

What's the value of a like?

Brands spend billions of dollars each year on lavish social media campaigns. But do those campaigns increase revenue?

Marketers often confuse cause and consequence. Its possible that getting people to follow a brand on social media makes them buy more – but its also possible that those who already have positive feelings toward a brand are more likely to follow it in the first place, and that's why they buy more.

To get the most out of social media efforts, companies must combine “push” and “pull” marketing, supporting likes with branded content.

Basic psychological principles give reason to suspect that liking a Facebook page could indeed change behaviour and increase sales. Research has shown that people experience “cognitive dissonance” when their actions don't reflect their beliefs, so it would stand to reason that a social media user who endorses a brand on Facebook would be more likely to buy it. HOWEVER, the researchers found otherwise. When people like a brand on Facebook, their endorsement is typically broadcast to a subset of their network. Any subsequent engagement with the brand – likes, posts, comments, and shares – also appears in some of their friends news feeds. This form of word-of-mouth endorsements by peers have sown to increase sales but the value of endorsements may be lower on social media. This could be because on many platforms following does not guarantee brand exposure for either endorsers or their friends. Also, Facebook algorithms determine what content appears in a user's news feed and some Facebook users may like brands indiscriminately for off reasons e.g. to get a flash sale or discount.

Each year Facebook collects more than \$22 billion in ad revenue. Most of that comes from brands seeking to circumvent the platforms algorithms by paying to guarantee that their content will be displayed to large numbers of users. Various studies have proved this approach can be effective.

A study found that Facebook posts indicating that a Facebook friend is using a product – not just that they like it – increases the chances that a member will use the product too.

With 80% of US companies unable to quantify the value of their social media efforts and 87% of CMOs acknowledging that they cant document that social media creates new customers, the research help explain why marketers are using social media the wrong way. Amplifying efforts with advertising can provide higher returns on investment while creating an opportunity to connect with the most loyal customers.

*The way to convert likes into meaningful behaviour is **advertising**.*