

STRAMGT 518: Advertising and Monetization

Course Overview

The Global advertising market is forecast to top \$600 Billion in 2016, with advances in advertising technology, such as online publishing, digital and mobile advertising platforms, as well as new ways of consuming video content, driving a rapid evolution of the market. We analyze this evolution from the perspective of three main constituents: 1) Marketers who rely on advertising to launch and sustain product sales, 2) Publishers and media owners for whom advertising often represents the largest source of monetization, and 3) Advertising agencies who design, plan and buy media for advertising campaigns. From the marketer's perspective, we will look at the metrics and methods that are used in optimizing the use of advertising in an increasingly fragmented, complex marketplace. From the media side, we will look at different selling and delivery strategies that can help publishers, particularly digital ones, monetize their audience more effectively.

Background on the Instructors

Professor Susan Athey Professor Athey's research focuses on the economics of the internet, online advertising, internet search, the news media, and market design. She serves on the boards of directors for Expedia and financial technology startup Ripple. She spent 8 years as a high level advisor to Microsoft in a variety of roles, including consulting chief economist. Her consulting work focused on all aspects of internet search and online advertising, but also covered other platform businesses including cloud computing. She is also actively involved in policy debates around the impact of the internet on the news media, antitrust issues around internet search, and privacy issues on the internet. Both her research and consulting make use of "big data," including data about internet search and web browsing as well as large scale experimentation, and bring together economic theory and statistical tools from machine learning and econometrics. She is also active in the new area of virtual currency, serving on the Board of Directors of the financial technology startup Ripple Labs, on the board of the virtual currency industry group Coin Center, and working on research on Bitcoin. She serves as an advisor for venture capital firms X/Seed and NYCA, as well as startups AppSheet, Mines.io, and Sense.io (acquired by Cloudera).

Dr. Magid Abraham Dr. Magid Abraham is Executive Chairman and co-founder of comScore, Inc. and a serial entrepreneur. He was CEO of comScore for 14 years since inception, and was particularly focused on product innovation, business strategy and industry leadership. Dr. Abraham was also founder and CEO of Paragren Technologies, Inc., which specialized in delivering large scale CRM systems, and, before that, he was president and COO of IRI., a major international research company, which he led through a period of rapid growth and innovation. Dr. Abraham is a recognized expert on consumer and market measurement, and analytic solutions. He has authored award winning articles in a variety of academic and industry journals. He received the AMA's Parlin award, and MIT's Buck Weaver award in recognition for contributions and outstanding leadership in the theory and practice of Marketing Science, and the Advertising Research Foundation's Lifetime Achievement Award. He was named Ernst &

Young® Entrepreneur of the Year and inducted in the Entrepreneurship Hall of Fame. He was designated along with comScore as a “Technology Pioneer” by the World Economic Forum. He served or has served on the boards of IRI, comScore, xAD, Poplicus, the Ad Council, the ARF, the Northern Virginia Technology Council, and the Center for Innovative Technologies. Dr. Abraham received a Ph.D. in Operations Research and an M.B.A. from MIT, and an Engineering degree from the École Polytechnique, France.

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COURSE REQUIREMENTS

- I. Class Participation (30%)**
- II. Final Project Assignment:**
Presentation (15%)
Final Paper (40%)
Individual Write-up (15%)

I. CLASS PARTICIPATION (30%)

Students are expected to participate in class actively and constructively. Absence, tardiness, and lack of preparation will have a negative impact on your grade. See the course policy sheet (posted on Canvas) for details.

Class Discussion.

In evaluating class participation, we will consider the following:

- Is the participant a good listener?
- Are the points that are made relevant to the discussion? Are they linked to comments of others?
- Do the comments show evidence of having completed assigned readings?
- Do they move the discussion forward by introducing new aspects or issues to consider, or do they restate points that have already been made?

- Do they demonstrate willingness to take risks and test new ideas, or are they “safe”?

Please keep in mind the following:

- Well posed questions are not only a legitimate way to interact but should be an important part of our discussions.
- In most of the issues we discuss, there is some controversy in the industry and even within firms about the best course of action for the relevant parties, or what the role of government regulation should be, or whether firms are behaving in a way that is good for the internet ecosystem and innovation. Enlightened debate about the best plan to implement can add significantly to the understanding of the issues.
- Because of the varied backgrounds in the class, many of you will have important contributions to make based on your personal experience. We will try to learn about your backgrounds over the course of the term, but you are encouraged to bring these experiences to bear in the discussion.

Class Attendance. You are expected to attend every class. Attendance policies are posted on the course policy page on Canvas. Please use your name cards.

II. FINAL PROJECT ASSIGNMENT (70%)

Your final project assignment consists of **three parts**. The first must be submitted on Canvas by 2 p.m. on the final day of class. The second and third must be submitted by May 27, 2016 at 4 p.m. All of the parts pertain to the topic assignments, which are available on Canvas.

The first two parts are done in a group. You should form groups of 4-6 students. We will make use of a sign-up list for group projects to facilitate group formation. Your group may have one or more students added to it by the instructors if needed.

The **first part** (15%) is a group presentation on the last day of class. The groups have one minute per student in the group to make their presentations, and two minutes for questions and answers. Given the time constraints of the class, the group does NOT need to have reached their final conclusions at the time of the presentation, but should present relevant facts and issues as well as the framework you are using for your analysis.

The **second part** (40%) is a 4 to 6 page paper (12 pt., 1.5 spacing, 1 inch margins, page count not including any figures or references) summarizing the group’s findings for the project.

The **third part** (15%) is to be completed INDIVIDUALLY without discussion with group members. This individual submission should be one-half to one page (same format as above). The submission should first highlight the most important general lessons and themes that emerged from the group project, and second comment on how they might apply to settings beyond that in the assigned topic, or where your findings are specific to the case in your topic. For example, if your project considered monetization for a website or a class of websites, consider how your lessons might generalize to other types of websites, or where they are specific to that website.