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title: "Competition Limits Reputation"

The literature on reputation starts with the premise that while players may be almost certain of the payoffs and the structure of the game, they cannot be absolutely certain.

The small room for doubt, when exploited by a very patient dominant player, leads to reputation being built.

Here is what we know from the previous literature. A sufficiently patient reputation builder facing a single opponent can exploit the incomplete information and guarantee payoffs that are arbitrarily close to the dynamic Stackelberg payoff, which is the best he can obtain subject to giving the other player at least the minmax payoff. My results stand in sharp contrast to the extant literature: the presence of competition among multiple long-lived opponents can severely restrict the dominant player's ability to build and exploit reputation.