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1. Instructions for Using the Interactive Graphs

In order to use the interactive graphs, you must install either *Wolfram Player* or *Mathematica*. *Wolfram Player* is available for free from Wolfram Research at https://www.wolfram.com/player/. **Note:** The interactive graphs are still being developed and will likely contains bugs. Any feedback would be greatly appreciated.

1.1. Salop Model of Horizontal Differentiation – Market Shares. This graph illustrates the market shares in Salop's model of a circular city with three firms and arbitrary prices (not necessarily equilibrium prices). Each firm is allowed to set two separate prices on the market segments in which it is active (on the left and on the right, respectively). The locations of the three firms are illustrated with black dots, while the markets segments covered by the three firms are illustrated by coloured arcs on the circle. Note that by assumption, the market is fully covered. A red dot illustrates the location (address) of some arbitrary consumer.

Experiments: Consider the effects that changes in the prices have on the market shares of two adjacent firms, say 1 and 3. Increase the price p_{13}. How does that change influence the market share of firms 1 and 3 respectively? Do the same for the price p_{31}.

Controls	Description
p_{ij}, $i = 1, 2, 3$	Price of firm i set on segment towards firm j
Location	Location of arbitrary consumer on city
Bugs: None known.	