Chapter 17
Crowdsourcing for Transcultural Marketing and Innovation

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ABSTRACT

The contemporary information technology and changing habits of consumers using Web-based platforms provides new possibilities for companies to exploit the innovativeness and technical abilities of consumers in their research and development work. Because of international platforms, this kind of crowdsourcing is a source for transcultural incremental and radical innovations for companies. The purpose of this chapter is to introduce the concept and available literature of crowdsourcing and different international practical solutions of companies in exploiting crowdsourcing. Finally, this chapter discusses and classifies various types of crowdsourcing activities in the context of incremental and radical innovations, and innovation strategies of the firms.

INTRODUCTION

Due to tightening international competition and structural changes of global economy, innovations have increasing importance (e.g., Kohl & Depner, 2010) among contemporary multinational companies. Especially challenging is to provide new products and services suitable for the consumers from different cultures and countries. For example, according to Porter (2008), most successful multinational companies have a "home base" in a certain country. The existence of home base also means several activities of the company, research and development among others, are mainly produced or managed by one country. Thus, there might be a contradiction between the customership of the company and the practices in developing the products for these customers: often national research and development department of the company plans and develops the products for the *international* customers. In this situation, the risk for unsuccessful converges between international demand and supply of products is high.

There are a couple of practical, alternative ways to change the situation:

1. Keep Research and Development (R&D) activities at the home base but recruit a transcultural labour force for R&D departments
2. Decentralize R&D activities globally into the different business units all over the world, perhaps emphasizing the country in which the demand for products is on the highest level, or
3. Provide virtual (transcultural) platform for innovations (Rusko, 2012).

This chapter is focused on the third alternative. In addition, the chapter emphasizes the platforms where the role of customer as an innovator is essential. The situation in which the business activities are outsourced to the crowd, that is, to the consumers, is called crowdsourcing. In crowdsourcing, a consumer is in the role of a prosumer. Prosumer is possible to define simply as a consumer in the role of producer. (Rusko, 2012).

The Internet is a popular marketing channel. Coherent multi-channel marketing is called the marketing ecosystem (Hanna et al., 2011). Web-based platforms which are provided for the international customers of the company are part of the same marketing ecosystem as the other marketing channels, despite the fact their main contribution might be based on development of ideas and innovations of the products for the companies. In other words, web-based platforms for customer innovations are also part of the same family of ecosystems in the company. The chapter discusses and classifies various types of business innovations such as incremental and radical innovations, and open and closed innovation strategies in the context of crowdsourcing activities. Thus, the chapter also participates in the discussions about the characters of innovations (cf. Chesbrough & Appleyard, 2007; Pisano & Verganti, 2008; Lampel et al., 2012).

This chapter consists of four parts. The first part discusses the literature of Innovations and crowdsourcing emphasizing their transcultural perspectives. The second part considers the ex-

ploited methods of this chapter. The third part is focused on the results and contribution of this chapter basing on some case study examples. Finally, the fourth part contains concluding remarks and the main findings.

LITERATURE REVIEW

This chapter is based on an understudied branch of business activity: crowdsourcing as a source for transcultural incremental and radical innovations. Although the theme is nearly missing in the extant research literature, there are several publications focused on sub-themes such as open internet as one possible source for crowdsourcing innovations, closed innovations, incremental innovations, radical innovations, and crowdsourcing. There are connective perspectives on all of these sub-themes at the end.

The Internet as a Part of a Marketing Ecosystem

This chapter generally emphasizes the role of the Internet as a source and platform for different kinds of transcultural innovations. In addition to platforms for innovations, the Internet is one particularly important channel of marketing. This part of the chapter discloses the multifaceted roles and possibilities of the Internet. Crowdsourcing is even possible not only as a tool for presuming, but also as a part of marketing channels and marketing ecosystems.

The Internet provides various international marketing channels and platforms to promote different products and services, and motivates customers to participate in constructing the brand for the company and its products. Although the Internet is an important channel for marketing, it is only one part of the marketing ecosystem of the company. While the company is announcing its activities and new products via the mediums of the Internet such as Facebook, Twitter, You-

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