

Who Gets Funding? Let the People Decide

Brenda K. Wiederhold

IN *THE DEPARTMENT OF MAD SCIENTISTS*,¹ Michael Belfiore offers a glimpse into the workings of the maverick Defense Advanced Research Projects Agency (DARPA), which is responsible for the birth of the Internet and GPS, among other amazing inventions. The small percentage of Americans who know about DARPA may have heard about it because it funds the Grand Challenge Race, with a \$2 million prize for the first autonomous robot that makes it through a desert course, avoiding obstacles and following the rules.

“One enormous continuing development is the exponential growth of social networking media and the increasing use of social media by companies to crowdsource ideas, mount contests to award prizes and gather audiences, and attempt to create dialogues with customers,” wrote Rosabeth Moss Kanter in her syndicated column toward the end of 2010.² The following examples illustrate how these new types of contests can work, and provide food for thought about new possibilities for research and development funding.

In 2010, Google awarded a total of \$10 million to five finalists in its Project 10[^]100 contest, which solicited ideas for changing the world by helping as many people as possible. From 150,000 ideas submitted by people in 170 countries, Google selected 16 big ideas and let people vote for their favorites.

The Pepsi Refresh Project is looking for great ideas that are going to “refresh the world.” As with traditional grant funding, there are specific grant cycles, applications, and categories for projects costing from \$5,000 to \$50,000. What is new is that the project director gets to promote his/her project through videos and social media such as Twitter and Facebook, and the projects that garner the most votes win. Pepsi awards up to \$1.2 million each month for such projects.

A 2011 contest sponsored by Enterprise Rent a Car was called Giving Back. It allowed visitors to its Facebook page to decide among 10 competing charities nominated by Enterprise employees. The first-place winner received \$10,000, the second-place winner received \$5,000, and the third- and fourth-place winners received \$2,500 each. The contest gave Enterprise Rent a Car an opportunity to promote its foundation, which gives 75% of its funds to employee-suggested charities.

Talking about the Dockers “Wear the Pants” contest, in which entrants submitted a 400-word business plan and awards were made on the basis of votes from both community members and a panel of judges, one author³ offers tips for businesses wishing to engage in social media contests:

- The best prizes positively affect people’s lives, creating a positive association for the company.
- If everyone gets something (e.g., a coupon) for participating, it helps everyone feel included.

- Associating with a good cause generates emotional appeal and a reason to spread the word.
- Running a contest through Facebook keeps visitors there longer, interacting with the company and each other.
- A “soft sell” approach that mixes branding, sales, and contest strategy is appropriate for social media.
- Identifying how the contest fits into the marketing strategy, devoting sufficient resources, and defining what a successful outcome looks like are essential to the contest’s success.

CYBER readers may be interested in the results of a recent study,⁴ which identified seven key components to information communication and technology (ICT) competitions:

1. Challenge goal—what sponsors hope to achieve (e.g., prompt innovative thinking);
2. Marketing—how and to whom sponsors spread the word (e.g., conferences, Web site, social networking sites);
3. Application process—how entries are submitted (most are publicly available);
4. Judging criteria—what is used to evaluate applicants (e.g., originality, economic viability);
5. Judging process—the particular mix that determines winners (e.g., external experts, crowdsourcing, presentations);
6. Winners—recent winners and their topics (e.g., mobile apps);
7. Supplemental support—what additional support is offered to winners (e.g., coaching for pitching ideas to investors).

The authors of this study concluded, “In general, contests are increasingly being used as a tool to solve society’s most entrenched problems.”

This leads us to suggest that more government agencies follow DARPA’s lead. Why shouldn’t governments hold contests that let the people decide which projects are funded? This could start small, with perhaps one percent of government research and development funding allocated to such contests. In these days of *American Idol* voting and social media-based contests, we suggest that U.S. and European government agencies consider the benefits of letting the people decide.

References

1. Belfiore M. (2009) *The Department of Mad Scientists: How DARPA Is Remaking Our World, from the Internet to Artificial Limbs*. Washington, DC: Smithsonian.
2. Kanter RM. A promising year for technology and innovation. *Harvard Business Review* 2010; T19:20:43Z.

3. Cotriss D. Social Campaign Shows the Power of Contests. *Small Business Trends*, April 21, 2011. <http://smallbiztrends.com/2011/04/social-campaign-shows-the-power-of-contests.html> (accessed May 10, 2011).
4. Arabella Philanthropic Investment Advisors. (2009) Media, information and communication contests: an analysis. Presented to John S. and James L. Knight Foundation. www.knightfoundation.org/dotAsset/356025.pdf (accessed May 10, 2011).

Brenda K. Wiederhold
Editor-in-Chief

This article has been cited by:

1. Brenda K. Wiederhold. 2012. An Antidote for Groupthink—A Qualified Lottery for Research Dollars. *Cyberpsychology, Behavior, and Social Networking* 15:9, 447-447. [[Citation](#)] [[Full Text HTML](#)] [[Full Text PDF](#)] [[Full Text PDF with Links](#)]