

# Crowdsourcing for innovation and development

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**Abstract**—Every business firms requires large number of ideas, works and services to accomplish their ultimate goal. The use of crowdsourcing method enables the firms to access large number of ideas, contributions and services from a large crowd. Thus it facilitates their decision making process and innovations at a benefit of low cost. In this paper we look at its various principles, stages, models, types and some other aspects and how the crowdsourcing can be used as an effective method for developing innovative solutions by the business enterprises.

**Keywords**— Crowdsourcing, Crowdfunding,

## I. INTRODUCTION

Crowdsourcing is a method of engaging a ‘crowd’ or a group of people for achieving a common goal.

Crowdsourcing can be applied in different levels and across various industries. Through This phenomenon organizations can get access to new ideas and solutions, deeper consumer engagement, optimization of tasks, and reduced costs. The greatest benefit of this method is that we can get thousands of ideas from so many people and select the best one

Crowds are a hit. Millions of people, who are connected by the Internet are contributing their ideas and information to projects which may be big or small. Crowdsourcing thus helping to solve complex problems and providing localized information.

The difference exist between crowdsourcing and outsourcing is that, crowdsourcing comes from a lessspecific and more public group, while outsourcing is from a specific group, and it includes a mix of bottom-up and topdown processes.

## CROWDSOURCING

“Crowdsourcing refers to a distributed problem-solving model in which a crowd of undefined size is engaged in the task of solving a complex problem through an open-call.”

[Crowd Sourcing= Crowd + Outsourcing]

### WHERE CAN CROWDSOURCING BE APPLIED?

Crowdsourcing touches across all social and business interactions. It is changing the way we work, hire, research,

make and market. Governments are applying crowdsourcing to empower citizens and to give a greater voice to the people. In case of science and health care, crowdsourcing democratize problem solving and accelerate innovation. In education, it has the potential to revolutionize the system. It can be applied in many areas and many ways to Accelerate Innovation, Share Ideas, Reinvent Business Models, CoCreate, Engage Consumers or Citizens, Reinvent Work Models, Save Cost, Increase Efficiency, Reinvent Financial Models.

## PRINCIPLES OF CROWDSOURCING

- **Pick an appropriate audience:** The selected crowd may not be professional, but they may be the representatives of a crowd.
- **Pick a right incentive:** Prompt rewards will boostup the participation and it will reflect in the productivity positively. It may in the form of financial or non-financial complements,
- **State a clear goal:** If the goal is clear then there is no way for any trouble in the future.
- **Launch a relevant promotion campaign:**If we are working in a passive community it will take a higher effort for promotional campaigns. Through social media sharing, blogging, advertisements, and also through word of mouth marketing we can motivate others and spread the purpose.

## SIX STEPS TO SUCCESSFUL CROWDSOURCING

1. Design the job and divide the labour.
2. Write clear instructions.
3. Choose a web platform to serve as your crowd market.
4. Release the job and recruit the crowd.
5. Listening the crowd and managing the job.
6. Assemble the works of crowd and form the ending product.

## CROWDSOURCING MODELS

- i. **Crowd sentiment, Expert decision model:** It allows organisation to include the sentiment of the crowd as part of their decision making process. This is valuable input for contests where the selected submissions will ultimately be put in front of the market.
- ii. **Crowd decision model:** This model provides a great platform for organisations to better understand the meaning that is associated to their products and services. It is ideal for marketing purpose.
- iii. **Expert decision model:** It engages the global community to find solutions to complex problems. The sentiment of the crowd is not an element in these contest, as they typically address more technical challenges. This model also prevents theft by competitors of people's ideas.
- iv. **American idol model:** The experts identify candidate submissions consistent with the directions desired. The experts act as a filter before the community votes. The community select the winners of the contest.

## INTERNAL CROWDSOURCING

Internal crowdsourcing is for channelizing the ideas and experience of the working employees of the company. Here the crowd is made up with their own employees. It enables the management to intermingle dynamically with the coworkers in other branches for generating new ideas and put forward new directions to management. Through this the company can pool the scattered knowledge across of their different branches. This open-up rich new source of innovations. It is the most effective way for a company to motivate and engaging their younger employees and other working men on the front liar.

## EXTERNAL CROWDSOURCING

External crowdsourcing is for exploiting the strange crowd to unravel a problem or to collect new ideas. Here the crowd may selected in advance or gather from web users. The company can select people from an assorted population or from the people who were not working in the company.

## TYPES OF CROWDSOURCING

- **Crowd contests**

It enables us to identify the best worker for the job where a single job description was given with asking to create one item and from the many peoples, who are proposing or creating item, only one person is selected. It can be used in graphical design, creative projects etc.

- **Macro Tasks**

It helps the firms to get persons with the specific skills required for their job or project. Under this worker is hired from a crowd for a single task and communications are done over the internet. It has its usages in various fields such as Web designing, Application development etc.

- **Micro Tasks**

This enables the firm to use human intelligence on large and complicated jobs. Where the whole job is divided into small units and put on the internet. The members of crowd can do the tasks and they are paid for it. It can be used in case of finding business information, transcribe business cards, medical records etc.

- **Crowd Funding**

It is a practice of raising many small amount of money from large number of people for funding the projects. It use social networks and put a request on an internet platform. Messages and videos are created to promote the request and then recruit the crowd to donate money. This method can be used to support non-profit organizations, raise equity for companies etc.

- **Self-organized Crowds**

Under this, a challenge was put on the internet and recruit a crowd and they organize itself into teams and complete with each other to give a best solution to the challenge. In here the winning team was compensated for the same. This method can be used for innovations creating new products or services, solving complex problems etc.

## BOONS OF CROWDSOURCING

- ✦ It is cost effective because the company have to pay lesser amount compared to the professional testers.
- ✦ Availability of enormous range of user experience.
- ✦ Bias towards the company from the testers can be avoided.
- ✦ It makes the customers into designers, marketers etc.
- ✦ There is no travel costs.

## BLOCKS OF CROWDSOURCING

- ✦ The communication between testers may difficult due to time or language barriers.
- ✦ The confidentiality and security of the company may questioned.
- ✦ The approach of crowd sourced people may lesser.
- ✦ There is no guarantee for the quality of their service.
- ✦ There may occurs wrong directions and it may leads to hidden costs.

## II. CONCLUSION

We live in a highly competitive world. So it is indispensable for business to make innovations for their growth and survival. Crowdsourcing can be used as an effective way to enhance their decision making and create a new innovation with the help of contributions from the common people. By

selecting a suitable form, they can manage large and complicated jobs or do small job, and it can lead to more efficient work and a faster return.

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