Dynamic boundaries of user communities: exploiting synergies rather than managing dilemmas

A large body of literature indicates that innovation not only stems from a firm's internal investments but also relies on input from external sources. This is also reflected in an increasing interest in user innovation. In particular, users, who increasingly gather in communities, can offer valuable contributions. To create and capture value, firms must engage in some kind of collaboration with these user communities. However, at the interfaces between communities and firms, tensions arise because of undefined boundaries and a lack of clear roles. Current research within the user innovation literature characterises such tensions as dilemmas between competing demands that firms must balance to encourage and benefit from user contributions. This paper brings in a systems theory perspective to show that what is currently described as trade-offs that must be managed are in fact synergies that are mutually enabling and must be embraced to foster innovation. We develop a new boundary construct that explains how firms can attend to competing logics of power, identity, and competence simultaneously, thereby leveraging the innovation potential.