Social innovation projects
tend to be more complex than
commercial crowd projects.

Motivating Crowds to Do Good: How to Build Crowdsourcing Platforms for Social Innovation

Thomas Kohler and Henry Chesbrough

THE AUTHORS

Thomas Kohler
Director InnoSchool
InnoSchool, Dornbirn, Austria
thomas@innoschool.io

Henry Chesbrough
Faculty Director Garwood Center
for Corporate Innovation
Hass School of Business,
University of California, Berkeley, USA
chesbrou@haas.berkeley.edu

Crowds and Social Innovation ╳ In commercial settings, crowd sourcing is now a widely accepted innovation tool. Many success stories demonstrate that crowds can spark ideas or solve commercial challenges. But what about the social space? Can crowds be motivated to find novel ideas and solutions for social causes or community-related projects? Governments, non-profits, and companies are challenged by a multitude of pressing problems. Why not involve whole communities to develop desperately needed solutions? Social innovation – novel social solutions that provide value to society rather than to individuals or single organizations – could indeed be a relevant approach to the messy, interdependent, and complex issues our society faces. Already, platforms such as OpenIDEO or Neighborland invite anyone in the world to collaboratively solve social issues through crowdsourcing challenges (see Box 1). However, the enthusiasm for crowdsourcing social innovation has so far run ahead of its effects. The issue has not been a lack of promising projects, but one of sustainability and scale. Many platforms are stillborn, and initiatives struggle to turn their promising projects into sustaining platforms. Based on the study of several platforms and our experiences with a community-related crowd project we ourselves launched (see Box 2), we present a step-by-step framework for building crowdsourcing platforms for social innovation.

Platforms facilitating social engagement

Neighborland is a US-centered public engagement platform designed to empower people to shape the development of their neighborhoods. Its mission is to improve the way city agencies, local organizations, universities, and real estate developers collaborate with communities. The platform enables co-working of local ventures with stakeholders in an accessible, participatory, and equitable way in order to deliver more efficient and responsive services. In cities all over the US, including San Francisco, Atlanta, Los Angeles, and Oakland, over 3 million people to date have participated on Neighborland.

OpenIDEO is a world-wide operating online platform where people develop ideas and design new products for social good. The diverse community of over 40,000 members from more than 200 countries tackles significant global challenges like food waste, garbage avoidance, agricultural innovation, or refugee education, from ideation to implementation.

InnoCentive`s clientele is mainly commercial, but it has also been used successfully for social projects with a technical focus. For instance, the Rockefeller Foundation has successfully supported social innovation challenges through InnoCentive. This cooperation allows non-profit organizations to tap InnoCentive's global network of more than 175,000 minds in science, engineering, technology, and business to solve the problems of the world's poorest and most vulnerable populations.

The social arena is different in some respects ✕ Social innovation, just like any other form of innovation, can benefit from crowd engagement because it is able to tap the innovative power of its own prospective beneficiaries by turning them into co-creators. Further, it facilitates the engagement of other external groups that could be valuable problem solvers.

Compared with commercial crowd innovation projects, social innovations present some unique obstacles. A principal barrier is that projects tend to be more complex. Typically, they involve an entire ecosystem comprised of complementary partners, where the interests of stakeholders are not necessarily aligned. Governance and coordination of social innovation projects is critical and needs to be thoughtfully balanced. In addition, social innovation tends to be targeted

at environments with limited financial resources, making it difficult to design appropriate project management solutions. Further, it is harder to assess the material impact of doing good on a communal level. Therefore, attracting investors or sponsors is a challenge. To improve chances of success, social innovation platform designs need to consider these additional factors.

Crowdsourcing platform design to create social innovation ✕ Figure 1 outlines the critical steps in designing a platform for crowd innovation. While the steps themselves are relevant in any crowd innovation projects, we focus our analysis on challenges in a social context. To make the dicussion more concrete we refer to our own experience with the social platform ''Travel2Change'' (T2C) (see Box 2).

> **Defining the value unit** ✕ The best way to begin leveraging crowdsourcing for social impact is to focus on the purpose of the platform. The purpose is the expected value or innovation and needs to be clearly communicated. In the case of T2C, we started with the creation of whole trip packages that would positively impact local communities. While T2C did generate ideas through innovation challenges, the ideas for the trips remained vague, were not ready for implementation, and were not sufficiently grounded in local problems. Thereafter, T2C simplified the value unit and shifted it to less time-consuming individual projects and single experiences with a social purpose. Based on this history, we concluded it is better to start with simpler value units. Complexity can be increased once there are well-functioning interactions with proven platform actors.
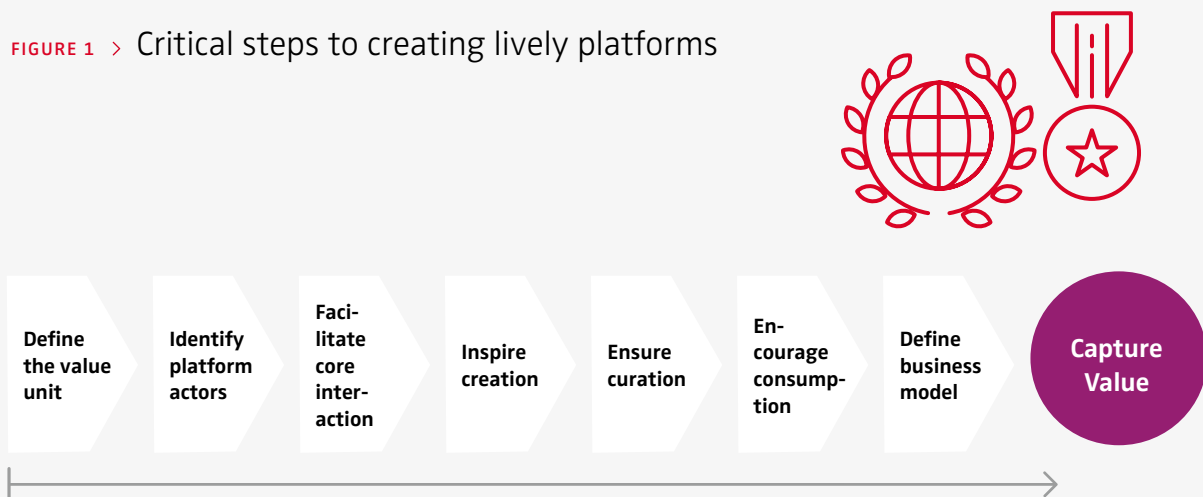
> **Identifying platform actors and inspiring continued creation** ✕ Crowdsourcing platforms are multi-sided, bringing together two or more platform actors. The platform provider is an organization that builds the infrastructure, offers the tools, and defines the rules that facilitate interactions among creators and between creators and consumers. For platforms to thrive, a critical mass of consumers and creators must be active. The T2C platform

> »
>
> *Compared with commercial crowd innovation projects, social innovations present some unique obstacles.*
>
> «

succeeded in attracting some innovator-travelers at the beginning. The winners received free trips or a project budget in exchange. To keep participants engaged and attract enough overall participation, it became necessary to continually improve the platform experience itself, along with rewards and recognition for creators. Further, we had to proactively invite local organizations to participate and develop concrete travel products that could be bought and consumed.

> **Facilitating the core interaction and ensuring curation** ✕ The core interaction is the mechanism that drives joint value creation by all platform partners. This needed further development at the early stage. T2C had to relaunch the whole website to ensure that curation was seamless and supported direct booking. The newly designed platform allowed detailed elaboration of travel experiences to make them more interesting and attractive for consumers; the

FIGURE 1 › Critical steps to creating lively platforms

Define the value unit › Identify platform actors › Facilitate core inter-action › Inspire creation › Ensure curation › Encourage consumption › Define business model › **Capture Value**

BOX 2

Social innovation in tourism: The travel2change (T2C) project

T2C is a non-profit organization that leverages crowdsourcing with the purpose of connecting travelers with local communities. T2C launched in 2011 to build a collaborative community interested in developing travel experiences that benefit local communities. The regional focus of the platform is Hawaii. To become and remain vital, the crowd innovation concept had to be adjusted and changed several times. We investigated the management and evolution of this platform in an action research project over the past years to learn more about the challenges that social crowd innovation platforms face.

What are you interested in?
Discover something nice
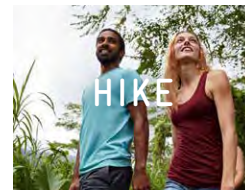
How it works
travel2change connects travelers with the local community
to create a positive impact.

Hosts list activity
Nonprofits or local tour operators invite you for fun and impactful activities.

Travelers join activity
Experience travel2change activities that are fun and create a positive impact.

Create a positive impact
Travelers and hosts come together to make a difference.

https://travel2change.org/

»

By facilitating bottom-up, decentralized processes involving many actors with different capabilities and interests, social crowd innovation can be a valuable tool to tackle at least some of the social issues the world faces.

«

actual booking of the experience allowed travel partners to capture value. The new marketplace website removed friction from the interaction by means of better tools for creators and more complete information (like contact details) for consumers. An improved user experience in the creation, booking, and consumption processes provided a better match to user expectations of quality.

❯ **Building a business model and encouraging consumption** ✕ A valid business model ensures the continuation and positive societal impact of the platform. Typically, some revenue must be generated even in non-profit contexts. T2C needed to generate income to facilitate a greater number of quality interactions to create projects for social benefit travel. The original T2C website failed to generate a revenue stream. With the new website, T2C moved from an integrator platform model to a two-sided platform where creators and consumers interact directly. Such platforms typically charge transaction fees or commissions on one or both sides. In the travel industry, however, paid activities for a social cause compete with traditional travel experiences that tend to provide stronger economic incentives to distribution partners. In the T2C case, these incentives affected access to the market segment. Getting a piece of the pie was further difficult, because tour operators listing on T2C were reluctant to let lower-priced or free T2C activities cannibalize their higher value traditional tourist activities. To increase reach, T2C therefore encouraged activity providers to discount pricing for volunteer participants. However, on the other side of the platform, T2C was not able to charge hosts for the difference because not enough extra value was created for them. Hence, T2C now seeks to attract to the platform additional partners, like corporations that involve their employees or customers in T2C activities. As well, it is increasing control of transactions, to create more opportunities for revenue generation and value capture.

Don´t give up too early and keep learning ✕ Crowdsourcing platforms offer an intriguing approach to enhancing social innovation activities through interaction with external innovators. However, implementing social crowd projects can be more complex than primarily commercial ones, and is certainly no less challenging. Our research on the evolution of T2C reveals some hazards of social benefit projects. Social innovators should be prepared for several learning loops of experimentation to balance value generation with the right structure and the right mix of participants, consumers and other platform partners. For organizations willing to face these challenges, crowd innovation can be rewarding. By facilitating bottom-up, decentralized processes involving many actors with different capabilities and interests, social crowd innovation can be a valuable tool to tackle at least some of the social issues the world faces.   ✕

↓

FURTHER READING

Chesbrough, H. & Di Minin, A. (2014): "Open social innovation. New frontiers in open innovation.", in: Chesbrough, H.; Vanhaverbeke, W.; and West, J. (eds.), New Frontiers in Open Innovation. Oxford: 169–187.

Kohler, T. & Chesbrough, H. (2019): "From collaborative community to competitive market: the quest to build a crowdsourcing platform for social innovation", R&D Management, Vol. 49 (3), 356–368.

Van Alstyne, M.W.; Parker, G.G. & Choudary, S.P. (2016): "Pipelines, platforms, and the new rules of strategy", Harvard Business Review, Vol. 94 (4), 54–62.