (Craig 2017, Kallinikos 2017, Cohen-Peckam 2018, Kawashima 2020). Unlike foreign practices, the application of business models in the Bulgarian entertainment industry has not been thoroughly studied in various aspects. This is the reason that has provoked our research interest in them.

Organizations in the entertainment industry and other industries are increasingly required to modify their business models in response to changes in the environment arising from the rapid development of technologies. An important aspect in this direction is the role of social media and digital technologies, which justifies their study and the formulation of proposals for changes, as well as opportunities for their integration.

The relevance of this dissertation is determined by the outlined problems and trends in the development of the entertainment industry, associated with the continuous changes due to technological updates that affect the market daily. In-depth research is required, both from a scientific research perspective and a practical application standpoint. Additionally, this study is placed in the context of the so-called digital environment, in which more and more industries operate on a global scale, and more organizations are moving towards it. This environment offers new development opportunities but is also associated with challenges due to emerging transformations in their business models. Many companies are undergoing significant changes, particularly regarding their methods of providing content and their revenue-generation models.

***Purpose, tasks, object and subject of the dissertation***

**The object of the study** is organizations from the entertainment industry in Bulgaria, operating in the film, music, production, and promoter sectors, as well as companies organizing comedy performances and stand-up comedy programs.

**The subject of the study** is the changes in the business models of organizations in the entertainment industry, driven by digital transformation and the increasingly active use of social media, leading to restructuring and changes in how they deliver value to their clients.

The main objective of this dissertation is to explore, analyze, and systematize best practices in the development of the entertainment industry at the international level, focusing on the impact of social media and digital technologies in the development of new or the improvement of existing business models in the film, music, production, promotion, and comedy sub-industries. Based on this, guidelines will be formulated for their use in order to unlock the potential of the entertainment business in Bulgaria.

To achieve this objective, the following research tasks have been set:

1. To investigate the entertainment industry in other countries and in Bulgaria, making terminological clarifications and generalizations about its essence and outlining the main trends in its development;
2. To characterize business modeling as a process aimed at implementing new business models or changing existing ones, with a focus on the role of social media and digitalization in the creation or modification of business models in companies within the entertainment industry;
3. To examine good foreign and Bulgarian practices in the entertainment industry, with a focus on the film, music, production, promotion, and comedy sub-industries, and to define the factors that influence it most strongly;
4. To explore international and Bulgarian practices for applying key strategic alternatives such as diversification, franchising, mergers, and acquisitions between companies in the entertainment industry;
5. To analyze the practices of leading Bulgarian companies in the entertainment industry, with an emphasis on the film, music, production, promotion, and comedy sub-industries;
6. To identify, analyze, and characterize good international practices for using social media and digital technologies in the improvement of business models in companies in the entertainment industry, as well as opportunities for applying some of them in Bulgaria;
7. To derive recommendations for improving management practices in using social media and digital technologies to develop the entertainment industry in Bulgaria.

***Main research thesis and supporting hypotheses***

The main research **thesis** is that Bulgarian companies in the entertainment industry, following leading international practices, introduce innovations in their business models through the use of modern digital technologies and social media. In some elements of their business models, a higher degree of adoption of good international practices is observed, while in other elements, there is still lagging behind, not only in terms of the tools used but also in the scale of their implementation.

To prove the main thesis, the following hypotheses have been formulated:

**Hypothesis 1:** In the introduction of innovations in the business models of Bulgarian companies in the entertainment industry and leading companies in the global entertainment industry, both similarities and differences can be observed in their elements. The main similarities stand out in the elements of "key resources" and "key partnerships," while the differences are in the elements of "distribution channels" and "customer relationships."

**Hypothesis 2:** The modification of the business models of Bulgarian companies in the entertainment industry, driven by digital transformation, is primarily based on the use of modern social media and digital technologies, resembling mainly American practices. Their focus is on investments for the development of resources, including technological and human, as well as diversifying partnerships with representatives from various sectors. This also leads to a higher degree of diversification of activities, the implementation of which is combined with strategies of mergers, acquisitions, and franchising.

**Hypothesis 3:** By introducing innovations into their business models, focusing on modern social media and digital technologies, organizations in the entertainment industry have the opportunity to improve their operations by using new ways to create and deliver value to consumers, position themselves in new target markets and among a larger audience, and collaborate with new partners.

The research in this dissertation has the following limitations:

1. The dissertation does not consider promoter companies whose activities involve only providing hostesses, promoters, and advertising, but are not directly involved in the sale and distribution of tickets for music, film, comedy, and other events, which are the focus of the dissertation.
2. The dissertation characterizes all sub-industries of the entertainment industry in general, explaining their essence and historical development. However, the study does not cover the sub-industries of theater, opera, literary publishing, visual arts, radio, and gambling games.

***Theoretical and methodological basis of the dissertation work***

To achieve the set goal and prove the research thesis, a combination of approaches, methods, and tools has been used. In theoretical and methodological terms, general scientific research approaches and methods such as the system approach, theoretical analysis and scientific synthesis methods, and the comparative method have been used to choose definitions for the concepts of "entertainment industry," "business model," "business modeling," "digitalization," "social media," and "digital technologies," as well as to understand the factors influencing them and the reasons for their change.

In empirical terms, the following methods have been used to gather the necessary primary and secondary information: review of specialized publications related to the entertainment industry, observation method, survey research, in-depth interviews with individual respondents, participation in discussions, and focus groups.

In the first chapter of the dissertation, the concepts of "business model" and "business modeling" are clarified as elements of the management process, and the role of social media and digital technologies in improving business models of companies is investigated. In the second part of the first chapter, the essence, varieties, and development of the entertainment industry, as well as its economic, territorial, and cultural characteristics in different countries, are outlined. Strategic alternatives used in the entertainment industry abroad and the specific digital technologies applied in it are also discussed. The first chapter concludes with explanations of types of business models and innovative elements in them.

The dissertation continues with historical data on the development of the entertainment industry in Bulgaria and an analysis of its competitive environment. In the second chapter, a comparative analysis of the business models of leading companies in the entertainment industry in the country is presented, along with a brief overview of the modeling of the empirical research related to them.

In the third chapter, the research hypotheses are thoroughly examined and tested, and guidelines for improving the business model of Bulgarian companies in the entertainment industry are provided.

The dissertation concludes with a summary, followed by a list of references and appendices.

**VOLUME AND STRUCTURE OF THE DISSERTATION**

The dissertation consists of an introduction, three chapters, and a conclusion, with a total volume of 199 typed pages. The content includes 17 tables and 14 figures. A bibliographic list of 183 sources and 6 appendices are attached to the dissertation.

The structure of the dissertation is as follows:

**INTRODUCTION**

**Chapter I: THEORETICAL AND METHODOLOGICAL FOUNDATIONS FOR THE USE OF SOCIAL MEDIA AND DIGITAL TECHNOLOGIES IN IMPROVING THE BUSINESS MODELS OF ORGANIZATIONS IN THE ENTERTAINMENT INDUSTRY**

1.1. Application of social media and digital technologies to improve the business models of modern organizations  
 1.1.1. Business modeling as a contemporary element of the strategic management process  
 1.1.2. The role of social media and digital technologies in improving the business models of companies  
 1.2. Characteristics and features in the development of the entertainment industry  
 1.2.1. The essence and development of the entertainment industry  
 1.2.2. Variants of the entertainment industry  
 1.2.3. Economic, territorial, and cultural characteristics in the development of the entertainment industry in different countries  
 1.2.4. Strategic alternatives for the development of the entertainment industry worldwide  
 1.2.5. Specific digital technologies applied in the entertainment industry  
 1.3. Types of business models in the entertainment industry and opportunities for innovation within them  
 1.3.1. Classifications of business model types in the entertainment industry  
 1.3.2. Innovative elements in the business models of companies in the entertainment industry

**Chapter II: DEVELOPMENT OF THE ENTERTAINMENT INDUSTRY IN BULGARIA AND COMPARATIVE ANALYSIS OF THE BUSINESS MODELS OF LEADING COMPANIES**

2.1. Historical development of the entertainment industry in Bulgaria  
 2.2. Analysis of the competitive environment in the Bulgarian entertainment industry  
 2.3. Comparative analysis of the business models of leading companies in the Bulgarian entertainment industry  
 2.4. Modeling the empirical research regarding the business models applied by Bulgarian companies in the entertainment industry

**Chapter III: TESTING THE RESEARCH HYPOTHESES AND POSSIBILITIES FOR IMPROVING THE BUSINESS MODELS OF COMPANIES IN THE ENTERTAINMENT INDUSTRY IN BULGARIA**

3.1. Testing the research hypotheses  
 3.2. Guidelines for improving the business model of Bulgarian companies in the entertainment industry

**CONCLUSION**

**BIBLIOGRAPHY**

**APPENDICES**

**SUMMARY OF THE DISSERTATION**

**Chapter One**

**THEORETICAL AND METHODOLOGICAL FOUNDATIONS OF THE USE OF SOCIAL MEDIA AND DIGITAL TECHNOLOGIES FOR IMPROVING THE BUSINESS MODELS OF ORGANIZATIONS IN THE ENTERTAINMENT INDUSTRY**

The first chapter outlines the theoretical and methodological foundations for the use of social media and digital technologies to improve the business models of organizations in the entertainment industry. Conclusions are drawn that are crucial for the development of activities in companies within the studied sector.

In **Section 1.1 – "Application of Social Media and Digital Technologies to Improve the Business Models of Modern Organizations"** the theoretical foundations and specifics of business models and modeling, social media, and digital technologies are presented.

In the first part of the section, the concept of a "business model" is clarified. Various definitions and perspectives from authors are presented. For the purposes of this research, the definition by Osterwalder, Pigneur, Smith, and other authors is used. They define it as the way each organization creates, distributes, and captures value in economic, social, and cultural aspects.

The need for "business modeling" is explained through the dynamic changes in the business environment, the activities of organizations, and the computer information systems and technologies that support them. Classical views of scholars are explored, and comparisons are made. In this study, the term "business modeling" refers to the process of modeling an organization’s activity or its individual processes through methods for building information systems. In a narrower sense, business modeling is linked to developing a model of activities carried out within the organization. Business modeling should be seen as a modern element in the process of implementing a strategy.

Following initial interpretations in specialized literature, more and more academic research on the role and place of business modeling focuses on various management issues. Business modeling appears as an element of strategic management research and is related to the stage of implementing the corporate strategy. Its second direction is as part of the organizational design of companies, including issues related to the design or redesign of organizational structures, changes in the ways they add value to customers, and more. As an element of research in operational and logistical management, business modeling reflects the changes in the way business organizations perform transformational processes and operations to process incoming resources and deliver the final product/service to the customer.

The section also presents definitions of terms such as digital media, digitization, social media, and digital technologies, explaining the differences and similarities between them. The types of social media, digital technologies, and their applications are examined. The conclusion is drawn that social media and digital technologies strongly influence the optimization of business models in companies within the entertainment industry, the subject of this research, and their use becomes one of the main methods for reaching consumers.

In **Section 1.2 – "Characteristics and Features in the Development of the Entertainment Industry"** the essence and types of the entertainment industry are presented. The entertainment industry is a group of subindustries dedicated to entertainment. It is used to describe mass media companies that control the distribution and production of entertainment content for mass communication. The entertainment industry provides a wide range of media, including films, music, cinema, theater, television, radio, show programs, opera, visual arts, literature publishing, gambling, amusement parks, and other attractions. The broader industries of culture and creativity are also recognized.

The term "cultural industry" was first introduced by German philosophers Theodor Adorno and Max Horkheimer in 1944 in their work "Dialectic of Enlightenment." According to the authors, popular culture aims to manipulate the mass audience and stimulate their passivity. The most comprehensive and multi-layered definition of the term "cultural industries" is provided by UNESCO: "Industries that combine the creation, production, and commercialization of cultural products with creative content, which are intangible by nature and cultural values. They are typically protected by copyright from duplication and can represent either goods or services."

Creative industries emerged from cultural industries, with their concept first documented in 1994 in Australia when the government created a new cultural policy called "Creative Nation." It was intended to help the country cope with the introduction of new IT opportunities and the development of digital media. The concept of creative industries has gained popularity in Europe and Latin America in recent years, connected with creativity in the creation of cultural products. Key elements of creative industries also include entertainment, fashion design, architecture, antiques, and the arts market as a whole. According to UNESCO, "Creative industries refer to cultural products and services that are produced, reproduced, preserved, and distributed in accordance with industrial and commercial criteria."

Summarizing the presented views on the characteristics of the entertainment, cultural, and creative industries, it is concluded that they share both common and distinct aspects.

The commonality between them is that all are risky due to the specific processes involved in the creation and offering of products, and they are unified by a common goal: producing and offering products or services for a mass audience with a specific purpose. At the same time, digitization drives the rapid development of all three industries, presenting serious challenges related to meeting new consumer preferences and expectations for leisure activities.

The entertainment industry has its specific characteristics, requiring its independent study. For example, some elements of the creative industries, such as fashion design, architecture, and antiques, are not considered part of the entertainment industry, thereby differentiating them and requiring specific management approaches. Moreover, the focus in the entertainment industry is not on the cultural aspects of business (as in the cultural industries) or creativity in their creation (as in the creative industries).

For this reason, the focus of this dissertation is on the entertainment industry, viewed as a concept that encompasses, in the broadest sense, the film, music, production, promotion, and comedy subindustries.

Economic, territorial, and cultural characteristics in the development of the entertainment industry in various countries are considered, with examples drawn from the American, Chinese, Indian, British, and Italian industries. Based on the presented characteristics of the most prominent international entertainment industries, comparisons and generalizations are made.

The section discusses the most common strategic alternatives applied in the entertainment industry worldwide, namely diversification, mergers and acquisitions, strategic alliances, and franchising. Specific digital technologies used in the entertainment industry are also presented, with key technologies including virtual reality, artificial intelligence, augmented reality (AR), Internet of Things (IoT), virtual concerts, video and audio streaming, mobile applications, chatbots, and predictive maintenance.

**Paragraph 1.3 – "Types of Business Models in the Entertainment Industry and Opportunities for Innovation in Them"** presents various business models applied abroad. Some of them are modifications of old models, while others are entirely new in terms of concept and elements. There are different signs by which the types of business models of entertainment industry companies stand out. In the classification of Eric Cohen-Peckam (2018), these models are presented as transaction models, subscription models, licensing, content marketing, and advertising.

In the classifications of other authors, the types of business models are presented as long tail, flat rate, hidden revenue, and freemium models (Sinusoid, Osterwalder, Pigneur, Campbell, Uta, 2021). Research in the entertainment industry in Japan presents a different classification of business models described as "do-it-yourself," expanded use of copyrights, idol groups, diversification, dual market, selling customer data to third parties, digital marketing using proprietary websites, and shopstreaming (Fox, 2001; Oliver, 2010; Park, 2012; Galuszka, 2015; Meier, 2017; Craig, 2017; Kallinikos, 2017; Kawashima, 2020).

After conducting the analysis, the conclusion is reached that some of the discussed business models in America, the UK, and Italy are also applied in Bulgaria.

In addition, the main elements and highlights of the business models of leading international companies (Netflix, Disney, Fox, YouTube, HBO, Spotify, Amazon, Facebook, Google, Instagram, Twitter, and TikTok) in the entertainment industry are presented, utilizing the Business Model Canvas developed by Alex Osterwalder.

At the end of this section, an innovative business model of an American entertainment company is presented, illustrated through Osterwalder's Business Model Canvas. The organization stands out with its offering of combined service packages, making it attractive to various customer segments, including those with limited budgets. Flexibility is a key aspect of their approach to customers. The ability to work and reach a wide audience through online platforms and social media is a core component of their business model. The existence of a comedy school is a specific element that combines educational services with entertainment, creating additional revenue opportunities and developing new talents.

At the end of the paragraph, conclusions are drawn based on the analyses, concerning the theories and terms discussed. Social media is one of the main sources of information in contemporary society. They offer opportunities for communication, work, and networking while playing a key role in business. In the entertainment industry, social media, manifested through various platforms and applications, holds a leading position. Through these, companies successfully promote their products and services, quickly and effectively reaching their consumers.

Digital technologies have developed rapidly in recent years. The need for digitalization is driven by the growing expectations and requirements of consumers. In the entertainment industry, digitalization is inevitable.

Business modeling was initially primarily oriented towards the IT sector. In recent years, the rapid development of technologies and social media has led to its application in all industries, including entertainment. The business models in the entertainment industry in other countries, especially the American model, have gone through many transformations over the years, but they remain a foundation for future development and success in the field. Innovative business models in organizations using a diversification strategy in the entertainment industry evolve dynamically and are influenced by many factors, such as changes in the environment and the sector, target markets, audience preferences, etc.

Companies in every field, including entertainment, which is the focus of this dissertation, follow a specific business model and periodically introduce innovations in it. In the entertainment industry, organizations go through stages of peaks and troughs until they reach the best business model that matches the specific needs and characteristics of the company.

The analysis of the applied business models in the international entertainment industry is necessary in order to identify good practices, study the conditions in the country, and derive recommendations for implementation by Bulgarian companies, with the aim of ensuring their successful development and better satisfaction of consumer needs.

**Second Chapter**

**DEVELOPMENT OF THE ENTERTAINMENT INDUSTRY IN BULGARIA AND COMPARATIVE ANALYSIS OF THE BUSINESS MODELS OF LEADING COMPANIES**

The focus of the second chapter is on the empirical part of the research. It is composed of 4 paragraphs:

**Paragraph 2.1 - "Historical Development of the Entertainment Industry in Bulgaria"** aims to present the chronology of the development of the entertainment industry and its varieties in the country. The entertainment industry in Bulgaria began in the 1980s with the popular term "show business," which encompasses all its sectors. This chapter discusses its subindustries (music, film, production, television, promoter, radio, opera, and stand-up comedy) and their development in Bulgaria. The entertainment industry in Bulgaria follows global trends to remain relevant and appealing to the public. Companies adopt models, strategies, and views from abroad, which are then adapted and developed for the Bulgarian market. The development of the entertainment industry in the country depends on various factors, one of the most important being the competitive environment.

**Paragraph 2.2 - "Analysis of the Competitive Environment in the Bulgarian Entertainment Industry"** applies Michael Porter's Five Forces model, categorizing companies into groups based on the criterion "core activity":

- First Group: Television Content Production  
- Second Group: Music Production  
- Third Group: Comedy Show Production  
- Fourth Group: Promotion  
- Fifth Group: Digital Distribution

In recent years, the entertainment industry in Bulgaria has been developing at a fast pace. Various companies with different scales of operation are active on the market, but the largest ones set the development trends in the sector.  
The largest competitors in the Bulgarian entertainment industry in the first group – television content production – are Global Group, Mezhidinna Station, Dream Team Productions, Sedem-Otmi, and Miramar Films. A strong rivalry exists among these organizations, and as a result, efforts are required to maintain market share. Each organization creates its own trademark or unique product to attract more audience and achieve higher profits. Competition among the companies is based on differentiation and striving for quality and variety. Among the competitors in this group, Global Group holds the largest market share.  
The leading competitors in the Bulgarian entertainment industry in the second group – music production – are Virginia Records, Payner, Monte Music, and ADAMAND.  
 The leader in the entertainment industry in Bulgaria in the third group – comedy show production – is Comedy Club Sofia. Founded in 2015, the company introduced a new comedy genre of stand-up comedy in the country.  
Key competitors in the Bulgarian entertainment industry in the fourth group – promotion – are Sofia Music Enterprises, Joker Media, Loud Concerts, and Silvernoise. Each of these companies specializes in a specific area, helping them maintain and strengthen their market position.

The competition between the main players in the entertainment industry is fierce. As the entertainment industry develops, the intensity of competition also increases. Nevertheless, each company strives for a higher level of product differentiation to clearly distinguish itself from the rest. Direct competitors are found within distinct groups, with leaders who hold the largest share and the highest results.

There are entry barriers in specific sectors that must be overcome if a company aims to succeed. These are factors that make it difficult for new players to enter the market, resulting in a favorable position for existing companies and higher profits. The emergence of new companies in the entertainment industry requires significant resource investment to capture or retain market share, potentially reducing the profits of current operators.  
Another possible obstacle to entering the market is the need for high initial investment. A new competitor must have sufficient capital and readiness to begin operations, while thoroughly researching the sector's aspects, as well as the conditions and factors for successful implementation. Most established companies in the entertainment industry hold patents or customer portfolios, which forces new entrants to make large investments to attract and retain new customers.  
 Other barriers to entry for new competitors include a lack of funding, shortage of qualified personnel, limited access to distribution channels, lack of experience, product differentiation, legal restrictions, and difficulty accessing raw materials. There are some opportunities that could prevent the emergence of new competitors, such as creating a strong brand on the market or signing exclusive contracts with clients.

The existence of substitutes for products and services can weaken a company's market position, reduce sales volume, and consequently decrease profits. Examples of substitute products are presented, and their impact on business and consumers is explained. Video and music streaming, which replaces watching movies and music videos on TV, listening to music on the radio, and purchasing physical media, as well as web series, are examined. Bloggers and their videos, as well as podcasts, can be seen as substitutes for television and radio shows.  
 One of the most significant forces in the entertainment industry, driving increased competition, are substitute products. The intensification of competition originates not from traditional companies but from substitutes emerging from the development of digitalization and digital technologies.

The influence of clients on companies in the Bulgarian entertainment industry is considered high, leading to decreased profits for the provider. The weaker the influence of clients or the larger their number, the better the position of a company, leading to increased profits. Clients of companies in the entertainment industry can be divided into two main categories. The first category – corporate clients – includes large, medium, and small organizations from various sectors, such as television, retail, tourism, food industry, individual artists, musicians, and music groups. They are relatively fewer in number, and some of them are larger in size, allowing them to exert more influence on entertainment companies. The second category of clients is consumers – individuals (viewers) of entertainment organizations. These are fans of films, TV series, reality shows, music of various genres, comedy shows, concert lovers, and theater or opera performances.

Each company works with specific suppliers that offer products and services, defending and proving their usefulness and uniqueness. Larger organizations and market leaders have the opportunity to choose their suppliers and maintain professional relationships with multiple partners. The diversity of suppliers helps companies prevent the risk of the first having the power to change prices and delivery schedules. The more suppliers an organization has, the easier it is for them to switch to cheaper or more convenient alternatives, increasing profitability. Conversely, when suppliers hold more power, they are in a stronger position when negotiating deals, as the other side has fewer choices due to its dependence on them. This phenomenon is observed in smaller companies in the entertainment industry, which lack sufficient capital or market positions to negotiate and enforce their terms. Suppliers, in turn, exercise their contractual power and sell products or services at higher prices.

The main supplier of films, TV series, and shows in the entertainment industry is television. Television channels provide viewers with the opportunity to be involved in what is happening in the country while enjoying entertainment television content. Radio stations are the primary suppliers of music. Music production companies enter into contracts with radio stations to air music content, agreeing on prices, frequency, and airing times. Banks and other financial institutions supply capital to small, medium, and large companies in the entertainment industry. By signing contracts with these institutions, independent production organizations secure financing for new projects. Franchise holders may also be considered suppliers. Production companies sign contracts with them to implement a franchise project, such as a television show or reality format. It can be concluded that television channels and franchise holders stand out as the strongest suppliers, enhancing competition.

In **paragraph 2.3 – "Comparative Analysis of the Business Models of Leading Companies in the Entertainment Industry in Bulgaria"** an analysis is presented of the main elements of the business models of companies in the Bulgarian entertainment industry, based on their presentation through Al. Osterwalder's canvas. The study conducted for the purposes of this work includes 40 companies from the contemporary Bulgarian entertainment industry. A detailed analysis is presented for the first 10 organizations, while the remaining 30 companies are grouped by similarity according to the main subindustry they operate in, and a general analysis is made for each group. The groups are as follows: first group (television content production), second group (music production), third group (comedy show production), fourth group (promotion), and fifth group (digital distribution).

Companies in the Bulgarian entertainment industry follow similar business models, with their main goal being the delivery of value—entertainment, spectacle, and recreational content.

In the Bulgarian entertainment industry, there are companies that complement their main activities with development in the field of advertising. Similar to international organizations, a diversification strategy is also being implemented in Bulgaria to achieve competitiveness in the market.

The role of social media and digital technologies in the development of companies in the Bulgarian entertainment industry is very important, as it allows organizations to improve communication with consumers, enhance their image, and optimize their operations overall.

A detailed review of companies in the music, film, production, promotion, and comedy subindustries is presented, with the conclusion that nearly all of them have their own corporate websites. This is one of the mandatory conditions for an organization to enter the market. Thanks to the corporate website or blog, the company introduces its history, offered services and goods, vision, mission, and goals to the audience. Most organizations in the entertainment industry are actively present in the online space. The most commonly used social networks are Facebook, Instagram, YouTube, and Twitter. Some companies also have profiles on LinkedIn and Google+. The main digital technology used by most of the mentioned organizations is a proprietary YouTube channel, as well as video streaming and the creation of their own online platform. Web series are also part of the portfolio of some companies. Other digital technologies will soon be introduced into the working processes. Two companies stand out with a new and modern direction, namely maintaining influencer marketing. Stand-up Comedy Club is the only company of its kind in Bulgaria that founded and spreads the comedy genre "stand-up comedy."

Some companies in the Bulgarian entertainment industry are implementing artificial intelligence to optimize work processes and assist in personalizing data, promotions, and recommendations.

The new trend of creating podcasts is developing both abroad and in Bulgaria. Creators from different fields, such as musical performers, actors, journalists, athletes, and others, are starting their own podcasts discussing current topics. Podcasts are also used for brand advertising, event announcements, and promoting the name and work of the host.

In the Bulgarian entertainment industry, there are companies that use a diversification and franchising strategy, with the former being more common, and the latter being less applied. However, it is important to note that the diversification strategy is applied on a smaller scale in Bulgaria compared to developed countries. Mergers and acquisitions are strategies used by a small number of Bulgarian companies.

**Paragraph 2.4 – "Modeling of the Empirical Study on the Business Models Applied by Bulgarian Companies in the Entertainment Industry"** presents the methods used, which include in-depth interviews, surveys, and focus groups. For the purposes of the study, in-depth interviews were conducted with three representatives from the Bulgarian entertainment industry, with one chosen from the production, promotion, and comedy subindustries. This allows for an analysis of various perspectives regarding the development of the entertainment industry in Bulgaria and other countries, the transformations in their business models, with a focus on their individual elements and the viewpoints of the participants. The aim is to identify and analyze the factors that have led to changes in the entertainment industry in Bulgaria and globally. The choice of this approach is based on the fact that the opinions of all interviewed participants can help establish trends in development, the influence of social media, and digital technologies. The advantage of this empirical tool lies in its ability to delve into the topic in-depth and provide an expert perspective.

In addition to in-depth interviews, the dissertation is based on data collected through a survey. The purpose of the survey is to reflect on the changes in consumer preferences and identify the key factors for the new trends in the entertainment sector. It covers the attitudes of entertainment industry representatives regarding the introduction of social media and digital technologies into their business. For the purposes of the dissertation, a questionnaire was developed for conducting the survey. It consists of 27 questions, 22 of which are directly related to the topic at hand and 5 about the demographics of the respondents, who are part of the observed industry. The questions from the survey address the main topics and concepts included in the dissertation. The survey aims to gather detailed information regarding the working methods used by companies in the Bulgarian entertainment industry, their views on current topics, their online presence, expectations, and forecasts, as well as the development and impact of social media, digital technologies, and innovations entering the sector.

The survey was conducted online from June 1, 2021, to July 15, 2021, using Google Forms. Due to the small number of companies in the sector under study, a comprehensive approach was applied. Individual invitations were sent to all companies in the Bulgarian entertainment industry, totaling 89. As a result, 40 valid responses were received using the response method.

The general population consists of all the companies in the entertainment industry, totaling 89, with the empirical study covering 45% of them (40 companies). For the purposes of data processing with statistical software, the data was further coded. To extract results, univariate and bivariate distributions were used, along with checks for the existence of statistically significant relationships.

Focus groups with consumers were created for the study, divided according to the "age" indicator: 12–15 years, 16–18 years, 19–29 years, 30–40 years, and 40–50 years. The focus groups addressed questions related to consumer preferences concerning films, TV shows, reality formats, sources of information (television, internet, radio), how often they watch television, whether they prefer mobile devices, and whether they use social media in their daily lives.

At the end of the paragraph, several key conclusions are highlighted. The entertainment industry in Bulgaria has developed relatively quickly since 1989, with successes and setbacks. Music, cinema, television, theater, opera, and radio have had a significant impact on society and have become important in the daily lives of viewers and listeners. In recent years, the music, film, production, promotion, and comedy subindustries have gained popularity and represent a new direction in the development of the entertainment industry in Bulgaria. There is intense competition among the main players in the entertainment industry.

Social media and digital technologies have a strong influence on the companies in the entertainment industry in Bulgaria and their integration of innovations. Strategic alternatives such as diversification and franchising are applied by larger Bulgarian companies in the entertainment sector.

**Chapter 3**

**APPROVING THE RESEARCH HYPOTHESES AND POSSIBILITIES FOR IMPROVING THE BUSINESS MODELS OF ENTERTAINMENT INDUSTRY COMPANIES IN BULGARIA**

Chapter 3 presents analyses based on which the assumptions made through the hypotheses are tested, and guidelines for improving the business models of entertainment industry companies in Bulgaria are provided.

The chapter starts with **paragraph 3.1.**, in which the research hypotheses are tested. For the purposes of the study, in-depth interviews are conducted with three representatives of the Bulgarian entertainment industry. Summarizing the information from these interviews, the conclusion can be drawn that all three analyzed companies from the Bulgarian entertainment industry have implemented a diversification strategy. Although on a smaller scale (in fewer sub-industries) and in a more limited scope compared to American practices, diversification is still one of the strategies used in Bulgaria. Each company starts its operations in one direction. Due to market trends, changing consumer preferences, and competition, they are forced to expand their operations into new areas, thus staying competitive and providing a wide range of products or services to their customers. All companies are active in the online space and use various social media. Digital technologies are still not sufficiently developed in work processes, but there is a trend toward introducing new ones.

To derive the results from the conducted survey, univariate and bivariate distributions and checks for the presence of statistically significant correlations were used. Each question is presented in the form of a figure with percentage indicators and analysis.

In the analysis of bivariate distributions, four key questions are examined: which sub-industry the company operates in; in which location the company operates; how long the company has been in the entertainment industry; and whether the company has foreign involvement. Based on these questions, bivariate distributions are presented regarding the impact of the examined social media, the use of digital technologies, borrowing from foreign innovative business models, and the willingness to diversify. Similarly, the analysis includes demographic variables—location, company age, and foreign involvement.

For the purposes of the research, focus groups with users of Bulgarian entertainment industry companies were created, and their opinions and preferences were examined and analyzed.

With the first hypothesis, it is concluded that two main elements from Osterwalder's business model canvas show the highest degree of **similarity** between Bulgarian and foreign practices, most often American—**resources**, including technological and human, and d**iversification of partnerships**.

Every company, regardless of its field of activity or location, cannot function without these elements. According to the examined business models of various countries, each has its own peculiarities. Human resources are a key element for business success. Although qualification levels may vary, organizations rely on well-trained personnel. In addition to them, material and intellectual resources also contribute to achieving organizational goals. Significant funds are allocated to maintain and improve these resources, which can lead to higher profits, better market positions, and more satisfied customers.

A common feature between the business models of Bulgarian and foreign entertainment industry companies is their key partners. These are the organizations or individuals with whom they work to secure resources for operations or offering products. Countries collaborate with representatives from various sectors to achieve their plans, goals, and fulfill their obligations. In most cases, Bulgarian companies often rely on cooperation with local partners, while foreign organizations depend on international partnerships and alliances with global representatives from various sectors to create innovations, expand their influence, and offer new services.

There is also a third element with a higher degree of similarity—**value proposition**. Both Bulgarian and foreign entertainment industries aim to offer high-quality content that attracts audiences. Despite differences in production budgets, they strive to provide innovative and entertaining content for different target groups. The main value proposition includes the convenience of online streaming platforms, such as Netflix, YouTube, Spotify, and local alternatives in Bulgaria like Vbox7 or BNT.

In our study, two key elements are identified where there is the highest degree of **difference** between Bulgarian and American practices—"distribution channels" and "customer relationships". In the US, content distribution channels are much more developed and segmented compared to Bulgaria. Large companies use global platforms like Netflix, Amazon Prime, Hulu, and Disney+ for content distribution. In Bulgaria, organizations rely on local channels, TV stations, and platforms like Vbox7, which cater to the Bulgarian audience. In Bulgaria, distribution through physical media such as DVD or Blu-ray still plays a role, whereas in the US, these channels are almost entirely replaced by digital platforms.

In the US, companies like Netflix and Spotify use advanced algorithms to personalize content, which creates a deeper and more intense connection with customers. In Bulgaria, these technologies are not as advanced and are used to a lesser extent to personalize services. Customers often have access to a more diverse range of services related to the entertainment industry (e.g., VR and AR technologies in the video game industry), while in Bulgaria, companies mainly rely on traditional methods to build relationships with customers, such as phone calls and emails.

With the second hypothesis, it is concluded that modifying the business models of Bulgarian entertainment companies, driven by digital transformation, is most often based on using modern social media and digital technologies, resembling **mainly American practices**.

Larger Bulgarian companies in the entertainment industry apply a diversification strategy as a result of the development of the Osterwalder canvas element—"partnerships," covering the film, music, production, promotion, and comedy sub-industries. Although significant efforts are made, the scope and scale compared to its application in the business models of companies in the US and other countries are still relatively small. Due to the fact that American and other strongly developed foreign entertainment industries have more resources and financial capabilities for implementation, this strategy is not as popular among small companies in Bulgaria.

To achieve diversification, Bulgarian companies often use franchise strategies, and to a lesser extent, mergers and acquisitions compared to organizations in the international entertainment industry. There are examples of the use of the first two strategies in Bulgaria, but it is evident that they are still not sufficiently well implemented. On the other hand, some companies are active as franchisees, rather than franchisors, which is enough evidence to partially accept the hypothesis.

The final hypothesis is more global and examines the directions for implementing modern social media and digital technologies in the business models of entertainment industry organizations. It focuses on opportunities to improve their activities through new ways of creating and delivering value to consumers, positioning new target markets and a larger audience, finding new partners, and consolidating their position in the market.

After conducting the analyses and research, the conclusion can be drawn that all three hypotheses are accepted. Similarities and differences have been proven in the introduction of innovations into the business models of Bulgarian entertainment industry companies and leading companies from the global entertainment industry. The trend has been confirmed that the modification of business models of Bulgarian entertainment companies, driven by digital transformation, is most often based on the use of modern social media and digital technologies, resembling primarily American practices, focusing on investments in the development of technological and human resources, as well as diversifying partnerships with representatives from different sectors, leading to a higher degree of diversification of activities, which is implemented along with strategies such as mergers, acquisitions, and franchising. The third hypothesis confirms the statement that introducing innovations into business models through modern social media and digital technologies would lead to an overall improvement in the organizations' activities.

The main research thesis, which states that ***"Bulgarian companies from the entertainment industry, following leading international practices, introduce innovations into their business models by using modern digital technologies and social media, and in some elements of their business models, a higher degree of adoption of good international practices is observed, while in others, there is still a lag, not only in terms of the means used but also in the scale of their implementation"*** is accepted based on the conducted research and proven hypotheses.

In **paragraph 3.2** of Chapter Three, guidelines for improving the business model of Bulgarian companies in the entertainment industry are provided, along with the hypotheses being discussed. The entertainment industry in Bulgaria is developing slowly compared to the international scene, but despite this, the sector is developing its potential for a country with these parameters. Companies with long-term experience in the film, music, production, promotion, and comedy sub-industries are observed, offering methods for development and dealing with changes prompted by global trends. In Chapter Two of the dissertation, Bulgarian representatives of the entertainment industry are mentioned, who successfully implement strategies of diversification and franchising, inspired by foreign organizations. The first allows the model to reach stability and reduces potential negative consequences arising from changing circumstances. Both this strategy and any other proposal for optimizing the business model of organizations in the entertainment industry in the country require investments that not everyone can afford. Each company must determine the best business models and strategies to create value for customers and other stakeholders.

The focus of the dissertation is on the influence of social media and digital technologies on the activities and development of companies in Bulgaria’s entertainment industry. Potential opportunities for improving the business model of organizations are revealed. Most Bulgarian companies, following the example of global ones, concentrate their efforts and investments on solidifying their online presence and developing social media and digital technologies. Most representatives of the entertainment industry have websites or social media pages. At some point, the online presence of a company becomes a more important factor for consumers and clients than its physical presence, due primarily to their changed mindset and the rapid development of digitalization. There are even examples of organizations that exist only on the internet, as this offers an opportunity to build a successful and profitable business with minimal investment.

Most consumers prefer to gather information about a product or service from the comfort of their homes, using their mobile phone, computer, or other devices. Therefore, the information provided about a specific company on the internet should be comprehensive, accurate, and clear. This fact becomes a prerequisite for a purchase or the use of a company's services. The study demonstrates that a well-structured and visually appealing website or social media page, offering detailed information, easy navigation, quick and simple communication through various methods and implemented digital technologies, and engaging imagery, is one of the ways to improve the business model of entertainment companies in Bulgaria.

Facebook, Instagram, and Twitter are the most preferred social networks among Bulgarian entertainment companies, according to one-dimensional and two-dimensional distributions. Their proper understanding and use provide organizations with the opportunity to lay the foundations for modernization and change in their activities and structure. There are various innovative methods related to social media use that help distinguish one company from another. The study further proves that one of the ways to improve the business model of organizations in the entertainment industry through social networks is by creating a system of corporate profiles on Facebook and Instagram. This way, companies can maintain good and quick communication with their audience, create a loyal community of followers who are interested in and like the company's activities, products, and services. The idea behind this approach is to exchange useful and comprehensive information between the organization and users, achieving a personalized approach to each individual and paying special attention to existing and potential followers.

Another opportunity for improving the business model of organizations in the entertainment industry is constant and strong activity in the online space, specifically on social networks. This involves daily posts related to the company’s activities, upcoming events, pictures, videos, creating games that encourage participation and rewards linked to liking and sharing the company’s page or website, thereby reaching a broader audience and creating a "viral" effect. An important element of establishing and maintaining a strong online presence is ensuring that information, in the form of news, product/service posts, and content, is added everywhere the company chooses to be present, but with varied text. The presentation of content on the internet plays a significant role in attracting followers. Advertising images and videos must be of high quality and showcase the uniqueness of what the organizations offer.

The most commonly used digital technologies among Bulgarian entertainment companies are video and audio streaming and the Internet of Things, according to one-dimensional and two-dimensional distributions. The more a company implements digital technologies in its operations, the more it facilitates the work process and surpasses competitors who have yet to adopt them. Another version suggests that the automation of production, big data, and artificial intelligence, as examples of digital technologies, could change the future and affect 50% of the global economy. As mentioned above, robots are rapidly entering various industries and daily life. Many professions could be replaced and automated due to the use of modern technologies. The development of digital technologies and their swift integration into work processes may threaten routine work and increase social inequality, with human factors quickly becoming redundant.

Another direction for improving the business model of companies in the entertainment industry in Bulgaria is creating a unique product or service that encompasses everything needed by both an artist and a consumer. If a company satisfies all the desires and requirements of its client, it automatically becomes their preferred choice, eliminating the need to search for competitors. To create such a successful product or service, a company must be aware of what is important to the consumer, what their core needs and values are, and focus on quality and value for the customer. If a production company offers not only the production of a particular artist or group but also marketing, advertising, PR, and technical services, it won’t need to engage another provider. The creation of a unique product or service package is associated with a company’s decision to adopt a diversification strategy, thus expanding its portfolio and increasing its chances of reaching a larger share of customers and audience. There are many such successful examples, mainly in the American entertainment industry.

Traditional distribution and sales channels such as television and radio are gradually being replaced by newer, modern channels such as the internet and social media. Most companies in the entertainment industry, as well as from other sectors, focus on online advertising, communication, engagement, and internet presence. Organizations aiming for good positions in the online space must monitor trends in changing consumer media preferences and choose the right distribution channels and sales methods accordingly.

Additionally, every company requires material, human, and intangible resources. By selecting the right resources, new opportunities are unlocked to improve work processes and achieve positive future results. The discovery of professionals in social media use and the implementation of digital technologies, as the focus of this dissertation, inevitably leads to the improvement of the quality of products and services, communication with the audience, and the overall appearance of the company against the backdrop of fast-evolving digitalization. The content provided to users must be interesting and engaging, with the professional in this field being referred to as a "copywriter." In recent years, this profession has become increasingly relevant and in demand due to the growth of social media and the involvement of organizations with them. Besides the human factor, high-quality technology and equipment are also crucial for attracting new consumers and clients.

If companies in Bulgaria’s entertainment industry want not only to survive but also to solidify their market positions and stand out from competitors, they must develop a new business model where the development of social media and digital technologies, as well as their integration into work processes, is a leading priority. A well-structured and interesting website is the first step toward adequate online presence for any business. It improves brand recognition and the organization’s trustworthiness. Creating pages on different social networks helps promote the company’s activities and name. The conclusion is that successful online presence requires consistent and focused work on using social networks and integrating digital technologies.

Better understanding, knowledge, and use of social networks and digital technologies lead to new opportunities for improving the business model of companies in Bulgaria’s entertainment industry.

**CONCLUSION**

The aim of the present dissertation was to investigate and analyze the possibilities for modifying the business models of companies in the entertainment industry, to propose methods for improving the existing practices related to the use of social media and digital technologies for its development, outlining the main challenges and difficulties faced by organizations in the process of integrating and introducing innovations into their business models, and to draw guidelines for their improvement. Achieving this goal required illustrating the relationship between the business models of entertainment industry companies and the use of social media and digital technologies. To achieve the set objective and prove the research thesis, a set of approaches, methods, and tools was used, which laid the foundations for the empirical study focused on organizations in the entertainment industry in Bulgaria, users of entertainment services, social networks, and digital technologies.

The results of the empirical research demonstrate the significance of social media and digital technologies for the development of organizations in the entertainment industry in the present dynamic world, as well as the tendency to follow international practices. Their implementation requires time and investments, but contributes to future positive outcomes. The changing preferences of consumers require adjustments both in the operations of companies and in the quality and variety of the services they offer. To achieve consumer satisfaction, it is necessary to explore their attitudes towards new trends in the development of social media and digital technologies. On the other hand, the conclusions provide grounds to argue that organizations in the entertainment industry in Bulgaria are inclined to diversify and, in this way, satisfy the constantly growing and changing consumer demands.

It was established that the implementation of social media and the process of digitalization depend on multiple factors. Due to the rapid development of new technologies, Bulgarian companies in the entertainment industry are compelled to transform their business models by applying innovations, much like large and well-known companies internationally. Many organizations undergo significant changes in terms of their content delivery methods and revenue generation models. This research demonstrates that Bulgarian companies face considerable challenges in implementing social media and digital technologies into their operations, with the larger ones managing to maintain their market positions and genuinely meet the changing consumer demands.

The present research has some primary limitations. The dissertation does not address promotional companies that are solely engaged in providing hostesses, promoters, and advertising but are not directly involved in ticket sales and distribution for music, film, comedy, and other events. Moreover, it should be noted that all sub-industries of the entertainment industry are examined in general, clarifying their essence and historical development, but the object of the study does not include the sub-industries of theater, opera, literary publishing, visual arts, radio, and gambling.

The study concludes that if companies in the entertainment industry in Bulgaria aim not only to survive but also to strengthen their positions in the market and distinguish themselves from competitors, they need to create a new business model in which the development of social media and digital technologies, as well as their integration into operational processes, should be a leading priority.

A well-structured and planned website is the foundation for an effective online presence for any company. It contributes to increasing brand and name recognition, as well as building trust among consumers. Creating profiles on various social networks helps promote the activities and name of the organization. From this, we can conclude that successful online presence requires continuous efforts and a targeted use of social media and the implementation of digital technologies.

The example of the innovative business model of an American company, discussed in the first chapter, is an excellent model for a developing organization in the context of digitalization. Their practices can be adapted and applied by representatives of the entertainment industry in Bulgaria, which would lead to more successful realization, positioning, and implementation of future projects and ideas.

**REPORT ON CONTRIBUTORY MOMENTS**

1. An addition and specification of the existing and applicable terminology and methodology for developing and improving business models with a focus on the use of digital technologies and social media, reflecting the characteristics of the international and national market for entertainment services, has been made.
2. An analysis has been made of the business models and the strategies associated with their implementation in companies from the entertainment industry. The main processes, elements, factors, trends, and challenges for the improvement of business models have been outlined in the context of the growing digitalization and changing consumer preferences in the entertainment industry.
3. Recommendations of a methodological and practical-applied nature have been proposed for improving the business modeling process of companies in the entertainment industry in Bulgaria through the use of modern digital technologies and social media for innovations in their business models.

**LIST OF PUBLICATIONS ON THE TOPIC**

**Articles:**

1. Shtereva, R. (2022) "Social Media and Digital Technologies in the Entertainment Industry in Bulgaria." *Eastern Academic Journal*, Journal of the University of “Prof. Dr. Asen Zlatarov”, ISSN: 2367-7384, Issue 2, pp. 68–78.

**Scientific Papers:**

1. Shtereva, R. (2021) "The Role of Social Media and Digital Technologies in the Development of the Entertainment Industry." *Proceedings of the Annual Scientific Conference, May 27–28, 2021.* National Military University, Veliko Tarnovo, ISSN 1314-1937, pp. 110–119.
2. Shtereva, R. (2021) "Analysis of the Competitive Environment in the Entertainment Industry in Bulgaria." *Proceedings of the Annual Scientific Conference, May 27–28, 2021.* National Military University, Veliko Tarnovo, ISSN 1314-1937, pp. 120–129.
3. Shtereva, R. (2021) "Comparative Analysis of Business Models Applied in the Entertainment Industry and the Factors Affecting Them." *KNOWLEDGE – International Journal*, Vol. 45.5. Institute of Knowledge Management. ISSN 2545–4439, ISSN 1857–923X, Skopje 2021, pp. 1031–1035.