

Making a Blue Ocean Strategic Move that Discourages Imitation

The Case of Wikipedia

If someone were to test your knowledge of geography, entertainment or the US government, and you had access to the internet, what is the first action you would most likely take in response to the following questions?

- “¿What is the highest mountain in the world? “
- “¿How many 750ml bottles of wine make a *rehoboam*?”
- “¿What do the first three digits in a US Social Security Number represent?”

Most likely, you would type in the keywords such as “highest mountain”, “rehoboam”, or “social security number” to perform an online search using Google, Yahoo or an alternative search engine. The first answers returned on the top of the first page will typically be an entry from the English version of Wikipedia, the free online encyclopedia. For example, Wikipedia’s top placement on Google using keywords “social security number” beats out even the official US Social Security Online website whose entry is ranked second on the same page.

When Apple launched its new iPad product on January 27, 2010, the Wikipedia article named “iPad” was edited 745 times by 281 volunteer contributors within the first 24 hours, from 8:52 am that day to 8:13 am the next day, according to log entries in the article’s history file. Apple fans and consumer product experts swarmed over the iPad article on Wikipedia to provide real-time updates as more information became available on this highly anticipated product unveiling.

In fact, if one performs a keyword search on any of the popular online search engines today, Wikipedia will likely be returned as a top source of news and reference information. The Guardian describes the Wikipedia phenomenon as follows:

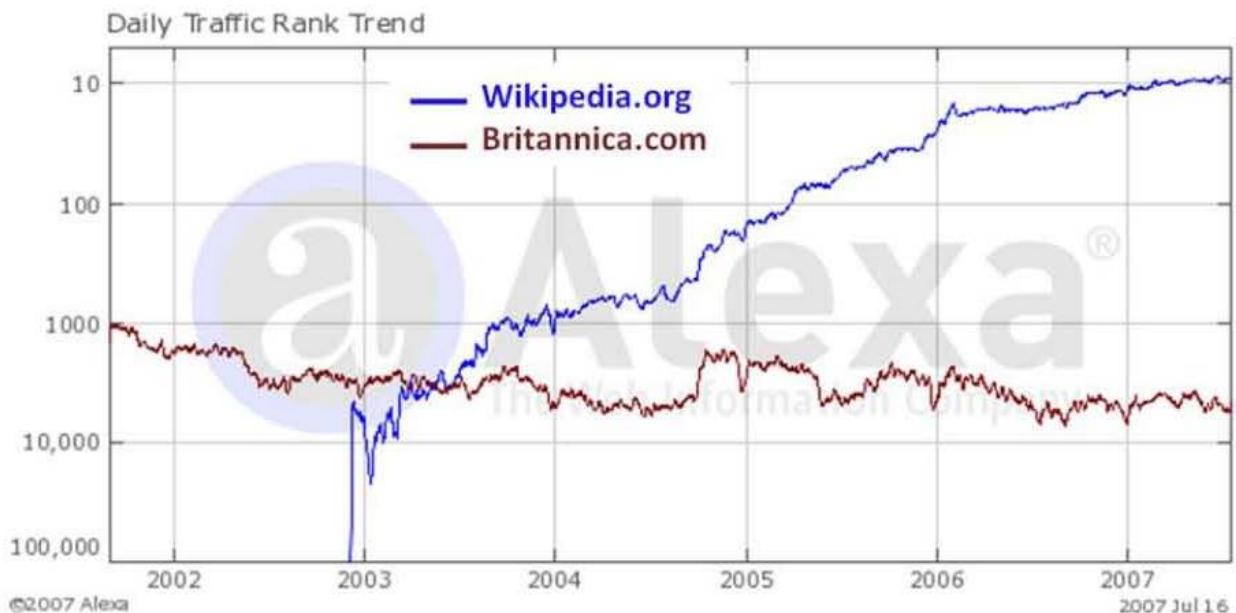
“Search at Google.com on evolution or Iraq or Aids or Gordon Brown, and the same site will appear at the top of the organic list of results: Wikipedia. Alter your search into one for John Keats or Muhammad Ali or Christianity or platypus or loneliness and the same thing will happen. Pacific Ocean? Wikipedia. Catherine de Medici? Wikipedia. Human Brain? Wikipedia. In fact, if you Google any person, place or thing today, you’re almost guaranteed to find Wikipedia at or near the top of the list of recommended pages.”

The Online Encyclopedia Industry

Launched by Larry Sanger and Jimmy Wales on January 15, 2001, Wikipedia was hardly the first offering in the online encyclopedia industry. Microsoft Corp. had introduced Encarta.com in 1993 followed by Britannica.com in 1995, the online version of the Encyclopedia Britannica, the UK publisher of knowledge and learning products since 1768.

While a portion of the articles on Britannica.com and Encarta.com are available for free, to access their full articles with expanded reference information in an advertisement-free environment, one would have to pay an annual subscription of \$70 and \$30 respectively for a premier membership. By contrast, full access to all Wikipedia articles is available to anyone with internet access without charge in the form of fees or distracting advertisements.

By March 2009, despite its vast organizational resources and capabilities, Microsoft decided its Encarta offering was no match for the increasingly popular Wikipedia and announced it would exit the online encyclopedia industry by the end of that same year. At the time of Microsoft's announcement, Encarta had 62,000 articles compared with over 2.7 million articles on Wikipedia. Today, Encarta remains an online dictionary, thesaurus and translator of five languages. As for Britannica.com, its daily traffic ranking – as measured by the number of daily visitors to the website – has been slipping vis-à-vis Wikipedia's rapid ascent since mid-2003, according to Alexa.com, a web traffic tracking service that polls the internet usage of over 2 million users worldwide.



Wikipedia's Founding Philosophy: "Free as in Free Speech"

Founder Jimmy Wales describes Wikipedia's core mission as "free knowledge for free minds". An entry on Wales' personal blog dating back to October 21, 2004 explains the essence of Wikipedia in this way:

"What is free knowledge? What is a free encyclopedia? The essence is something that anyone who understands free software can immediately grasp. A free encyclopedia, or any other free knowledge, can be freely read, without getting permission from anyone. Free knowledge can be freely shared with others. Free knowledge can be adapted to your own needs. And your adapted versions can be freely shared with others. We are the leading edge innovators and leaders of what is becoming a global movement to free knowledge from proprietary constraints".

Wikipedia's mission – to free knowledge from the constraints of traditional copyright restrictions – is often misinterpreted as promoting illegal piracy of published works. In fact, its mission is to promote free thinking and unrestricted learning yet still protect the intellectual and commercial interests of its authors by requiring that the original authorship be always recognized.

Here's how it works: instead of using a traditional copyright license, under which the affected content cannot be used without permission from the author(s), whether or not it is intended for commercial use, Wikipedia articles are protected under the joint licenses of Creative Commons Attribution–Sharealike 3.0 Unported License (CC-BY-SA) and the GNU Free Documentation License (GFDL). This co-license allows Wikipedia users to use, copy, and update Wikipedia articles with more relevant facts, findings and illustrative examples to promote creativity and viral learning as long as these are for non-commercial purposes and that the authors are given the proper credit and acknowledgement for their work. If the modified Wikipedia articles subsequently become commercially viable, then a separate commercial agreement can be executed between the original author(s) and the party(ies) who have improved upon the original work. By using this new form of licensing, Wikipedia creates a win-win situation by removing the restrictions on the global effort to continuously grow the sum of human knowledge and find new applications for a product or a theory while crediting original authorship and protecting the intellectual integrity and financial interests of the original authors.

People may be motivated to contribute on Wikipedia today because it is fun, interactive and the topics are so diverse, but understanding this noble mission to create a free online encyclopedia so that all may learn sheds light on what motivated the initial volunteers, otherwise known as *Wikipedians*, to devote hours and days on end to build up this relatively unknown project back in the early 2000s.

Wikipedia's Blue Ocean Strategic Move

Wikipedia's early efforts were first noticed by Slashdot, a website that reports on free software technology news, and then spread quickly through word of mouth. The number of volunteers grew rapidly from hundreds into thousands and now millions. Collectively, this group of international volunteers has made it possible for Wikipedia to offer a set of diverse and relevant articles in multiple languages and to continuously update these articles to improve their clarity, readability and accuracy. Starting with only the English version of Wikipedia in 2001, the site now features over 270 different languages, including 3.2 million articles in English, plus articles in German (1+million), French (919,490), Polish (670,472), Italian (662,457) and Japanese (657,615). With news and reference information available in so many languages, including smaller languages such as Maori (an Eastern Polynesian language spoken in New Zealand), Upper Sorbian (a Slavic language spoken in eastern Germany), Basque (spoken in north-central Spain and southwestern France) and even Esperanto (a constructed language not genealogically related to any ethnic language), Wikipedia has not only made itself an online encyclopedia easily accessible in one's own language, it may also be the only online encyclopedia available in that particular language.

Apart from being a valuable source of online news and reference information, many people also find it to be a fun, free, neutral forum for personal expression in their own language, particular as it is so easy to start new articles on Wikipedia.

To make its valuable knowledge easy to find, Wikipedia is believed to be highly optimized for organic search engines, such as Google (#1 most popular), Yahoo (#4), live (#5), and MSN (#9), which are themselves top-ranked global web destinations, according to web traffic tracking service Alexa.com. By using a unique file-naming convention and encouraging its contributors to make extensive references to both internal and external web content, Wikipedia's pages are consistently returned as the most relevant answers to online keyboard searches. Unlike other e-commerce entities like Britannica.com, which invest in costly brand building, marketing, advertising and web optimization by third party vendors, Wikipedia creates new user demand for its offering by often being placed in the top 5 returned results on search engines. Users find Wikipedia not by recalling the brand or typing in the web URL, but by simple clicking on one of the top entries returned by these globally popular search engines.

By making its articles easy to find and removing the legal and technical barriers to edit and use its articles for non-commercial purposes, even a first-time user and passive web surfer can become an active contributor, also known as a Wikipedian, at the click of an (edit) link. To further lower the inhibitions of those with privacy concerns, Wikipedia does not require anyone to register before creating or modifying its articles. Of the first 281 editors of the "Ipad" article during the first 24 hours of its launch, 98 contributed anonymously. Just because some contributors choose to remain anonymous, it does not mean they are ill-qualified to share their knowledge with others. Using the

contributor's IP address, Wikipedia has traced many of these anonymous edits to computers at reputable public and commercial entities from the United Nations to Amnesty International, from Apple Inc. to the Coca Cola Co. Whether the contribution is one word or whole chapter, Wikipedia makes the experience simple interactive and fun.

Apart from the website's desire to maintain a neutral point of view, there are really no hard and fast rules for writing or editing Wikipedia articles. When individuals get into a dispute, such as an "edit war", where they are constantly undoing each other's changes, these warring parties can follow a specific dispute resolution process that is run entirely by volunteer Wikipedians. First, disputing parties are encouraged to resolve the conflict via peer discussions on a "talk" page associated with the specific article. If that does not work, then the parties can request one-on-one advice from an experienced Wikipedia editor. If that fails, then third opinion can be sought from a second neutral Wikipedia editor before the dispute is submitted to formal mediation and arbitration. Currently, there are eight active volunteers on the Mediation Committee and 14 active volunteers on the Arbitration Committee. All committee members have a long history of resolving disputes and have earned a high level of trust within the Wikipedia community. When disputing parties enter into mediation, a volunteer member of the Mediation Committee can review the dispute and issue a final decision by which all parties have to abide. This consensus driven culture ensures fair process is practiced to maintain social order at low cost among the millions of Wikipedians around the world.

To further build sense of community at low cost among its virtual citizens, Wikipedia has instituted a number of internal programs such as an extensive kindness campaign to promote civility and "wiki-love" among contributors, as well as non-monetary awards to enhance a contributor's status among the community. For example, a meaningful way to reward Wikipedia contributors at no cost is in the form of "barnstars", a set of decorative digital images often in the shape of a five-pointed star that can be displayed on a registered user's profile page. While anyone can use or contribute to Wikipedia, only registered users are given a profile page on which they can share as much or as little personal information as they choose. A barnstar can be awarded by any Wikipedia user to recognize the hard work and determination of individual contributor(s) and to acknowledge the exceptional effort, skill and commitment shown by their particular contribution. For example, a contributor can be awarded a barn star for "good humor", "a brilliant idea", "diligence", "anti-vandalism" or "peace".

In general, people are motivated to contribute from a human desire to share information, a propensity to give advice, or simply an impulse to "brag" about their knowledge on a certain topic. Regardless of their motivation, those who contribute on Wikipedia share a sense of pride and ownership in their contribution and protect the integrity of their articles with fierce loyalty and diligence. Since Wikipedia accommodates real-time information, it is not unusual for a casual user to incorporate inaccurate information into one of its many articles. However, what is unusual about

Wikipedia is what happens next: inappropriate changes to Wikipedia articles, whether from inadvertent errors or intentional vandalism, are generally repaired within minutes of the initial incursion. Thanks to automatic tracking mechanisms, such as those displaying recent changes to articles marked by registered users as items on their “watch list”, tens of thousands of interested parties can collectively keep watch over the integrity of articles created on Wikipedia.

A joint study conducted by MIT and IBM showed that the active Wikipedia community rapidly and effectively repaired most damage in general and was able to repair one particular type of vandalism, the mass deletion of an article’s content, within 2.8 minutes. Separately, an independent study conducted by *Nature*, a weekly scientific journal, compared 50 pairs of articles on Wikipedia versus Britannica.com and found the level of accuracy across a wide range of scientific disciplines to be roughly the same. With Wikipedia ranked as the world’s #1 online encyclopedia and the #6 most popular website overall by Alexa.com, a web traffic tracking service, its users appear not to be overly concerned about either a possibly lower level of data accuracy or reliability relative to a more controlled source like Britannica.com.

During its 2009-2010 fund drive, Wikipedia received 240,000 contributions from individuals all over the world who donated an average US\$33 to keep the free website going. On the institutional side, their noble mission has created new sources of monetary and in-kind donations in services and equipment from private foundations and corporate entities who share the same mission. The Wikimedia Foundation, a non-profit entity set up for managing Wikipedia and its 12 sister projects, raised over \$8.1 million during their 2009-2010 fund drive, almost \$2 million over the \$6.2 million they raised in 2008-09, and nearly double the \$4.4 million raised in 2007-08. This increase in funding has allowed the organization to build up its technical capacity to offer even more knowledge projects around the world.

While its operational costs may be rising with expanded scope and increased funding, Wikipedia keeps its administrative overhead very low thanks to a corps of dedicated volunteers. Unlike Britannica.com, which maintains a paid editorial board of 12 advisors, 96 paid editors and over 4,000 paid contributors, Wikipedia’s writers, editors and even its board of trustees are all volunteers. Wikipedia has a staff of about 30 employees to support an average 346 million unique monthly visitors who access over 11 billion page views. By comparison, Britannica.com has about 20 employees who provide support to 8.4 million unique monthly visitors and an average 18.75 million page views. On a per employee/per month basis, Wikipedia’s staff supports 27 times more unique visitors and over 400 times more volume in page views than the staff of Britannica.com.

Wikipedia’s Three Strategy Propositions

Wikipedia creates new demand and a new market space in online knowledge authoring by offering a set of compelling value, profit and people propositions that is both differentiated and low cost. In the case of Wikipedia, its value is defined as the compelling reason for people to use Wikipedia as an online source of news and reference information, its profit is defined as a sustainable business model and its people comprise its staff, corporate partners and the million of volunteers who are deeply committed to supporting its mission. By creating a strong value proposition, within nine years of its launch, Wikipedia's popularity has surpassed that of trusted household names for online news, such as CNN, the New York Times, the BBC News, The Wall Street Journal, and online reference information such as Merriam Webster and Britannica.

By leveraging its unprecedented value proposition, Wikipedia also creates a powerful profit proposition, which has enabled, its parent organization, Wikimedia Foundation, to continue to raise new funds while lowering its marketing and administrative costs. After raising a record \$8.1 million during the 2009-2010 fund drive that ended on January 15, 2010. The Wikimedia Foundation received an additional \$2 million grant just one month later from Google Inc. Charitable Giving Fund of Tides Foundation of February 17, 2010. Wikipedia intends to apply its new funds towards making its website even more accessible to the unexplored masses of target contributors who have knowledge to share but are not actively participating because they may be less savvy with technology. Wikipedia's blue ocean strategic move illustrates how an organization can produce exceptional results that are hard to imitate by aligning its value, profit and people propositions around both differentiation and low cost.