

**Exam 2 – March 30, 1:25PM**

**Reading**

- Lecture Notes: Lectures 10 through 15 (including the Guest Lecture)
- HBS cases
  - HBS Case “Google Inc.”
  - HBS Case “Paid Search Advertising”
  - HBS Case “Air France Internet Marketing: Optimizing Google, Yahoo!, MSN, and Kayak Sponsored Search”
  - Academic article "The Unfavorable Economics of Measuring the Returns to Advertising"
  - Academic article "Consumer Heterogeneity and Paid Search Effectiveness"
  - Video on Real Time Bidding
  - Guest Lecture Slides

**Some highlighted topics**

Beyond the problems solved and discussed in HW3 and in class, the following list should serve as a reminder of what we covered in lectures 10 through 14.

- Advertising Avoidance

Online Advertising

- Search advertising pricing
- Cost Per Click vs. Cost Per Action
- Advertising Payment Methods
- Search Engine advertising
- Click Fraud
- Online Advertising Models
- Measurability
- Google Advertising
- AdSense and AdWords

*Know how to calculate and what they are:*

- Cost-per-Click
- Click-Through Rate
- Transaction Conversion Rate
- Net Revenue
- Return on Ad \$ Spent (ROA)
- Average Revenue per Transaction or Booking

- Probability of Booking
- Cost per booking

Big Data

Real Time Bidding

Facebook Advertising

Advertising Auctions

Challenges in Ad pricing

Ad Measurement

Importance of Brand Equity

Measuring Brand Equity

Brand equity outcomes

*Know the steps how to calculate Brand Value:*

- Segmentation,
- Financial analysis,
- Demand analysis,
- Brand strength analysis,
- Calculation of the net present value of brand earnings.

Advertising Content

- Humor in ads
- Celebrities in ads
- Fear in ads
- Comparative advertising

Advertising regulation