

CROWDSOURCING

Sarah M. G. Otner

Department of Management, LSE

Social Study of ICTs & Innovation

20 April 2009

CROWDSOURCING (CS)

- Definition (Howe, 2006): outsourcing a task to a large, undefined group, usually as an open call
 - Model of distributed problem-solving and production
 - Includes community-based design, citizen science, and human-based computation
- Usage: shorthand for ICT (particularly Web 2.0)-enabled mass collaboration, as leveraged in order to achieve business goals
- Includes elements of both Collective Intelligence and Collaborative Filtering
- May be cooperative, competitive, or co-opetitive
- Lends itself to online open innovation community (OOIC)-building

CS IN ACTION (II)



THE CASE FOR CS

Advantages

- Greater talent pool
 - Voluntary
 - Attracts the non-traditional (e.g., unemployed, hobbyists, retired)
- Lower-cost exploration and faster discovery
- Pay for result (not effort)
- Short-term relationships

Disadvantages

- Product realization might incur added costs
- Concerns for IP (requires short-term contracts, NDAs - if functional!)
- Vulnerable to both espionage (external) and sabotage (internal)
- Challenges of *motivation*

FAILURES OF A WISE CROWD

- ◉ **Homogeneous**
- ◉ **Centralized**
 - Steeped in bureaucracy (hierarchy)
- ◉ **Divided**
- ◉ **Imitative**
 - Information Cascade
 - Conformity
- ◉ **Emotional**
 - Hysteria



FAILURES OF CROWDSOURCING

- ◉ Self-destruction

- Example: “Crowdslapping” (i.e., user-generated contest blowback)

- ◉ Demise of traditional industries and professions

- ◉ Marxist critique of labor exploitation and waste

