



Hate Crowds? Brands Embrace Collective Innovation via Crowdsourcing

By Nancy Pekala

Brand marketers are finding that crowds are good for business. Increasingly, major brands are turning to crowdsourcing to find that next big idea. Recently, [Unilever](#) dropped ad agency Lowe after 16 years and instead sponsored a crowdsourcing competition for creative marketing ideas for its Peperami snack brand. The company is offering \$10,000 in the competition to find ideas for its next TV ad campaign using its unique [Animal character](#).

"We believe Peperami is a brand that deserves radical creative solutions and are confident taking our brief out to thousands rather than a small team of creatives will provide us with the best possible idea and take our [advertising](#) to the next level," said Peperami marketing manager, Noam Buchalter.



"We are extremely thankful to Lowe for the brilliant work they achieved over the last two decades and are looking forward to seeing the ideas to take Lowe's legacy forward into the next era of Animal."

Ideas have to be submitted to a [specially created website](#) and will be turned into an ad by the winner with help from specialist agency Smartworks. Unilever said it has no plans to retain a full-time ad agency for the Peperami account in future.

Unilever isn't the only brand looking to change up its innovation channel by reaching out to the crowd. In fact, an AMA Weekly Poll indicated that 38% of respondents are using crowdsourcing for some purpose. Twenty-one percent are using it for market research while 10% are using it for advertising/promo and 7% are using it for product development.

A number of major brands are following Unilever's lead and engaging the crowd to help them with specific tasks. L'Oreal Paris and Varsity Media Group recently conducted a "You Make the Commercial" content. Armed with only a production kit and the

challenge to create a 30-second commercial for either L’Oreal Paris Colour Juice or Studio Line “Hot” brands, Granite Bay High School in Granite Bay, CA was announced as the winner for its commercial, “Juicy”.

Samsung IQ just closed its two-month promotion, “Win BIG with Widgets” competition. It also set up a special discussion board for developers to share their experiences during the competition.

In promotion for its crowdsourcing competition, Dan Stuart, Head of Strategic Initiatives for [Bayt.com](#), is straight up honest with the crowd. He clearly states, “I can’t draw. If I could draw I wouldn’t need you. But I can’t, so I need you....badly! If you are skilled at putting concepts into images, then you can help us shape the world of Bayt.com.”

The challenge of the Bayt.com competition was to create a visual style for a series of multimedia videos that clearly explains what Bayt.com does and how its users can get the most out of the website. The winning entry is displayed on bayt.com, in the company’s related PR materials and on the contest website at [icandraw.bayt.com](#). The company chooses the best video and awards all or part of its contract for the videos to the [winner](#).

A recent *New York Times* [article](#) discusses the Netflix Prize competition, in which Netflix offered \$1 million to anyone who could improve its movie recommendations system by 10%. A winner has been selected but Netflix decided to give its other contestants an opportunity to trump the winner. If they can’t, the cash prize will be awarded to the AT&T researchers who have been working on the project for months.

Netflix may have achieved its lofty objective with the crowdsourced challenge but Thomas W. Malone, director of the [Center for Collective Intelligence](#) at the [Massachusetts Institute of Technology](#) warned in the *New York Times* article, “There is this misconception that you can sprinkle crowd wisdom on something and things will turn out for the best. That’s not true. It’s not magic.”

The article also describes how I.B.M. uses crowdsourcing via online brainstorming sessions called Jams to guide strategy and investment decisions. I.B.M. used one session, which attracted 150,000 employees, clients, partners and academics, to guide its strategy for investing in new growth fields. After sifting through all the resulting ideas, the corporation invested \$100 million in several opportunities to apply technology innovations to energy saving, health care and smart electricity grids.

Along with the benefits of open innovation come pitfalls. Henry Chesbrough, executive director of the [Center for Open Innovation](#) at the [University of California, Berkeley](#) warned that companies must be open to a culture that welcomes ideas outside its own organizational hierarchy. In addition, it must have a system in place to vet all ideas and take action on them.

The bottom line? Great ideas come from everywhere. Think outside the proverbial creative box, get out in the crowd and reap the rewards of collective innovation.