

Crowdsourcing Air Forwarders

Subjects: Economics

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Definition

Not yet commonly known or used by the totality of sectors, crowdsourcing has shown its huge potential in various projects and tasks usually processed by computers. Crowdsourcing focuses on “taking and outsourcing a job, previously done by a designated agent, to an undefined and large number of people via an open call”. Crowdsourcing could be seen as a conflation of the terms “knowledge of crowds” and “outsourcing”. Each crowd member can complete and be assigned a project. They get paid for their work. Crowdsourcing forms a very appealing project completion method for both enterprises and crowd workers, thus leading to development of the most known crowdsourcing platforms and service providers. The need for businesses to adapt to service model performing ridesharing same-day delivery services is a phenomenon known as “Crowdsourced Logistics”.

1. Importance of Crowdsourcing and Crowdfunding

In the typical outsourcing strategy, an organisation subcontracts parts of the manufacturing process or some activities to a third-party supplier. This is mainly due to cost savings or the need for a subcontractor’s know-how for this particular project. In order to optimise the advantages of the outsourcing process, the firm carefully prefers to partner with the outsourcing contractor. Whereas, in crowdsourcing, the main difference is no specific contractor to integrate the task given, and it is rather given to the crowd, namely to a unanimous worker, to complete it. Between the firm assigning the project and the worker, a platform arises, a crowdsourcing platform, which handles the interface and arranges cases such as payment etc. Most firms recognise how essential it is to reach out to consumers and suppliers if they seek long-term growth ^[1].

Crowdsourcing and crowdfunding are very casual though highly effective strategies for reaching others, and have highly evolved during the last few years. The benefits of utilising crowdsourcing and crowdfunding are stated to provide improved costs, speed, efficiency, flexibility, robustness and diversity ^[2]. It has been used by start-ups, large companies, non-profit organisations etc. for the production of common goods or even services provision. In addition, benefits such as volume, referring to access to a massive number of human intellects, and quality, referring to “wisdom of crowds”, can be reached through use of crowdsourcing and open data.

Utilisation of crowdsourcing platforms in the digital sphere can serve as the foundation for the gathering and consolidation of big data with allusions to human activities, preference, and satisfaction rating. Once it comes to human behaviour, nevertheless, the use of big data and data mining to sustain complex dashboards that update consumers and the society about sensitive social data sparks a heated debate over the benefits and implications of these services to privacy and the security of data objects and subjects ^[3]. A component of crowdfunding’s rapid development may be ascribed to the nimble nature of reward-based initiatives, in which the reward of participation, for services or information, is explicit and specified in advance, unconstrained by the withdrawal liquidity considerations of a stock investment ^[4].

In this respect, acknowledgement of motivation sources during crowdfunding campaign design could lead to a business having enhanced and successful funds and sustainability ^[5]. It is a struggle to accommodate all users to the maximum capacity of their requests, and it is advised that in order for clients to be active in decision-making processes related to open data, the transition from a supply- to a user-driven open data strategy is a crucial step in open data management ^[6]. Crowdsourcing gives businesses access to a huge amount of labour that can quickly complete necessary tasks at a fraction of

the cost than if the same activities were conducted in-house [7], outperforming minor tasks that computers cannot easily handle. Crowdsourcing operations refer to a flexible on-demand outsourcing strategy [8].

2. Air Forwarders' Strategy via Crowdsourcing/Crowdfunding

According to the IATA [9], there has been a marked further improvement of air forwarding demand in September, which has been driven by the relaxation of restrictions linked to COVID-19. This enabled companies to rebound quickly with gains in key economic indicators such as global manufacturing output and manufacturers' business confidence. In these times of uncertainty (such as with COVID-19), air forwarder companies should come up with strategic solutions to tackle these obstacles. In comparison to the first half-year traffic decline of 58.4% on the passenger market, forwarding appeared to escape sparsely with just a 14.5% decrease. In a way, predicting air cargo demand or reducing costs of manufacture or other domains of activity is essential. There are plenty ways of outsourcing any kind of task or project, but we mainly focus on crowdsourcing. A platform created by the IATA in 2019 (International Air Transportation Association) and based on crowdsourcing strategy is an open-source software called the National Centre for Atmospheric Research (NCAR), that helps planes avoid turbulence, with numerous benefits for freight carriers [9].

Even more logistics companies are outsourcing shipments to a rising amount of people through online platforms [10]. Crowdsourced networks and online platforms enhance the evolutionary shift to recast the old transactional relationship between providers and shippers, especially air forwarding cargo, to a more strategic and dynamic partnership [11]. Crowdsourcing Logistics offers a fast means of delivery, as carriers are independent contractors using privately owned vehicles to provide freight forwarding [12]. This may not directly concern air forwarding companies, due to the unavailability of public freight carriers, but Crowdsourced Logistics can lower transportation costs of delivered goods before and after the flight, thus benefiting all participating companies. Apart from Crowdsourced Logistics, crowdsourcing can contribute to air forwarding companies through crowdsourcing various business projects, if not the physical distribution one. Businesses are gradually using the model of crowdsourcing, through the development of ICT, to outsource tasks to the "crowd" [13]. The idea of "crowdsourcing" can make a valuable contribution to the supply of appropriate products or information at the right time and place [14].

Considering how good crowdsourcing/crowdfunding platforms are and the very negligible costs involved, it benefits the company to learn about how it might reach into these worldwide creative crowds. This enables an organisation to encourage growth through mass collaboration, and development is at the core of staying competitive [1]. Businesses are recently finding that the crowdsourcing strategy of organising labour can be applied to a wide range of tasks including applications such as marketing, manufacture, promotion etc. at a time when a lot of computing-related tasks are widely offered on the crowd-sourcing websites [2]. In crowdsourcing, instead of customers making generic ad hoc recommendations for new products, companies can explicitly tailor the sectors of production process that crowdsourcers are asked to work on. In this way, businesses are able to gain control of outsourcing their own projects to unknown clients. This enables further cost reduction due to the lower costs of crowdsourcing, and to the confinement of faults during the completion of an assignment.

Crowdfunding does have a number of elements identified, including specific information on the quality of the project, social networks, and analysis reports, as well as determinants such as the targets and timeframe of the funding, in order to develop successful programs that meet the funding preconceptions of the founders and society. We may also note that the use of crowdfunding campaigns has been entrenched over the previous decade as one of the Information and Communication Technologies (ICT) underlined for this domain [15]. Mochkabadi and Volkmann [16] identify many interesting areas for future research for every aspect, such as capital market, entrepreneur and platform, to name a few, with a view of pertaining business sustainability due to the viable way of raising funds for its activities. This has also caused the advancement of technologies and the disposition of users. As Punel and Stathopoulos [17] found, there is a high usage percentage of crowdsourced shipping logistics activities, and this percentage

is going up day by day ^[18].

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Keywords

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