Chapter 4
Social Media, Crowdsourcing, and Marketing

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ABSTRACT

Social media has emerged as a new playing ground for digital marketing. Supporting the resource view of the organization, crowdsourcing is a strong platform for social media marketing. Crowdsourcing on social media for marketing is strengthening companies in terms of saving marketing expenditure; promoting at speed of light; and enhancing the organizational learning, collaboration, and performance. The chapter tries to focus on the relevance of social media, crowdsourcing, and marketing, which help the company to improve, innovate, and cultivate on the crowdsourced wisdom. The future of social media, crowdsourcing, and marketing depends on how companies change the way they perceive stakeholders, business, and processes.

INTRODUCTION

Social media is an expanding and growing platform for communicating expectations among the stakeholders. According to a survey conducted by Misco International Limited, in association with the Ornate Group, it has been found that two out of three business feel that social media is important for sending a message (Times, 2021). According to Kaplan and Haenlein (2010), Social media is "a group of internet based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content." Adding to this, Kietzmann, Hermkens, McCarthy and Silverstre (2010) defined social media as media that "employ mobile and web based technologies to create highly interactive platforms via which individuals and communities share, co-create, discuss and modify user-generated content."

Social media made pervasive, substantial alterations in the communications and businesses have been pointed at the centre of a new communication landscape (Kietzmann et al., 2010). Social media is considered as a subset of internet marketing. Businesses mostly prefer to use social media like Facebook

(90%), followed by LinkedIn (71%), Instagram (62%) & YouTube (36%) (Times, 2021). 'The honeycomb of social media' offers seven functional blocks like sharing, presence, relationships, identity, conversations, groups and reputation (Kietzmann et al, 2010) at the disposal of companies for the purpose of marketing. For companies to fully leverage social media and reap the benefits of marketing, companies must learn and acquire new skills and strategies (Scott, 2015). Outsourcing the non core activities and diverting such activities to experts helps companies to explore benefits cost effective expert generated solutions. Combining outsourcing with social media, crowdsourcing offers a much desirable strategic way to reach solutions to an array of problems. Businesses can develop capabilities and enhance performance by effectively employing social media resources (Paniagua and Sapena, 2014).

CROWDSOURCING

Management literature has broadly analyzed the outsourcing concept (Parmigiani, 2007). Focusing on the resource based view of the organization, companies attempt to be competitive by channelizing its resources towards the core activities and outsourcing the non-core activities to outside parties and reduce the cost substantially. Therefore, "companies should commit most of their resources to their core competence, while outsourcing the rest of their functions to specialized entities." (Li and Petrick, 2008,p. 237). With internet, technology and globalization on the one edge of organizational environment, information travels at the speed of light. Additionally, companies also try to develop and nurture the mechanisms to attract experts to focus and provide solutions to the problems or work that suits them the most. This brings the attention of the companies to ensure that the experts must come under the ambit or in close proximity of the companies, so that the expertise can be accessed at ease and earliest. In other words, companies are shifting their attention to "folk capital", or "community capital" or "global capital" or "masscapital".

Building on the merge of concepts of 'community' and 'outsourcing', crowdsourcing has emerged as concept of twenty first century. Jeff Howe and Mark Robinson coined the term "crowdsourcing" in 2005. Surwiecki (2005) suggests "many hands make light work" to the concept. Crowdsourcing is "the act of taking a task traditionally performed by a designated agent (such as an employee or a contractor) and outsourcing it by making an open call to an undefined but large group of people" (Howe, 2008). Brabham (2008) defined crowdsourcing as "an online, distributed problem solving and production model." Whitla (2009) elaborated the concept as a process of arranging work for organisations and offering returns to whosoever in the group completes the work. Crowdsourcing is an emerging trend which pools in the wisdom of crowd on internet and helps firms in solving problems or handling tasks that require huge human capital (Li, Hsieh, Lin and Wei, 2020).

SOCIAL MEDIA AND CROWDSOURCING

Crowdsourcing is emerging as a strong platform for social media marketing. Social media contributes in marketing generally by two main forms, i.e. one is to employ crowdsourcers for completing tasks and carrying out marketing of products, and the second is to employ the crowdsourcers as experts for contributing in promoting and advertising campaigns.

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