

CROWDSOURCING AS A CUSTOMER RELATIONSHIP BUILDING TOOL

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Abstract

This article aims at introducing the idea of crowdsourcing and describing how businesses can use it in marketing and for building and maintaining strong positive relationships with their potential and current customers. It presents several case studies of its successful implementation by companies both in Poland and worldwide. Furthermore, the article describes possible benefits and pitfalls that businesses, which decide to introduce crowdsourcing, can face as well as motivations of people who decide to spend their free time and effort to engage in this kind of activities.

Keywords: Crowdsourcing, peer production, wisdom of crowds, user-centered innovation and crowd-accelerated innovation, collective intelligence, building relationships;

Paper type: Case study/Literature review

1. Introduction

Internet gives people the opportunity to at the same time create groups and conduct conversations what was not possible with any other medium before the development of the World Wide Web (Howe, 2006). “Historically, we have overestimated the value of access to information, and we have always underestimated the value of access to each other” (Shirky, 2012). In the past, people were dependent on proximity and had to be physically together in order to form communities and networks. However, with the development of the Internet, the time and space barriers diminish and people are now able to create virtual crowds. They can connect and create communities through intent, their shared interest and passion and can self-organize themselves in organized units without managers and hierarchical structures.

An average Internet user spends monthly 16 hours online (Bui, 2012). Tens of thousands of enthusiasts collaborate every day on creating the biggest encyclopedia – Wikipedia – encyclopedia ten times bigger than famous Britannica and providing similar levels of accuracy of the entries. Internet users across the world create news, participate in collaborative journalism, connect on social media in order to change the reality around them (e.g. during the Revolution in

Egypt) or even identifying Martian craters for NASA. Many others post reviews and rankings concerning the products they purchase (e.g. on Amazon) or spend hours on gaming online. Amateurs and professionals upload photos and videos online. What is important, most of them do all these for free.

Levy wrote: “It has become impossible to restrict knowledge and its movement to castes of specialists... Our living knowledge, skills and abilities are in the process of being recognized as the primary source of all other wealth. What then will our new communication tools be for? The most socially useful goal will no doubt be to supply ourselves with the instruments for sharing our mental abilities in the construction of collective intellect of imagination” (Levy, 1995: 9). Indubitably Internet is this kind of instrument. If the two heads are better than one, what can happen if a company can have hundreds or thousands of talents – amateurs, volunteers but also business professionals and experts working in their spare time – at its disposal? Opening the challenge the business faces up to the crowd could bring many benefits to the organization. Well known brands such as: Dell, Starbucks and Pepsi already harness this collective potential for their business purposes.

2. Understanding the concept of crowdsourcing

After the power of the collective intelligence was described in details in the book *Wisdom of Crowds* by Surowiecki, in 2004; the term crowdsourcing was coined by Howe in his article *The rise of Crowdsourcing*, in July 2006 in the magazine “Wired”. The concept is described in the literature also as *peer production*, *user-centered innovation* and *crowd-accelerated innovation*, *collaborative manufacturing*.

The word originates from eng. *crowd* and *sourcing*; although it is often associated with the term *outsourcing* Huston emphasizes the difference between these two: “Outsourcing is when I hire someone to perform a service and they do it, and that is the end of the relationship. That is not much different from the way employment has worked throughout the ages. We’re talking about bringing people in from outside and involving them in this broadly creative, collaborative process. That is a whole new paradigm” (Howe, 2006c: 4).

It should be also pointed out that crowdsourcing should not be mixed with the term *open source*. The latter enables everyone to access the core code of the product that is distributed for free to everyone what allows its collaborative improvement. The former harnesses the ideas generated by users that always become the property of the company which benefits from implementing the solutions into its operations or selling them as products. (Brabham, 2008: 81–83). The examples of *open source* models are Linuks, OpenOffice.org and Mozilla Firefox, various games and applications and others.

Before defining crowdsourcing, the term *crowd* should be defined as ‘the collective of Web-users who participate in the problem-solving process by posting solutions’ (Brabham, 2010a: 1125).

Howe says crowdsourcing “represents the act of a company or institution taking a function once performed by employees and outsourcing it to an undefined (and generally large) network of people in the form of an open call. This can take the form of peer-production (when the job is performed collaboratively), but it is also often undertaken by sole individuals”. It needs to be remembered that the person that the company thinks is the most competent for the job is not with a high degree of probability the person who will come up with the best solution (Howe, 2006a). The vital precondition is the use of an open call format – addressed to an undefined network or group of people. The invitation should reach very vast amount of people sharing the same interest who are the potential volunteers for the task.

The essential characteristic of the crowdsourcing is that the bigger and more heterogeneous group is involved in the process the better results it bears for the whole community. This phenomenon is called a *network effect* (O’Reilly, 2005) – every photograph added to Flickr, every tag on the platform del.icio.us, comment on the blog or correction on Wikipedia adds value for the whole community (Tapscott, Williams, 2006: 66). Moreover, Lakhani proves that people are more likely to find a solution that is not from their direct area of expertise than professionals in the field (Lehrer, 2012: 119–121).

Therefore, it can be said that crowdsourcing is a process that enables and facilitates acquiring knowledge and experience. In a wide meaning, it is a collective sharing of information, in the narrow meaning it can be defined as sharing of professional knowledge (Brzoskowski, 2010).

Brabham defines crowdsourcing as “a strategic model to attract an interested, motivated crowd of individuals capable of providing solutions superior in quality and quantity to those that even traditional forms of business can” (Brabham, 2008: 79). Similar definition proposes Tapscott who defines it as a method of producing goods and services that is totally based on self-organizing egalitarian communities of people who voluntarily create groups aimed at achieving the common goal (Tapscott, Williams, 2006: 106). Therefore, it can be said, that crowdsourcing is a Web based model that assigns the tasks of organization’s employees to networks of people or communities what helps the company to solve its problems in more efficient way than it could be done inside its structures.

The role of the Internet in the crowdsourcing process is often emphasized; therefore, it is described as “an IT-enabled business trend in which companies get unpaid or low-paid amateurs to design products, create content, even tackle corporate R&D problems in their spare time” (Boutin, 2006).

Eventually Estellés-Arolas and González-Ladrón-de-Guevara after analysing hundreds of crowdsourcing definitions proposed an integrated one: “Crowdsourcing is a type of participative online activity in which an individual, an institution, a non-profit organization, or a company proposes to a group of

individuals of varying knowledge, heterogeneity, and number, via a flexible open call, the voluntary undertaking of a task. The undertaking of the task, of variable complexity and modularity, and in which the crowd should participate bringing their work, money, knowledge and/or experience, always entails mutual benefit. The user will receive the satisfaction of a given type of need, be it economic, social recognition, self-esteem, or the development of individual skills, while the crowdsourcer will obtain and utilize to their advantage that what the user has brought to the venture, whose form will depend on the type of activity undertaken” (Estellés-Arolas et al., 2012: 189–200).

Furthermore, 8 steps can be identified in crowdsourcing (Brzoskowski, 2010):

- 1) Identification of company’s problem;
- 2) Communication of the problem online;
- 3) Users are asked to suggest their ideas for possible solutions;
- 4) Individuals provide company with their proposed solutions – they post them on the online platform where they are usually visible to other participants;
- 5) The crowd evaluates the solutions of other participants through voting or ranking systems;
- 6) The company awards the best idea (not always);
- 7) The company, which posted the challenge acquires the best idea and implements it;
- 8) The company earns money from the implementation of the solution.

Howe emphasizes that for the process to be classified as crowdsourcing, the company has to use the solution or produce it in mass quality and sell (Howe, 2006b).

It should be remarked that crowdsourcing owes its popularization to rise and development of social media and Web which Terranova describes as technology ideal for distributed thinking (Terranova, 2004: 3). Internet accelerates innovation, has the capability to coordinate the intellect of the crowd and aggregate millions of various and independent ideas spread all over the world, it facilitates the exchange of different ideas and points of view. Therefore, Levy said: “cyberspace refers less to the new media of information transmission than to original modes of creation and navigation within knowledge, and the social relations they bring about. It is designed to interconnect and provide an interface for the various methods of creation, recording, communication, and stimulation” (Levy, 1995: 118–119). It is an ecosystem from which the innovation emerges.

Crowdsourcing is inseparably connected with the term *collective intelligence* that was defined by Levy as a: “form of universally distributed intelligence, constantly enhanced, coordinated in real time, and resulting in the effective mobilization of skills” (Levy, 1995: 13). Tapscott defines it as a sum of knowledge that is created as a result of decentralized choices and judgments of groups of

independent participants (Tapscott, William, 2006: 69). A very good example of harnessing the collective wisdom of masses is Google which uses millions of judgments people make while using the World Wide Web to provide us with very accurate Google search bar producing astonishingly intelligent responses to the questions user types (Malone et al., 2009: 2).

Le Bon in his famous book *The Crowd: A study of The Popular Mind*, did not agree that the crowd can make wise decisions and wrote: “in crowds it is stupidity and not mother-wit that is accumulated’ crowds ‘can never accomplish acts demanding a high degree of intelligence’ and they are ‘always intellectually inferior to the isolated individual” (LeBon, 2008: 15–17). On the other hand, Appadurai remarks that “the crowd outperforms industry faster and cheaper than even the top minds in the field” (Appadurai, 1996). Moreover, Surowiecki in his book widely argued that a group can be smarter than the smartest individual in it, even if the majority of individuals it consists of, is not immensely intelligent (Surowiecki, 2004: xiii). He wrote: “After all, think about what happens if you ask a hundred people to run a 100-meter race, and then average their times. The average time will not be better than the time of the fastest runners. It will be worse. It will be a mediocre time. But ask a hundred people to answer a question or solve a problem, and the average answer will often be at least as good as the answer of the smartest member. With most things, the average is mediocrity. With decision making, it is often excellence. You could say it is as if we have been programmed to be collectively smart” (Surowiecki, 2004: 11).

Crowdsourcing can be used for gathering of information, organization of data and reporting problems; finding solutions for scientific, empirical problems; generating and selecting creative solutions concerning aesthetic problems where ideas are matters of taste; analysing large amounts of data where computer analysis are less effective than human intelligence (Brabham, 2012b: 6). It is also a successful tool for marketing and PR purposes, market research, developing, testing and launching new products.

3. Case studies

What can happen if a company opens its corporate doors to the wisdom and inspiration of crowds and use customers as creators? Several examples listed below present the results.

In 2010, Pepsi organized a campaign called *Refresh Everything* (refresheverything.com) and decided to allocate 20 million dollars for projects that can change the world (instead of for advertisements during Super Bowl). Through the voting system, participants could choose the best and most fascinating ideas and decide who will receive money for their implementation. The amount 20 million dollars is not a very large sum for Pepsi which normally spends much more money on its advertising campaigns. Therefore, it can be said

that a relatively small amount of money helped the brand receive a lot of positive publicity. The campaign attracted attention to the new brand's logo and helped to restore Pepsi's position as a brand for young people as well as enhance the bonds within its community. Moreover, asking ordinary people for their votes and opinions involved customers in company's operations what is a very successful relationship building tool. As a result over 6 million people visited *Refresh Everything* Facebook Fan Page and over 170 thousand became its fans; 700 submitted videos received over 4 million views. Using adequate communication channels such as Facebook, YouTube and others the brand managed to engage the Millennial Generation which is its target group.

Pepsi organized a similar campaign in Poland – *Refresh World with Pepsi*, pol. *Odświeżaj Świat z Pepsi* (<http://www.pepsi.pl/konkurs/>) when it announced a competition for architects and architecture students who were asked to prepare projects that would “refresh world” i. e. polish buildings such as Palace of Culture and Science.

A very famous example of the implementation of crowdsourcing is Dell and its Internet platform *Idea Storm* (<http://www.ideastorm.com/>). Every user of the platform can post his or her ideas, especially those concerning possible improvements of Dell's devices. Customers are asked about preferences of equipment parameters, design, ecology, corporate social responsibility of the brand. Participants have the right to vote for those ideas and assess them by increasing or decreasing their value. They can also see whether the idea has been implemented (over 500 ideas were implemented so far). The ideas given by users are a source of the inspiration for Dell's workforce. Year by year the number of the implemented ideas increases. To date the brand has used almost 18 thousand ideas sent by users on which over 700 thousand votes were casted. Therefore, it can be said that crowdsourcing is a valuable source of bright ideas for the company and it impacts the profit rise as well as decrease in costs.

Next brand who takes advantage of crowdsourcing is Starbucks with its platform *My Starbucks Idea* (<http://mystarbucksidea.force.com/>) where users can propose their ideas for making Starbucks a better and cosier place. Voting takes place similarly to IdeaStorm platform. Some of the proposed solutions are promptly implemented while some are sent to be further considered or placed on a waiting list. Starbucks has implemented many of the suggested ideas – introduced Happy Hours, brand appeared in the grocery shops, cappuccino is available in bottles and customers can enjoy a wider variety of snacks. In addition to the platform, a blog *Starbuck Ideas in Action* (<http://www.starbucks.com/blog/>) has been created where employees write how they are implementing the ideas and what they think of proposals suggested by customers. This initiative helped the brand to connect with its fans and engage them in insightful conversations and consequently enhance the relationships with them, make them feel that Starbucks

is not just a cup of coffee but the experience of being a part of community. This helps the company to maintain the current customers and attract new ones. It is the way the brand differentiates itself from others and is able to charge more for the same product.

A very first and still lively community has developed around the brand *Lego Mindstorms* – Mindstorms.lego.com. Its customers are deeply involved in the co-creation of the products and introducing innovative solutions. The users of Lego Mindstorms can create real robots from programmable blocks. The surprising thing is that the game is not only popular among teenagers, but also adult hobbyists who want to introduce improvements and with passion publish new programs and applications designed for the blocks Mindstorms on the website. After the success of this approach, the company decided to allow its customers to design their own sets of traditional Lego blocks, share them with others and buy. It is a combination of *mass customization* and *affiliate production*. This approach has not only improved the company's innovation but also increased its customer base, public awareness and lead to the decrease in expenses for marketing and R&D purposes.

In addition, BZ WBK bank in Poland has decided to harness the potential of listening to its customers and created a platform *Bank of Ideas*, pol. *Bank Pomysłów BZWBK* (<https://bankpomyslow.bzwbk.pl>), where customers can propose ideas on how to improve the quality of service and customer's satisfaction as well as the banking services and the offer. To date almost 4000 ideas for improvements were submitted from over 7000 participants, who can vote and comment on each other's solutions. Bank provides information when the idea is in the consultation or implementation phase. The initiative was awarded the prize *Good Model to Follow 2010*, pol. *Dobry Wzór 2010*. It has also resulted in several positive changes is the online banking service BZWBK 24. This type of initiative contributes to the development of online communities in Poland as well as warms the image of banks which do not enjoy the good reputation. It is an attempt to get closer to customers and involve them in the dialog.

Another campaign organized by a bank in Poland was *180 thousand*, pol. *180 tysięcy* conducted by Millennium Bank, which concentrated around the bank's YouTube channel (<http://www.youtube.com/180tysiecy>). Participants were asked to create video-ads informing about the advantages of having a Millennium Bank account. The best videos were awarded the prizes for which a total sum of 180 thousand PLN was provided. There were almost 400 videos submitted and the spots received over 600 thousand views (during the campaign). It was a very powerful promotion tool as participants spread the word about the action to their friends giving it viral character so that the campaign was promoting itself at almost no cost.

Another example of the user-generated marketing contents is one organized by *Frito Lay Poland* (<http://www.lays.pl/>) – company, instead of conducting lasting for several-months market research and analysing the results of focus groups,

decided to ask ordinary people what kind of new tastes of chips they want to be introduced – everyone could propose his or her idea for the chip’s taste and other users were voting for the best one. It should be remarked that the result of this kind of “research” must be much more accurate than in conventional researches and decreases potential risk of launching the latest product.

Alike, *Crunchips* invited its customers to design the new packages for its chips, and *Tymbark* to create new labels for the bottles, advertising posters and marketing slogans.

Similar strategy used Danone (on the Polish market) with its yoghurt’s brand – Fantasia – a website was created where customers could vote on one of the two yoghurt’s tastes, after two months, the winning one will be kept on the market while the other withdrawn from the company’s portfolio. This gave the users sense of power and the feeling that they are able to influence the company’s decisions. What is interesting about this campaign is its negative character – customers are not asked which product should be introduced but withdrawn. When they go to shop and reach for the missing taste they will understand the reason why the product is no longer available instead of thinking that the company has financial troubles or the product was bad or did not sell well.

Also, Intel takes advantage of user-generated advertising, in 2010 company asked the customers to create a movie presenting superthin laptops. As the campaign produced tangible results, it was repeated in 2011 under the name ‘In Search of Incredible’ (<http://www.insearchofincredible.com/>) and “What does Intel Mean to You” (<http://zooppa.com/contests/what-does-intel-mean-to-you/brief>) as well as recently “A momentary Lapse” (<http://www.youtube.com/myinteledge>). For those submitting the most interesting movies, financial reward will be provided.

Crowdsourcing can also be used as a tool for Corporate Social Responsibility Campaigns, such as campaign *Together for Tatra Mountains*, pol. *Razem dla Tatr* (www.razemdlatatr.pl) organized by Milka Poland, which has devoted 1 million PLN to preserve three of the symbols chosen by participants. Users voted for a symbol of Polish Mountains of their choice and decided which one will receive funds for its protection. The brand undoubtedly received a lot of media coverage what resulted in positive publicity, tens of thousands likes on Facebook and NK.pl mentions on the internet, several publications and over 2 million views of the campaign’s website, over 16 million Poles heard about the campaign.

Furthermore, there are many instances of crowdsourcing campaigns addressed to the experts in a certain field. A perfect example is the competition organized by Era Poland called *New Logo*, pol. *Logo, jako nowe*. The participants were asked to create a new logo for the brand Era and its further implementation in the creation of the brand image. The campaign was aimed at refreshing the image of the brand and enhancing the relationship with its fans.

It should be remarked that Polish companies seldom try to attract communities in another way than offering them attractive prizes for activities that do not require very difficult involvement, they often tend to forget or are not aware of the importance of the community building and lack the tools encouraging the interaction – exchange of the ideas, open dialog with company, company's comments on the ideas provided by the users, encouraging the best ideas and promoting creativity.

A good example of the crowdsourcing bearing very favourable results is a company *Threadless* (<http://www.threadless.com/>) – a producer of T-shirts. Every person who is a part of Threadless community (there are over 1.8 million members) can submit his or her own design for the T-shirt. Others vote for the ones they like or would like to buy. The T-shirts with the biggest amount of points are produced and sold with the label of the designer's name. Every week, the author of the best design receives a prize of 2000 dollars and points to be exchanged for the Threadless T-shirts. This approach significantly reduces the risk that a producing company has to normally take as well as enables it to offer a wider variety of choice for their customers at a lower price.

Therefore, it can be said that we witness extensive changes from 'I have heard an advert, saw a movie, bought a DVD, I have a T-shirt and magnet on the fridge' to 'I have created advert, made a movie, shared it on the Internet, designed a T-shirt and magnet for the fridge' (Tapscott, Williams, 2006: 191).

Another popular crowdsourcing initiative is corporate research & development clearinghouse *InnoCentive* ([Innocentive.com](http://www.innocentive.com)) often called as an open-innovation company that offers a platform for companies to post the problems (in the areas of business, computer, physical and life sciences, engineering, design, agriculture, chemistry and math) they struggle with and enables Internet user to propose the solutions for these problems. The person able to solve it is offered a prize from 10 000 to 100 000 dollars. Well-known companies like DuPont, Procter & Gamble or Boeing are among those who submit their problems for the crowd to solve it. Similar initiatives are NineSigma, Relay Center, Eureka Medical, YourEncore and InnovationXchange Network. Similarly, IBM has conducted so called InnovationJam (<http://www.ibm.com/ibm/jam/>) and invited 150 thousand participants for the moderated discussions online which resulted in numerous breakthrough proposals of innovations.

4. Implications for business

Marketers will not know what crowdsourcing can mean for the company without understanding the motivations of people who participate in this process. They help solve business' problems not only because it is an opportunity to make money or for freelance job but also because it gives them a chance to learn from others. Observing what the best people in the field can do allows them to sharpen

their unique skills, develop creative proficiency. However, those are not the only reasons – people enjoy the challenge of solving problem what, as some say, is even addictive. Another reason why they devote a lot of their free time to this kind of activities online is that engaging in the community is a way of expressing one's creative potential and satisfying the self-actualization needs (Brabham, 2010a: 1139, 1130). They are driven by problem-solving passion, motivation to learn and explore, acquire different skills (Lakhani et al., 2007). It is also a chance to inspire others and network with professionals in the field, socializing with them and spending free time in a constructive way; create own personal brand and develop social status in the community and inspire each other to greatness.

Jenkins calls this phenomenon a participatory culture and says that those people feel what they do is something that matters and make them feel connected to the people in their community (Jenkins et al., 2006: 3). The chart below shows how crowdsourcing can be used for the purpose of building relationships with customers.

Thanks to being aware of those motives company can tailor the incentives in order to attract more productive participants. It needs to find a way to interest users in participation and keep their focus on the particular project – the key to it is building a community and earning its trust and commitment in a long-term perspective. The task should provide them with an opportunity to have fun or enjoy the feeling of power – when they are able to criticize and assess the ideas of others and are able to influence the final shape of the product.

The most obvious advantage of using crowdsourcing as a problem-solving tool is that the company can solve the problem at low cost and in a short period of time (The authors of the ideas are paid only when their solutions are implemented, very often the reward is even omitted or it is a small percentage of the amount company would have to spent on doing research on its own).

Crowdsourcing aggregates talent and helps company reach a very wide spectrum of talents as well as democratizes the idea generation. All these spur innovation. It allows the company to receive more interesting solutions than its employees could generate. General Director of Procter & Gamble, which posts the problems company struggles with on the platform *InnoCentive*, says: “Someone who does not work for your company, knows the answers for the questions you asked yourself about, and knows better than you, how to solve those problems and take advantage of the opportunities. You have to find those people and develop a strategy for effective collaboration with them” (Tapscott, Williams, 2006: 153).

Widening the range of the assets and talents involved in solving the problem accelerates the speed at which innovations are introduced. Companies have no other choice than to open themselves to the markets and ordinary people instead of distancing from the world in highly hierarchical closed structures as there are more intelligent people outside the company than inside it.

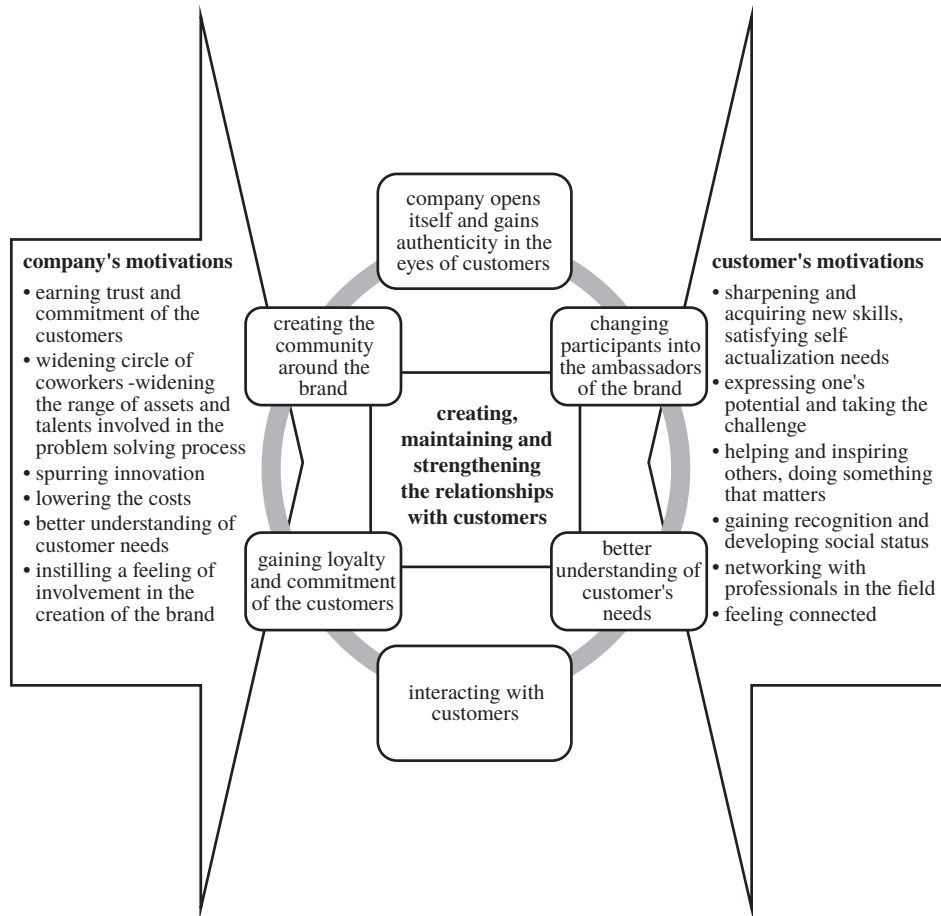


Figure 1.
Crowdsourcing
as a customer
relationship building
tool
Source: own work.

According to Bray – director of network technologies department at Sun Microsystems – sharing on a large scale creates a situation where everyone wins. Spreading the markets creates new opportunities. Crowdsourcing is a good way of widening the circle of co-workers, better support for the products, additional benefits for the company and its partners (Tapscott, Williams, 2006: 50, 107).

Moreover, crowdsourcing helps to create, maintain and strengthen the community around the brand and create a network of involved, committed people who will be the ambassadors of the brand or solution in the future.

Kotler said: “The growing trend toward collaborative consumers has affected business. Marketers today no longer have full control over their brands because they are now competing with the collective power of consumers” (Kotler et al., 2010: 10).

It is indubitable that customers know better than marketers what they need and expect from the products or services they purchase. Giving them a chance to speak about their needs and desires concerning products they use or would like to use provides company with a fresh perspective on those issues and consequently enable them to implement many improvements that are suitable to their target group and achieve the competitive advantage over competitors. No one else but the customer knows best what he needs. Therefore, user generated advertising can outperform traditional marketing messages.

Moreover, a well-organized crowdsourcing action will promote itself due to the phenomenon of viral marketing as the users take on themselves the responsibility of being its ambassadors.

In many instances, it can be a substitute of the focus groups and market research and at the same time can reduce the risk of new product management by involving people into the design process. By listening to people and customers company can look at a problem from the-first-hand perspective and learn about their needs and desires. It enables the company to keep up to date with its customers, internet users and specialists in the field. This way a company develops its social capital. The community feels involved in the creation of the brand what results in loyalty and commitment as well as bigger motivation to help. This can make them even more interested in purchasing other products or services offered by the company.

However, there are many votes against crowdsourcing as just another tool for exploiting individuals – Postigo says: ‘this process manages to harness a skilled labour force for little or no initial cost and represents an emerging form of labour exploitation on the Internet (Postigo, 2003: 593). However, it should be remembered that the main motivations for people participating in it is not money but recognition, respect, personal branding, meeting individuals with the same interests and expertise, learning from them.

Some people argue that it attracts amateurs, though the research conducted by Brabham proves opposite (Brabham, 2011). As this kind of partnership is based on the principle of voluntary and intrinsic motivation, the process of assigning the right person to the appropriate task is much more effective than in traditional ways – people who are allowed to choose what their task is and make their own choices, select the projects they are not only interested in but also competent for (Tapscott, Williams, 2006: 108).

There is also the danger of herd behaviours as the wisdom of crowds collapses when it loses its diversity and people stop thinking independently and uncritically follow the group (Tapscott, Williams, 2006: 366).

In order to assure that the evaluation of the competitive works is at a desired level it might be as Brabham suggests worthwhile to give different privileges and weight to different publics (Brabham, 2012: 1154). Although, this approach is rarely implemented in the business practice.

It is also argued that only a small percentage of proposed ideas can be implemented for the purposes of the company; Without it, on the other hand, it has to be remembered those precious ideas would have never been discovered.

Malone, the director of the Center for Collective Intelligence at the Massachusetts Institute of Technology says – “There is this misconception that you can sprinkle crowd wisdom on something and things will turn out for the best... That is not true. It is not magic” (Lohr, 2009). Moreover, the ideas usually require adaptation to the company’s needs. Crowdsourcing is assistance but not a substitute of regular workforce. Therefore, companies should not resign from maintaining their B+R Departments.

Tapscott points out intellectual property issues. Sharing the problems with the community requires sharing information about the company with a public. However, intelligent companies will treat their own potential and intellectual property as an open fund and manage sustainable portfolio of their assets, protecting part of it and part of it sharing with others (Tapscott, Williams, 2006: 49).

5. Summary

The concept of crowdsourcing has tremendous potential for marketing and customer relationship building purposes. Marketers should remember that it fosters the creative potential of networks of individuals, attracts talented individuals and at the same time connects organizations and online communities. From the perspective of the business, it means learning from ordinary people who share their talents, free time and good advices, acquiring their knowledge, ideas, using them as a source of inspiration. It should be emphasized that it improves the relationship between the company and its shareholders and at the same time is a very powerful promotion tool as participants spread the word about the action to their friends giving it viral character.

Authenticity and transparency of the company, which is able to admit not knowing something and willing to disclosure information, together with a well-articulated need (call for solutions) in the form of a challenge for the company’s target group addressed to a large, heterogeneous group will ensure that the solutions provided are of high quality and meeting the company’s requirements.

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