

IDEA PLATFORMS - THE DIAMOND IN THE WEB 2.0 ROUGH

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ALL YOU NEED IS AN IDEA

Want to win \$10 million? Then head over to the [X-Prize Website](#) and participate in a brand-sponsored idea competition. But be warned, these idea competitions involve not only coming up with ideas, but actually implementing them too. So even if you've got an idea for how to get a robot to the moon (the Google sponsored contest), you're going to have to prove your idea

works too, which for most people puts an X-Prize as far away as, well, the moon.

So how about coming up with an idea for a new flavour of potato crisp instead? Walkers, the UK snack brand, is running an open idea competition to come up with new flavour ideas. And they're offering a prize for the best idea in their "Do Us a Flavour" contest – 1% of profits of products commercialized using the winning idea.

If all this creativity sounds like hard work, why not just head over to a brand-sponsored idea community – Starbucks, Dell, Google, and the White House have one – and just vote for an idea – posted by someone else – that you'd like implemented. Feel free to add your own idea too, but with live voting, only the best ideas bubble to the top. No prizes here, but you'll be participating in making better brands, and just maybe, a better world.



WWW.XPRIZE.ORG

HERE'S AN IDEA: GET AN IDEA PLATFORM

The examples listed above are indicative of a new trend in digital marketing, using the Web as an Idea Platform for users to share their ideas with brands and with each other. It's part of a broader trend towards participatory marketing – marketing with people instead of at them by providing an online platform where Web users become active participants in the marketing process.

The marketing rationale for using online Idea Platforms – giving Web users the power to participate in the direction of a brand – is simple: Marketers need to adapt the (marketing) message to the (participatory) medium of the Web. The Internet, as Web 2.0 enthusiasts have been evangelizing, is now a thoroughly participatory medium (Web 2.0 = the participatory Web). Web users no longer simply read from the Web, they also write to it.

It may well be judicious to be cautious about the whole Web 2.0 phenomenon/hype/bubble; very few brands have monetized the putative potential of the new participatory technology successfully, but the fact remains that over half of the top 50 Web sites are now participatory platforms driven, for the most part, by user content.

At the very least, the implication for brands of this evolution of Web usage is that successful digital marketing will be increasingly participatory in nature. And whilst there are a number of ways to skin the participatory marketing cat (home-made user ads, brand ambassador schemes etc), inviting users to share their ideas with brands and with each other online is emerging as a simple and effective participatory marketing strategy.

VARIATIONS ON AN IDEA PLATFORM THEME

A review of the ways marketers are using online Idea Platforms – web-based architecture that allows users to share their ideas with brands and with each other – as a participatory marketing strategy reveals four basic solutions:

1. PROMOTIONAL IDEA CONTESTS:

Online idea competitions run primarily for promotional purposes, such as the Walkers flavour contest – that has attracted over a million participants. These contests are a re-packaging of the old promotional competition format with a social media twist and a brand-focus (social media = online tools for sharing and discussing information).

Participants in Promotional Idea Competitions can play both the role of contestant and jury by both posting ideas and voting on them, with the outcome of the contest being a promised action by a brand – such as launching a new product. Because the primary goal is promotional, such idea contests are typically of an open format, with as few restrictions as possible to allow as many people as possible to participate.

Used extensively by consumer packaged goods brands (Coke, Mountain Dew, Unilever, Danone, Jones Soda), Promotional Idea Contests can be a simple and effective scalable solution for inviting consumers to actively participate in a very personal way in setting the direction of the brand. Joanne Nicoletti who runs promotional idea contests for the soft drink Mountain Dew brand on its DEWmocracy.com site believes such contests are part of a significant trend: “It is becoming very obvious that this is a trend,

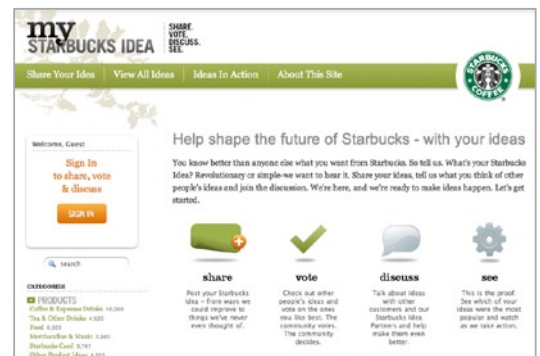


WWW.DEWMOCRACY.ORG

consumers want some control, some power over the brand that they love.”

2. PROMOTIONAL IDEA COMMUNITIES:

Online idea communities run primarily for promotional purposes, such as the open idea community MyStarbucksIdea.com, where brand users are engaged as online brand advisors – typically with a view to managing brand reputation and building brand loyalty.



WWW.MYSTARBUCKSIDEA.COM

Promotional Idea Communities are similar to promotional idea contests – open in nature, allowing a maximum number of people to participate, and allowing members to post ideas and rate ideas. However, Promotional Idea Communities typically offer no prize, nor do they have a closing date. Instead, members are encouraged to participate in forging a brand’s future on an ongoing basis, sharing and building on each other’s ideas in a collaborative as opposed to competitive environment. For example, MyStarbucksIdea.com sports a forum-based interface, similar to that of social news site Digg, where members can vote ideas



WWW.DELLIDEASTORM.COM

CASE IN POINT – BREWING BRANDS WITH IDEA PLATFORMS

When Australian software developers Larry Hedges and Liam Mulhall started the Brewtopia beer company in 2002, the odds were stacked against them. “We had no brewing experience, no industry experience, no marketing experience, no money and basically no idea what we were doing,” admits Mulhall. But the pair had an idea – set up a Website and email their friends with an invitation; use the Brewtopia Website to suggest and vote on what our future beer should be like, and in return you’ll get free beer and a share in the company – if it’s ever launched.

The email invitation was passed on through the pair’s extended social networks and soon 40,000 people in 46 countries were participating in quick and easy online brainstorming sessions – deciding everything from label, logo, and bottle design to marketing materials. The level of participation prompted Hedges and Mulhall to put their people-powered beer into production and start selling it over the Internet – mostly in the first instance to participants themselves.

Three years later, Brewtopia was listed on the Newcastle stock exchange, breaking a highly competitive beer duopoly in Australia without ever having spent a single cent on traditional advertising. The power of participatory marketing.



WWW.BREWTOPIA.COM.AU

up or down, as well as comment and discuss each others ideas – using the now standardized ‘social media’ tools of posting, rating, tagging, and commenting. Similar ‘Digg-for-ideas’ style Idea Communities are run by Dell computers (Dell IdeaStorm), Google (Google ProductIdeas) and the US Government (Citizen’s Briefing Book).

Another Promotional Idea Community of note – because of its innovative self-funding nature – is Simple skincare’s SimplyVIP.co.uk, where over thousands of brand fans are engaged as brand advisors and participate in quick online brainstorming and polls to decide on new packaging and marketing materials. This participation boosts trial, loyalty and advocacy for the Simple brand. In return for participation, Simple brand advisors get access to a private member-only online e-boutique where they get Simple skincare products at discounted rates. This combination of community and direct-to-fan e-commerce (in a way that does not upset the traditional retail channel) shows the potential for participatory marketing campaigns to be self-funding, where e-commerce income funds the platform and community management.



WWW.SIMPLYVIP.CO.UK

A final variation on Promotional Idea Communities are those designed not to promote the sharing of ideas between users and brands, but to promote the sharing of ideas between users themselves – in a brand-sponsored environment. For example, BeingGirl.com is a Promotional Idea Community sponsored by Procter and Gamble’s Tampax and Always brands for pre-teen and teen girls that exists to facilitate



WWW.BEINGGIRL.COM

idea exchange between young consumers on girl issues (in a safe, moderated and subtly branded environment) rather than between the brand and the consumer. Dollar for dollar, P&G report that this kind of promotional Idea Community is four times as effective as television advertising.



WWW.VOCALPOINT.COM

BeingGirl.com’s bigger sister, Vocalpoint.com, is P&G’s Promotional Idea Community for women; a sponsored forum for exchanging views on brands and products made up of 240,000 highly networked US female consumers. Through a combination of samples, polls and online product presentations from different sponsoring brands, P&G has shown Vocalpoint.com to be a highly effective promotional tool. For example, when Venus Breeze recently sponsored the forum, sales for the razor range brand in the US doubled. In a similar way, Hyatt Hotels uses its online Yatt’it (yattit.com) online community to promote itself by sponsoring idea exchange between guests – tips on local facilities, venues and attractions close to Hyatt hotels. But what sets the Yatt’it community apart is the clever way the platform automatically aggregates ideas into a virtual concierge service, thereby delivering something of real use to members.



WWW.YATTIT.COM

THE HAWTHORNE EFFECT AND THE FIFTH P OF MARKETING

The science behind participatory marketing is certainly solid. Research in stakeholder psychology shows that participation creates an emotional bias towards whatever it is we are participating in.

This participatory bias is so systematic that researchers have a name for it; ‘the Hawthorne Effect’ coined after a series of studies conducted at Western Electric’s production plant in Hawthorne, Chicago in the 1920s – where employees systematically felt positive towards whatever work improvement trial they were participating in.

The power of participation has even been used as an effective brainwashing technique on Prisoners of War (in psychobabble – a technique known as counter-attitudinal advocacy). And in everyday life we see the commercial power of participation through the continuing success of the should-be-tired-but-still-going-strong global Pop Idol franchise.

Could Participation line up along Product, Place, Price and Promotion to become the fifth P of the marketing mix?

3. INNOVATION IDEA CONTESTS:

Online idea competitions run primarily to solve innovation problems rather than for promotional purposes. For example, in 2000 Canadian gold mining group Goldcorp had a problem. It was running out of gold, extracting far less than neighboring mining corporations in the Red Lake, Ontario area.

So Goldcorp set up an online Innovation Idea Contest, the Goldcorp Challenge, inviting anyone with an idea as to where the next major new gold deposits could be found on its land to submit their idea. \$575,000 of prize money was put up for the ideas that yielded the most gold. The contest attracted half a million visitors from 51 countries, 1400 of whom downloaded the 400 megabytes of Goldcorp's geological data to analyze. Between them, the contestants came up with 110 ideas as to where the gold would most likely be found, half of them new to Goldcorp. More importantly, 80% of these virtual prospectors' ideas proved productive, yielding 8 million ounces of gold, worth more than \$3 billion.

As a result, gold yields for Goldcorp rose tenfold, transforming the \$100 million mining minnow into a \$9 billion mining giant.

Netflix, the DVD rental brand, has been running a similar Innovation Idea Contest since 2006. The Netflix Prize offers \$1 million to anyone who can come up with a successful idea for improving Cinematch its movie recommendation service by 10%. Cinematch is Netflix's key competitive advantage in the highly competitive and largely commoditized online DVD rental market – it predicts how you are likely to rate a movie you have not yet seen based on how you and others have rated movies in the past.

Netflix Prize contestants are invited to download 100 million historical rental ratings from Netflix's database, look for patterns in the data, and come up with algorithm for predicting how people will rate films they haven't yet seen.

In its first year, over 20,000 contestants registered for the competition from over 150 countries and 2,000 had submitted entries. As of early 2009, a number of \$50,000 progress prizes

had been won, and contestants were within a whisper of winning the \$1M grand prize, with the leading entry improving Cinematch by 9.63%.

Innovation Idea Contests such as the Goldcorp Challenge and the Netflix Prize are rather different to Promotional Idea Contests such as Walkers flavour challenge. They both use an open online contest format to engage third parties as meaningful and active participants in determining a brand's future, but they have several key differences.



WWW.NETFLIXPRIZE.COM

Firstly, Innovation Idea Contests have a different primary objective – they seek to solve an innovation problem faced by a business or brand rather than promote that business or brand.

Secondly, Innovation Idea Contests (usually) target a different kind of contestant; Innovation Idea Contests tend to seek expert contestants – whether professional or pro-am (amateurs working to professional standards) whilst Promotional Idea Contests tend to engage the typical targets of marketing campaigns – clients, customers or consumers. To this end, open Innovation Idea Contests often include an expertise filter or barrier to entry, such as the need to download and analyze 400MB of geological data.

In sum, whilst Promotional Idea Contests are firmly grounded in the 'Promotional P' of marketing, Innovation Idea Contests solve problems related to the 'Product P' of marketing.

4. INNOVATION IDEA COMMUNITIES:

Online idea communities run primarily to help businesses solve innovation challenges, in which users – usually of the expert-user or heavy-user variety are engaged as online brand advisors to work with a brand team in a virtual think-tank, brain-trust or advisory board.

For example, software manufacturer Intuit runs an Innovation Idea Community called 'the Inner Circle' made up of 70,000 users of Intuit's TurboTax software. Intuit uses its Inner Circle as a virtual advisory board for diagnosing problems and screening innovation solutions to improve the user-experience of its software. For instance, the Inner Circle has been responsible for the re-on-shoring of off-shored customer support, improvements to the software interface, and making enhancements to marketing promotions. As a result, Intuit has boosted its market share by 9% and boosted brand advocacy for TurboTax by 25%.

Kraft, the world's third largest food and beverage business, also uses online Innovation Idea Communities to drive brand innovation. In late 2004, Kraft set up an Innovation Idea Community of 300 female dieters and diet experts to help develop a range of South Beach Diet branded products. Members were recruited as paid brand advisors and invited to participate in various online activities – multi-day discussion boards, diet blogs and regular polling in order to source, screen and refine ideas for the new range and accompanying marketing materials.

By having a virtual 'brain-trust' on tap, Kraft could speed up and optimize its innovation. For instance, through the Innovation Idea Community, Kraft realized that commercial success would depend on offering a full range of products for around the clock dieting – morning to night, as well as educating dieters about the role of carbohydrates in dieting.

Innovation Idea Communities such as Kraft's may overlap with traditional marketing research but they offer the advantage of harnessing distributed intelligence in real time by using distributed online media and in doing so offer the benefits

of cutting costs, increasing speed and improving quality of participation.

Of course, traditional market research is increasingly conducted online too, but this is typically of an online survey variety sourcing participants from large 'Access Panels'. Innovation Idea Communities differ from this insofar as they are a qualitative nature – used to source ideas from experts and lead-users rather than test them with mainstream consumers. MIT's Professor Von Hippel and author of Democratizing Innovation explains: "This is not traditional market research – asking customers what they want. This is identifying what your most advanced users are already doing and understanding what their innovations mean for the future of your business."

Lego, for example, created an Innovation Idea Community of lead-users of its Mindstorms robot product to help co-create a successful next-generation product (Mindstorms NXT) based on how members were using and customizing the existing product.

Through its own Innovation Idea Community of experienced dieters and diet experts Kraft launched a highly successful 48-product line of South Beach Diet branded products that had already generated \$100 million six months post-launch.

In reality, online Idea Platforms do not fall perfectly into one of the four boxes described above – communities can use contests (e.g. Dell's social innovation competition), just as contests can use community (Netflix prize). Likewise, idea platforms that exist for primarily promotional



WWW.DELLSOCIALINNOVATIONCOMPETITION.COM

purposes can also serve a secondary innovation purpose (Walkers' flavour contest), as can innovation idea platforms serve a promotional purpose (Goldcorp has used its open innovation contest to vigorously promote itself).

Nevertheless, cutting the Idea Platform 'cake' in this way – by primary objectives and mechanics – provides a simple conceptual framework for understanding this emerging use of digital technology.



WWW.WALKERS-CRISPS.CO.UK

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A FUTURE TREND: ONLINE IDEA BROKERS

Before turning to some practical tips from the field for setting up and running online Idea Platforms drawn from interviews with platform owners – there is one emerging trend worth noting – the rise of the Online Idea Broker.

Online Idea Brokers are syndicated idea platforms, typically with an expert community, that any brand can tap into to source ideas. They are important because they represent the sedimentation of Idea Platforms into the marketing process.

InnoCentive.com and OpenAd.net are two online Idea Brokers that brands use to source innovation and advertising ideas. InnoCentive is a 2001 spin-off from Eli Lilly's Internet incubator and a vehicle for spotting and commercializing solutions to R&D conundrums for a number of companies ranging from P&G, Dow to Boeing. It's Pop Idol for scientists.

Site visitors to InnoCentive.com (currently 140,000+ experts from 170 countries) can regis-

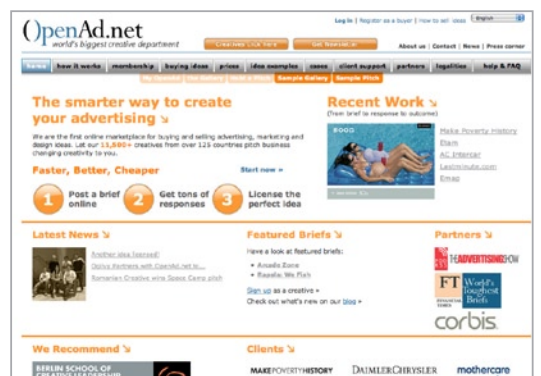
ter as contestants for any number of corporate-sponsored idea challenges. A solution for getting red wine stains out of shirts? Check. A new solar-powered torch concept? Check. Washing up liquid that changes dishwasher colour at the right concentration? Check. Science heaven. Contestants post their entries privately online, and a jury made up of the sponsoring company's executives decide on the winning entry.

Winning contestants receive a prize of \$10,000 to \$100,000 and InnoCentive manages any intellectual property transfer to the contest sponsor, whilst pocketing a commission (around 40% of the prize fee). It's payment by results R&D. And for over 50 businesses, InnoCentive is a fast, effective and efficient way to turbo-charge internal innovation.

Dwayne Spradlin, CEO of InnoCentive, believes his online idea platform is part of a revolution that is transforming how businesses do innovation – supplementing internal resources with the distributed intelligence of the market.



WWW.INNOCENTIVE.COM



WWW.OPENAD.NET

If InnoCentive is the world's largest R&D department, then OpenAd.net is the world's largest creative department. It's Pop Idol for advertising creatives, a contest-based idea platform where creatives from around the world can pitch their best ideas to crack tough advertising briefs posted by contest sponsoring brands.

OpenAd.net site, launched in 2004, currently attracts some 12,000 advertising professionals – mostly freelancers – from 125 countries. As with InnoCentive, the contest sponsor, typically a brand or an ad agency, gets to set the challenge and the prize, and become judge and jury. Winning contestants receive a prize of \$3,000 to \$100,000 (minus 22.5% commission taken by OpenAd), and the contest sponsors – ranging from Mercedes Benz to Sony, MTV and last-minute.com – get campaign ideas fast and cost-effectively with a license to implement them. Like Spradlin, Katarina Skoberne, co-founder of OpenAd.net, believes she's participating in a game-changing revolution in how marketing is done, using online idea platforms to market better, faster and cheaper.

Online Idea Brokers such as InnoCentive.com and OpenAd.net show how Idea Platforms are beginning to change how businesses source ideas by looking outside traditional sources through Idea Communities and Idea Contests. For brands, the emergence of these online Idea Brokers is an easy solution for the outsourcing of 'idea sourcing' to established communities and contest platforms, without them having to set up and administer one themselves.

Procter and Gamble are now sourcing over 50% of new product ideas – including the ubiquitous Swiffer – externally through Idea Brokers such as InnoCentive and others as Yet2.com. Mary Ralles, head of external relations for P&G Connect+Develop, the department that looks after online Idea Brokers, underlines the importance of the shift "If you think of our 171 year history and for 160 of those years, we invented everything internally".



WWW.PGCONNECTDEVELOP.COM

By harnessing the potential of online Idea Brokers, P&G has undergone a cultural revolution. The once pervasive 'Not Invented Here' syndrome has been squashed and replaced with a shiny new Web 2.0-compliant mantra: PFE – Proudly Found Elsewhere.

Whilst online Idea Platforms vary in marketing objectives (promotion vs. innovation) and mechanics (contest vs. community), a tentative set of shared guiding principles is beginning to emerge for the successful implementation of Idea Platforms online. The following insights were drawn from a series of interviews with online Idea Platform managers and owners conducted in January 2009, and combined with desk research into how brands are using Web as an Idea Platform for users to share their ideas with brands and with each other.

1. START SMALL:

Idea Platforms are often counter-cultural for many organizations where a command-and-control ethos is more dominant than any desire to connect-and-collaborate. So start small, nurturing small experiments led by enthusiasts and experts in an online marketing 'sandbox' where success is not business critical – perhaps working with a syndicated Idea Broker such as InnoCentive.com or OpenAd.net to learn the ropes. Allow organizational experience to move mind-sets. Scott Cook, Intuit's cofounder who has been pioneering the use of Idea Platforms for the software business since 2005, recommends only seeking organizational buy-in after you've had some success.

2. REMEMBER THE 90:9:1

Rule: Not all Web users are equal – there is strong 'participation inequality' online, meaning only 1% of Web users will be open to participating in your Idea Platform, because overall only 1% of users currently create content online. 9% may rate or comment on content, whilst the 90% will not participate at all, because their Web experience is uniquely about consuming content. So temper expectations of participation levels and ensure you get the motivational mix right to attract the creative 1%.

3. GET THE MOTIVATIONAL MIX RIGHT:

Why do people participate in participatory marketing initiatives such as Online Idea Platforms? Opinions differ, but a review of the literature and discussions with platform owners suggests that motivations boil down to something that could be called the 4Fs of online participation: Fame, Fortune, Fun and Fulfilment. Good Idea Platforms will offer participants a mix of all four Fs:

1. Fame – what can you offer participants in the way of enhanced status or exposure to other participants, their peers or (future) employers? For example, OpenAd.net allows young advertising creatives to boost their status with employers and peers alike, whether they win or not, by working on briefs for prestigious brands.

2. Fortune – incentives are important and signal to participants that the business or brand is taking the initiative seriously, and respects their input. However, few participants appear to be motivated by financial reward alone – so financial incentives and prizes should not be used to the exclusion of the other three motivators.

3. Fun – successful Idea Platforms make participation fun. When newassignment.net ran an idea challenge – asking participants for their ideas in essay format, the initiative had all the popularity of a mid-term essay. By tweaking the idea challenge – to capture ideas of opinion leaders through simple Q&A interviews, the initiative was a success.

4. Fulfilment – much participation will be contingent upon the personal fulfilment that participants feel from participating. This can include scratching an itch for creative expression, satiating a desire to help others, successfully furthering one's ambitions, or connecting with like-minded or aspirational people. Whatever the fulfilment on offer, respecting the effort of participants with a genuine thank you will go a long way making participation a fulfilling experience.

4. DEAL WITH STURGEON'S LAW:

A dictum of Theodore Sturgeon, a science fiction writer has permeated participatory marketing as a truth well told: 90% of everything is crap. And this includes ideas posted online on online Idea Platforms, which means you need to have a system in place to filter out the crap. One solution is to have a large internal jury to screen ideas, such as IBM when they run their regular online "Idea Jams", online global brainstorming challenges involving 150,000 participants from 104 countries generating up to 46,000 ideas. The jury members screen out all but the best ideas for consideration by an executive jury. An alternative solution used by Starbucks and Dell is called "collaborative filtering" that involves getting participants to rate or vote for ideas as they participate in order to separate the wheat from the chaff.

5. HARNESS JOY'S LAW:

The counterpoint to Sturgeon's Law, "No matter who you are, most of the smartest people work for someone else," attributed to Sun Microsystems co-founder Bill Joy. Joy's Law explains the rationale for opening up marketing challenges to the global network of human brains. Ask yourself if we could have any group of people to work on this brief, who would it be? Build your Idea Platform to attract accordingly.

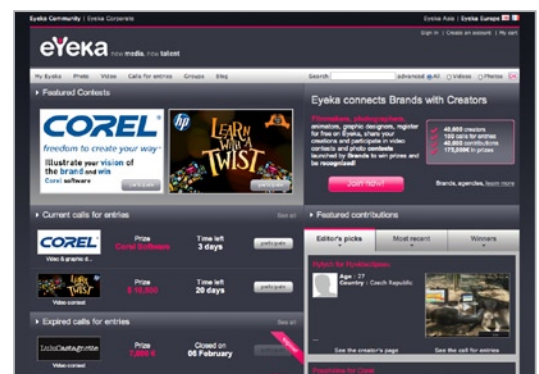
6. KISS: KEEP IT SIMPLE, STUPID:

Simplicity is key for the success of online Idea Platforms in terms of IT, sign up, submission and the task itself. The goal should be to make it really quick and easy for participants to participate. For example, one online Idea Platform (newassignment.net) was built on a complex content management system (Drupal) and required participants to know their way around the CMS before they could even participate – and of course they didn't. Likewise, new Web 2.0 collaborative software such as "Wikis" (wiki means fast in Hawaiian but are anything but fast to use in practice) may be powerful but require a learning curve that most participants are not prepared to climb. Instead, the goal should be 1-click participation, and it should be crystal clear what participation requires through

easy to read instructions. Lengthy sign up and submission forms should be mercilessly culled, and participation where possible should involve actions familiar to participants such as those that have become the standard array for online participatory media (post/rate/vote/tag/comment). Finally, the ideation task itself should be as simple and easy as possible – successful Idea Platforms tend to capture ideas that already exist in participants' heads – rather than force them to generate new ones. 75% of winning ideas at InnoCentive were already known to the winners before they read the idea challenge. The task should be simple and quick to complete: Idea Platforms that ask people to come up with complex ideas such as ideas for a new generation of computers (Asus and Intel's WePC.com initiative) or essays on the future of journalism (newassignment.net) are unlikely to succeed. In Idea Platforms the KISS principle rules.

7. TARGET COMMUNITIES (OF PRACTICE):

Successful Idea Platforms tend to coalesce existing communities of practice, based on what people do, rather than on what they think. Think InnoCentive's community of scientists, OpenAd's community of advertising creatives or CrowdSpring, an Idea Platform for graphic designers, or Eyeka, an Idea Platform for graphic designers. By building on an existing community of practice – sports coaches rather than Nike fans, for instance – Idea Platforms can tap into existing social networks. In addition, they can become popular destinations for peer-exchange, which can become important social glue driving participation. If possible, consider building your Idea Platform on an existing online community related to your category, instead of repeating the



WWW.EYEKA.COM

“Build it and they Will Come” delusion of early online brand fan communities – which according to a recent Forrester report typically have as few as 100 active members whilst costing \$2-300,000 a year to run. Finally, build community on the Idea Platform, even if you are running an Idea Contest by providing a forum or social networking space to allow participants to connect with each other. Idea Platforms work best when they are about people first, then ideas, then technology.

8. MANAGE THE PROCESS:

Idea Platforms need platform managers, they rarely if ever run themselves. For example, Starbucks has a team of 48 specially trained employees who act as managers and discussion hosts, encouraging participation and feeding back on ideas. Jeff Bruzzo who heads up Starbucks’ Idea Platform argues that without active platform managers, participation could intimidate newcomers. “These are the people at a dinner party who make sure everyone is having a good time.”

9. GET LEGAL INVOLVED:

From an intellectual property (IP) perspective ideas are a rather slippery concept, and ownership depends on who’s seen them, when and in what form. Which is why it is important to either get the legal team to draw up a cast iron ‘terms and conditions’ contract for participants to sign, or use an existing idea broker that has already gone through the process. Katarina Skoberne, co-founder of OpenAd.net, believes that “getting the legals right” is a fundamental pre-condition to using Idea Platforms.

10. PROMOTE THE PLATFORM:

Finally an Idea Platform, whether of the contest or community variety, needs to be promoted in order to attract participants. If you’ve built the platform on an existing community, then you’ll have a head start with community members, but most Idea Platforms actively promote themselves through online banner advertising, Google ads, email campaigns, and even though traditional media advertising and PR. For example, the Walkers Idea Platform for its “Do Us a Flavour” campaign is supported with a £10m advertising campaign, including television and celebrity endorsement (Gary Lineker).

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CONCLUSION: OPEN MARKETING AS THE FUTURE OF BRANDS

Online Idea Platforms are a relatively new tool in the digital marketing armoury – designed as a relatively simple solution for doing participatory marketing. But they are also part of a broader business trend that is harnessing distributed intelligence and performance through an online global human network.

Whereas Joy’s Law that “No matter who you are, most of the smartest people work for someone else” used to be a problem – now it is an opportunity. Why source ideas, solutions or even labour from within the confines of an organization, when there is a global network of minds ready to work for the brand, a dream team ready to be

coalesced, and a global marketplace of ideas to work with?

As the age of mass marketing enters its inexorable decline powered by extreme user control and the hyper-fragmentation of media, online Idea Platforms offer marketing an opportunity to reinvent itself and embrace what could be called “Open Marketing” where brands evolve to become platforms for linking creatives and consumers. In the global laboratory that is the Internet there are perhaps three brands that embody this vision of Open Marketing, and provide us with a blueprint of tomorrow’s brands.

OPEN MARKETING – THE THREADLESS MODEL

As a fashion brand operating in the highly competitive and largely commoditized t-shirt market Threadless has an enviable reputation; it sells out of every line it produces – generating \$17m+ in annual sales with a healthy 35% profit margin.



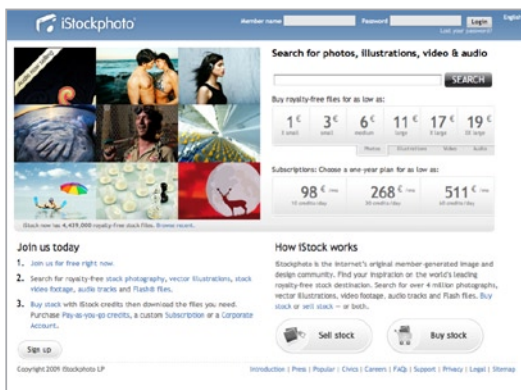
WWW.THREADLESS.COM

Its secret is Open Marketing – the Threadless brand exists solely as a platform for linking creatives and consumers that makes money by talent spotting and commercializing new graphic design through online contests in which site visitors participate as contestants, jury, and customers. The mechanism is simple and elegant; the 600,000+ regular site visitors to Threadless are always presented with three options – become a contestant on the site's latest t-shirt design contest and submit a design, become a member of the contest jury and vote on a design, or be a customer – and buy one of the previous winning designs. Every fortnight Threadless takes the most popular of newly submitted designs and puts them into production, and sells them on the site. Winning contestants receive a \$2500 prize in return for commercial rights, and get their name put on the t-shirt label. Winning designs always sell out.

OPEN MARKETING – THE ISTOCKPHOTO MODEL

iStockphoto is a second brand built on Open Marketing – it is a platform for linking creatives and consumers that makes money by spotting and commercializing the work of talented photographers. iStockphoto dwarfs Threadless in size, turning over \$72m from the 67,000 photographers it "manages" (estimated to rise

to \$262m within three years). The iStockphoto process is as simple and elegant as that of Threadless. Once through an initial quality-control "audition" involving uploading three photographs judged by an internal iStockphoto jury, any photographer can participate in what is effectively an ongoing open photo contest by uploading their photos and tagging them with keywords. Contestant photos are then progressively rated as they are viewed by users looking to download photos by purchasing them for a few dollars, just a fraction of the price they would have paid for stock photos just a few years ago. Unlike Threadless, there is no winner-takes-all prize - instead the \$1m+ weekly prize money is shared based on commercial success of each entry – the number of times it has been downloaded that week. In all, iStockphoto hands out 20% of its revenue in prize money to contestants, which for successful 'iStockers', as contestants call themselves, can amount to \$300-400K per year.



WWW.ISTOCKPHOTO.COM

OPEN MARKETING – THE APPLE MODEL

Until 2008 Apple Inc was one of the most closed, secretive 'top-down' brands on the planet – and probably the best case against Open Marketing. Then as it so often does, Apple made a game-changing move. It launched an Application Store for its ubiquitous mobile phone and music player, the iPhone and the iPod touch. The Application store is an Open Marketing platform for linking creatives and consumers that makes money by spotting and commercializing the work of talented software designers. Via phone, music player or computer, consumers can access and purchase from a burgeoning catalogue of 15,000+ Apple-vetted software applications created by talented third-party software designers. In doing so, Apple – along with its iTunes marketplace, is transforming itself from manufacturer to platform. For software designers, Apple's App store provides direct access to a global market on industry-busting favourable terms (Apple takes 30% commission on sales) and an intimate association with the world's most respected brand. For consumers – who downloaded 100,000,000 times from the

App Store in its first sixty days (accelerating to half a billion after 200 days – 1/3 of the time it took iTunes to reach that number) – the App Store provides access to the creative fruits of a global talent pool – with the all-important Apple seal of quality. In opening up and tapping into this global talent pool Apple is evolving into an Open Marketing platform for linking creatives and consumers, and in doing so has not only extended its product range by 15,000 items, at virtually no cost, but has hardwired creativity into the Apple brand.



WWW.APPLE.COM/IPHONE/APPSTORE/

The Open Marketing models of Apple, Threadless and iStockphoto are ambitious experiments that take Idea Platforms and marketing to a new space and a new business model. They may not appear immediately relevant to many marketers and brands, but as pioneers in this Open Marketing space they are, at the very least, useful creative stimulus. So if nothing else, it is perhaps worth tracking the fortunes of these three upstart initiatives and asking your marketing teams from time to time a simple question. If our brand was the Apple App Store, Threadless or iStockphoto what would it do?

For many brands, marketing's foray into Web 2.0, the participatory web, has been an expensive mistake. Ignored ads on social networking and social media sites, undiscovered and unused branded web applications, and brand communities that are little more than virtual ghost towns haunted only by the desperate, lonely and compulsive. From this perspective it's no surprise that in 2009 the marketing community has voted "Web 2.0" the most reviled buzzword for the second year running. At the very least, Idea Platforms are a useful antidote to this cynicism, they work and they are delivering results.

[Apple \(App Store\)](http://www.apple.com/iphone/appstore/) – <http://www.apple.com/iphone/appstore/>

[Asus / Intel WePC](http://www.wepc.com) – <http://www.wepc.com>

[Brewtopia](http://www.brewtopia.com) – <http://www.brewtopia.com>

[Citizen's Briefing Book](http://citizensbriefingbook.change.gov/ideas/) – <http://citizensbriefingbook.change.gov/ideas/>

[CrowdSpring](http://www.crowdspring.com) – <http://www.crowdspring.com>

[Danone OnVoteTousPourDanette](http://www.onvotetouspourdanette.com/) – <http://www.onvotetouspourdanette.com/>

[Dell IdeaStorm](http://www.dellideastorm.com) – <http://www.dellideastorm.com>

[Dell Social Innovation Competition](http://www.dellsocialinnovationcompetition.com) – <http://www.dellsocialinnovationcompetition.com>

[Eyeka](http://www.eyeka.com) – <http://www.eyeka.com>

[Goldcorp Challenge](http://www.goldcorp.com) – <http://www.goldcorp.com>

[Google Product Ideas](http://productideas.appspot.com/) – <http://productideas.appspot.com/>

[Hyatt Hotels Yatt'it](http://www.yattit.com) – <http://www.yattit.com>

[InnoCentive](http://www.innocentive.com) – <http://www.innocentive.com>

[Intuit Inner Circle](http://intuitic.satmetrix.com/intuitctg_community/) – http://intuitic.satmetrix.com/intuitctg_community/

[iStockphoto](http://www.istockphoto.com) – <http://www.istockphoto.com>

[Jones Soda](http://www.jonessoda.com/) – <http://www.jonessoda.com/>

[Lego](http://mindstorms.lego.com) – <http://mindstorms.lego.com>

[Mountain Dew DEWmocracy](http://www.dewmocracy.com/) – <http://www.dewmocracy.com/>

[MyStarbucksIdea](http://www.mystarbucksidea.com) – <http://www.mystarbucksidea.com>

[Netflix Prize](http://www.netflixprize.com) – <http://www.netflixprize.com>

[New Assignment](http://www.newassignment.net) – <http://www.newassignment.net>

[OpenAd](http://www.openad.net) – <http://www.openad.net>

[P&G Being Girl](http://www.beinggirl.com) – <http://www.beinggirl.com>

[P&G Connect & Develop](http://www.pgconnectdevelop.com) – <http://www.pgconnectdevelop.com>

[P&G Vocalpoint](http://www.vocalpoint.com) – <http://www.vocalpoint.com>

[Simple SimplyVIP](http://www.simplyvip.co.uk) – <http://www.simplyvip.co.uk>

[Threadless](http://www.threadless.com) – <http://www.threadless.com>

[TRND](http://www.trnd.com) – <http://www.trnd.com>

[Unilever/Sprint InTheMotherhood](http://www.inthemotherhood.com) – <http://www.inthemotherhood.com>

[Walkers Do Us a Flavour](http://www.walkers-crisps.co.uk/flavours/) – <http://www.walkers-crisps.co.uk/flavours/>

[X Prize Foundation](http://www.xprize.org/) – <http://www.xprize.org/>

[Yet2](http://www.yet2.com) – <http://www.yet2.com>

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SYZYGY

Syzygy is a European agency group for interactive marketing with more than 300 employees. The six operating subsidiaries of the Syzygy Group with branches in the UK and Germany offer large European companies a comprehensive range of services from strategic consulting through project planning, concept and design to technical implementation. Syzygy's range of services is rounded off by search engine marketing and online media planning. Sales generated in 2007 amounted to more than EUR 27 million. Clients are national and international companies such as AVIS, BSKyB, Commerzbank, Daimler, Dolce&Gabbana, Essent Trading, Ferrero, Littlewoods, Mazda, Nokia, o2, Sky Travel and Wyeth.

DR PAUL MARSDEN



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