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# In Crowdsourcing, You Have to Know How to Say “No Thanks”



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## **Rejection can actually strengthen relationships between companies and the crowd.**

At the best of times, corporate innovation is a quest against the odds. The likelihood of finding an idea that not only is novel and valuable but also lends itself to practical implementation is almost always low. The scarcity of these ideas has driven many organisations to look outside their own walls. Crowdsourcing enables firms to include the general public (including current and potential customers) in their idea generation process.

But the crowdsourcing of ideas also puts companies in an awkward position, precisely because the amount of unworkable ideas vastly outnumber the gems. Putting unwanted contributions in the trash is easy. However, managing the failed hopes of their creators is a customer service and external communications challenge with which most companies have not yet come to grips.

As we found in our forthcoming research paper in the [\*\*\*Academy of Management Journal\*\*\*](#), the overwhelming majority (88 percent) of people do

not receive any response when they submit their first idea to a company's crowdsourcing initiative. People who have submitted an idea are simply left hanging, either because the initiative's managers didn't think to write an explicit rejection or because the managers believed no response was nicer.

Why is this a problem? Our research into the crowdsourcing efforts of more than 70,000 organisations found that first-time submitters who received no feedback at all were less likely to send in a second idea. Even the simplest form of rejection, i.e. informing the recipient their idea was turned down and nothing more, was better than silence from the standpoint of keeping contributors engaged.

### **The perils of “ghosting”**

If you have ever been “ghosted” – i.e. had the person you were dating abruptly and inexplicably disappear from your life – you know that in romantic relationships, closure beats open-endedness, even when it brings unhappiness. This is equally true of relationships between people and companies. When crowdsourcing contributors don't hear back, their confusion (“Did they misplace what I sent? Did they even receive it?”) can turn to chagrin (“Do they think I'm not even worth replying to?”). So it's no surprise that these idea generators tend to stop interacting afterwards.

You might think that it's no great loss if people submitting bad ideas are dissuaded from trying again. It could be construed as a time-saver for both the contributor and the company. But that's wrong for several reasons.

First, you can't put a price on the right idea coming at the right time. If there's even a small chance that a contributor who struck out the first time could nail it on their second, third or fourth try, you don't want to miss out.

Second, you want your crowdsourcing campaigns to attract a persistently robust response. Essentially expelling most of your contributors after their first attempt may cause the flow of ideas to thin out over time. Getting the geyser going again takes a lot of time and effort.

Third, crowdsourcing contributors are not your average man or woman on the street. Those who are willing to spend uncompensated time trying to solve a problem for an organisation feel attached to that organisation in some way. Severing that connection comes at a cost. You could alienate valued customers, potential partners or clients, and aspiring employees. For

instance, a German grocery chain that organised crowdsourcing managed to upset their contributors who were drawn from their loyal customer base by ignoring what they had to say.

### **The bonds of rejection**

By contrast, our research found that rejections generally strengthened contributors' relationships with the organisation, boosting their willingness to go to the trouble of participating in further campaigns.

Rejections that included an explanation of why the idea was rejected were even better for this purpose than bare-bones missives. Best of all were the ones whose linguistic style resembled the contributor's own words in the submission. For example, if the contributor used complete sentences and formal language, rejection notes that did likewise had far less of a deterrent effect. To explain this, consider what we said above: People submit ideas to crowdsourcing campaigns because they feel a connection with the organisation concerned. Rejections can reinforce that connection when contributors feel the organisation literally speaks their language.

Surprisingly, the informational content – i.e. the level of substantive engagement with the actual idea proposed – of the rejection made no difference either way. Whether the letter addressed the contributor by name also had no effect. A modest amount of reciprocity was all it took to bolster people's ties to the organisation. But if that meagre emotional demand wasn't met, no lasting bond was formed.

Therefore, as reluctant as some companies might be to dole out disappointment, they should take the time to develop relationships with individual contributors. If, however, they want to repel certain contributors or inhibit group response, they should "ghost" accordingly.

Companies can also take heart that they needn't assume rebuffing an important contributor would end the relationship. The right kind of rejection might in fact nourish it. The lesson is simple for managers: You don't have to re-use the contributor's words to show you have understood them, you can simply adopt a similar linguistic style.

### **The firm-yet-encouraging rejection**

We surmise that our basic findings may apply to all innovative or creative contexts – anywhere an idea can be way off, yet heading in the right

direction. An academic of advanced years shared with us the following anecdote. He was sitting in front of a fireplace with his very young son, who remarked, “The fire is so beautiful. I wonder what it tastes like.” Touched by the naïve ingenuity of his son’s comment, he nonetheless had to squelch the idea in no uncertain terms. “Not this,” he said to his son, “but more ideas *like* this.” Rejections in that spirit could eventually reap tremendous innovative returns.

#### **Find article at**

<https://knowledge.insead.edu/entrepreneurship/crowdsourcing-you-have-know-how-say-no-thanks>

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