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Article

Crowdsourcing, Outsourcing to Obtain a Creativity Group

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Crowdsourcing, Outsourcing to Obtain a Creativity Group

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ABSTRACT

Crowdsourcing is a concept that first appeared in an article written by Jeff Howe in 2006 in the Wired Magazine in which the author illustrates the emerging phenomena of the outsourcing of various activities by companies to an undefined generally large group of people on the Internet in the form of an open call. Although this process has long been limited to the computing sector, it currently tends to cater a wider number of sectors. Firms using this process are always more numerous in order to outsource, for limited financial compensations, activities that cannot be completed by their own employees or considered too costly in terms of manpower, finances and time. This paper aims at defining, through concrete examples, how Crowdsourcing directly impact on the variables of the mix-marketing such as product development, price positioning, distribution and communication but also people, process and physical evidence. At last, the article focuses on the potential evolution of the Crowdsourcing in the coming years.

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Joseph Schumpeter argued that "the customer is not the source of innovation." Is such a vision plausible in the era of digital communication? Adopting such a categorical vision tends to hide the current trend which shows that customers, consumers and citizens realize that their roles and influences are intensifying. Despite the interactivity that was made possible by Web 2.0 and the growing number of users of social networks like Facebook, YouTube or Twitter, companies and brands have long remained cautious towards the web, perhaps because of the imminence of information and speed of movement of messages that are not necessarily controllable. Yet by 1998, the pharmaceutical company Eli Lilly launched a collaborative platform "InnoCentive" inviting companies to externalize some of the problems they are facing in order to present them to an unknown set of experts and users that may have the solution to the problem. This is reflected by the externalization of some of the companies' activities to the "crowd surfers" in order to obtain solutions at lower costs. This phenomenon was named "crowdsourcing" by Jeff Howe, in his article "The Rise of Crowdsourcing" that was published in the journal *Wired Magazine* in 2006. Since then, numerous collaborative platforms and innovation have emerged revealing the awareness of the potential of the Internet in any kind of businesses.

It is interesting to characterize the phenomenon of crowdsourcing through its influence on marketing and communication. That is why, in the first part of our research we will focus on the context in which 'crowdsourcing' appeared, this first part of our study will be led throughout an analysis of the Web 2.0 and the increasing role of consumers in their business relationship. In the second part, we are going to develop our study on the basis of the concept of crowdsourcing and the opportunities it offers to the field of marketing. Finally in the third part we are going to study the effect of the evolution of crowdsourcing.

Web 2.0 – basis of interactivity development on the web

Used for the first time in 2003 by Dale Dougherty, the term "Web 2.0" was echoed by his colleague Tim O'Reilly in 2005 (9). He latter proposed a definition of this term (9) and then he established what he considered to be the main characteristics of the "Web 2.0":

- The web as a platform of expression: the interactivity of Web 2.0 allows each user to express freely and decide whether to disclose, publish, search or exchange information.
- Leverage of collective intelligence: on the internet, millions of information are transmitted, circulated and then connected to each other. This network continues to expand through increased interaction between the different information it offers. The contribution of a multitude of individuals on a common topic (9) is richer than one person. It is in this perspective that collaborative encyclopedias such as Wikipedia have been created.

- The power of data: thanks to the Internet, some companies like Amazon, Facebook and Google have constituted substantial databases.
 - The end of a release cycle: the user is no longer a passive consumer as it has long been but a full participant. He is likely to become a true co-developer and innovator.
 - Lightweight programming models: it is to take what already exists and build innovation upon it. It is useless to create complicated systems. We must create content that are easily accessible and available.
 - Software's are set free of the computer: computer is no longer the only mean for circulating information. Mobile devices, game consoles, TV offer features that can be connected to the internet.
 - Enhance user interfaces: one must realize the potential wealth of web interfaces that are becoming increasingly interactive.
- Thanks to the web 2.0 and 1.7 billion Internet users in 2010 and 2.2 billion expected in 2013 they now can communicate and also interact, provide feedback, suggest ideas, suggest changes ... This development has generated a new type of consumer (Cova, 2008) which does not hesitate to use his creativity to deliver innovations, improvements in products or services... to live their passion and not only to satisfy an economic interest. They represent an opportunity that businesses must learn how to use in interacting with them (Cova, 2008). This has led some firms to imagine or to adapt Web business models incorporating the customer as an actor and not a single one. It is in this context that emerged the concept of crowdsourcing.

Crowdsourcing

Jeff Howe was first to use in 2006 the term crowdsourcing to define the phenomenon of outsourcing the tasks of the company by using the collective intelligence. The crowd is used for its creativity, innovative power and its expertise while benefiting from reduced costs. Howe proposed the following definition: "Crowdsourcing is the act of taking a job traditionally performed by a designated agent (Usually an employee) and outsourcing it to an undefined, large group of people generally in the form of an open call. ". Outsourcing is increasingly frequent in the production process, it consist on the fact of subcontracting a portion of secondary activities previously carried out internally to a specialized company in order to achieve savings in terms of finance and human. Contrary to this definition, crowdsourcing leads to the outsourcing of a company task from the "crowd" of Internet users. The identity of these individuals remain mostly anonymous, the company does not know the author of the work done contrary to the traditional subcontracting. Any Internet user, whether expert or enthusiast specialist can offer a solution and answer to this "open bidding." Crowdsourcing is not restrictive. Collective intelligence is solicited to be unrestricted which leads to talk about "open outsourcing" (Lebraty) versus conventional outsourcing one might

describe as "closed" as addressed only to one actor specifically identified.

Crowdsourcing and marketing : which opportunities ?

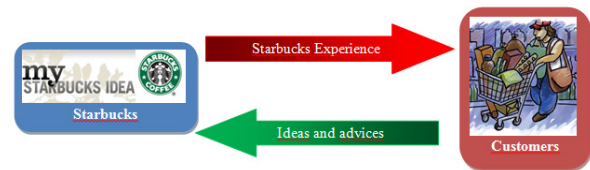
In order to identify the relationship between marketing and crowdsourcing, it was interesting to analyze sites of Crowdsourcing to understand the benefits (see Annex for selected sites).

Product development

Crowdsourcing offers significant opportunities for the development of external product: Internet Advice about a product or service they offer or could offer (Dell, MyStarbucksIdea), contribution to product development, active participation in the resolution of a specific problem (InnoCentive, Procter & Gamble's Connect + Develop Program, Fluevog shoes) (Withla) ...

First stage: Consumers' comments. The task required for a product conception is known as a delicate one inasmuch as this task implies important variable and fixed costs. Answering in an unscrupulous way to consumer feedback, or to be incorrectly positioned on the market can lead to negative consequences. Having to face those critics, crowdsourcing offers a unique opportunity: to be in direct contact with consumers and prescribers of the brand and to get them involved in the development process. Thus, Dell through its Ideastorm site or Starbucks with my StarbucksIdea have implemented collaborative platforms inviting users and customers to propose their ideas and provide feedback on their respective products. This is the slightest form of collaboration insofar as those platforms don't involve the users in the process of creation and production, but they only take into consideration their opinion. For instance, Ideastorm a site developed by Dell offers to the users the possibility to submit their ideas to optimize the services or the products provided by Dell. After the submission of the ideas, users are invited to vote for the most promising and interesting idea. Therefore ideas that have the most votes will be placed on the top of the list on the website, and then they will eventually be integrated by Dell in their product offer. Having reached 80 000 votes, Dell decided to propose LINUX to its customers, so that they could chose to incorporate this operating system to their computers. Such a strategy has shown an obvious interest. Through this participatory approach in the conception of a product or service, the company has chosen the best ideas based on the opinion of the final consumer, which will then guarantee that the products or services will highly match the market and consumer expectations. Therefore this is a way for the company to get closer to its customers while innovating. MyStarbucksIdea is a similar platform to the one provided by Dell, where internet users, clients, consumers are invited to submit ideas and to vote to the ideas that they consider most interesting. These ideas include the installation of a WIFI hotspot in coffee houses or to get a

free drink for their birthday...



By allowing a certain freedom of expression for internet users, Dell and Starbucks allow their visitors to be more involved in the evolution of the company, brand and its commercial offers. Such leverage improves their connection to the brand and enriches the image of the brand. This also means that when a product or service is disliked, this could help the company improve its offer. These platforms go beyond by creating a true community of actors that are directly involved in the life of the company. Thus companies can create an easier contact with individuals who were perhaps not previously customers of the brand. This is a new way to recruit through a more participatory approach. Finally, such an approach can be in close interaction with customers, consumers and therefore have access to a database constantly updated on their expectation and their perception of the company.

Second stage: Solving existing problems. A platform is considered different due to the fact that it can solve complex problems. InnoCentive was created in 1998 by the pharmaceutical company Eli Lilly, which offers the services of scientists and senior experts to solve complex problems. This platform connects two types of actors that are the seekers and the solvers. The companies or the seekers submit a problem that they cannot resolve or which is outside of their competencies. The goal through this approach is to save time, to reduce the fixed costs and to optimize the workforce.

The solvers will be facing the problems submitted previously by the companies or the seekers, solvers are generally composed of experts, scientists, academics and sometimes consultants. For those who find the solution, compensation can range from \$ 5 000 to \$ 100 000. Many international groups have used this approach in recent years like Procter & Gamble, Boeing, Novartis, IBM and Johnson & Johnson. There are numerous advantages. First, the firm avoids investing financial and human resources, which are too consistent in a research process that is outsourced. The solution has a predefined pay, which will help them avoid engaging a long, costly and potentially risky approach to find a solution. Another very positive aspect of crowdsourcing is to reduce the development time of a solution. Indeed, (Panetta, 2008) believes that the time required to solve a problem is divided by ten between an internal process and the use of the InnoCentive platform.

Third stage: Comprehensive innovation through the crowd. If some companies turn to the 'Crowd' as the only source of suggestions and advices, others have set up a much more elaborated crowdsourcing process, which is based on a full scale collaboration, bringing internet users to create their own products or services to appropriate them and

sell them later on to the final consumer by paying ‘royalties’ to their creators. This is the case of sites like Zazzle.com, Cafepress.com where users can create their own products (t-shirts, mugs, posters ...) to be able to sell them later on through online stores, which are made available by those sites. As an example, Cafepress.com has nearly 11 million visitors per year and over 6.5 million members. Nowadays Cafepress.com proposes nearly 250 million products. A user can sign in, and propose his product creation, and then later on sell it on the site. Each sale of the created product will bring to its creator not only a paid percentage but also he will be able to benefit from all the services offered by cafepress.com: an online store, design tools, a chain of production, a distribution service, a secure online payment, and an after sales service.

Although there is a slight difference, Quirky site is a continuation of this approach. This site offer the possibility to users to submit a product idea and then this idea succumb to a voting. Each idea submitted has a defined price of \$ 99. If in any case the idea is accepted, a 2D or 3D reproduction of the product will be made available by the Quirky community. In case the product accumulates a presales order of 500 copies, it will be then sent to production before being shipped to customers. The creator of the product will receive an analysis about the potential of its product even if it's not retained by the Quirky community.



Crowdsourcing is thus the way for a brand to propose new and original products, which will help them constitute a brand image that offers unique products, which can be very rewarding in sectors such as fashion or ready-to-wear products. If currently the trends are based on the principle of a high price for a single product, the process of crowdsourcing and therefore the product customization by the consumer, offers to the consumers the opportunity to have a unique access to a product that is capable of perfectly meeting their

expectations. This is how sites like Cafepress or Quirky have elaborated the implementation of the customized products sale and even more famous brands like converse, have invited their customers to customize the product they wish to buy, despite a very wide dissemination of the brand on the market.

Beyond offering new products, crowdsourcing is also a mean for companies to differentiate themselves in a market where they could face strong competition. Rather than following the fashion trends, brands will be offering services depending on the choice of the consumers, and thus they will be attracting the attention of customers to themselves rather than potential competitors that will keep a more traditional strategy with regard to the consumer.

A. Crowdsourcing : Costs Reduction and the choice of prices by the Crowd

The current financial and economic crisis has pushed companies to rethink their strategy and business model in a perpetual search for cost optimization, resources and manpower. This bleak picture is forcing companies to innovate and remain competitive. This is why some of the companies shift towards crowdsourcing. Even though companies are shifting toward crowdsourcing for its innovation benefits, they still haven't emphasized its role in the pricing of products or services.

Despite the variation of the prices from few dollars to one million dollars depending on the nature of the outsourced task, the fact remains that crowdsourcing allows for substantial savings. The database acquired when internet users are solving problems or to giving ideas will provide the companies with high quality profiles. Therefore there is no need to hire someone on a full time basis for a specific project. By assigning the task to a crowd of people for a specific period of time and a predefined compensation that is more likely to cost less than an in-house development.

Although crowdsourcing allows for the reduction of costs and a high potential of margin on the company's product, it also suggest a new opportunity, which is allowing the customers to possibly fix the price of the property they wish to acquire. Consequently, the carmaker Meyers Motors has recently innovated in this area by only fixing a starting price for its two seats / three wheels electric car. In December 2009, the manufacturer has determined a starting price of \$ 24 995 for its new car. However, the manufacturer proposed a reduction of \$ 1 000 on the car, each time 200 cars have been ordered before the official launch of its product, which means that the consumers decide the price of the car, this is called innovating. We can also cite the example of the band RadioHead, which has given the possibility for its fans to determine the price they want to spend to buy their latest album online. This step is totally new; in other terms it gives the crowd the possibility to influence the price.

B. Distribution

The examples discussed in the section on product development can be taken here to illustrate the potential of Crowdsourcing in distribution. Indeed, platforms such as Quirky or cafepress offer to the user a multitude of services including distribution of products they created and which were purchased on their online store. The time saved is considerable and such an organization greatly facilitates the distribution process. The entire chain of production and distribution is integrated within the platform and the creator has only to wait the royalties due to it for its creation.

An example can clearly illustrate the gain generated by the crowdsourcing in distribution. The site istockphoto, for example, allows designers to offer their product directly on the site. The time saved is considerable since there no longer needs to have a web support to advertise their accomplishments. A distribution platform that supports all stages of their transaction is now available.

C. Communication

Communication and promotion are also part of the services affected by Crowdsourcing. Many small businesses today use Crowdsourcing to optimize their communication and reduce costs of the communication campaign.

1. Crowdsourcing : Involving the consumers in the company communication

In recent years, many companies have been resorting to Crowdsourcing to promote their product. Thus one can quote the example of Danone, which require from users to determine the tastes of the new danettes through its website. This new initiative has been relayed with a major promotional campaign and television advertisement. Other brands have also followed the same path such as Nespresso, which allows internet users to vote for the end of the brand's advertising campaign. Involving the customer or consumer in its communication campaign can raise its brand awareness.

2. Crowdsourcing : Alternative to costly communication professionals

The most interesting example is the site of photo istockphoto. This website offer the possibility for companies to have an access to a very large catalog of photos, which later on can be used for communication, in return of a small subscription fee. This system helps companies to save a lot of money, taking into consideration the high price of a professional photographer. However this site goes further. In 2009, the company Getty Images, which bought the site in 2006 for \$ 50 million, announced that they are going to put in place an online co-designed

logos sales service*. The creation of these logos will be provided by the community of designers that are affiliated to the site in question, which will be much less expensive than hiring a designer.

There's also many more possibilities regarding Crowdsourcing that we could imagine. The creation of video competition for internet user, launched by brands, that could have an effective impact on communication and the creation of buzz while achieving substantial production economies. These challenges may also involve looking for slogans, logos, audio messages. This could be a serious alternative to costly advertising agencies and press. Facing the rise of power of crowdsourcing, TBWA London agency has introduced a section "the big what adventure" on its website, offering various projects that they are working on, so they could gather opinions and suggestions from the internet users. If an idea is accepted, the contributor will receive a specific amount of money.

As a final example Durex has launched Durexhibit in England, a competition having as subject the creation of posters that will help in the awareness process about the dangers of unprotected sex for the young adults with an age ranging from 16 to 24 years old. The principal is simple: a tender offer as similar as the one done for communication agencies, with a graphic chart and key elements. The internet users are then charged to offer their creation to obtain the final reward of 500 pounds. Such a strategy allowed Durex to realize big saving taking into consideration the cost if they contracted a professional agency, not to mention also the positive buzz generated by this contest.

3. Commercial Crowdsourcing or advertising 2.0

The website BlogBang illustrates the emergence of advertising 2.0. It allows bloggers to choose which ad they want to put on their blogs, but it also put them in relation with advertisers and creators, putting aside the classical communication agencies. It is now the consumer who creates the advertisement and not the agency working for the company.

Therefore, the consumers feel that they have more legitimacy in broadcasted advertisement that depicts the vision of other consumers, and no more the solely determined vision of the advertiser, brand or companies.

This approach also enables considerable savings of production since the advertiser does not have to invest more money in the production process. Finally, this is the way to create a buzz, which is a very

* <http://techcrunch.com/2009/09/23/istockphoto-will-soon-start-selling-stock-logos-too/>

important element knowing that one third of the worldwide population is connected on the internet.

4. Crowdsourcing can be used to improve the image and work out citizen communication

Other companies also use collaborative platforms as a mean to improve their image. Pepsi in 2009, and for the first time, has replaced its 20 million USD communication campaign designated to the American SuperBowl, by the launching a site called Pepsifreshproject where any person, organization, company, group can submit a project that is aimed at improving the company. The best projects receive a reward ranging from 5000 to 250 000 dollars, best projects are chosen according to the votes submitted by internet users. Through this collaborative platform Pepsi is working on its brand image.

5. Tailor –made communication

Did Internet revolutionize the printed newspaper? Internet has turned upside down the traditional access to information which was previously dominated by printed newspaper, radio or television by enabling a continuous or constant access to information. However a German start-up has recently had the idea to launch a new kind of daily newspaper, a customized newspaper. Niiu newspaper offers to its readers the possibility to receive every morning before 8 o'clock a customized 24 pages document containing only the selected information's previously chosen by the customers, those information are selected from various sources including 500 German newspaper but also New York Times, the Herald Tribune and 5000 web pages. This newspaper is available for a price varying from 1.20 to 1.80 euros. It have also broken the classical model of printed newspaper

6. Crowdsourcing benefits in terms of communication

Crowdsourcing allows us to:

- To work on the visibility of the company through an infinite network of relays that is internet users.
- To have access to designers and creators at a very low cost for specific missions only.
- To achieve significant savings in the production of communication support and advertisements.

Using Crowdsourcing to work on the multiple aspects of communication can be very useful when it comes to optimize and improve brand awareness. This strategy relies deeply on the effect of novelty; it allows putting forward an original concept initiated by the company or brands that benefit from increased visibility on television and press. An online system of games, challenges, competition is also a great way to attract consumer attention.

D. From marketing 4P to 7P : Broadened marketing mix and Crowdsourcing

Booms and Bitner[†] present a broader definition of the marketing mix which is not limited to 4P's but to 7P's. The additional 3P's, are related to the service sector, and are: people, process and physical evidence. Even if this theory of 7P is not recognized by all, the fact remains that it is interesting to see how Crowdsourcing may impact these three variables

1. People:

One of the essential components of presenting services consists on the availability of appropriate personnel by the concerned company. They have to recruit the right persons and train them properly so they can deliver a quality service, which is essential if the company wants to stand out and enjoy the competitive advantage. In highly competitive sectors, service is a variable that can have a fundamental role and shouldn't be neglected. Consumers are often sensitive to the quality of service that could be delivered by the company's personnel in term of interaction and communication. It is in this optic that some specialized agencies exist nowadays to deliver regular quality training for the employees of the company. Thus in Britain, many organizations seek to gain accreditation "Investors in People" to show their customers that the company gives special importance to the quality of its staff.

But how Crowdsourcing can influence this new variable known as "people" in the marketing mix? Such an eventuality is possible insofar Crowdsourcing offers significant opportunities for recruitment. While networks and social media are already in use by the companies to communicate, innovate, and to collaborate within the companies premises, it becomes increasingly necessary for recruiters to identify potential candidates through their presence in social media. To use networks such as Twitter, Linkedin and Viadeo offers to the companies the opportunity to access a database of potential candidates considerably extended compared to traditional channels. But some companies go even further by using the definition of Crowdsourcing for vacancies. Thus the case of Best Buy, which posted a job description of "Senior Manager of Emerging Media Marketing" whose required qualifications, was to have one year experience as an active blogger on Twitter, to have at least 250 followers on Twitter and a certain level of recognition on Twitter. This approach created massive

[†] Booms, B.H. and Bitner, M.J. (1981), Marketing strategies and organization structures for service firms, in Donnelly, J.H. and George, W.R. (Eds), Marketing of Services, American Marketing Association, Chicago

debates, which facilitated the flow of information. Through the analysis of conversations generated by the process, Best Buy considered that it would be useful to involve the Twitter community in the definition of the job description. That is why they have created a forum designated for its customers and employees called "Idea X[‡]". The final description of the position has been greatly enriched, and the potential candidate should know a multitude of acronyms like RSS, SEM, SEO, B2B, B2C or RTFM. Nowadays there are many companies that are looking for potential employees on social networking sites including Accenture, Burger King, Intel, Mattel, or Microsoft.

2. Process:

This article is aimed at highlighting the impact of Crowdsourcing on the various components of the marketing mix. Considered as "procedures, mechanism and flow of activities by which services are consumed" this variable is often considered as beneficial to the consumer: what are the procedures that improves the services offered to the customer? However, Crowdsourcing seems to affect mainly the service regarding the companies. Indeed, any process of developing a new product, collection of information and ideas, finding solutions to a problem and recruitment, requires complex processes that are mostly expensive in time and labor. By using the help of internet users, the company is delegating the tasks for which they aren't experienced in or it could cost them a lot in term of resources. By delegating these tasks at a low cost, this will allow the company to concentrate on more important tasks. By doing this, they are creating a new way to reduce the internal procedures.

However, Crowdsourcing may also be intended to improve the service provided to the consumers. The example of the lunching of the website by the French state called administration2020.fr is a good illustration for the improvement of the services. Indeed, through this initiative, the French State seeks to get solutions from the internet users, and from the French population to improve the service quality, an improvement that passes through out optimization processes. Thus, this site aims to:

- Adaptation of the state mission regarding the challenges that they will be facing in the 21st century.
- Simplification of the relationship with the user.
- Improvement of the quality of services.
- Optimizing the management of the government.

Even if we couldn't know the impact of such an approach today, it's certain that the government will receive a large number of proposals that could come in hand to improve the administrative procedures and thereby optimize the service quality.

Another example already mentioned above, the Quirky website. This

site offers a unique service that allows its users to receive an "all inclusive" services, which goes from the creation of the product, to the sale of this product and to the after sale service, and not to forget the fabrication of the product. In this example the internet user has a unique quality of service.

3. Physical evidence:

Physical evidence in marketing consist in any visible item that can make more concrete the service and contributes to the level of quality assigned to the service (buildings, shops, vehicles, documentation ...). Physical evidence is the element from which the consumer can make a judgment about the company. So when you book a first class ticket from an airline, you expect to have an impeccable service and to benefits of very high level of performance. This could also be represented everyday life as a well-organized shop, availability of products on the point of sale or even a personalized greetings for customers, ... Meanwhile the application of physical evidence to Crowdsourcing is much less concrete, its more virtual, and could be shown as websites, forums, the setup of the Crowdsourcing platform by the company have an clear objective, which is to get closer to its customers / consumers. Undeniably, establishing a Crowdsourcing platform can highlight an original and new quality service offered by the company, this platform will receive a full promotional cover from the media. Through such an approach that is open to the public, the company is fully integrating its consumers in the process of reflection, innovation and thereby gives the customer the same image of a company in contact with its customers, wishing to meet their expectations. This is the case of company such as Dell or Starbucks, mentioned above, who were able, through the approach of Crowdsourcing, improved their image, communication and publicity without incurring large sums. The physical evidence for these companies lays in the application of certain ideas given by internet users. As for an example Dell offers the possibility to consumers to choose the Linux operating system when they buy their computers, this offer was provided from a suggestion given by internet users and then approved by 80 000 votes. This gives Dell the physical evidence of the involvement of its clients in the innovation process.

II. Which future for Crowdsourcing ?

A. The benefits of Crowdsourcing in marketing : Involvement marketing

Consumers are no longer passive as in the past. They now have their say and influence more directly the components of the marketing mix. Some brands such as Pepsi, Starbucks, Dell understood this phenomenon, this development, others not yet, perceiving the individual as a passive end user. In the era of the Web 2.0, individuals may be mere consumer but also as prescriber, influencer, critical,

[‡] <http://bestbuyideax.com/about>

innovator, of a company, brand or product. We can then have four main benefits of Crowdsourcing insofar as:

- It creates a strong relationship between business and consumers: leaving an important place for customer, showing him that is listening, ready to meet their needs; companies value the customer and therefore strengthen the link between them and the consumers.
- It helps building loyalty: by creating this closeness between the company and the consumer in the process of developing the product, the customer is more likely to remain loyal to the company.
- It allows you to create a buzz: an original initiative will be quickly relayed to the canvas and in the media; the company's customers are its best prescribers. The company benefits from a communication campaign to lower cost and increased visibility.
- It helps to develop the image and reputation of the company.

Crowdsourcing today allows the customer to create, promote and sell its product. The customer is integrated more and more in the product design.

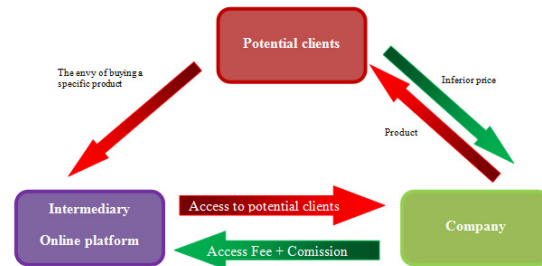
B. Reversed Crowdsourcing

This work has put forward the concept of Crowdsourcing in its current and traditional version, this procedure has shown that a company can rely on a host of unidentified individuals to outsource a task that it cannot or could not be performed for any reason that could vary from a simple choice, cost or expertise. However this vision is still putting the company at the top of the pyramid, who initiated the challenge or the innovation.

Given this vision, a new vision of Crowdsourcing tends to appear even if it remains in its early stages at the present. This is based on what we might call the "inverted Crowdsourcing" or "reversed Crowdsourcing"

Adam Scott, American caricaturist, recently mentioned in an article what he calls the "Broadcast shopping."[§] This concept is based on the total inversion of the principle of Crowdsourcing. The individual is no longer the source of innovation for the company but the company must now respond to a request of the individual to meet their needs and expectations. Such a concept based on an online platform where people

submit their wish to purchase a specific product. They describe their need or problem and expect that their companies offer custom-made solutions. Individuals thus find themselves approached by a multitude of companies likely to meet their expectations.



Such an approach would aim to create a real context of free competition where customers could compare offers and negotiate in order to achieve what every customer expects: a lower price for a better quality of service. The figure above ** summarizes clearly the relationship that would be installed between consumers and companies. While it is difficult to find examples a concrete example in this day, there is however the emergence of some concepts that suggest a potential evolution of this approach. In 2009, a Danish initiative www.spaarbod.nl proposed to the banks to submit online their best interest rates in order to convince potential investors. We can witness in approaches like this that the crowd could influence the price variable in the marketing mix, finding themself wooed and thus being able to compete all players wishing to interact with them.

[§] http://dilbert.com/blog/entry/hunter_becomes_the_preyl/

** <http://www.boardofinnovation.com/2009/11/29/broadcast-shopping-a-21th-century-business-model-visualised/>

Conclusion

The aim of this article was to better understand this growing concept of Crowdsourcing that is attracting more and more businesses to it. Built around a highly empirical analysis of collaborative platforms or

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innovation, we tried to understand the impact Crowdsourcing has on the marketing mix and its variables and to what extent, it offered new opportunities to businesses willing to risk it. A True reservoir of ideas and innovation, the internet users are a source of considerable wealth. Using a strategy of Crowdsourcing offers to the company significant advantages such as a closer relationship with its consumers', promoting the optimization of the response to their expectations and not to mention a potential communication between them. We highlighted the way in which the customer, the consumer, the Internet, or more broadly the crowd can become a full participant in innovation, product development and communication. We are far from the idea developed by Schumpeter as quoted in the beginning of this article. Through Crowdsourcing, the customer becomes a source of innovation. The issue here is to mobilize external expertise that lacks inside of the companies, while reducing costs.

Thus, if the article provides a transversal view of the application of Crowdsourcing in marketing, it is none the less exploratory and should be considered as a starting point for the future on the real impact of this long-term phenomenon and its impact on the innovation strategies of any company in the field of marketing.

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Internet sites

Site related to Crowdsourcing and open innovation.

www.crowdsourcing.com
www.openinnovators.com
www.boardofinnovation.com

www.innovationpartagee.com

R&D Platform

www.innocentive.com – R&D solution platform.

Marketing and design platforms

www.99designs.com – Logo design and other categories.
www.atizo.com – Open innovation platform
www.brandtags.net – Brand Crowdsourcing
www.crowdspring.com

Sales and creativity

www.threadless.com – create and sell t-shirts
www.cafepress.com – create and sell products
www.zazzle.com – create and sell products
www.sellaband.com – artists funding
www.quirky.com – divers product creation and selling
www.istockphoto.com – pictures and logos online selling

Institutional / corporate initiatives

www.fiatmio.cc – create a car
www.pgconnectdevelop.com – *platform idea for P&G*
www.ideas4unilever.com
<http://brands.kraftfoods.com/innovatewithkraft/region.aspx>
www.dellideastorm.com – sourcing d'idées
www.mystarbucksidea.com

Collaborative production

www.crowdsprit.com – development of 2.0 products
www.wikipedia.org – Collaborative encyclopedia
www.aswarnofangels.com – create a 1 million dollar movie on a collaborative platform

Video

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Biewald Lukas, co-fondateur de la plateforme de *Crowdsourcing* CrowdFlower. *Presentation on Crowdsourcing*. Stanford University, September 25, 2009. Lien

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