



Harnessing user innovation for social media marketing: Case study of a crowdsourced hamburger



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ABSTRACT

This study investigates how user innovation can be used as an engagement mechanism for crowdsourcing-based marketing initiatives. By building on an in-depth case study of a hamburger chain's crowdsourcing initiative, we analyze key activities in customers' value-creating processes, the crowdsourcer's value-creating processes, and innovation encounter processes. We further identify three key activities by which a crowdsourcer can facilitate the realization of desired outcomes from the crowdsourcing initiative: (1) the development of opportunities for user innovation, (2) the planning of user innovation activities, and (3) the implementation and assessment of the outcomes. Our results emphasize the importance of activities and technical features that enable socializing with other participants, support active participation, and create a participatory experience. Our study will inform research and practice on crowdsourcing and user innovation for marketing purposes.

1. Introduction

Crowdsourcing has become a popular means to facilitate user innovation activities (Zwass, 2010). The term crowdsourcing refers to a type of participative online activity in which a firm proposes, via a flexible open call, the voluntary undertaking of tasks to a group of people of varying knowledge, heterogeneity, and number (Estellés-Arolas & Gonzáles-Ladrón-de-Guevara, 2012).

The term user innovation in turn denotes the integration of users within innovation activities (such as developing new products and services). User innovation exemplifies a trend in which the focus of innovation activity has increasingly moved away from firms innovating for their users to firms co-innovating with users; in some cases, users initiate their own innovation activities (Baldwin & von Hippel, 2011; Witell, Kristensson, Gustafsson, & Löfgren, 2011).

The main focus of user innovation has traditionally been to develop products and services that will better address customer needs. As Kamis, Koufaris, and Stern (2008) have pointed out, user innovation enables customers to express their needs and preferences efficiently and thus helps firms to design new offerings. In addition to providing new or improved products and services, user innovation activities can have other positive outcomes, such as increased customer loyalty (Berthon,

Pitt, & Campbell, 2008; Henfridsson & Holmström, 1999), positive word of mouth, and even customers' willingness to pay a premium to participate in user innovation activities (Fuchs, Prandelli, & Schreier, 2010). Despite these observations, researchers have yet to examine user innovation as a means of engaging customers in marketing-focused crowdsourcing initiatives. The present study fills this void in the literature.

For the second research gap, crowdsourcing to date has largely focused on high-involvement products and services such as software (Blohm, Leimeister, & Krcmar, 2013) and media content (Bojin, Shaw, & Toner, 2011), popular crowdsourcing platforms such as Threadless.com (Brabham, 2010) and Amazon's Mechanical Turk (Azzam & Jacobson, 2013), or engaging environments such as virtual worlds (Kohler, Fueller, Matzler, & Stieger, 2011). Considerably less research has been conducted on the use of crowdsourcing for marketing purposes, particularly in low-involvement contexts such as fast food, beverages, and snacks. This is surprising, given that leading global consumer brands such as Coca-Cola, Pepsi, and Oreo frequently use crowdsourcing (eYeka, 2015).

Against this backdrop, the purpose of the present study is to investigate how user innovation can be used as an engagement mechanism for crowdsourcing-based marketing initiatives. Building on an

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in-depth case study of a burger design contest hosted by a fast-food chain, we elaborate on how crowdsourcing can be used for marketing purposes while using new product development as a means to engage the user community.

The crowdsourcing project investigated in this study achieved three outcomes the company perceived as being important. First, the winning design became the best-selling campaign product in the company's history. Second, the co-creation campaign substantially increased sales and the number of Facebook followers, raised the company's visibility among the target customer segment, and improved the company's engagement with its customers. Third, the hamburger design provided the company with a novel way to present customer product information.

Our study will inform research and practice on crowdsourcing and user innovation for marketing purposes. In doing so, we extend the extant body of knowledge on the uses of crowdsourcing (Azzam & Jacobson, 2013) by taking into account the technological factors (Corney et al., 2010) as well as the community and organizational factors involved in facilitating user innovation (Huberman, Romero, & Wu, 2009).

The remainder of this paper is structured as follows. After this introduction, we present the theoretical underpinnings of the study. The third section covers the empirical research, while the fourth section presents a discussion of the findings from the theoretical and managerial perspectives. In the final section, we discuss the limitations of the study and present avenues for future research.

2. Background

2.1. Crowdsourcing as a means of user innovation

Crowdsourcing comprises a set of methods that establish active, creative, and social collaboration between producer and customer in new product development (Piller, Vossen, & Ihl, 2012). Schlagwein and Bjørn-Andersen (2014) identified three focal areas in prior crowdsourcing literature: (1) IT artifacts (i.e., the crowdsourcing platform), (2) the crowdsourcer organization, and (3) the people who participate in undertaking the crowdsourced task. For the first focal area—the IT artifact—prior studies have investigated crowdsourcing platforms as web-based information systems that enable connectivity and collaboration among participants (Doan, Ramakrishnan, & Halevy, 2011; Soliman & Tuunainen, 2015). Companies can build their own platforms or use existing platforms such as social media services to integrate users into online innovation activities (Zwass, 2010).

For the second focal area—the crowdsourcer organization—previous studies in the literature have identified four primary crowdsourcing strategies: crowd processing, crowd rating, crowd solving, and crowd creation (Geiger & Schader, 2014). The present study focuses on crowd solving, which refers to solving complicated problems by equipping users with customization tools and then evaluating their contributions according to well-defined criteria. For example, customers have designed vehicles using a set of predefined design kits (Birke, Bilgram, & Füller, 2013). Furthermore, ideation contests run on platforms such as Innocentive or eYeka request creative user input in suggesting new solutions to problems or in designing objects from scratch (Nambisan, 2009).

For the third focal area—the participants—previous studies have found that participation in a crowdsourcing activity can be driven by intrinsic motives, such as curiosity, or by extrinsic motives, such as monetary rewards (Füller, 2010; Roberts, Hughes, & Kertbo, 2014). While extrinsic incentives should be present to attract users, engagement in crowdsourcing projects is essentially the result of intrinsic and experiential motives (Soliman & Tuunainen, 2015). A compelling and enjoyable creative experience is important in evoking participant interest and encouraging their creative contributions in idea and design competitions. (Füller & Matzler, 2007; Nambisan & Nambisan, 2008; Prahalad & Ramaswamy, 2003). As a result, crowdsourcing can be a

source of hedonic experience for its users that elicits the flow of fantasies, feelings, and fun (Holbrook & Hirschman, 1982).

Interestingly, previous research has predominantly focused on active participants, although passive participation in collaborative activities can also be valuable for companies. Studies of the behaviors of passive users on digital collaboration platforms have shown that even these participants may engage by using and recommending products through word of mouth, endorsement, and community involvement (Choi, Chengalur-Smith, & Nevo, 2015). With this opportunity in mind, it is worthwhile to consider all participants—active and passive—as potential collaborators. It is thus important to understand the organizational outcomes of user innovation (Huberman et al., 2009) and crowdsourcing that are attributable not only to new ideas but also (and especially) to marketing efforts, such as increasing brand and product awareness and fostering customer engagement.

2.2. Experiential perspective on user innovation

Since the successful employment of crowdsourcing and user innovation depends on user participation, creating and fostering user engagement may be considered both a system-level issue and a strategic imperative (Kazman & Chen, 2009). Prior research has highlighted the importance of experiential aspects of participating user innovation activities (Füller & Matzler, 2007; Nambisan & Nambisan, 2008; Oestreicher-Singer & Zalmanson, 2013; Prahalad & Ramaswamy, 2003, 2004; Füller, Hutter, & Faullant, 2011). Earlier studies have found that a sense of empowerment from writing blogs (Stavrositu & Sundar, 2012), drive people's engagement in user innovation activities. Previous studies have also noted a sense of accomplishment from helping in the design of products (Franke, Schreier, & Kaiser, 2009) as a benefit derived from participating user innovation activities.

Positive experiences that stem from user innovation activities can also lead customers to increase their product consumption and create additional incentives to purchase the product or service (Franke et al., 2009). Previous studies have also suggested that consuming a product or service during the innovation process can have a positive influence on users' beliefs about that product (Frank, Herbas, Enkawa, & Schvaneveldt, 2014). Such participation may lead to increased trust and loyalty to the brand (Laroche, Habibi, Richard, & Sankaranarayanan, 2012), willingness to purchase premium offerings (Oestreicher-Singer & Zalmanson, 2013), and increased purchase intention for the products a customer has co-created (Frank et al., 2014; Franke et al., 2009; Fuchs et al., 2010).

One way to explain this phenomenon is to look at the user innovation platform as a marketing communications channel. Users can perceive product-related experiences either directly or indirectly. For example, having firsthand physical experience with a product or service affects the customer directly, while advertising and word of mouth are indirect experiences (Brakus, Schmitt, & Zarantonello, 2009). Participating in user innovation activities makes customers more aware of the value proposition of the product or service and engages them in behaviors where they relate the value proposition to their lives, objectives, and aspirations (Payne, Storbacka, & Frow, 2008). In this way, participants in user innovation activities can have an indirect experience with a product.

As a result, user innovation as an engagement mechanism for a crowdsourcing campaign can affect the users who are involved in the innovation activity. User innovation activities can give the product or service a “designed by the users” label that may signal innovativeness and increase the social value that existing and potential customers attribute to the product or service (Schreier, Fuchs, & Dahl, 2012). For example, online design and idea competitions can help companies to portray a customer-oriented focus and innovation, thus strengthening their brand and increasing customer loyalty (Pfeil & Zaphiris, 2009). User innovation can then lead to positive marketing outcomes such as increased brand awareness, better customer information, and increased

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