Crowded identity: Managing crowdsourcing initiatives to maximize value for participants through identity creation

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Abstract   In this article, we consider crowdsourcing from the consumer perspective. Specifically, we examine the identity value (i.e., sense of self) that consumers accrue by participating in creative crowds. How can managers structure crowdsourcing initiatives to maximize value for participants through identity creation and expression? We strive to answer this question first by examining the different types of crowdsourcing initiatives from a value co-creation perspective. Then we evaluate how consumers construct identities through consumption and review the literature on identity theory. Finally, we link the identity type—personal, extended, or social—to the management of crowdsourcing ventures and offer suggestions for practitioners.

1. Can the customer truly work for you?

Successful crowdsourcing ventures require more than an online platform and some kind of brand connection. Without an understanding of participant motivations and behaviors, casual attempts to leverage the wisdom of the crowd may backfire and lead to unintended results. Prominent examples of crowdsourcing failures are myriad. Consider

General Motors, which provided users with web tools to make their own ads for the Chevrolet Tahoe, resulting in a number of viral videos that lampooned the company's products and the American automotive industry's gas guzzlers more generally. In the fast-moving consumer goods industry, Mountain Dew successfully crowdsourced part of its product development through the Dewmocracy contest series, but a similar project asking fans to name the brand's new apple-flavored drink brought on a slew of ironic suggestions, including 'Diabeetus.'

GetSatisfaction (2015), an online platform that extracts insights from consumer conversations about products and services, identified two mutually

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dependent markers of crowdsourcing success: engaged people and high-quality content. In crowdsourcing, consumer skills, knowledge, and other resources are leveraged as a community (i.e., crowd) to create value not only for the focal firm but also for the customer. Indeed, we argue that it is a customer-determined value that drives engagement and contribution, and ultimately influences the success of a crowdsourcing venture.

Research has identified a variety of reasons customers may contribute to a brand, such as a desire to learn new things or to gain a reputation (Füller, 2010). We argue that participation in a creative crowd creates value for the consumer through identity construction and expression. As in the physical world, customers construct online identities by associating themselves with virtual signs, places, communities, and possessions (Belk, 2013).

In this article, we link crowdsourcing to identity theory and address a pragmatic question: How can managers design crowdsourcing initiatives so as to maximize value for participants in terms of identity construction? First, we summarize previous research on crowdsourcing. Second, we look at crowdsourcing activities from a service-dominant logic perspective and, specifically, value co-creation. Then, we build on identity theory and the associated marketing literature to identify motivational foundations and outcomes of crowdsourced value co-creation. Finally, we address the issue of how to leverage the various facets of customer identity—personal, extended, or social—to build lasting relationships and maximize customer-determined value.

2. Crowdsourcing: Problem solving vs. value capture

Crowdsourcing is traditionally defined as an online call for a group of people to complete a task voluntarily, using their own resources (Estellés-Arolas & González-Ladrón-de-Guevara, 2012). There are two major streams in the crowdsourcing literature. The first arises from the innovation management field and focuses on the creativity and problem-solving capacities of the crowd (Afuah & Tucci, 2012; Malhotra & Majchrzak, 2014). The second is organizationally focused and explores value creation and capture in crowdsourced-based businesses (Kohler, 2015).

In the innovation management literature, crowdsourcing is treated as a phenomenon in its own right. The focal challenge centers on how best to orchestrate crowdsourcing in terms of quantity of participants and quality of contributions (Kosonen, Gan, Vanhala, & Blomqvist, 2014). The empirical research

largely deals with the idea of crowdsourcing and problem-solving contests (Poetz & Schreier, 2012). In contrast, the organizational stream explores the limits of crowdsourcing, its taxonomies, and strategic trade-offs (Pisano & Verganti, 2008). Researchers tend to argue that solving problems with crowdsourcing and open innovation is unlikely to create a sustainable competitive advantage because solutions may quickly be copied by competitors (Bloodgood, 2013). Thus, this research stream usually focuses on issues such as labor market outreach, employment of external labor (Ford, Richard, & Ciuchta, 2015), and crowd-based venture financing (Agrawal, Catalini, & Goldfarb, 2014).

Following the service-dominant logic of marketing (Vargo & Lusch, 2004), we categorize customer participation in crowdsourcing activities as a form of value co-creation; here, customers serve as co-producers by applying their skills and competencies to create value. Crowdsourcing represents the powerful instance of individuals' transformation from passive consumers into "collaborators, co-developers, and competitors" (Prahalad & Ramaswamy, 2000, p. 84).

To explore the types of skills, knowledge, and other resources participants contribute to crowdsourcing ventures, we identified—using a simple snowball sampling technique—crowdsourcing ventures listed by boardofinnovation.com and similar websites. We then analyzed over 30 service descriptions offered by websites such as crowdsourcing.com, crowdworks.com, Innocentive, and Top-Coders. Using the descriptions on these sites, we found that organizations employ crowdsourcing for six different types of activities:

1. *Idea generation* (generation of new ideas for products and services);

2. *Problem solving* (solutions to a particular problem—contest and challenges);

3. *Evaluation and selection* (ideas/solutions—discussion boards, forums, and voting);

4. *Forecasting* (prediction markets for product success or market conditions);

5. *Production* (coordination of labor contributions in the form of time and effort); and

6. *Funding* (collection of funds and material resources).

Organizations that engage in such activities deliberately redraw or blend their boundaries using