It's not just big business—crowdsourcing creates a 'win-win situation'

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Zeynep Arsel: "For some, the bonds established through these communities matter most. Others simply participate to sharpen their skills.". Credit: Concordia University

From Wikipedia to 99designs, and Google to LEGO, crowdsourcing has changed the way the world does business.

By partnering with the masses through innovative campaigns, companies can benefit from a vast amount of expertise, enthusiasm and goodwill, rather than from paid labour.

But what's in it for the crowd?

Why do ordinary people sign on to help design or produce a product without much compensation? Why do they volunteer their time and skills to a company that profits? And how can a firm better address the crowd's needs in order to to maximize value for all involved in the co-creation project?

Zeynep Arsel, associate professor of marketing at the John Molson School of Business, investigated these questions in a new article published by the *Journal of the Association for Consumer Research*. The article was based on Eric Martineau's thesis supervised by Arsel at the John Molson School of Business Master of Science Program.

For the study, Martineau and Arsel looked at two cases: Threadless, a growing company that uses the wisdom of the crowds to produce artistic T-shirts, and a Montreal-based startup that sought to use the same model for fashion accessories.

The researchers observed participants in the local startup, conducted interviews with community members and carefully monitored online forums to see who was participating and why—as well as what was in it for them.

Arsel and Martineau then analyzed the similarities and differences between the techniques successfully implemented by Threadless and the

startup.

"Even though the startup ultimately didn't succeed, our research gave us an invaluable opportunity to understand what works in co-creation projects and what does not," Arsel says.

"This allowed us to explain why people participate in co-creation projects and what benefits they receive, other than monetary compensation."

Their findings are the first to show that there are four different types of members volunteering in these communities:

1. Communals build skills and community bonds;
2. Utilizers join the communities to sharpen their skills without much intention to form social bonds;
3. Aspirers lack both skills and bonds, but aim to gain more of both;
4. Tourists are minimally invested in both community and skills and infrequently participate.

"For some members, the bonds established through these communities matter most. Others simply participate in co-creation projects to sharpen their Photoshop skills or get better at design in general," Arsel explains.

She adds that the presence of all four types of members in a collective creativity project is not only essential for the company itself, but also beneficial for other members.

The researchers found that different kinds of members work together to not only create value for the firm, but also to generate benefits for themselves and other members, such as social connections, status within online communities and improved skills.

"If companies better understand the value that participants receive and what they get out of this arrangement, they can manage these communities to maximize value for both sides. It's a win-win situation."

More information: Eric Martineau et al. Managing Communities of Co-creation around Consumer Engagement Styles, *Journal of the Association for Consumer Research* (2017). DOI: 10.1086/691145

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