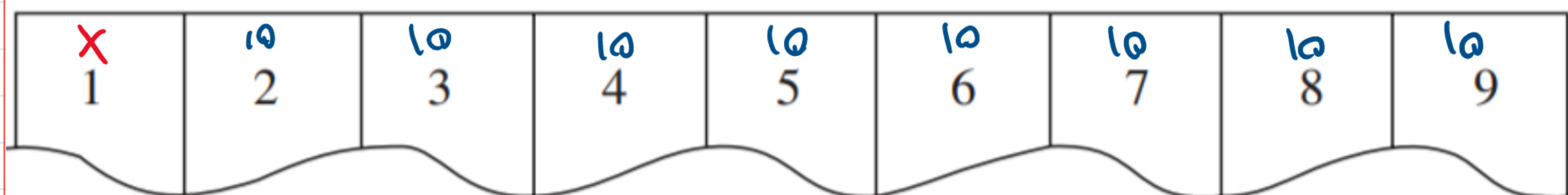


## Passed Solution Review

Consider a location game with nine regions like the one discussed in this chapter. But instead of having the customers distributed uniformly across the nine regions, suppose that region 1 has a different number of customers than the other regions. Specifically, suppose that regions 2 through 9 each has ten customers, whereas region 1 has  $x$  customers. For what values of  $x$  does the strategy of locating in region 2 dominate locating in region 1?



Region 2 only makes sense if  $x < 40$  because at that point region 1 is less than the rest of the world combined

Player 2 location

		1	2	3	4	5	6	7	8	9
P <sub>1</sub> Location	1	$\frac{x}{2} + 40$	$x$	$x + 5$	$x + 10$	$x + 15$	$x + 20$	$x + 25$	$x + 30$	$x + 35$
	2	40	$\frac{x}{2} + 40$	$x + 10$	$x + 15$	$x + 20$	$x + 25$	$x + 30$	$x + 35$	$x + 40$
...										

↑  
only P<sub>1</sub>'s payoffs

$$\begin{aligned} 40 &> \frac{x}{2} + 40 \\ 40 &> x/2 \\ 40 &> x \end{aligned}$$

$$\begin{aligned} x/2 + 40 &> x \\ 40 &> x/2 \\ 40 &> x \end{aligned}$$