"Crowdsourcing", A Tool for Your Business

The day after the Super Bowl, press releases subtly described a tool used by major businesses. USA today said “A total of six consumer-created Doritos and Pepsi MAX ads aired during the Super Bowl broadcast…. Top-Ranked “Pug Attack” Wins Creator $1 Million; “House Sitting” Wins $400,000 for Third-Highest Score” The “consumer-created” ads used a relatively new tool to Corporate America called “crowdsourcing”. What is that?

Crowdsourcing is the process of outsourcing tasks, traditionally performed by an employee or contractor, to an undefined, large group of people or community (a crowd), through an open call. Jeff Howe, one of the first authors to employ the term some five or six years ago, established that the concept of crowdsourcing depends essentially on the fact that because it is an open call to an undefined group of people, it gathers those who are most fit to perform tasks, solve complex problems and contribute with the most relevant and fresh ideas. The term has become popular with businesses, authors, and journalists as shorthand for the trend of leveraging the mass collaboration enabled by Web 2.0 technologies to achieve business goals.

Although it is not without limitations, Crowdsourcing, or asking customers for opinions and ideas on how to tackle certain issues, has several valuable aspects. Last October, PR agency Weber Shandwick and KRC Research surveyed more than 200 corporate executives and asked about the most valuable aspect of crowdsourcing. Thirty-six percent of the executives who used it said crowdsourcing provides new and diverse perspectives and opinions. Additionally, 25% noted that the most valuable aspect was that it can build engagement and relationships with key audiences, 22% said it invites input from nontraditional sources and 16% highlighted how it brings a new energy to the idea-generating process.

Social media has made it easier for companies to experiment with crowdsourcing and getting perspectives from consumers. According to the study, 38% of respondents said the primary value of social media is the opportunity to reach broad and diverse audiences. Additionally, 29% said the primary value of social media is that it allows companies to connect with consumers in a low-cost way.

Does this have potential for the small business? My observation is that social media and crowdsourcing are ways to build relationships with a wide range of consumers and provide consumers unique ways to get involved with their company’s products and services. Businesses can use these tools to educate consumers about their brand, offer entertaining experiences and listen to consumers’ opinions and perspectives. This doesn’t just work to sell products or services, but can really build brand affinity and support for a company.

To learn more about growing your business, getting a business mentor to talk to or other topics, contact
SCORE on our website: www.score-SEMinnesota.org. Also look at this site for current workshops and how to participate in the next Small Business Round Table.

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