

# Emotions in Game Theory: Fear, friendliness and hostility

Lina Andersson

How do emotions affect our interactions with each other? And how do our interactions with each other affect our emotions? As an adult, one makes thousands of decisions each day, decisions often influenced by our emotional state of mind. We are not oblivious to the relationship between emotions and behavior, but can, to some extent, predict how own and others' emotional states affect actions and how our actions may affect others' emotions.

This thesis examines the strategic role of emotions in three chapters. The first chapter studies the strategic role of fear and illustrates how an agent can use her knowledge of another agents fear sensitivity to her own advantage. The second and third chapter studies friendliness and hostility. The second chapter shows how emotional players may find it easier to cooperate in repeated interactions, and the third chapter studies market consequences when buyers are emotionally motivated to write online reviews to inform each other of a product's quality.



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