Exercise 5.1

• What are the three primary business models for advertising?

• Explain the differences between them from a publisher’s perspective and from an advertiser’s perspective

• What is the dominant business model in sponsored search?

• What is ECPM –based ranking? What is a key component of ECPM? How does high variance effect the publish and the advertiser?

• What percentage of US GDP does advertising make up? What percentage of US GDP does online advertising make up?
Exercise 5.2

• What are the main channels (publisher-side) for online advertising (search is one). List and describe each.

• Can you explain the supply demand view of online advertising? Give examples of suppliers and demand organizations and justify.

• What is an ad network?

• What is an ad exchange?

• Describe the online advertising ecosystem for a modern online advertising system
  – For Search
  – For Display