

Effect of Parameter Changes on Equilibrium

Change	Player 1 effort	Player 2 effort	Player 1 payoff
α increases(P1 efficiency \uparrow)	\downarrow	\uparrow	\uparrow
c_1 decreases(P1 cost \downarrow)	\uparrow	\uparrow	\uparrow
V increases(Prize \uparrow)	\uparrow	\uparrow	\uparrow
r increases(Winner-take-all \uparrow)	\uparrow	\uparrow	\downarrow
$r_1 > r_2$ (P1 increasing returns)	\downarrow	\uparrow	\uparrow

\uparrow = increases

\downarrow = decreases