

AOL Acquires Fantasy Football Site FleaFlicker by Mark Walsh, Friday, Apr 25, 2008 7:00 AM ET

Continuing to expand into targeted content, AOL has acquired fantasy football site FleaFlicker.com for an undisclosed amount.

The move is aimed at enhancing AOL Sports and builds on the portal's strategy of adding niche content to broaden its appeal to consumers and advertisers alike.

"Sports has been a great area of growth for us," said Bill Wilson, executive vice president for programming at AOL. "We have invested a lot in community features and data, and the one piece we've been missing is a world-class fantasy offering."

Launched in 2005, FleaFlicker hosts free fantasy football leagues that include an array of features such as stats, player analysis, a live scoreboard and draft and league standings.

Although lacking big backers, the ad-supported startup has compared favorably with competing fantasy football sites from media heavyweights including ESPN, FoxSports and Yahoo. (Wilson called AOL's existing fantasy football offering "modest.")

FleaFlicker got a boost in 2006 when influential blog TechCrunch described it as "the best fantasy football site out there." The company's software powered the fantasy football offering on site last year, but will not do so next season, according to a Washingtonpost.Newsweek Interactive spokesperson.

Wilson said FleaFlicker will be integrated into AOL Sports in the coming months, and will be rolled out in June or July, in time for the kickoff of the 2008-2009 NFL season.

The Fantasy Sports Trade Association estimates that 18 million participate in fantasy sports leagues, which generate almost \$2 billion annually in revenue.

Market research firm eMarketer forecasts ad revenue on sports-related sites will grow to \$1.1 billion in 2011, up from \$727 million this year.

In the last year, AOL has revamped all of its key content properties and launched another two dozen targeted sites in order to capture an increasingly fragmented Web audience. It also wants to grab ad dollars shifting away from the top portals to vertical content properties.

Among newer niche sites have been Asylum, a lifestyle site aimed at men ages 18 to 34; "Spinner," a music-related destination; and business-oriented site "Bloggingstocks."

AOL also recently acquired a pair of widget developers--Goowy Media Inc. and Sphere Source--to help expand users' access to syndicated content on the portal. Last month, the company picked up Bebo for \$850 million to get in the social networking game.

That growth strategy has paid off in the doubling of page views to 3.7 billion over the last six months ending in March and increasing traffic to its content sites 15% over the last year.

Wilson said AOL will continue to eye acquisition opportunities, as well as launching another two dozen or so targeted sites this year. A women's equivalent of Asylum is among the new sites expected.

With 111.8 million visitors in March, however, AOL still ranks fourth in traffic overall behind rivals Yahoo, Google and Microsoft, according to comScore.

Whether AOL's expanded programming strategy has translated into increased ad dollars also remains to be seen. CNBC has also reported rumors that AOL's revenue could be down by 25% to 30% compared to a year ago, when parent Time Warner announces first-quarter results next week.

Mark Walsh can be reached at walsh@mediapost.com