Recollect the Tournament Approach

Explore and Nurture

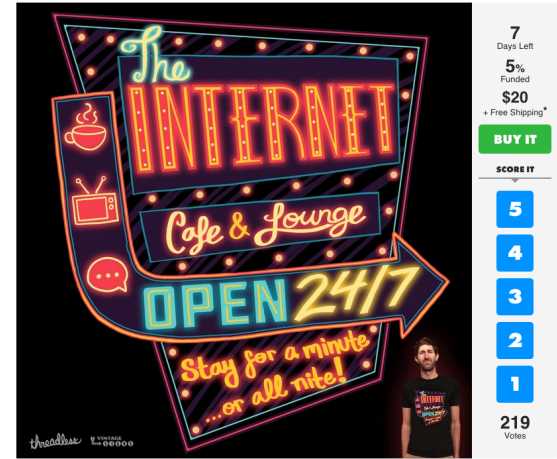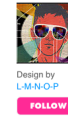Invest and Develop

Select
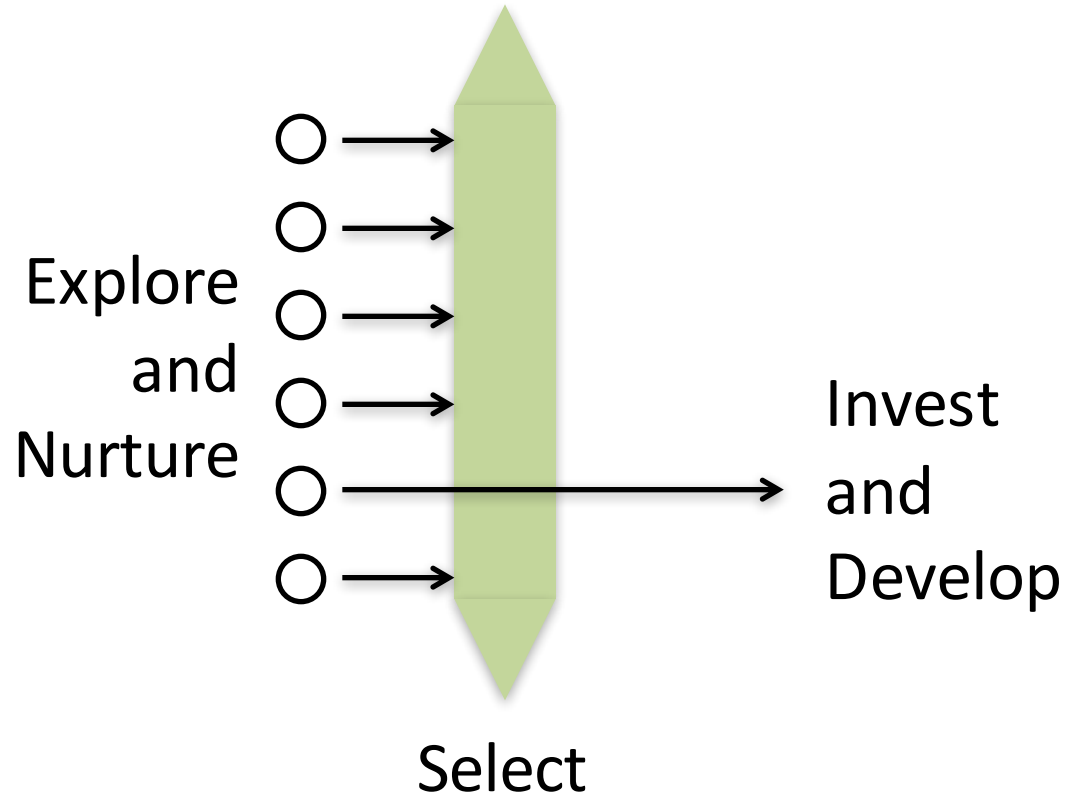
Case Study: Threadless

- Website for crowd sourced shirt designs

- Early innovator, company founded in 2000

- Started by Jake Nickell after he won an online T-shirt design challenge

- Launched a website with weekly design challenges
  - Top designs are printed & sold
  - Winners receive cash and royalties

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Entrepreneurship

Unparalleled Volume and Diversity of Ideas

- ~1,000 submitted designs per week on average, 10 selected for printing

- Over 500,000 designs submitted to date by roughly 300,000 contributors
  - Nearly 8,000 designs printed

- Diversity: 70% of designers from outside U.S. including South & S.E. Asia, Europe, S. America and Australia. Age ranges from 14 year old kids to 65 year old retirees

Above: Threadless's voting interface

Below: Threadless's most popular design

Crowdsourced Idea Generation Used by Many Companies

IdeaStorm can help take your idea and turn it into reality.

OVER 24,274 IDEAS SUBMITTED. 748,363+ VOTES. 101,918+ COMMENTS. 549+ IDEAS IMPLEMENTED.

- Dell's IdeaStorm

  - Dell customers post suggestions on new product & service improvements
  - Over 24K ideas submitted & several product innovations implemented such as backlit keyboards

- MyStarbucks Idea

  - Over 200K ideas submitted; implemented ideas include launch of "flat white" & reintroduction of Mocha coconut Frappuccino

Voting on Crowd Sourcing Platforms as a Proxy for Demand

- Votes on a crowd sourcing platform can function as a proxy for demand
  - Addresses uncertainty during the early phase of opportunity selection
  - On Threadless, ideas that end up in the top 5% in terms of votes are considered by management
- Managerial Judgment remains important
  - Voting is costless, purchases are costly
  - Voting population isn't representative of typical consumers

Reasons for Participation in Crowd Sourcing

- Monetary Incentives (Threadless)
  - Lump Sum Payments
  - Revenue Sharing

- Encourage a company to address their needs
  - Dell IdeaStorm, My Starbucks Idea

- Skill Development (Threadless)
  - Practice skills and feedback

Other Sources of Customer Feedback

- Indirect Feedback – customers say what they're thinking, but not directly to the company
  - Online Product Reviews & Social Media posts
- Case Study: C&A Marketing
  - Founded in 2003, now has 11 brands and a ~50,000 product portfolio
  - Uses Amazon Product Reviews to develop new products
  - Jumbl – Consumer products for retail through Amazon
  - Ivation – Highly successful Jumbl products are redesigned and sold as Ivation

Budget conscious consumer products sold on Amazon

Image conscious up-scaled versions sold in retail stores and on Amazon

Summary

- Customers can be a great source of ideas for new products and new features for existing products
  – More powerful for corporate entrepreneurship
  – But startups can use as well by reaching out to prospective customers and looking for indirect feedback

- Can help speed the process of idea generation and customer validation of ideas