

Example 9: Matching Pennies

This game is purely conflictual (unlike Prisoner's Dilemma and BOS, that were both cooperative and conflictual).

Two people choose, simultaneously, whether to show the head or the tail of a coin. If they show the same side, person 2 pays person 1 a dollar; if they show diff. sides, person 1 pays person 2 a dollar. Each person cares only about the amount of money received, and prefers to receive more than less.

P1 \ P2	Head	Tail
Head	1, -1	-1, 1
Tail	-1, 1	1, -1

payoffs are equal to the amounts of money involved.

In this game the players' interests are diametrically opposed (strictly competitive game): player 1 wants to take the same action as other player, whereas player 2 wants to take the opposite action.

E.g. Established producer prefers the newcomer's product to look different from its own (so that its customers will not be tempted to buy the newcomer's product), whereas the newcomer prefers that the products look alike.