Facebook ‘likes’ don’t work like marketers think they do

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Social media managers who think that simply building up followers on Facebook is enough to boost a brand’s sales may not “like” a new Tulane University study featured in *Harvard Business Review*.

Turns out, Facebook likes don’t work the way most brand managers think. If companies want to convert social media fans into more active customers, they have to engage them with advertising, said lead author Daniel Mochon, assistant professor of marketing at the A. B. Freeman School of Business at Tulane University.

“When we think of Facebook, we think of it as a very social platform. Most companies think that those social interactions will lead to more customer loyalty and more profitable customers,” Mochon said. “That’s not necessarily the case.”

Mochon, Freeman School Assistant Professor of Marketing Janet Schwartz and Dan Ariely of Duke University worked with Karen Johnson, deputy general manager of Discovery Health, to design a study using the Facebook page of the insurance company's wellness program Discovery Vitality. Consumers can earn points for engaging in healthful behaviors, such as exercising, and redeem points into rewards.

Would convincing customers to like Vitality's page lead them to earn more health points? The team invited new customers to take a survey and randomly invited them to like Vitality's Facebook page. Those who weren't invited served as a control group.

The team monitored both groups for four months and found no difference in reward points earned. Vitality then paid Facebook to display two posts per week to the liking group for two months. That group earned 8 percent more reward points than those in the control group.

Authors suspect that the ads were effective because they were more likely to reach customers. Facebook's algorithm filters content by users' preferences and activities. When a company posts content, there's no guarantee it will make it into their followers' timeline unless it's boosted content.

The full study, "What are likes worth? A Facebook page field experiment," is online and pending publication in the *Journal of Marketing Research*.

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