This final thesis is looking for ways social networking site users understand their virtual image, online identity and the way online identity is made. It also deals with the way users view the use of social networks and the fact that their virtual profiles reflect their personalities and opinions. It also handles a study on how users perceive the closeness of „Facebook world", whether as a world made up of real people contacts or just a cold virtual space. Social network users leave a digital trace behind. In addition, this thesis follows its impact on online reputation. Also it follows effect it has on user´s virtual contacts. It considers attitudes towards social networking sites based on age and gender. It mentions certain effects that accompany user and his presence on internet and social network in general: disinhibition effect, flaming, trolling or spiral of silence theory. It describes evolution of the communication on social networks. In the final stage it focuses on commercial potential: marketing opportunities on Facebook, ways to exploit users´ data and what will be the benefit for both parties.