

ECONOMICS AND BIOLOGY OF CONTESTS CONFERENCE 2016
QUEENSLAND UNIVERSITY OF TECHNOLOGY
27-28 FEBRUARY 2016

Behavior in Contests with Strategic Complementarities.

Dr Cary Deck

Professor, Department of Economics

Director, Behavioral Business Research Laboratory

Sam M. Walton College of Business

University of Arkansas

Abstract

In many situations, the benefit from winning a particular contest ultimately depends on the outcome of other contests. However, other research considering behavior linked across contests has focused on simple counts, such as needing to win a majority of the battles. This research examines the case where complementarities depend on specific combinations of individual outcomes. The setting is a game of Hex where control of each region is determined by a Tullock contest and the overall winner is determined by the combination of claimed regions. In a game with only a few regions, aggregate behavior across regions is largely consistent with the theoretical predictions, but individual behavior is not. Instead people pursue focused strategies.