

Comparative Advantages of Additive Manufacturing

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Abstract

The principle characteristic of the new technology we model is that customers get access to their own design. This can be achieved e.g. by additive manufacturing (3d printer) or other mass customization technologies.

We consider different model variants like a one firm model where the firm needs to determine the optimal time to switch to this new technology, and an incumbent-entrant model where the incumbent produces in an old fashioned way, while the entrant has access to this new technology.