Chapter 10

Applying Game Mechanisms to Idea Competitions

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ABSTRACT

In these times of a collaborative Web, consumers actively participate in the creation, elaboration, and evaluation of new content. Portals like Wikipedia demonstrate how this collaborative and creative behavior can result in valuable outcome. Companies benefit, as well, from this active role of the consumer: Consumers generate, develop, and evaluate new ideas for products and services in idea competitions. A challenge of today’s idea competitions is that the recent “inflationary increase” partly results in a decrease of participation. The purpose of this study is to explore one possible approach to transfer the positive motivational effect of games to idea competitions. The transfer of playful elements from a game context to the model of open innovation is what we call “game-based open innovation.” Based on theoretical insights, analysis of 18 cases and three interviews, this study demonstrates the actual occurrence of game mechanisms and their effect on the motivation of participants.

INTRODUCTION

A cultural change has happened on the Internet. The customers switched their behavior from individuals that only visit websites to users, who also generate content (Howe, 2008). This paradigm combined with tools such as web-blogs, wikis, online-communities and content sharing platforms is what today’s collaborative web is all about (Helfrich, 2008).

Rich interaction technologies enable customers to participate in business internal processes, for example new product development (Füller, Mühlbacher, Matzler & Jawecki 2010; Reichwald & Piller 2009). Companies invite customers to be a part of those processes, because they hold
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important information concerning their wants and needs. Due to this fundamental shift (Chesbrough, 2003), the internal research and development is no longer the invaluable strategic asset that it used to be. In the old model of closed innovation, companies relied on the assumption that innovation processes have to be controlled by themselves – it was based on self-reliance. In these times of collaborative web “Customers are considered a valuable source of innovation” (Füller 2010, p. 98). The integration of active customers into formerly internal innovation processes is defined as open innovation (Chesborough 2003). Open innovation en folds strategies and approaches that enable companies to transfer innovation from external sources to the internal research and development department more easily (Laursen & Salter, 2006).

Idea competitions are one possible approach to open up the innovation process. Nowadays companies use them sometimes very successfully to generate, evaluate and benefit from the ideas of customers, regarding services and products. But their recent “inflationary increase” (Füller, 2009) partly results in a decrease of participation. The new challenge for organizers is to find proper incentives that will entice customers to participate in their competitions.

To meet the requirements of a structured and systematic integration of game mechanisms into idea competitions, we need to identify their impact on human beings. Therefore our second research question is: Which motives of participants could be triggered by the occurring game mechanisms?

If it is possible to motivate people with game mechanisms to participate in an idea competition it could also be possible to motivate them in long term. Do game mechanisms have the ability to motivate the participants continuously?

The overall purpose of this study is to establish knowledge about the use and the integration of game mechanisms into idea competitions. Thereby section 2 Idea Competition will be concerned with the question what idea competitions are and why they could need help from game mechanisms. Section 3 Motivation to Participate will clarify why people are participating in idea competitions instead of spending time otherwise. Accordingly section 4 Game-based Open Innovation proceeds with a literature review about games and their definition, as well as the introduction of game-based open innovation as a model for the integration of playful elements into the model of open innovation. At last, this chapter will provide definitions and examples for game mechanisms. In section 5 Game Mechanisms in Idea Competitions: A Case Study will grant an insight into the results of our studies. With the aid of qualitative methods: one case study and three interviews of professionals, we try to clarify the research questions shown above. Section 6 Conclusion will provide concluding remarks and perspectives for further research.

IDEA COMPETITION

Idea competitions are one possibility to integrate customers into early stages of the innovation process (Walcher, 2007). These competitions, which are arranged privately or publicly, ask single persons or groups to hand in contributions for a special theme within a fixed period of time. The