Will crowdsourcing revolutionize the way that companies innovate?

During the last ten years, crowdsourcing has been introduced as a new problem-solving and innovation model. This master’s thesis demonstrates that companies still have some work to do before they can successfully implement effective crowdsourcing.

Crowdsourcing allows companies to generate ideas and solve problems with external crowds of people, instead of only engaging their own employees in this work. Previous successful examples of crowdsourcing have proven that it can be an effective way for companies to solve problems and come up with new innovative products and services. Crowdsourcing work normally takes place on web-based platforms, where anyone interested can post their ideas or solutions to given tasks. Commonly, the company organizing the crowdsourcing project rewards the best contributions with money or other prizes.

This master’s thesis is titled Intermediary Crowdsourcing Platforms – Digital Suggestion Boxes or the Key to Future Innovation? A crowdsourcing intermediary is a third party organization that gathers input from a crowd for the benefit of its clients, not for the intermediary itself. Limited knowledge exists regarding what factors contribute to successful crowdsourcing ventures, and even less is known about how to succeed with a crowdsourcing intermediary. This master’s thesis aims to cover these gaps by identifying critical success factors for intermediary crowdsourcing platforms, and investigating the business model implications of such platforms. The findings are valuable for companies hosting or planning to host an intermediary platform, since they can offer some guidance on how to design and manage the platform to increase the chances of success.

During the qualitative interviews that were conducted as part of the project, seven critical success factors were established. Four of them concern how to attract the crowd to the platform, and are therefore crucial for any type of crowdsourcing platform. These are User-friendly platform, Recognizing the crowd’s contributions, Crowd commitment and Clear crowd communication. The other three success factors concern how to attract customers to the platform, and are hence specific for intermediary platforms. They are Crowd size and diversity, Value-adding contributions and Clear customer value. Apart from the identified critical success factors, other interesting findings were that a crowd building block should be added to the business model canvas for crowdsourcing-based business models, and that successful crowdsourcing platforms can come in very different forms and designs. The important thing is to have a clear purpose for the platform.

So, will crowdsourcing revolutionize the way that companies innovate? The findings imply that it is possible, but it will require structural changes. Companies today are not organized in a way that favors crowdsourcing work. They still consider it very important to keep most things secret, have a hard time formulating their own problems into problems that are interesting for an external crowd to solve, and are not keen on spending resources on evaluating the crowdsourced information. We’ll have to wait and see if companies start adjusting their organizations in a way that better supports crowdsourcing work before we can know how big (or small) of an impact that crowdsourcing will actually have.