

# Strategic Thinking in Competitive Environments: Experimental Evidence and Behavioral Models



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In many decision problems we encounter in life, the outcomes we face are influenced by the choices made by others and thus we must forecast their behavior to make wise decisions. Such decisions are referred to as “strategic decisions” and are common in competitive environments such as the corporate world, sports, and government affairs. In the corporate realm, businesses factor in the actions of their competitors when making critical determinations regarding product development, pricing, advertising campaigns, and more. In the world of sports, coaches consider their rival teams’ choices when deciding about player recruitment, position assignments, and game strategy. In the realm of politics and diplomacy, statesmen attempt to predict the behavior of adversaries when deploying military forces and negotiating complex agreements. Economic and game theoretical models offer tools for analyzing strategic situations, often referred to as “games”. However, the traditional models often fall short when it comes to predicting behavior, particularly in one-time scenarios and when players are making their initial decisions within the game. This article describes two contemporary models that incorporate various psychological elements, aiming to provide a more comprehensive explanation of behavior within both simple and intricate strategic contexts.

## Strategic Communication between a State and its Citizens



Eti Einhorn

The old adage “knowledge is power” is reflected in many life situations. It is especially true under conditions of uncertainty, where knowledge is a priceless asset, and any piece of information that can dispel the fog – even a little – becomes valuable to its possessor. The insights offered by literature in the field of game theory and information economics can shed light on the processes we witnessed during the Corona crisis, which was characterized perhaps more than anything by the escalation of the level of uncertainty in our lives, and therefore placed the information at the forefront of the stage. This article applies the main theories in the field of information economics in an attempt to shed light on the central role of information in the Corona crisis, as well as in times of emergency in general, and on its strategic flow from the state to its citizens.