Fostering Customer Ideation in Crowdsourcing Community: The Role of Peer-to-peer and Peer-to-firm Interactions

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Abstract

Firms increasingly engage customers in idea generation (or ideation) to sustain their competitive advantages. Drawing from social interaction literature, this study adopts a social network perspective to investigate empirically how the characteristics (i.e., direction, size, and strength) of customers' online peer-to-peer (P2P) and peer-to-firm (P2F) interactions, moderated by customers' past efforts to post ideas (i.e., past ideation participation), influence their likelihood of generating ideas in an idea crowdsourcing community. With four years of data from a popular online crowdsourcing site, this study demonstrates the significant impacts of P2P and P2F online interactions on customers' likelihood of subsequent idea generation. In particular, a potential double-edged sword of past ideation participation emerges: A high level of past ideation participation strengthens (weakens) the impact of P2F (P2P) interactions on customers' subsequent idea generation. These findings suggest implications for how firms can cultivate customers' online social interactions with peers and firms and enhance their capabilities for capturing the wisdom of the crowd.
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Keywords: Idea generation; Customer ideation; Social interactions; Peer-to-peer interactions; Peer-to-firm interactions; Online communities

Introduction

Engaging customers in the service and production process receives increasing interest among both researchers and practitioners (e.g., Auh et al. 2007; Gruner and Homburg 2000; Vargo and Lusch 2004). The interactive and collaborative relationship between customers and firms can span several business processes, ranging from product or service ideation (i.e., idea generation) to market launch. For firms, the early idea generation stage may be the most challenging and vital (Fang 2008), so many of them, including Unilever, Starbucks, and Dell, sponsor idea crowdsourcing communities to solicit solutions and ideas directly from their customers and effectively leverage the diverse knowledge, expertise, skills, and resources of the crowd. The openness and transparency of idea crowdsourcing encourage brainstorming and thus increases the number of ideas accessible to the firm in early product development stages. Firms appear to believe that quantity breeds quality, such that "the more ideas that are generated, the more likely it is that there will be some good ideas among them" (Rus 2013). More ideas generated by customers also can enhance the "stickiness" of online communities (i.e., encourage members' continued, active participation), substantiating their very existence and improving firms' relationship building efforts with customers (Walczuch et al. 2001).

However, questions about whether and how a customer's online interactions with the firm and with other customers (i.e., peers) influence idea generation behavior remain unanswered, despite the considerable growth of customer–firm and customer–customer interactions in idea crowdsourcing communities (Bayus 2013; Di Gangi, Wasko, and Hooker 2010). Hargadon and Bechky (2006) suggest that collaborative practices in communities can trigger new ideas that customers or a firm could not generate alone.

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Therefore, the interactive dialogues among customers, the firm, and customer communities are critical to understanding knowledge sharing practices, such as those for idea generation.

Against this backdrop, we pursue three research goals. First, we adopt a social network perspective to understand how customers' interactions with others influence the likelihood of subsequent idea generation in an idea crowdsourcing community. The social network perspective offers a new angle for describing how customers' online social interactions, in the form of feedback and comments exchanged with peers (i.e., peer-to-peer [P2P]) and the firm (i.e., peer-to-firm [P2F]), influence their subsequent idea generation in the community. Second, we extend prior investigations of the general impact of customer interactions by further classifying it with peers and the firm with different directions (inward vs. outward) and *characteristics* (network size and tie strength) on idea generation. Third, we explore how customers' past idea generation experiences (or past ideation participation) moderate the impacts of P2P and P2F interactions on their likelihood of generating new ideas in the community. For these purposes, we collect four years of user activity data from Dell's IdeaStorm, which represents an excellent, best-in-class crowdsourcing application (Sullivan 2010).

With these insights, our study shows firms how to capture the power of crowdsourcing by strategically engaging customers and employees in the idea generation stage. Effective management of idea crowdsourcing processes can enhance the innovativeness and appeal of the resulting products and services (Füller et al.

2009), as well as strengthen customer quality perceptions, satisfaction, and loyalty (Bendapudi and Leone 2003).

The remainder of this study is organized as follows: The next section reviews prior literature on customer ideation and social interactions in online communities, followed by our hypotheses and the conceptual framework. Then, we present our data collection procedure and findings, as well as evidence of their robustness. We conclude with a discussion of the theoretical and managerial implications, as well as limitations and options for further research.

Literature Review and Hypothesis Development

Our conceptual model (Fig. 1) depicts how customers' social interactions with peers (P2P) and the firm (P2F) and their joint effects with past ideation participation influence their likelihood of subsequent idea generation. We adopt a social network perspective to investigate the impacts of P2P and P2F interactions, in terms of their direction (inward versus outward) and characteristics (network size and tie strength) on the likelihood of idea generation. It also draws support from social identity theory to justify the moderating effect of past ideation participation.

Customer Ideation

Engaging customers in the ideation processes for new product or service development represents a strategic move to encourage
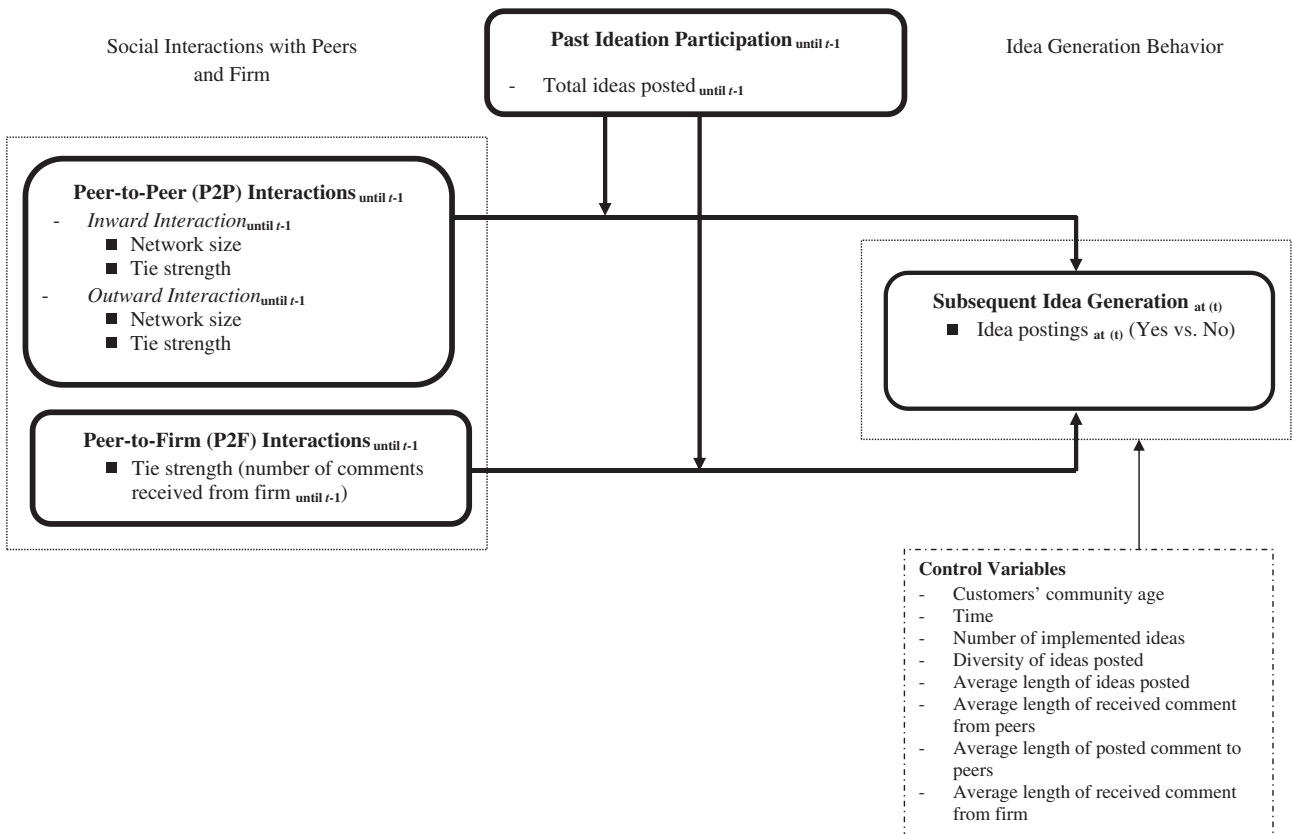

Fig. 1. Conceptual framework.