

Microsoft adCenter (HBS 9-908-049)

- 1)** What are the comparative advantages of display and text ads? What types of products are better suited to each one?
- 2)** Prior to May 2006, Microsoft used Yahoo's ads. Why did it set up adCenter?
- 3)** It is convenient to think of adCenter as a platform market with three sides: searchers, advertisers, and website publishers. Explain the same-side and cross-side network effects between these sides. Does Google's large share in the consumer search market help it in the ad business?
- 4)** What is second degree and third degree price discrimination? For each type, provide an example of how Microsoft adCenter could price discriminate between different advertisers or different publishers.
- 5)** How might Microsoft (i) horizontally and (ii) vertically differentiate themselves from Google. Would this be advisable?
- 6)** Given the current disadvantage Microsoft has in the Ad placement market. Discuss their strategies for mobilization.