

Improving buyer-freelancer communications in the gig economy

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Researchers from University of Melbourne, Vrije Universiteit, Babson College, and University of Surrey published a new paper in the *Journal of Marketing* that provides generalized communication principles, and

examples of how to apply them, for successful bid writing in the gig economy.

The study, forthcoming in the *Journal of Marketing*, is titled "Communication in the Gig Economy: Buying and Selling in Online Freelance Marketplaces" and is authored by Stephan Ludwig, Dennis Herhausen, Dhruv Grewal, Liliana Bove, Sabine Benoit, Ko de Ruyter, and Peter Urwin.

The gig economy is global and growing exponentially. In the US alone, millions of buyers and freelancers in freelance marketplaces contribute \$1.2 trillion in value to the economy. Online freelance marketplaces, such as Upwork, Fiverr, PeoplePerHour, and Toptal have prompted massive transformations of work. In relatively anonymous interactions via text-based messages, buyers first post call-for-bids for their gigs. In turn, interested freelancers submit bids to offer their services.

Yet, while 59% of U.S. companies use a flexible workforce to some degree, more than one-third of their gigs are never filled or completed. The research team explains that "Uncertainty during these text-based interactions leads to high rates of gigs that go unfulfilled, reduced freelancers' bid success, or less-than-optimal pricing for freelancers. Our investigation uncovers principles for writing call-for-bids and bids that manage that uncertainty and lead to greater success filling gigs and finding work."

How buyers can write a good call-for-bids

Freelancers choose whether to offer their services in response to a buyer's call for bids. The number of freelancers who respond is consequential for the buyer because attracting more bids implies a greater likelihood of finding a suitable freelancer. Here are key principles buyers can use to entice freelancers to bid:

- **Moderate length:** While buyers may be inclined to supply as much information as possible, successful buyers keep their calls for bids moderately succinct.
- **Enough task information:** Buyers should focus on providing information about the task and the required skills. Importantly, providing excessive task information is ineffective, even if it might reduce freelancers' uncertainty. Excessive details can make the gig appear too overwhelming, restrictive, or prescriptive and thus not appealing to freelancers.
- **Limit personal information:** Buyers may want to provide a lot of [personal information](#) in their call for bids. Yet, this research finds that the less buyers describe themselves (and instead focus on describing the task), the more freelancers apply. Extensive personal information provision by buyers is unusual, potentially even inappropriate, in initial online exchanges.
- **Enough concreteness:** Buyers can vary the concreteness of the gig description. Greater concreteness can be more efficient because freelancers can process the information with less time and effort. Concrete terms help by making information more perceptible, precise, and specific. Only a moderate to high level of concreteness is attractive to freelancers, though. Notably, if buyers are too concrete in their calls for bids, the task might appear narrow, which reduces the gig's appeal.
- **Limit affective intensity:** Affective intensity reflects the proportion of emotive terms included in a message. Greater intensity tends to be more persuasive, memorable, and accessible than communication that is unemotional. However, calls for bids are more effective if they are formulated relatively impassively. Overly enthusiastic project descriptions, for example, might raise freelancers' suspicion that the project is too good to be true.

How freelancers can write good bids

Buyers also face uncertainty when deciding whom to hire and how much to pay. By managing these uncertainties through their bids, freelancers can affect their chances of winning bids and their price premiums. Freelancers are not necessarily natural marketers, but here is what they can do in their bid formulations to increase their marketability:

- **Stars matter, communication too:** Existing online reputation systems provide some assistance, but they also create entry barriers to new freelancers who first must earn good ratings. Fortunately, winning gigs and achieving price premiums also depend on freelancers' communication.
- **Mimicking the buyer:** In line with the mantra of adaptive selling, the call for bids provides a starting point, such that mimicking the buyer's task information and affective intensity increases freelancers' success—even if the buyer provides few task details or seems very impassive.
- **Personal information and concreteness:** Freelancers should always offer personal information and be concrete. Even if a buyer does not provide personal information or the call is relatively abstract, freelancers' chances of success and price premiums increase if their bids contain more personal [information](#) and are at least somewhat concrete.
- **Build relationships:** The strongest predictor of bid success is a preexisting buyer relationship. Thus, freelancers should focus on developing buyer relationships. This research shows that [buyers](#) and [freelancers](#) in online freelance marketplaces should carefully manage uncertainty in their communications to improve their chances of achieving success in the gig economy.

More information: Stephan Ludwig et al, EXPRESS: Communication in the Gig Economy: Buying and Selling in Online Freelance Marketplaces, *Journal of Marketing* (2021). [DOI: 10.1177/00222429211030841](https://doi.org/10.1177/00222429211030841)

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