

## Open Innovation for Crowdsourced Product Development: The Case Study of Quirky.com

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**Abstract :** In a narrow sense, innovation is the invention and commercialisation of a new product or service in the marketplace. The literature suggests places that support knowledge exchange and social interaction, e.g. coffee shops, to nurture innovative ideas. With the widespread success of Internet, interpersonal communication and interaction changed. Online platforms complement physical places for idea exchange and innovation – the rise of hybrid, ‘net localities.’ Further, since its introduction in 2003 by Chesbrough, the concept of open innovation received increased attention as a topic in academic research as well as an innovation strategy applied by companies. Open innovation allows companies to seek and release intellectual property and new ideas from outside of their own company. As a consequence, the innovation process is no longer only managed within the company, but it is pursued in a co-creation process with customers, suppliers, and other stakeholders. Quirky.com (Quirky), a company founded by Ben Kaufman in 2009, recognised the opportunity given by the Internet for knowledge exchange and open innovation. Quirky developed an online platform that makes innovation available to everyone. This paper reports on a study that analysed Quirky’s business process in an extended event-driven process chain (eEPC). The aim was to determine how the platform enabled crowdsourced innovation for physical products on the Internet. The analysis reveals that key elements of the business model are based on open innovation. Quirky is an example of how open innovation can support crowdsourced and crowdfunded product ideation, development and selling. The company opened up various stages in the innovation process to its members to contribute in the product development, e.g. product ideation, design, and market research. Throughout the process, members earn influence through participating in the product development. Based on the influence they receive, shares on the product’s turnover. The outcomes of the study’s analysis highlighted certain benefits of open innovation for product development. The paper concludes with recommendations for future research to look into opportunities of open innovation approaches to be adopted by tertiary institutions as a novel way to commercialise research intellectual property.

**Keywords :** business process, crowdsourced innovation, open innovation, Quirky

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