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Good to Be Novel? Understanding How Idea Feasibility Affects Idea Adoption Decision Making in Crowdsourcing☆

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Abstract

Soliciting novel ideas from the crowd is a paradigm shift for innovation that gains increasing attention from researchers and practitioners. However, studies examining the relationship between the novelty of crowdsourced ideas and firms' idea adoption decisions are surprisingly rare. This research adopts the path-of-least-resistance (POLR) theory as a new theoretical angle to examine the role of idea feasibility as a key heuristic cue mediating the effect of idea novelty on adoption decisions. We further explore factors that may amplify or mitigate this mediation. Using data collected from a laboratory experiment and a firm-sponsored crowdsourcing community, we reveal that firms tend to follow the POLR by using idea feasibility as meta-information to evaluate novel ideas in their idea adoption decisions. However, this tendency depends on external stimuli and constraints, such that the mediation of idea feasibility exists only when idea favorability from the crowd is low or when an ideator's prior ideation participation is high. Our supplementary study further offers preliminary insights on the extension of our proposed effects to the ultimate success of adopted ideas. These findings illuminate a better understanding of firms' idea adoption decisions and suggest ways to manage idea crowdsourcing effectively for new product/service development and improvements.

Keywords: Idea novelty; Idea feasibility; Idea adoption; Path of least resistance; Ideation participation; Idea favorability

Introduction

Novel ideas drive organizations to innovate to maintain its long-term competitive advantage. Idea novelty refers to the newness, distinctiveness, and originality of the ideas as compared with existing product/service in the market (Dean et al. 2006; Perry-Smith and Mannucci 2017). Prior research suggests that innovation success relies not only on the generation of novel ideas, but also effective screening and adoption to implement the most promising ones (Choi and Chang 2009). As Levitt (1963: p. 79) explains, "ideas are useless unless used. The proof of their value is in their implementation." Moreover, eliminating low-potential ideas can prevent firms from suffering expensive investments and failures (Ferioli et al. 2010). Managers thus must carefully adopt the "right" ideas for further development by predicting their potential success and the benefits they bring to the firm (Berg 2016). However, precise predictions are difficult in the early stage of innovation, as novel ideas usually depart from existing ones and are associated with high uncertainty and risk (Baer 2012). Whereas the primary goal of idea crowdsourcing is to harness customers' novel ideas, research on whether and how firms adopt those novel ideas is limited. As evaluating whether a novel idea should be developed into actual products is a critical decision linking the generation and conversion of novel ideas into promising products, understanding firms' idea adoption decision making is thus crucial for maximizing the value from novel ideas to increase the likelihood of innovation success.

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Moreover, prior studies on idea generation predominantly investigate the traditional in-house innovation process within an organizational context (e.g., employees as ideators); little attention has been given to the evaluation and adoption of ideas generated by *customers*. Soliciting ideas from the crowd (i.e., idea crowdsourcing) thus represents a "paradigm shift" in innovation that complements and competes with the traditional innovation processes involving only employees and experts (Chan, Li, and Zhu 2015). Idea crowdsourcing platforms vary in different forms and natures (e.g., with vs. without remuneration, with specific end dates vs. ongoing; autonomous vs sponsored; visible vs. invisible participation; competitive vs. collaborative), attracting growing research interest on their effectiveness of idea generation (Kornish and Hutchison-Krupat 2017; Schuurman1 et al. 2012), yet relatively few studies examine how firms make their idea adoption decisions, in particular in those firm-sponsored idea crowdsourcing communities (e.g., *Dell's IdeaStorm*, *MyStarbucksIdea*). Contrary to one-time idea contests or monetary-incentivized crowdsourcing platforms operated by intermediaries (e.g., *Tongal*, *Innocentive*), participation in firm-sponsored crowdsourcing communities is ongoing, voluntary, visible, and open to the crowd. Such openness and autonomy in idea generation attract large and diverse groups of people to contribute ideas and provide feedbacks. Firms thus face great challenges to effectively and efficiently evaluate the huge pool of ideas that requires substantial cognitive efforts and resources in the idea evaluation and screening process. The lack of adequate and concrete information of the novel ideas also increases the difficulty to pick the 'right' one for adoption (e.g., Kijkuit and Van Den Ende 2007). Besides, the incompatibility of novel ideas with firms' internal structures and capabilities (e.g., technological and financial resources) may further enhance their reluctance to adopt them (Baer 2012). Despite these practical challenges, literature related to mechanisms for filtering customers' novel ideas and their boundary conditions in the firm-sponsored idea crowdsourcing communities are surprisingly meager.

Against this backdrop, we focus on the context of firm-sponsored idea crowdsourcing communities and propose a theoretical framework to understand firms' idea adoption decision making process when they confront crowdsourced ideas from customers with different degrees of novelty. Following prior literature, we define firms' idea adoption decision making as an idea selection process specific to the innovation context where firms rely on different criteria in evaluating and deciding whether to adopt an idea for further development and implementation (Baer 2012; Škerlavaj, Černe, and Dysvik 2014). We first propose a negative relation between idea novelty and firms' idea adoption decisions. Specifically, we use path-of-least-resistance (POLR) theory, one's tendency to take the easiest approach and use the most accessible and available information to make decisions (Ward 1994), as the theoretical lens to conjecture that firms tend to use *idea feasibility* as a heuristic cue to access the fit of an idea with their technological and economical capabilities in filtering novel ideas when making idea adoption decisions in crowdsourcing contexts. Moreover, we adopt a contingency perspective and identify factors that moderate the mediation of idea feasibility by pushing firms off the POLR. As idea adoption decisions in the crowdsourcing community are publicly visible and signal firms' responsiveness to customers' contributions, we posit that a firm's reliance on idea feasibility as a heuristic cue in its adoption decisions is conditional on two contextual factors specific to idea crowdsourcing: *idea favorability from the crowd* and *ideator's past ideation participation*. Specifically, firms are less likely to use idea feasibility as a shortcut to make idea adoption decisions when the idea is viewed favorably by the crowd or posted by less experienced ideators.

Accordingly, our study contributes to the literature in several ways. First, we enrich existing studies on drivers of firms' successful idea adoption (e.g., organizational structures, Reitzig and Sorenson 2013; ideators' characteristics, Berg 2016; relationship between idea selectors and ideators, Criscuolo et al. 2017) by revealing the under-researched but crucial impact of idea novelty on firms' idea adoption decisions. Second, while prior studies on idea generation have predominately investigated the traditional in-house innovation process with ideas generated by employees, our research offers new insights on the process behind a firm's adoption of novel ideas generated and commented by customers in firm-sponsored idea crowdsourcing communities. Third, our work extends the idea selection studies in the creativity and brainstorming literature that primarily focus on individuals' (e.g., students) idea selection decisions in experimental settings with small sets of ideas (Girotra, Terwiesch, and Ulrich 2010; Rietzschel, Nijstad, Stroebe 2010), by taking from a macro perspective to understand a firm's decision making process of determining whether to adopt an idea for further development. Specifically, we adopt POLR as a new angle to propose idea feasibility as the underlying heuristic cue of firms' idea adoption decisions in firm-sponsored idea crowdsourcing communities that involve a much larger and far more diverse pool of ideas requiring more thorough considerations in firms' decision making (Kornish and Hutchison-Krupat 2017). Fourth, we shed new insights on ways that help firms swerve from the POLR in making their decisions by identifying idea favorability and ideator's past ideation participation as external factors unique to idea crowdsourcing communities. Our inclusion of information on the crowd feedback and idea contributors, in addition to the content of idea (i.e., idea novelty and idea feasibility), not only enriches existing literature that focus on either one or two of those factors (Klein and Garcia 2015; Toubia and Netzer 2017), but also captures the joint influence of these factors to illuminate a better understanding of a firm's idea adoption decision in crowdsourcing.

To testify our framework, we collect data from a laboratory experiment and a field study with a firm-sponsored crowdsourcing community—Dell's *IdeaStorm*. We also add a supplementary study to offer insights on the extension of our work to the ultimate success of adopted ideas.

Literature Overview and Theoretical Development

Idea Adoption Decision Making

A firm's idea adoption decision making is inherently a resource allocation decision setting the priorities of ideas for