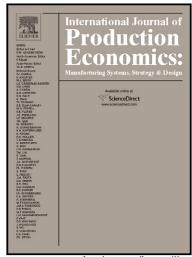
## Author's Accepted Manuscript

Economic Implications of 3D printing: Market structure Models in light of additive manufacturing Revisited

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## CEPTED MANUSC

**Economic Implications of 3D Printing:** Market Structure Models in Light of Additive Manufacturing Revisited

Christian Weller; Robin Kleer\*; Frank T. Piller

TIME Research Area, Technology and Innovation Management Group, School of Business and Economics, RWTH Aachen University weller@time.rwth-aachen.de; kleer@time.rwth-aachen.de; piller@time.rwth-aachen.de Corresponding author. Tel.: +49 241 80 99176; fax: +49 241 8092367.

**Abstract** 

Additive manufacturing (AM), colloquially known as 3D printing, is currently being promoted as

the spark of a new industrial revolution. The technology allows one to make customized products

without incurring any cost penalties in manufacturing as neither tools nor molds are required.

Moreover, AM enables the production of complex and integrated functional designs in a one-step

process, thereby also potentially reducing the need for assembly work. In this article, we discuss

the impact of AM technology at both firm and industry level. Our intention is to discern how

market structures will be affected from an operations management perspective. Based on an

analysis of established economic models, we first identify the economic and technological

characteristics of AM and distill four key principles relevant to manufacturers at firm level. We

then critically assess the effects of AM at industry level by analyzing the validity of earlier

assumptions in the models when these four principles apply. In so doing, we derive a set of seven

propositions which provide impetus for future research. In particular, we propose that in a

monopoly, the adoption of AM allows a firm to increase profits by capturing consumer surplus

when flexibly producing customized products. Meanwhile in competitive markets, competition is

spurred as AM may lower barriers to market entry and offers the ability to serve multiple markets

at once. This should ultimately result in lower prices for consumers.

Keywords: 3D Printing, Additive Manufacturing, Market Structure, Flexible Manufacturing,

**Economic Modeling** 

JEL classification: L11; O14

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