In August 2011, Brandon Evans, the CEO of crowdsourcing technology provider Crowdtap, made a very confident prediction in a guest post for MarketingProfs. The future of marketing is crowdsourced, Evans wrote, largely because today's marketers must innovate, test, and create significantly more content than ever before.¹

The concept of crowdsourcing — the process of leveraging a large group of people to execute a specific task — isn't new. In 1884, the Oxford English Dictionary used some 800 volunteer readers to review and catalog the thousands of words that eventually appeared in its books. Thirty-two years later, Planters Peanuts held a contest asking its customers to develop the company's logo. More recently, in 2001, Wikipedia was created as an online encyclopedia that was built and maintained almost entirely on crowdsourcing principles.

Today, crowdsourcing is much easier to execute, and its impact and reach can pay huge dividends for marketers who do it right. It can be a particularly effective way to engage and empower customers, and to encourage them to interact with your brand. Crowdsourcing marketing can also be used to generate content, fuel marketing campaign virality, and conduct cost-effective market research.

However, crowdsourced marketing campaigns also pose some inherent risks. If they are not managed correctly or are not supported by the right goals and processes, crowdsourced marketing initiatives can quickly spin out of control and hijack your brand’s reputation.

“Crowdsourcing Marketing: Leveraging Customer Engagement for Maximum Impact” is the third installment in our series on online marketing campaign tactics. The report highlights three examples of effective crowdsourcing marketing techniques being used by three innovative technology companies: Stripe, MINDBODY, and Avid Software.

“Crowdsourcing has always been a powerful phenomenon, but today it’s also becoming an increasingly important marketing tool for fostering customer engagement and obtaining their input and feedback. By following the process outlined in this report and learning from the examples it provides, expansion-stage technology companies will be better positioned to take advantage of crowdsourcing’s many marketing benefits.”

Brian Zimmerman, Managing Director, OpenView Labs

BUILDING A FRAMEWORK FOR CROWDSOURCING SUCCESS

In general, four components need to be considered before planning and executing a crowdsourced marketing campaign.

1. Establishing the purpose of the campaign

To ensure their crowdsourcing initiatives drive the right outcomes, marketers must identify the end goal of their crowdsourcing efforts, such as:

- **Engagement with an active audience**: Exposing your target audience to your brand by encouraging them to interact with or contribute ideas to shape it.

- **Engagement with a passive audience**: Gaining brand exposure with new or previously unengaged prospects when your target audience shares their experience with their network (i.e., seeing a friend comment on or participate in a contest on Twitter or Facebook).

- **Creating something of value**: Producing anything from useful marketing materials to content that features critical customer insight or new product features.

While your crowdsourcing campaign doesn’t need to strive for more than one of those goals, it’s important to be aware of all of them. Engagement with a passive audience, for example, may be an ancillary effect of crowdsourcing whether you want it to be or not.

2. Choosing the crowdsourcing process method

There are many ways to incentivize people to participate in crowdsourcing. Providing a forum for customer competitions is the most common — and arguably most effective — method whether through a judged contest, sweepstakes, or peer-reviewed competition.

With each of those three formats, a prize (e.g., cash, free products, an iPad, etc.) is given to the winner to incentivize participation. It’s important to note, however, that not all crowdsourcing campaigns need to leverage a reward-based process to be effective. Sometimes, simply having an idea recognized or put into action is incentive enough for customers to engage.
3. Picking a medium

While there are several software providers that can help businesses execute crowdsourcing, you can also effectively manage your initiatives through four common mediums: your company’s website, a community forum that large numbers of your customers visit, social networks like Facebook or Pinterest, and events like hackathons.

The medium that is best for your crowdsourcing initiative depends largely on the purpose and goal of your initiative. While some mediums are obvious choices — for example, contests seem to be best executed via social media because that environment most naturally prompts engagement, active and passive participation, and sharing — you will want to consider where your customers are most active and which mediums will yield the greatest participation.

4. Projecting the end result of the initiative

The end goal of crowdsourcing a marketing initiative is to produce something of value. That might include striving for:

- **Increased exposure**, e.g., improving engagement with active and passive audiences

- **Content development**, e.g., using customer entries or ideas for blog posts, eBook chapters, or other Web content

- **Better product functionality**, e.g., driving increased use of the product, discovering new product feature ideas, or understanding how customers use APIs

- **Improved brand likability**, e.g., increasing customer satisfaction and brand goodwill, or interacting more genuinely with customers

While not a comprehensive list, these examples should help you imagine some of the benefits your crowdsourcing initiative can ultimately yield. Without creating those kinds of end products or impacts, your initiative can’t really be labeled as — or provide the benefits of — crowdsourcing.

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3 OUTSTANDING EXAMPLES OF CROWDSOURCING MARKETING TECHNIQUES IN PRACTICE

While big customer-facing brands like Ben & Jerry’s have had remarkable success inviting customers to develop new ice cream flavors, crowdsourcing is not just for B2C companies with big budgets. The beauty of crowdsourcing marketing is that it’s almost universally deployable.

The three smaller technology companies featured in this report have had remarkable success leveraging customer insight, opinion, and brainpower to fuel significant business and marketing impact.
STRIPE.COM’S “CAPTURE THE FLAG 2.0”

Company: Stripe, an online payment solution vendor for developers
Crowdsourcing goal: Engagement, improved product functionality
Process method: Contest

With a highly technical product that is primarily marketed to a niche target customer segment of software developers, secure online payment system Stripe chose to leverage crowdsourcing to appeal to its target customers’ unique interests. The company hosted a virtual hackathon, encouraging its potential buyers to breach an artificial infrastructure it had created, by offering eight levels of security tests and awarding the winner a special edition T-shirt. While the reward itself wasn’t valuable, the prestige of hacking for an online payment system was more than motivation enough for Stripe’s target customers. It appealed to their competitiveness, desire for gamification, and appreciation of “epicness,” a term used in the hacking world to gauge hacking achievement. Ultimately, their participation led to significant benefits for Stripe, including:

- **Mock security testing:** Stripe’s developers could observe the contest participants’ creative security breach attempts on their artificial infrastructure, and use that information to improve their own systems. Performing similar testing in-house would have been time-consuming and expensive.

- **Increased exposure:** With such a unique customer base, it can be difficult to find and engage relevant prospects. With this contest, however, Stripe was able to achieve increased customer exposure and deliver a fun brand experience to its prospects, improving the company’s likability.

Ultimately, Stripe’s “Capture the Flag 2.0” contest attracted more than 16,000 participants from around the world and got exposure from TechCrunch, a major technology blog. Considering the company’s small and specific target segment, that certainly qualifies as significant marketing impact, especially given the relatively little time and few resources Stripe likely invested in the initiative.
Recognizing that its target audience of yoga, pilates, and fitness studio owners were likely users of Pinterest, fitness studio management software provider MINDBODY chose to leverage that medium to execute an interactive and engaging crowdsourcing strategy.

The concept for its “My Business Inspired” initiative was simple: Entrants had to create a Pinterest board with at least five pictures of things that inspire them or the business they own. The pins on their Pinterest board could be quotes or images, but they had to be tagged with the words “My Business, Inspired.” The winner of the contest — as decided by a panel of company judges — would receive an iPad.

The idea was to encourage current and prospective customers to share the things that mattered to them the most, and it worked. The contest yielded 50 new Pinterest boards. Assuming an average of more than 220 followers per board (which is common for Pinterest followings), the initiative gave MINDBODY exposure to more than 11,000 Pinterest users. MINDBODY also received cross-promotion when users shared their entries on Facebook and Twitter.

Ultimately, the initiative provided MINDBODY with a veritable library of marketing messaging, social media fodder (one Facebook post created from the contest, for instance, was liked and shared more than 200 times), and blog content. The contest also gave the company access to a passive audience that it might not have otherwise been able to tap into. All MINDBODY had to do to create that impact was construct one landing page on its website for the contest.

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Unlike the previous two companies in this report, Avid Software’s community-driven crowdsourcing initiative did not offer a reward to incentivize participation, nor did it engage its audience through some of the more common crowdsourcing mediums.

Instead, Avid relied on IdeaScale — a third-party platform for sharing and voting on new ideas — to create and motivate participants. By doing so, Avid was able to post new product ideas in a seemingly objective environment and monitor what its customers thought about them through IdeaScale’s thumbs-up or thumbs-down voting system.

Based on the number of thumbs-ups they received, the most popular or best ideas became obvious, which allowed Avid to easily measure customer sentiment and needs. Additionally, that crowdsourcing effort:

- Facilitated engagement with Avid’s most ardent users
- Exposed the product and its features to thousands of potential new users
- Provided several creative new production feature ideas
- Empowered customers to become part of the company’s product development efforts

In all, Avid’s crowdsourcing initiative yielded *7,160 comments and 98,000 votes* from nearly 4,000 users. While the initiative was executed through a third-party platform, it created a clear sense of engagement often found in more intimate community forums. That helped the business strengthen customer relationships and brand likability, and make customer-driven product improvements.

“IdeaScale worked closely with Avid to create an engaged community that was able to provide the company with valuable customer feedback. Avid’s decision to embrace crowdsourcing marketing has generated a loyal network that participates daily in the development and enhancement of the company’s outstanding product. It’s been a win-win for everyone involved.”

Rob Hoehn, CEO, IdeaScale
CROWDSOURCING SUCCESS IS NOT ACCIDENTAL

While each of the three companies featured in this report experienced incredible success and efficiency by using crowdsourcing marketing, their success isn’t a coincidence. Just like most marketing strategies, there is a process that companies must follow if they hope to truly leverage the myriad benefits of crowdsourcing.

After all, the last thing marketers want crowdsourcing to do is spawn actions that hurt, rather than help, their brand, such as a customer creating a Pinterest board with explicit photos and tagging your company, or a hackathon that inadvertently allows participants access to sensitive company information. It’s essential to have a clear framework for crowdsourcing to avoid such problems and achieve your goals.

That’s why addressing the four components of crowdsourcing listed in the first half of this report is so critical. By defining your initiative’s purpose, identifying the most effective medium for execution, and projecting its outcome, you can ensure that your project stays on track, produces positive outcomes, and generates the multiplier effect that makes crowdsourcing such a flexible, efficient, and cost-effective marketing option.

Check out the other reports in our series on online marketing tactics, “Engaging Customers with Interactive Content” and “E-mail Marketing Tactics: Do Your Messages Measure Up?”

To learn more about how OpenView Venture Partners can help accelerate your success, contact us at (617) 478-7500 or e-mail info@openviewpartners.com.

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