
Next Generation of Crowdsourcing: Crowd Empowerment

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Crowdsourcing is one of the most powerful tools for identifying business opportunities and challenges. From asking customers for their opinions to sending them to specific locations to share their experiences, crowdsourcing has given many businesses detailed insights into what's happening and what needs to change in order to grow.

As an investor and advisor to some of the most innovative cybersecurity companies in the world, I've seen firsthand the value that harnessing the power of the masses can bring to a business. Crowdsourced data has helped businesses identify areas of weakness and opportunities for improvement, which has driven the businesses that I have worked with to innovate quickly, uncover new opportunities, minimize risk, and maximize profit. Much like every other industry that it serves, crowdsourcing is evolving and evolving quickly. Advancements in technology infrastructure and increasing adoption of universal payment methods are leading to the democratization of data collection.

Where it was

Crowdsourcing has always been a powerful tool to glean insights from the masses quickly. However, its potential was hindered in the past by a number of factors:

- Limited access to smartphones and mobile internet access in less developed countries and more rural regions of the world
- Inability to compensate people for their time and effort in the right currency
- Lack of on-the-ground resources that could speak local languages

This has limited the number of people who could participate in crowdsourcing to those who were wealthier or in countries that were more developed and had the infrastructure in place to transmit data back to clients.¹

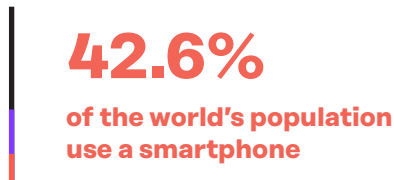
How is crowd empowerment different?

If crowdsourcing is defined as “the practice of obtaining information or input into a task or project by enlisting the services of a large number of people, either paid or unpaid, typically via the internet,” then crowd empowerment is defined as “the practice of tapping into the collective intelligence of millions of individuals, their communities and organizations in order to output shared knowledge that serves to better our world.”

Empowering a crowd goes far beyond “brainstorming,” beyond asking people to share opinions or supply information. Everyone involved, from a business to the people on the ground collecting insights, benefits when an organization commits to investing in the crowd. Communities benefit from having contributors who are engaged in collecting data about the world around them. Businesses benefit from having an engaged network of on-the-ground contributors providing them with detailed qualitative, quantitative, and photographic insights that help shape all manner of business decisions.

What’s driving change

Rapid advancements in technology have made crowd intelligence more accessible, reliable, and convenient for both the companies that need the data and the people who collect it. This, in turn, has empowered more businesses and government entities to leverage crowdsourcing to generate more data to determine more decisions.



For example:

- The Pew Research Center reports that 85% of all American adults own a smartphone of some kind compared to 35% a decade ago. Statista, meanwhile, reports global smartphone usage to be at 3.6 billion, or roughly 46.2% of the world's population. Further, infrastructure advancements have made it easier for more people to access the mobile internet regardless of where they are. This has empowered more businesses and more individuals in the most far-flung and remote portions of the world to enjoy the economic benefits that come with crowdsourcing.
- Data shows that smartphone users are more likely to spend most of their time on mobile apps when using their smartphones. In fact, eMarketer estimates that US adults will spend 88% of their time on smartphones using mobile apps.

Mobile apps are becoming more sophisticated in terms of being able to translate tasks into different languages and making it easier for contributors to upload images.

- The rise of payments platforms like PayPal and Coinbase combined with the advent of cryptocurrency has made it easier for businesses to financially reward contributors for their efforts.
- Advancements in artificial intelligence and machine learning have made crowdsourced data more reliable and easier to geotarget, ensuring the businesses are consistently getting accurate data from the exact location they need it from.

Real World Applications

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Talking about crowd empowerment is one thing. Visualizing it in action is another. Crowd empowerment has applications that can impact business decisions across any and all industries.

For example, let's say you run a chain of amusement parks. I can envision a scenario wherein the head of operations and their team use a Premise application programming interface (API) to connect with the park's guest experience app. Through the app, the park could reward visitors with rewards such as points to spend in a gift store or a percentage off a future visit in exchange for reporting on ride conditions, concession stand compliance, cleanliness of bathrooms, and any potential safety concerns that they notice. These insights could be supplemented with survey questions around customer service. Senior management can determine how conditions vary from location to location and implement measures needed to improve the overall guest experience.

Another example -- let's say you run an American adult beverage company and you want to assess whether grocery stores are setting up Super Bowl endcaps the way that they're supposed to. Instead of deploying high-priced consultants to do display audits, you could pay customers to report on the appearance of those endcaps while they're out shopping anyway. In essence, you're rewarding customers for running errands while at the same time learning more about how your products are positioned in specific store locations. Everybody wins.

The Premise Advantage

The Premise Advantage got involved with Premise because, simply put, Premise is best positioned to help companies capitalize on the crowd empowerment movement. Premise's smartphone app reaches people in more than 100 countries across 30 languages. This means that no matter where you could need information in the world, Premise can help you get it and get it quickly.

Premise allows brands to have eyes and ears on the ground and to gain greater insight into what people are experiencing in real time. This, in turn, empowers you to make smarter business decisions quicker on a location by location basis. Premise empowers contributors by giving them a broad array of engaging tasks to choose from and rewarding them how they prefer to be rewarded, whether that's in local currency or even Bitcoin.

The Bottom Line

The future of crowd empowerment lies in increasing both participation on the front end and sharing derived benefits on the back end. It is this return on investment delivered back to the crowd that produces a virtuous cycle, strengthening the process with each iteration, building stronger relationships with a contributor network, and opening up new opportunities to be rewarded. Creating engaging tasks with specific business goals in mind and rewarding contributors appropriately is the key to unlocking the potential of crowd empowerment. Empowering the crowd enables you to solve your most complex business challenges quicker than you would be able to without harnessing the power of the crowd.

About Dave DeWalt

Dave DeWalt is Founder and Managing Director of NightDragon, an investment and advisory firm focused on growth and late-stage companies within the cybersecurity, safety, security and privacy industries. He is a veteran CEO, advisor, and investor who has led companies, from startups to the Fortune 500, on a transformational journey of success. Focused on technology and cybersecurity, Dave helped create more than \$20 billion of shareholder value during his 15-plus years as President and CEO of Documentum, McAfee and FireEye. That includes driving the most successful cybersecurity IPO ever in 2013, and leading the largest all-cash deal in technology history in 2010. Today he also serves as Managing Director of Allegis Cyber, Executive Chairman of M&A advisory firm Momentum Cyber as well as investor and board member in the world's most innovative companies such as Delta Airlines, Five9, iboss, Clarity, Team8, DataTribe, Illusive Networks and Optiv.

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