CROWDSOURCING IN MARKETING COMMUNICATION FOR HOSPITALITY INDUSTRY

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Abstract

The use of social media enables crowds of people living in geographically distant places to gather around an issue, to create communities of cohesive interests or to engage in finding solutions for the same problem. Those hospitality industry companies which not only notice the crowds of people in the social media but also appreciate their power, can use crowdsourcing as one of the instruments applied in the process of establishing and maintaining relationships with their stakeholders. The process of engaging those groups in various aspects of company’s operations is contemporarily described not merely in terms of cooperation between the company and its stakeholders but rather as co-creation of product value that is expected by the consumers.

The aim of this research is to analyze crowdsourcing as an innovative instrument applied in marketing communication campaigns for hospitality industry. Case analyses of some marketing communication campaigns elements crowdsourced by hospitality industry entities show three levels at which crowdsourcing can be applied. The first level refers to the marketing communication activities aiming at identifying the image attributes of a place/company, or crystallizing and strengthening the image attributes already identified. The second level refers to the situation in which hospitality industry may initiate the process of crowdsourcing in order to acquire content and inspiration for further marketing communication activities. The third level refers to the situation in which hospitality industry may initiate the process of crowdsourcing in order to acquire ready-to-use promotional materials.

Introduction

The use of social media brings about some cohesion in the continuously increasing area of interactions mediated by the Internet. The growing popularity of social media enables crowds of people living in geographically distant places to create communities of cohesive interests or to engage in finding solutions for the same problem. It is essential for hospitality industry companies not only to notice the crowds of people in social media but also to
appreciate their marketing power. The success of a company nowadays depends (apart from other factors) on its ability to listen to grassroot opinions of the consumers. Therefore it is essential for hospitality industry entities to use the opinions, knowledge and innovative solutions coming from their customers and other groups of stakeholders, who are interested in what the organization does. The process of engaging those groups in various aspects of organization's operations is contemporary described not merely in terms of cooperation between the organization and its stakeholders but rather as co-creation of value that is expected by the consumers. Crowdsourcing may be one of the instruments applied in the process of co-creating value at different stages of preparing marketing communication campaigns.

The aim of this research is to analyze crowdsourcing as an innovative instrument applied in marketing communication campaigns for hospitality industry. The first part of the analysis, serving as a theoretical framework for the research, focuses on the very nature of the crowdsourcing concept by contrasting it with the concepts of open innovation and user innovation and presenting types of tasks performed by means of integrative and selective crowdsourcing. The concept of crowdsourcing is relatively new and still misunderstood or difficult to distinguish from the remaining two concepts, therefore in order to clarify the differences among the three concepts a review of the already existing literature on those concepts was chosen as the research method used in this part of the analysis. The choice of literature review as a research method was made on the assumption that knowledge accumulates when the scientific research is treated as collaborative effort involving many researchers who share their results with others (Neumann, 2006: 111). The aim of this part of the analysis is first of all “to sharpen and deepen the theoretical framework of the research” (Bless and Higson-Smith, 2000: 20).

The second, empirical part of the research presents case analysis of some marketing communication campaigns elements crowdsourced by hospitality industry. The case in this analysis is understood as "a phenomenon of some sort occurring in a bounded context, (...) a unit of analysis" (Miles and Huberman, 1994: 25). Thus, the units of analysis are crowdsourcing activities undertaken by hospitality industry entities and occurring in a bounded context of marketing communication campaigns. The choice of case study as the research method used in this part of the analysis was based on the assumption that a researcher can closely investigate a contemporary phenomenon in its real-life context with the use of multiple sources of evidence (Yin, 1989). The case studies included in this analysis are of instrumental nature rather than collective one (Stake, 1995) because a limited number of subjects (tourist industry entities) were available to examine a certain pattern of their organizational behavior (crowdsourcing activities). In future, when the crowdsourcing practices develop and become more common among tourist industry entities it is possible to design a collective case study research project gathering data from a bigger number of sources. The results of the case analysis are the foundations for identifying the three levels at which crowdsourcing can be applied in marketing communication.

Crowdsourcing and related concepts of innovativeness

The simplest definition of crowdsourcing compares this concept to the mechanism of outsourcing, already well known in the theory of management and often used in the practice of managing a company. According to this definition “crowdsourcing represents the act of a company or institution taking a function once performed by employees and outsourcing it to an undefined (and generally large) network of people in the form of an open call. This can take the form of peer-production (when the job is performed collaboratively), but is also often undertaken
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by sole individuals. The crucial prerequisite is the use of the open call format and the large network of potential laborers” (Howe, 2006).

Addressing a large number of people by means of an open call is nowadays possible thanks to the development of the Internet communication platforms and tools, that is why crowdsourcing might be described as outsourcing 2.0 or simply the Internet based outsourcing. Indeed, an organization initiating the process of crowdsourcing transfers some tasks (sometimes called micro-tasks) to be performed by a large number of the Internet users, who show interest in these tasks and actively communicate with the organization and with each other. In the process of communicating with the crowds the organization can acquire information, knowledge and other assets, e.g. time and funds (crowdfunding). In case of hospitality industry companies, crowdsourcing initiative may result in obtaining not only opinions about the quality of already offered services, but also some creative ideas for the development of new services and even innovative solutions to the problems encountered by the company.

It is worth stressing however, that describing the concept of crowdsourcing as merely a form of the Internet based outsourcing limits the understanding of this phenomenon only to these tasks or micro-tasks which are shifted from the area of employees’ duties to the domain of the Internet users’ interests. Such understanding of the concept would focus only on the managerial aspect of reducing the responsibilities and labor of the employees while increasing the responsibilities and labor of the Internet users. In fact, the concept of crowdsourcing should be understood and analyzed in a wider context of generating new innovative ideas, not only performing micro-tasks. Therefore a more inclusive definition of the concept states that “crowdsourcing need not require an active shift from current employees (or again, contractors) to the crowd; it can start with the crowd” (Howe, 2006).

The definition shows that crowdsourcing may be applied not only to support or even replace employees or contractors in their already existing tasks, but also in situations which are totally new to the company, in tasks and problems that require innovative solutions. In this context, the crowdsourcing initiative shows that a company wants to use the wisdom of the crowd not only because it is easier or cheaper (e.g. when collecting a big volume of data), but because the company is genuinely interested in the external input from the crowds, because the company appreciates the value of this input and believes in the innovativeness and freshness of solutions presented from the outside. The inclusive conceptualization of crowdsourcing shows two essentials elements of the phenomenon. The first one is the practice of multi-disciplinary attitude towards problem solving processes, the attitude that is gaining significance in contemporary companies. The other element is the willingness of modern companies to seek innovative solutions by means of co-creation or peer-production.

From the communication point of view crowdsourcing is different from outsourcing, because the company communicates with the Internet users not with other companies. The process of communication takes place between the individuals who form the crowd and supply solutions/ideas and the company which benefits from crowd-generated input. The communication process is intermediated by an online platform which serves as a link between the individuals and the company, thus enabling the crowdsourcing (Schenk and Guittard, 2011: 95).

In the area of hospitality industry management the concept of crowdsourcing is relatively new, and that is why it might be confused with related concepts of open innovation and user innovation. The concept of open innovation is defined as “the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation respectively. Open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and external and internal paths to market, as they look to advance their technology” (Chesbrough, 2006: 1). Open innovation paradigm is based on the assumption
that in the era of distributed knowledge that we experience nowadays, companies do not have to rely only on the achievements of their own research and development centers, but they can actively use innovative solutions from other companies by means of acquiring patents, licenses and intellectual property rights. Furthermore, they can gain profits from selling their own knowledge resources. The concept of open innovation is a shift from closed innovation paradigm, in which the companies protect their knowledge resources, and simultaneously refrain from using external knowledge.

Both crowdsourcing and open innovation belong to the same paradigm of distributed knowledge which assumes that opening the research and development process of the company to the external knowledge resources may be a source of its competitive advantage. There are however two aspects differentiating crowdsourcing from open innovation. The first one is that open innovation refers only to innovative processes, whereas crowdsourcing may refer to other processes as well. The second one is that open innovation is based on company-to-company interactions, whereas crowdsourcing is based on company-to-crowd interaction (Schenk and Guittard, 2011: 96).

Another concept related to crowdsourcing is the concept of user innovation (Hippel, 1976, 1977), which focuses, first of all, on the active participation of consumers both in the process of enhancing goods and services and in supplying companies with innovative ideas and solutions. The consumers’ knowledge accumulated by them while using goods and services is a valuable source of innovations, because the consumers’ creative thinking can contribute to the process of improving the functionality of the existing product, but can also result in totally new solutions. A company that can skillfully use the knowledge coming from the consumers may in fact co-create the value expected by the consumers. Thus, the two essential elements of this concept are the creative identification of needs on the consumers’ part and skillful use of the consumers’ creativeness on the company’s part. According to user innovation concept, the source of creativeness and innovation are the so called lead-users. These individuals can identify the needs earlier than other consumers, and later on when the needs are satisfied by introducing the innovative solutions, it is the lead-users who will benefit most in this situation (Hippel, 1986; Franke et al., 2006).

The research on the role of lead-users in the innovation processes enabled the formulation of new paradigm of innovativeness, in which the consumers, not the companies are the initiators of such processes. Three phases can be distinguished in the processes. Phase one is when consumers pioneer new products for themselves, because producers do not see any evidence that the potential for market for such a product is profitable enough for them. Phase two is when some of the consumers’ innovations are interesting for other consumers as well, not only for the inventors. The intensity of viral diffusion of the new product is a signal for the producer showing him potential market response. So this phase shows that consumers do not only develop new products but also supply the producer with marketing research data. It is in the third phase that the producer, knowing the market potential of the new product decides to implement the idea or prototype. Sometimes the producer contributes to the process by refining the idea or redesigning the prototype in order to adjust it to low-cost mass production (Hippel et al., 2011: 29).

Both crowdsourcing and user innovation concept are based on the use of knowledge coming from people outside the organization. In case of user innovation, these people are the users of suggested solutions, whereas in crowdsourcing there are much larger undefined crowds of people, who are not necessarily the users of suggested solutions. Another essential difference is the fact that user innovation is by principle initiated by consumers, while crowdsourcing is initiated by the organization.
The range of crowdsourcing activities

As mentioned earlier, crowdsourcing can refer not only to innovative processes, but serve as well as an instrument of obtaining data, knowledge, skills, creative potential or simply the time of the Internet users. The huge variety of tasks crowdsourced may be described as a continuum from integrative to selective crowdsourcing.

Integrative crowdsourcing occurs when the aim is to obtain numerous, simple elements of information, which only put together as a whole will give integrated value. Some examples of this type of crowdsourcing include collecting geographical data from individuals living in a particular area in order to develop a map of this area, or analyzing huge amounts of text in order to find a particular piece of information. For example “The Guardian” crowdsourced a task, in which the readers of this newspaper looked through 170,000 pages of texts mentioning the British prime minister’s expenditures (Brzozkowski, 2010). In integrative crowdsourcing single pieces of information coming from one individual do not have any value per se, however as elements of an integrated system coming from a vast number of people they can become knowledge resources useful for the organization which crowdsourced these micro-tasks.

Selective crowdsourcing is on the other end of this continuum. It occurs when the solutions submitted by the crowd are selected by the organization on the basis of specified criteria. In this case even the single solution has some value, but the task of the organization (or sometimes also the task of the participating crowd) is to select the solution which has the highest value. Selective crowdsourcing can be described as a process consisting of a number of clearly delineated stages. The first stage is the clear, precise formulation of the problem that the organization wants to solve. The second stage is when the company posts the problem online and invites the crowds to solve it or perform a task. In selective crowdsourcing the third stage is particularly important, when the participating community evaluates the submitted solutions, and only after this pre-selection process the company chooses the best one. In the next stage the company rewards the winning solution and becomes its owner. The final stage is when the company benefits from implementing the solution (Brabham, 2008: 76).

Problems that can be solved or tasks that can be performed by means of crowdsourcing are generally divided into three categories: simple, complex and creative ones (Schenk and Guittard, 2011: 99). Simple problems or micro-tasks do not require from the crowds any specialist knowledge or expertise, they are usually based on the process of submitting simple information or devoting some time and most often they fall into the category of integrative crowdsourcing. A classical example of this category of crowdsourced tasks is OpenStreetMap (Stanoevska-Slabeva, 2011). The aim of this project is to create an openly licensed map of the world and users can contribute by editing data after an online registration. The simplicity of this approach helped gather more than 640,000 registered participants by June 2012 (Neis and Zipf, 2012: 148).

Complex problems or tasks which require some specialist knowledge or expertise are most often the selective type of crowdsourcing. Classical example in this category is the InnoCentive platform, “the global leader in crowdsourcing innovation problems to the world’s smartest people who compete to provide ideas and solutions to important business, social, policy, scientific, and technical challenges” (InnoCentive, n.d.).

The third category, i.e. creative tasks can be performed both in the form integrative and selective crowdsourcing. The characteristic elements here are the use of creative potential of the crowd and the search for novelty and uniqueness. Again a classical example of this category is the iStockphoto website, offering royalty-free stock images, vector illustrations, videos, music and sound effects acquired from authors registered in this service.
The users can upload their materials once they become members of this community and iStockphoto acts as an intermediary between those looking for such materials and those offering it for sale (iStockphoto, n.d.).

The above example shows crowdsourcing activities initiated by an intermediary platform, which can specialize in such areas as research and development, design or marketing. Apart from that, crowdsourcing activities can be initiated by the Internet communities gathering around a product or an issue, which is the case of OpenStreetMap project. Moreover public institutions (government agendas, local authorities, non-profit organizations) are interested in this form of acquiring knowledge, opinions and ideas from their stakeholders (Wittenberg, 2012). The scope of this research is limited to crowdsourcing activities initiated by organizations functioning in the hospitality industry.

Crowdsourcing initiated by hospitality industry

Three essential areas of responsibilities must be taken into consideration by any company initiating crowdsourcing activities. The first area is connected with the process of gaining the approval of company’s stakeholders for such activities. It is the responsibility of the company to gain this approval before starting crowdsourcing activities because inviting outside community to work on the company’s problems or tasks may be connected with transferring some knowledge about the company also to the competitors. Therefore it is crucial to clearly define first which tasks and problems can be crowdsourced and which ones cannot. The second area is connected with those situations in which certain tasks have earlier been performed by employees and now they are going to be crowdsourced. Sometimes the company has the responsibility of redesigning the process of performing the tasks, for example by dividing the task performed by one employee into several micro-tasks performed by the crowds. The third area of responsibilities is connected with the need of preparing a pilot program for crowdsourcing activities. This program will show what kind of users’ involvement the company can expect, or what quality level can be obtained in performed tasks. The variety of tasks crowdsourced nowadays makes crowdsourcing a popular instrument applied in a number of industries, e.g. in the Internet services, media and entertainment industries, technology, manufacturing, financial services, retail distribution and travel and hospitality (Massolution Crowd Power Business, 2013). In hospitality industry crowdsourcing activities can be used as an instrument of marketing communication campaigns for destinations or companies operating in this sector.

A relatively simple type of marketing communications campaign with the use of crowdsourcing activities is the one in which the organization obtains from the crowd the content (e.g in the form of posts in the social media, or audio/video files), which has the potential of making other internet users interested in the issue. An illustrative case for this level of crowdsourcing activities comes from Talk for Ireland campaign, staged in the form Facebook contest. The crowdsourcing initiative was supposed to encourage people to share with others their opinions on their favorite places, ways of spending free time, but also on the attractions and festivals in Ireland. In order to participate in the contest individuals were expected to upload a film or a photo with captions, which will clearly show why Ireland is a good place for holidays (Failte Ireland, 2011). A similar marketing communication campaign was initiated by the government of the Philippines. With the use of Facebook and Twitter they asked social media users to express their opinions on what visiting the Phillipines really meant to them. The aim of the campaign was to obtain knowledge about different elements of the place image and the crowds participating in this task helped build the brand by defining its elements clearly (Mourato, 2012). In both cases presented above, crowdsourcing was used as an instrument of obtaining knowledge about the way of perceiving a place, about the attributes of the image. This
knowledge can be applied later in the process of crystallizing or defining the elements and attributes of the image that had not been identified before by the organization.

Crowdsourcing may also be used as marketing communication campaign instrument when the image attributes and elements are clearly identified, but the organization wants to strengthen them. A case illustrating this level of crowdsourcing activities comes from Louisiana Travel, which is a part of the state’s Department of Culture, Recreation and Tourism. They asked the residents to support the effort of the state to win the title of the Festival Capital of the World. The number and variety of festivals held in this state are strong attributes of its image, therefore the organization initiating the crowdsourcing activities decided to strengthen these attributes. In their campaign called Festival Fanatics people who already love the festival life and have strong presence in social media were employed for a small fee to talk about the festival the week before the event, next to make films and photos at the festival, and then to blog, tweet, post or share pictures after the event (Modiano, 2012). The content delivered by the users and their word-of-mouth activities were expected to promote the image of the state as the Festival Capital of the World.

In another type of marketing communication campaign crowdsourcing is used as an instrument of obtaining content and inspiration for the development of promotional material. One of the cases presenting this level of crowdsourcing activities comes from Tourism Authority of Thailand. They asked in an open call anyone who has ever visited this country to share their stories in the form of photo essays called Amazing Moments. Users could upload their photos, mark the places to make a map of their journeys, add some comments and descriptions and share their amazing moments with other social media users. The content collected in this way was first used to create a website called The Most Amazing Show on Earth where visitors could browse real stories from real visitors. The intention of the Tourism Authority of Thailand was to offer prospective tourists a realistic picture of Thailand as seen by those who have already visited it (PR Web, 2011). In the second stage of this marketing communication campaign the content delivered by the crowd of participants was actually used to make a film “The Most Amazing Show On Earth – Hearing the Sunshine” with a number of episodes featuring different regions in Thailand and promoting the attractions and experiences they offer (Tang, 2011).

Another case showing this level of crowdsourcing activities is a marketing communication campaign for Quantas Airlines called You’re the reason we fly, which encouraged Australians to get involved and become part of the campaign. Quantas asked Australians to upload their photo and name via mobile phone or Facebook applications and offered as a reward an opportunity to appear in the end frame of their new TV commercial or to have the name painted on the side of an aircraft. In order to encourage the crowds to participate in this campaign Quantas even set up photo kiosks in some shopping centers where people could get a professional photo with some hair and make-up consultancy. The aim of the campaign was firstly to show that the airlines focus so much on their customers, and secondly to present the company as a responsible citizen in the Australian society. Therefore an important element of the campaign was that Quantas would support one of the Australian community organizations with the donation of $5 for each uploaded photo up to the value of $100,000 (Campaign Brief, 2012). There was a spectacular response from the crowds, because Quantas had over 20,000 participants registered on the very first day of the campaign, which meant that they immediately completed their donation target. As a result they received more than 25,000 photos that were then used to form the Qantas logo in a mosaic tile. (Quantas, 2012).

Finally crowdsourcing may be applied in marketing communication campaign as an instrument of obtaining ready-to-use promotional materials. These could be very simple materials, for example photos or films from visitors,
which are directly uploaded to a hotel website and in this way they will document and promote the quality of the services offered. As a reward for the delivery of this content hotels may offer complimentary services to those participating in such crowdsourcing activities. However, hospitality industry organizations can also consider using a more creative potential of the crowd, than taking a few photos or filming a scene or two. A case study showing this level of crowdsourcing activities comes from Visit Savannah, the official destination marketing organization for the Savannah area tourism industry. In response to some criticism of its previous promotional video the organization asked the public to create a video that shows Savannah’s spirit and charm. In the first stage of the campaign the fifteen videos received in the YouTube contest were evaluated by the organization and a panel of film experts, who chose five finalists. The aim of initiating this crowdsourcing activities was to acquire a promotional film that would be a part Savannah’s summer tourism campaign influencing vacation-buying decisions (Van Brimmer, 2012). The second stage was the public voting via a link on the Visit Savannah Facebook page, by clicking “Love it” or “Leave it”. The prizes for the finalists were $7,500 for 1st place, $5,000 for 2nd place; $2,500 for 3rd place, and the other two finalists were offered a one-night stay for two at the Savannah Riverfront Marriott (Visit Savannah, 2012). In this way the organization included a wider public in the process of acquiring ready-to-use promotional material from the outside.

Conclusions

The case study of crowdsourcing activities shows that in marketing communication campaigns for hospitality industry crowdsourcing can be used at three levels. The first level refers to the marketing communication activities aiming at identifying the image attributes of a place/company, or crystallizing and strengthening the image attributes already identified. At this level crowdsourcing is used as an instrument of acquiring data, information, opinions and knowledge. In fact crowdsourcing applied at this level functions as a form of image auditing, which can also be held with the use of traditional instruments (e.g. opinion polls), but with the use of crowdsourcing companies may have access to vast numbers of respondents. Moreover crowdsourcing offers access to those users who are real stakeholders, because with the crowds participation on volunteer basis, companies have contact with those who are in some way interested in what the company does.

The second level refers to the situation in which hospitality industry may initiate the process of crowdsourcing in order to acquire content and inspiration for further marketing communication activities. It can be observed that at this level there are different degrees of creativeness, both on the part of the users and hospitality industry entities. Collecting from visitors their holiday photos and putting them on the hotel website is an example of quite low-creativity crowdsourcing initiative. The degree of creativity increases if the company has a creative idea how to use the delivered content in their marketing communication campaigns, for example in professionally prepared promotional films. It is worth stressing here that if the company does not have such creative ideas, it is the crowd that can supply the company with ideas and suggestions, e.g. in the form of script elements for the promotional film. However, even with quite low degree of creativeness or not very high artistic merits of the final promotional product, the use of crowdsourcing offers the company initiating it a great promotional benefit. The company shows to the public that it is open to interactively communicate with its stakeholders and to co-create certain value. It initiates a partnership dialogue with users, it projects an image of a company that is ready to consider ideas coming from the outside as valuable ones, a company that wants to build positive relationships with stakeholders, notices their initiatives, values their ideas and feedback. Users participating in crowdsourcing initiatives should have a clear
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sense firstly that they co-produce the promotional materials, secondly that they contribute to the development of marketing strategy. If, for example a company wants to promote its image as a socially responsible business by offering financial support to a number of important social issues, then by means of crowdsourcing it can ask the users to choose which issues should be supported first.

The third level refers to the situation in which hospitality industry may initiate the process of crowdsourcing in order to acquire ready-to-use promotional materials. At this level the highest degrees of users’ involvement and creative potential are required, therefore it is important for the hospitality industry to understand some basic psychological mechanisms affecting this degree of involvement. People are motivated to participate in a creative project for a variety of reasons, not only financial remuneration. For some people such tasks as developing a graphic design for a new restaurant menu or composing a color palette for particular hotel rooms will be an opportunity to do something new, something they have not done before, an occasion to prove themselves in a new challenge. For some users these tasks will be an opportunity to show their talents or experiences to the outer world. Even if their project is not awarded, it is presented in social media, it can be seen and evaluated by others. People engage in creative projects also because they hope that by completing it and presenting it publicly they can get some social benefits (e.g. meeting new people for personal and professional reasons) and psychological benefits (e.g. developing their self-confidence, gaining approval from their peer-group). Projects such as creating an advertising slogan, designing a new logo or making a video commercial for a hospitality industry entity have certain emotional load for those participating in the projects. On the foundation of this emotional element an entity can build strong relationship with the users and it is this relationship that can make the users become entity’s ambassadors.

References


