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Big Firms Try Crowdsourcing

by RACHEL EMMA SILVERMAN • JAN. 17, 2012

When AOL Inc. set out to determine whether it was getting the best use of its video library last year, the task required an inventory to measure which of the thousands of Web pages it publishes daily contained videos.

Daniel Maloney, the AOL executive in charge of the project, considered building video-detecting software, but determined that it would take too long to meet the project's deadline. He also thought about hiring temps to accomplish the task, but realized that, too, would drag on.

So he turned to another option that is gaining traction among large firms: crowdsourcing.

Crowdsourced labor usually involves breaking a project into tiny component tasks and farming those tasks out to the general public by posting the requests on a website. Many firms that use crowdsourcing pay pennies per microtask to complete projects such as tagging or verifying data, digitizing handwritten forms and database entry. Dozens of services, such as Amazon.com Inc.'s Mechanical Turk and CrowdFlower, have cropped up in recent years to help companies cheaply crowdsource tasks.

Revenues of business-focused crowdsourcing firms grew 74% between 2010 and 2011, and 53% a year earlier, according to preliminary data from 14 large crowdsourcing firms with total revenues of about $50 million, by Crowdsourcing.org, a research firm which tracks the industry.

Companies that have assigned work to the crowd say it is generally cheaper and faster than hiring temps or traditional outsourcing firms. Crowdsourced labor can cost companies less than half as much as typical outsourcing, says Panagiotis G. Ipeirotis, an associate professor at New York University's Stern School of Business, who studies crowdsourcing.

Some individual microtasks can take just a few seconds and pay a few cents per task. More complex writing or transcription tasks might pay $10 or $20 per job, while some highly skilled work, such as writing programming code, commands higher rates.

For its video project, AOL ended up using Mechanical Turk, a crowdsourcing service that has over 500,000 registered workers from 190 different countries. Amazon says firms such as Microsoft Corp. and LinkedIn Corp. have used its service, for which Amazon charges clients 10% of the total labor cost. The company also collects tax identification information to track "Turkers'" earnings, but hiring companies are responsible for distributing tax forms to independent contractors.

AOL asked crowd workers to determine whether Web pages contained a video and to identify both its source and location on the page. With the help of Statera, a technology-services firm, AOL posted the tasks on Mechanical Turk and made sure that the quality of the many thousands of answers was up to par.

The project was up and running within a week, Mr. Maloney says, and took only a couple of months to complete, far less than it would have taken the company to vet and hire a temp staff or build a software program to do the job. AOL declined to release the exact cost of the effort, but Mr. Maloney says the whole project cost about as much as two temp workers would have been paid in the same time.

"We had a very high number of pages we need to process. Being able to tap into a scaled work force was massively helpful," Mr. Maloney says.

Crowdsourced labor raises some concerns. Workers may sign up for tasks unaware of what their labor may be used for. One 2010 study by Dr. Ipeirotis of NYU estimated that some 40% of microtask requests from new employers who joined Amazon's Turk in a two-month period were actually used to create spam. Amazon disputes the study results, and says it has very extensive anti-spam measures. The company has since been more aggressive in policing spam and email marketers on Turk, according to Dr. Ipeirotis.

For firms, vetting the quality of individual contributors is a tall order—work is done in bits and pieces by a large group. Some crowdsourcing companies say they embed various tests into the tasks to help track workers' accuracy.

InsideView Inc., a San Francisco company that filters data for sales forces, tapped CrowdFlower for an online data-collection project last year. CrowdFlower broke down the tasks into simple steps and to ensure quality, the firm quizzes workers and rates them with computer-generated accuracy scores.

"You have no idea who is doing the work," says Gordon Anderson, InsideView's vice president for content. "It could be a housewife in Iowa or someone in a refugee camp in India. They could be anywhere.... It puts the onus on us to make the project as simple as it can be."

The whole project, which processed about 300,000 company names, took seven weeks and was about 50% cheaper than buying the data from a data provider, another option the company was considering, says Mr. Anderson.

Another concern is that crowdsourced labor risks creating what Harvard Law School professor Jonathan Zittrain calls "digital sweatshops," where workers who may be underage work long hours on mind-numbing tasks for very little money—or, if the work is structured as a game, for no

money at all. Crowdsourcing sites often pitch their work to stay-at-home moms or students who can pick up a few tasks to do during short breaks.

A recent survey of 1,046 active U.S. based Mechanical Turk workers found that about 25% of respondents said that their crowdsourcing work comprised more than 10% of their annual income, according to research conducted by CrowdControl, which manages crowdsourcing projects. More than half of these workers are women, and most are between age 26 and 35, the survey found.

Christopher Berry, a special-education teacher with four children, began doing jobs on Mechanical Turk a little over a year ago, to earn extra income to support his family. He sometimes does up to 1,000 tasks a day, some paying as little as two cents a pop, ranging from tagging Twitter posts to copy editing. Last year, he earned almost $10,000 from his Turk work. "You kind of get hooked on it," says Mr. Berry, 39, of Roseville, Calif.

Projects outsourced to the crowd can be used to help support workers with few other options. Crowdsourcing firm Samasource, a San Francisco nonprofit, specializes in assigning microtasks, such as verifying business addresses, to workers in the developing world. Samasource says it promises to pay workers a living wage.

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