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Beyond the team:
Crowdsourcing

Beyond the team: Crowdsourcing

Although the term 'crowdsourcing' didn't enter modern vernacular until coined by Wired magazine's contributing editor, Jeff Howe in 2006, the general idea has been around forever. Crowdsourcing, at its most basic level, is about collaborative thinking towards a common goal. When you don't have the answers or resources, you find someone who does or a group of people whose collective knowledge holds the key to your puzzle.

Historically, this concept would have been challenging in the business realm on a larger scale: Pen had to be taken to paper and the speed of communications channels was not very conducive to collaborative brainstorming sessions. But then, the Internet came along—a crowdsourcing project in and of itself. Calls for collaboration could suddenly be broadcast around the globe with one click and responded to with the same ease.

Today, by definition crowdsourcing is when a business or organization takes a job usually performed by a designated internal team or individual and outsources it to an undefined group of people in the form of an open call.[1] Some call it 'open innovation' while others think of it simply as an extension of the open source concept of the '90s. Whatever it's called, it works. Entire research and development teams of some businesses now consist of crowdsourcing. Small businesses no longer have to pay large fees to designers or creative consultants. Many businesses now use crowdsourcing to develop new products based on direct input from the target audience. All in all, businesses are building temporary teams larger than ever imagined at very little cost, launching crowdsourcing as a mainstay in the business playbooks.

The positive side of the coin

Proponents of crowdsourcing are quick to tout what works. Most often, benefits of crowdsourcing can include:

- Expanding options and solutions to beyond what is immediately available or affordable in-house.
- Driving down expenses by creating increased competition for work. Or, following a model that only pays for the one idea or solution that works, instead of the traditional means of research and development that requires payment to all the failures of innovation, too. (Although, this is not to say that crowdsourcing is cheap!)

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1 Howe, Jeff. Web log post. Crowdsourcing. Jeff Howe. Web. <http://crowdsourcing.typepad.com/>.

- Offering the ability to develop something new while simultaneously creating brand awareness and building vested relationships with consumers. (It can be research and development and marketing all in one.)
- Providing a means to funnel and redirect attention to a business's other marketing efforts. Especially when used as a marketing tool, crowdsourcing pairs beautifully with many social media marketing efforts or traditional advertising.

The other side of the coin

In crowdsourcing, as in life, you can't have the sweet without the bitter—crowdsourcing has received its share of flack since gaining in popularity. When not thought through or approached strategically, crowdsourcing can:

- Take a much longer time than anticipated to take an idea from development to implementation. Crowdsourcing often relies on the culmination of ideas from many people; it can be time consuming facilitating and managing the process, especially if individuals lose interest or steam along the way and no contract is in place to require them to finish.
- Exhaust the crowd. For every crowdsourced idea that takes off, there are plenty more that die on the vine. Because the model of many crowdsourcing approaches is based on only paying the one crowd member who produces the most appropriate response, many members of the crowd will repeatedly invest in meeting demands and end up without anything to show for these efforts time and time again.

  > *"In our research, we've found that many creative professionals avoid [crowdsourcing] because they're too busy with commissioned work," said Scott Belsky, founder and CEO of crowdsourcing platform Behance Network™. "When they do engage, they feel unfulfilled (if not exploited) afterwards."[2]*

- Produce lackluster results. If a business's crowd is not in tune with a business's stakeholders, crowdsourced products or solutions become moot points. Furthermore, if a business does not define what it is looking for, results are likely to be just as vague.

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2 Belsky, Scott. "Crowdsourcing is Broken: How to Fix It - BusinessWeek." BusinessWeek - Business News, Stock Market & Financial Advice. 27 Jan. 2010. Web. 02 Feb. 2010.
<http://www.businessweek.com/print/innovate/content/jan2010/id20100122_047502.htm>.

- Missed opportunities. Often products and solutions require funds to develop. If a business does not provide funds or immediate gratification to the crowd in its open call, the best or most thoughtful solutions might not ever appear.

So how does a business or organization reap all the benefits and avoid the pitfalls? Set forth with clear objectives, a thoughtful strategy and a well-defined and targeted call to the crowd.

Developing a winning strategy

Crowdsourcing covers a wide range of areas. When developing a crowdsourcing strategy, you need to take into consideration the following: The goal or outcome desired, crowdsourcing participants, logistics and resources required to complete the project, timeline for completion and possible incentives for reward. Additionally, strategies need to be approached with longevity in mind. "Crowdsourcing should spawn long-term relationships between clients and creatives rather than be a one-off experiment," suggests Belsky.[3]

Belsky adds that going into strategy development there should be a clear distinction between fun brand engagement competitions, the search for business resources and overt spec work contests.[4]

With this in mind, the three most common objectives and strategies of crowdsourcing are content development, product development and marketing, and these usually focus on one of two crowds: Professionals or consumers. Strategies will also have varying costs to execute, ranging from little to no expenditure, to time spent weeding through submissions, to significant costs in execution through high-powered marketing campaigns.

Content development
Some businesses use crowdsourcing to create content. This can be achieved by calling upon a crowd of professionals such as designers, Web developers or writers to produce content on an as-needed basis or, by asking target audiences to create their own content. With sites like Behance, crowdSPRING® and 99designs®, content creators can bid on the needs of businesses and individuals, like logo design or Web coding, while businesses set the price points, details and deadlines. Think of it as a matchmaking or auction service for businesses and creators. Some

3 Belsky, Scott. "Crowdsourcing is Broken: How to Fix It - BusinessWeek." BusinessWeek - Business News, Stock Market & Financial Advice. 27 Jan. 2010. Web. 02 Feb. 2010. <http://www.businessweek.com/print/innovate/content/jan2010/id20100122_047502.htm>.
4 Belsky, Scott. "Crowdsourcing is Broken: How to Fix It - BusinessWeek." BusinessWeek - Business News, Stock Market & Financial Advice. 27 Jan. 2010. Web. 02 Feb. 2010. <http://www.businessweek.com/print/innovate/content/jan2010/id20100122_047502.htm>.

companies are taking it further and basing their entire existence on crowdsourced content development.

An example of such is [Current TV](#). Current is not unlike traditional cable television news channels in that it offers viewers informative and unique content not available through mainstream networks. But that's where the similarities end. Current is built around a social network where viewers can make and upload their own segments, post comments on other uploads and vote on which segments should air. Community members can also post news items to Current's Web site that they think should be covered and other users, along with Current reporters, pick up the beats. Since launching across traditional media and online platforms in 2005, Current has won Emmy awards for its peer-to-peer content and is the only 24/7 cable and satellite television network and Internet site produced and programmed in collaboration with its audience.[5]

Another well-known example of crowdsourced content? [Wikipedia](#)®. Wikipedia is an entire site devoted to the collaborative compilation of knowledge in encyclopedia form. Anyone can add or edit, although rules do apply. The entire site is free and Wikipedia itself is a nonprofit organization and contributors are not compensated for content, either.

Product development
Sometimes businesses seek more than just content—they use crowdsourcing to create new products or services. Much like content development, product development can call upon a crowd of professionals or tap the target audience itself.

Retailer [Threadless Tees](#)™, has built a similar crowdsourcing community to the one created by Current. Except instead of news, the end result is T-shirts. Anyone can become a member of the Threadless community and upload or comment on T-shirt designs. Then, users vote during a specified period and the winning designs are produced and made available to all Threadless customers for about $15 each. Winning designers also receive a small cash prize. What started as a hobby for college students Jake Nikkel and Jacob DeHart, Threadless quickly grew into a full-fledge online community that now includes forums, trendspotting, photo sharing, online resources, design scholarships and more. And in case you were wondering, annual sales average well over $18 million.[6]

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5 Current News: News Video Clips & Current News Articles // Current. Web. 1 Feb. 2010. <http://current.com/>.
6 Chafkin, Max. "The Customer is the Company: How Threadless Uses Crowdsourcing." Small Business and Small Business Information for the Entrepreneur. 1 June 2008. Web. 01 Feb. 2010. <http://www.inc.com/magazine/20080601/the-customer-is-the-company.html>.

Solutions can also be considered products in the world of crowdsourcing. Case in point: Colgate-Palmolive needed a way to inject fluoride powder into a toothpaste tube without it dispersing into the air. After failing to solve the conundrum in-house, researchers at Colgate turned to crowdsourcing platform, InnoCentive®. Retired engineer and crowdsourcing hobbyist, Ed Melcarek, saw the open call and claims to have had the solution by the time he finished reading the challenge. It was a quick physics fix that he speculates Colgate's team didn't think of simply because they probably were lab technicians, not physicists. Regardless, Colgate paid him $25,000 for his solution which would likely have cost more to reach the same conclusion internally, had they ever figured it out.[7]

Marketing

Looking for the best way to create a marketing message or a tactic to incorporate into an existing marketing strategy that fosters engagement and brand champions? Ask the audience.

The Super Bowl is often a time for marketers with deep pockets to go all out. Since 2007, munchies manufacturer, Frito-Lay, has put together what has proven to be one of the most successful crowdsourced ad campaigns ever, the Dorito's "Crash the Super Bowl" contest. In the months leading up to the Super Bowl, consumers are challenged with creating their own commercial featuring the famed flavored tortilla chips. Submissions are narrowed down to six finalists, who each win $25,000 and a trip to the Super Bowl and then the voting turns over to the average Joe. From there, the top four submissions are aired during the Super Bowl on national television and—yes, there's more—if any of the ads get first place in the USA Today Ad Meter, the creators of that ad will get $1 million.

On a slightly smaller scale, in 2006, Current TV expanded its original idea of user-generated content to include advertisements for major brands. L'Oreal™ was one of the first brands to jump on board—the result? An ad that normally could have run the beauty retailer upwards of a couple hundred thousand dollars but instead cost $1,000—the prize for the winning submission.[8]

Initiate the wave

The previously identified strategy options fit into one, or a combination of, crowdsourcing models identified below[9].

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7 Howe, Jeff. "Wired 14.06: The Rise of Crowdsourcing." Wired News. June 2006. Web. 01 Feb. 2010.
   <http://www.wired.com/wired/archive/14.06/crowds.html>.
8 "The power of crowdsourcing -." Business news, business advice and information for Australian SMEs | SmartCompany. 30 Oct. 2008. Web. 01 Feb. 2010.
   <http://www.smartcompany.com.au/Premium-Articles/Top-Story/20081029-The-power-of-crowdsourcing.html>.
9 Howe, Jeff. "Wired 14.06: The Rise of Crowdsourcing." Wired News. June 2006. Web. 01 Feb. 2010.
   <http://www.wired.com/wired/archive/14.06/crowds.html>.

1. **The online marketplace**

    This model was really the pioneer for Howe's definition of crowdsourcing. The basic idea of this model fits in with content creation or product development objectives and makes it possible for many businesses to exist on crowdsourced matchmaking alone.

    One of the earliest modern examples of such a model is [iStockphoto](#)®. iStockphoto is a Web site where photographers—with skill sets varying from novice to professional—from all over the world upload photos, illustrations, b-roll video clips and flash images for anyone to purchase and use, royalty free. Prices range from about $1 to $40 an image. iStockphoto now boasts the world's largest collection of royalty-free images and since its debut in 2000, it has virtually obliterated the need for nonprofits, design consultants and individuals to budget big bucks for images obtained through professional photoshoots or stock image powerhouses like Getty Images (which, coincidentally now owns iStockphoto). [10] iStockphoto's COO, Kelly Thompson, has said that the key to its success is owed entirely to its community of contributors—without the crowd, iStockphoto marketplace simply wouldn't exist.

2. **The competition model**

    Often referred to as the most common form of crowdsourcing, the competition model can be aligned with practically any crowdsourcing strategy. Unlike the marketplace model that actively uses all crowdsourced content and leaves it up to the consumer to discern what content to pay for, the competition model usually seeks submissions to one very specific call, and then the one who initiated the call chooses the best submission and pays only for that content in the form of compensation or prizes. Essentially, in competition models, the crowd part is only really relevant in that individual ideas are collectively compiled with one goal in mind as opposed to collective collaboration among a crowd.

    Crowdsourced marketing efforts such as the Doritos campaign fall into this model, as do platforms like Behance, crowdSPRING and

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10 Pattison, Kermit. "Crowdsourcing Innovation: Q&A with Dwayne Spradlin of InnoCentive | Fast Talk | Fast Company." FastCompany.com - Where ideas and people meet | Fast Company. 15 Dec. 2008. Web. 02 Feb. 2010. <http://www.fastcompany.com/blog/kermit-pattison/fast-talk/millions-eyes-prize-qa-dwayne-spradlin-innocentive>.

99designs. But, instead of reaching out to the consumer through competitions, they usually work like this: A client comes to the site, posts an explanation of the project's needs and the reward offered. Clients then pay a nominal listing fee and wait for creators to submit results. The major benefit of this model is that instead of issuing a request for proposal and receiving a handful of submissions, the well of possibilities in this model is significantly larger. 99designs claims that most open calls attract more than 50 submissions. Other benefits include the opportunity for briefs and concepts to change and evolve over time, based on user submissions and feedback, and the significant opportunity that those who submit ideas become engaged and invested in the brand.

3. **The ideas bank**

   Idea banks are based on true collective collaboration and no compensation or prize for idea generation is ever offered. The point of this model is simply collective feedback. A business or individual has an idea or solution and reaches out to the crowds to gauge how on target this idea or solution is before implementation. The closest non-crowdsourcing example is market research that usually precedes product development.

   While there are sites that exist to collect ideas from the masses, many businesses are simply providing ways for audiences to contribute via a company site. Starbuck's® has done this through the implementation of the My Starbuck's Idea campaign. In a nutshell, Starbuck's used its Web site to create a cross between a crowdsourcing community and a suggestion box—users create an account, tell Starbuck's what they want to see in its stores and vote on others' ideas. This model has become a driving force in Starbuck's products and services.

Home or away: The platforms

Many ways exist to help businesses implement these crowdsourcing efforts, a few of which have been mentioned briefly. How a business goes about making an open call for crowdsourcing depends on the audience and the strategy. Sometimes, it makes the most sense to pair crowdsourcing with traditional communications tactics and tools while other times it makes sense to target the crowds most willing to help. A great way to do so is through crowdsourcing platforms. These platforms allow a business to leverage an existing system or channel to make the open call. If a business is seeking the solution to an internal issue—such as, the need for design work or a way to streamline production—or it

is seeking crowdsource submissions from experienced professionals, examples of platforms that may make the most sense include:

Content development platforms
These solutions are perfect for posting design, Web development or copywriting calls.

- Behance–Design
- crowdSPRING–Design
- 99Designs–Design
- TopCoder–Web development
- Genius Rocket –Video, design, Web and copywriting

Research and development platforms
Appropriate for gleaning the crowd for solutions to problems, obstacles or equations in order to develop a new product or streamlining a process.

- InnoCentive–High-level problem solving across many industries and platforms, used by big names like NASA™, Proctor & Gamble™ and Eli Lilly™
- Hypios–Problem solving at all levels for companies ranging in size from small to large
- Inkling–Platform for highly targeted prediction markets–the focus group gone digital

If a business is seeking to crowdsource research or content directly from consumers for the consumer, consider these platforms:

Social media platforms
The following sites all have one thing in common: Community. Users can upload, share, rate or comment on content and connect with each other virtually. Because these sites fit so well with the concept of community that crowdsourcing is based on, they are fantastic for serving as the medium for making the call or serving as the requested medium of submission.

- YouTube™ or Vimeo™ - Video content
- Facebook – Social network
- Twitter – Micro-blogging tool
- Ning – Create your own social network

The-whole-kit-and-caboodle platforms
Some crowdsourcing platforms exist in unlimited form. Anyone can post requests that range from translation services to proving that ghosts are real to solving societal issues such as world hunger.

- [Amazon.com's® Mechanical Turk™](#)
- [Big Carrot](#)

Motivate and spur participation

Many experts say that the secret to successful crowdsourcing is in the incentives offered. Just like many other areas of business, a reason has to be given—a benefit made obvious—as to why audiences should care; the same holds true in crowdsourcing. It would be nice if bragging rights would be reward enough for crowdsourcing solutions, but the reality is that cash payment or prize incentives are what really entice crowds to participate in the first place. Build your crowdsourcing strategy in a way that makes it worth the crowd's while and compensate them accordingly.

"The prize-based model of crowdsourcing helps an organization to not only maintain a large internal organization of the best people in the world," says InnoCentive president, Dwayne Spradlin. "But to augment it with up to 7 billion of the other smartest people in the world."[11]

If your company doesn't have the means to provide monetary incentive, build your business's crowdsourcing strategy around a different value—like the sense of community and brand ownership offered to users of My Starbuck's Idea. Even though users aren't compensated for implemented ideas, they see proof that a brand cares what they think.

Next, focus on getting the word out. If your business is crowdsourcing for internal purposes and using a content development platform like the ones listed previously, communication will be taken care of in large part by the platform. However, if you are using crowdsourcing as a means of obtaining and providing value to external audiences, it would be best to have a defined communications strategy—it will need to be promoted via multiple channels and should be incorporated into a marketing plan.

Secure the infrastructure and involve full-time staff

Don't overlook employee input or existing processes when considering a crowdsourced solution. Consider transparency and balance: Transparency in communicating with employees what the plan is and how they are expected to fit into that plan; and balance what makes the most sense to be done in-house

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11 Pattison, Kermit. "Crowdsourcing Innovation: Q&A with Dwayne Spradlin of InnoCentive | Fast Talk | Fast Company." FastCompany.com - Where ideas and people meet | Fast Company. 15 Dec. 2008. Web. 02 Feb. 2010. <http://www.fastcompany.com/blog/kermit-pattison/fast-talk/millions-eyes-prize-qa-dwayne-spradlin-innocentive>.

versus what to crowdsource. Lines may have to be drawn that exclude or welcome employees to participate in crowdsourcing as members of the crowd.

"It's important to ease employee concerns from the get-go, perhaps by directly involving them in the evaluation of submittals and other project tasks," suggested marketing expert, Kimberly Smith.[12]

For example, put the entire internal team in charge of helping to make the final decision on what crowdsourced submissions are implemented or considered through internal voting instead of designating one decision-maker. Or, consider crowdsourcing internally: Need a new logo? Ask employees to submit ideas. Reach further than that, like IBM which has become known for what it calls "innovation jams": Two-part brainstorming events that invite employees, their family members and friends, in addition to customers, to provide input and spark innovation.[13]

The beauty of crowdsourcing is that the crowd can be anyone— employees, consumers or professionals.

Businesses should also constantly review submissions and compare to internal research and development to ensure that what is being submitted has not been plagiarized or is similar to a competitor's approach or branding. Some companies, like IBM, take ideas generated by crowdsourcing and run them through focus groups before implementation just to be sure the crowds are right.[14]

Final thoughts

In most areas of crowdsourcing measurement is based on the success or failure of open call. However, especially when businesses crowdsource their consumers, there is the opportunity for much greater impact—such as brand awareness, overall impressions or traffic incurred to a site. In this case, employ traditional marketing measurement tools to assess the full impact of crowdsourcing and return on investment.

Finally, when considering a crowdsourcing strategy or solution don't forget the fine print. The standard practice seems to be the inclusion of legal disclosures that specify that any and all submissions automatically become the intellectual

12 Smith, Kimberly. "Put Crowdsourcing to Work for You: Five Tips for Getting Started." MarketingProfs: Marketing Resources for Marketing Professionals. 25 Aug. 2009. Web. 01 Feb. 2010. <http://www.marketingprofs.com/9/put-crowdsourcing-to-work-five-tips-to-get-started-smith.asp>.
13 Hempel, Jessi. "Crowdsourcing: Milk for the Masses." BusinessWeek - Business News, Stock Market & Financial Advice. 25 Sept. 2006. Web. 03 Feb. 2010. <http://www.businessweek.com/magazine/content/06_39/b4002422.htm>.
14 Smith, Kimberly. "Put Crowdsourcing to Work for You: Five Tips for Getting Started." MarketingProfs: Marketing Resources for Marketing Professionals. 25 Aug. 2009. Web. 01 Feb. 2010. <http://www.marketingprofs.com/9/put-crowdsourcing-to-work-five-tips-to-get-started-smith.asp>.

property of your business, even if they are not used and that, by submitting ideas, users agree to grant your business an irrevocable license to use, modify, display, transmit or otherwise disseminate or sell those ideas.[15]

As Spradlin puts it, "The business of business is innovation."[16] Crowdsourcing can be a great way for businesses to harness the power of collective and collaborative thinking to innovate—to work with audiences toward a common goal while providing brand awareness and incentive for engagement. What's more, the opportunities to use crowdsourcing and the potential outcomes of crowdsourced efforts are practically limitless. Your business likely works as a team internally every day, why not expand the team to include other professionals or consumers, too?

15 Smith, Kimberly. "Put Crowdsourcing to Work for You: Five Tips for Getting Started." MarketingProfs: Marketing Resources for Marketing Professionals. 25 Aug. 2009. Web. 01 Feb. 2010. <http://www. marketingprofs.com/9/put-crowdsourcing-to-work-five-tips-to-get-started-smith.asp>.
16 Pattison, Kermit. "Crowdsourcing Innovation: Q&A with Dwayne Spradlin of InnoCentive | Fast Talk | Fast Company." FastCompany.com - Where ideas and people meet | Fast Company. 15 Dec. 2008. Web. 02 Feb. 2010. <http://www.fastcompany.com/blog/kermit-pattison/fast-talk/millions-eyes-prize-qa-dwayne-spradlin-innocentive>.