



# Calculating the Value of a Like: The Muddled ROI of Facebook Advertising

**Urgent message:** Ideally, paid advertising should show a return on investment based on the revenue it generates. However, revenue-based metrics are difficult to prove using social media, in which “likes” are more valuable in identifying fully engaged patients than generating direct sales.

ALAN A. AYERS, MBA, MAcc

When it comes to social media marketing channels, Facebook remains atop the throne. The fact that 80% of Fortune 500 companies have an active Facebook page more than supports that assertion, and stands as testament to the platform’s meteoric rise. Indeed, brands and companies spend billions each year to maintain a social media presence, all in the service of gaining the fans, followers, and “likes” they’re convinced directly translate into increased revenues.

Naturally, urgent care shares in the collective zeal for social media endorsements, given its dependence on top-of-mind awareness and positive testimonials. In fact, you’ll rarely come across an urgent care Facebook page that doesn’t have a contest, promotion, giveaway, or other like-garnering activity going. Yet, these suppositions about the ROI of earning a Facebook like have never actually been supported by hard, empirical data. This begs the question: Are likes, and similar social media endorsements, truly an accurate proxy for projected revenue—in urgent care’s case, positive word-of-mouth and future utilization—or are they just an overhyped vanity metric? Do likes really indicate heightened engagement, and/or portend massive brand exposure? Or are marketers everywhere overestimating their impact, and unwisely pouring big bucks into an activity that, in actuality, promises very little return?

## The Value of a Like

This question of the real value of social endorsements such as likes has long intrigued not only marketers, but academics as well. Consequently, a team of Harvard



Business School (HBS) marketing professors, business scholars, and social media experts came together to conduct an in-depth study on whether the mere act of liking a brand influences purchasing behavior. The HBS team conducted 23 carefully crafted experiments over the course of 4 years, involved 18,000 participants, and centered the study around an intriguing counterfactual: How might brand followers otherwise interact with a brand had they *not* followed it on social media?

Given that brands and companies spend billions of

---

Alan A. Ayers, MBA, MAcc is Vice President of Strategic Initiatives for Practice Velocity, LLC and is Practice Management Editor of *The Journal of Urgent Care Medicine*. The author has no relevant financial relationships with any commercial interests.

dollars, in addition to valuable time and resources, on social media activities, the HBS team felt uncovering the true value of a social media endorsement was a worthy undertaking. Hence, they commenced the study using an A/B testing method, added increasing levels of complexity as they went along, and finally crunched the data. The result? Social media endorsements by themselves don't influence behavior in any meaningful way. Facebook likes, as it turns out, are just one more metric that marketers muddle.

What factors were leading marketers astray? They were confusing cause and consequence, or as business journal *MIT Sloan Management Review* described it in a recent article on the same subject, erroneously attributing causation. Marketers mistakenly assumed that endorsements directly led to purchases, when in fact, the endorsers likely had a favorable opinion of the brand already, which was the true cause of both the likes and the purchases. The HBS team did however, through their fourth and final experiment, uncover an effective way for companies to leverage the likes they garner. And as a recent *Harvard Business Review* article detailing the study reveals, the proper way to use likes involves falling back on classic marketing principles.

### Unmuddling Facebook Likes

The first experiment was a simple one: The HBS team tested to see whether the act of liking a product would spur the user to purchase. They set up the experiment by dividing the participants into two groups: The first group was invited to like a brand—in this case, a cosmetics brand—on Facebook (with most accepting), while the uninvited group was to act as the control. The HBS team then sent all the participants a coupon for a free sample, with the coupon acting as a proxy for purchase. As it turns out, both groups—the liking group and the control group—redeemed the coupon at the same rate. This finding held across 16 subsequent studies using different products and brands. The unmistakable conclusion: The act of liking a brand by itself did not spur purchasing behavior.

In the second experiment, the HBS researchers sought

*“Social media endorsements may not work the way most marketers think, but likes can play a role in driving sales — if used the right way.”*

to determine whether liking a brand wields influence over Facebook friends. They collected the email addresses of three friends from 728 people who recently liked a brand, then invited the emailed friends to redeem a coupon for a product the liking friend endorsed. Additionally, the HBS team varied the type of recommendation the liking friend gave in the following three ways: The emailed friends were told the liking friend endorsed the product offline, via Facebook, or simply that the friend was the sender of the coupon. After

comparing redemption rates across the three categories, the findings were similar to the first experiment: Each endorsement type produced similar redemption rates. All told, the knowledge of a Facebook friend liking a brand did not significantly influence behavior.

The third experiment involved a South African insurance firm, Discovery Vitality, that offers its customers a comprehensive wellness program. The company grants redeemable points for engaging in select healthful behaviors, so the HBS team wanted to see whether liking Discovery Vitality's Facebook page would cause customers to gain more points. The HBS team had Discovery Vitality invite a subset of its customers to like its page, and then monitored their points redemption compared with others who were not invited to like the page. By now, the findings should be no surprise: Liking the page did not result in customers engaging in more healthful behaviors towards redeeming points any more than it did with the nonliking customers.

### The Proper Way to Use Facebook Likes

So, through their research and experiments, did the HBS team effectively relegate Facebook likes to the marketer's trash bin? Not exactly. Despite social media endorsements not working the way most marketers think, likes *can* play a role in driving both sales and desired behaviors—if used the right way. The fourth and final experiment, using the same two groups of Discovery Vitality customers, sought to learn if posting targeted content to the liking group would cause them to earn more redeemable points than the nonliking group. This approach was successful, as the liking group earned 8%

more points than the control group when presented with supporting content.

Given how difficult it is to persuade people to engage in healthful behaviors, the finding was of profound significance.

Why did the fourth approach work, though? The final experiment was successful because it effectively combined the concepts of *push* and *pull* marketing. Whereas traditional push marketing works by directly advertising to consumers, pull

marketing is designed to encourage consumers to seek out products and brands themselves. In this case, the pull was the customers seeking out and following the brand via social media channels; the push was targeting content specifically to those engaged customers to spur desired behavior. The lesson? With the explosion of social media as a marketing channel, marketers had all but abandoned classic push marketing tactics in their embrace of indirect, less “pushy” pull marketing. But as the *HBR* article clearly demonstrates, combining the two marketing modalities was most effective, with likes illuminating the surest path toward consumers most receptive to targeted content.

### What Can Urgent Care Learn?

As the HBS team demonstrated through its research, the true value of a like is not in that it necessarily portends revenue by itself, but in its ability to point marketers towards highly engaged consumers. According to the aforementioned *HBR* article, Facebook pulls in \$22 billion each year in ad revenue. The majority of those dollars are being spent by brands looking to circumvent Facebook’s algorithms—which limits and randomizes which ads show up in users’ newsfeeds, and how often—and get their content in front of large numbers of users. By using likes as a guide to which users it would make the most sense to target with ads and content, marketers can further maximize the impact of their marketing spend.

So how should urgent care interpret these findings, and capitalize on this improved strategy? One way is by strategically paying Facebook to boost specific posts, which will cause them to appear higher up in your target audience’s newsfeed. As the Boost Post tool allows you to customize whom you target, you can experiment with

*“The value of a like is not that it portends revenue by itself, but in its ability to point marketers towards highly engaged consumers.”*

a few campaigns where you boost relevant posts to users who have liked your page. Content examples might be informational posts about what differentiates your center, common injuries and ailments, flu prevention, sports physicals, and other seasonal content. Additionally, publishing the original article to your center’s homepage, then linking back to it in the Facebook post, helps to drive traffic to your site.

The *HBR* team also noted that its research found savvy firms going beyond garnering mere likes, and seeking out ways to highlight eloquent fan endorsements. Did a patient, for example, post a heartfelt Facebook message describing how your urgent care saved the day during a mishap or crisis? Did a provider receive a glowing endorsement from a customer? Highlight those posts, and find creative ways to integrate them into your marketing messages. Likes are fine, but positive testimonials seen by your entire Facebook audience carry considerably more weight.

### Conclusion

The *Harvard Business Review* article laid out a couple of eyebrow-raising statistics that encapsulate the frustration marketers face in mastering social media marketing: 87% of Fortune 500 chief marketing officers admitted that they’re unable to clearly document whether social media efforts result in new customers, while a separate survey of U.S. marketers reveal that 80% are unable to quantify the value of their social media efforts.

Their struggles stem from using social media incorrectly. As the HBS team showed, the value of likes—especially the organic variety—are in that they highlight highly engaged customers. So, rather than cast a wide net and waste marketing dollars, zero in and target your real fans with relevant ads and content. This method not only promises a better ROI from likes, but the increased engagement will transform fans into promoters and evangelists for your brand. Thus, urgent care marketers should use likes as a path to engage fans and followers, and solicit their honest input. Performed diligently, the effort will lead to more people making your urgent care their first choice for utilization, and the one they recommend to friends and family. ■