Equilibria in Two-Stage Facility Location with Atomic Clients



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the model



client sabotage

facility equilibria not possible with some client equilibria





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Two-stage process

facility agents select location for opening store

2. clients select store to visit

client equilibria

have non-unique facility loads



Equilibrium 1 Equilibrium 2 3 1 3

more results

subgame perfect equilibria

for **unweighted clients** via a 2-stage potential function

 \rightarrow sorted vector of facility loads

sorted facility loads:



5

5

worst case after move:

Example: Instance with locations A and B and two clients



- NP-complete to decide if ϕ -approximate subgame perfect equilibria exist (ϕ = golden ratio)
- tight bound of 2 on price of anarchy



- convergence time to subgame perfect equilibrium?
- upper bound for existence of approximate subgame perfect equilibria?







We believe this can be applied to other 2-stage games!

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