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BUSINESS | MEDIA & MARKETING | CMO

## Data Helps ESPN Customize Ads for Sports Fans' Leanings

Sports media giant rolls out new product to bolster performance of ads

By SUZANNE VRANICA

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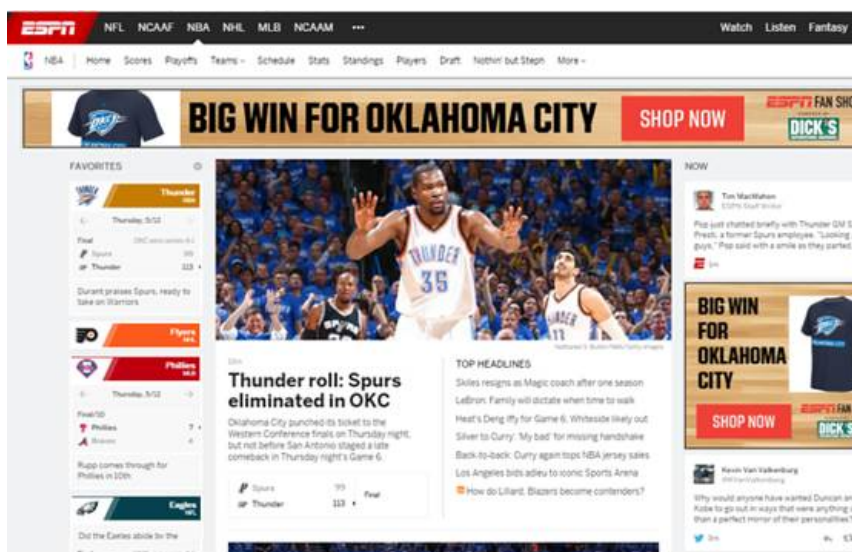


PHOTO: ESPN

reflect the outcome of a particular game.

For example, shortly after the Oklahoma City Thunder won game six of the NBA Western Conference semifinals last week, fans of Oklahoma reading the article “Thunder roll: Spurs eliminated in OKC,” on ESPN.com were served up a banner ad from Dick’s Sporting Goods that read: “Big Win For Oklahoma City.”

The ad prompted viewers to click to be taken to the sporting goods store’s website to

Sports media giant ESPN is rolling out a new advertising product that allows marketers to deliver banner ads tailored to the interests of sports fans by using data the company has collected on visitors to its website.

The offering, called Live Connect, lets marketers serve ads on ESPN.com that can reflect a visitor’s favorite team or player. The ad can also



PHOTO: ESPN

shop for gear. Spurs fans were served up a more generic display ad that read: “Gear Up For The Final Push.”

In order to be able to serve the more relevant ads in real time, the Pittsburgh-based retailer created roughly 1,000 different display ads, each

mentioning different sports, teams, leagues and even possible outcomes of particular games. ESPN then automatically served up the right ad when a particular type of sports fan visited ESPN.com.

For several months, a handful of marketers including Dick’s and Allstate Corp. have been testing ESPN’s latest ad product, which will be formally announced during ESPN’s upfront event in New York City today. The company plans to roll out a similar tool for video ads that appear on ESPN.com and ESPN’s streaming app within six to nine months.

Pressure has been building for TV networks to improve their ad products in order to stop marketers from moving more of their ad dollars to digital media companies.

Many TV networks, for example, are now offering better targeting for TV ads, which in some cases allow a beverage company to buy ads on TV shows that are watched by soda-buying households.

ESPN and some advertisers believe that relying on consumer information just for targeting of ads can fall short if the ad itself doesn’t resonate.

“The gloomy outlook on the state of digital advertising is, if you look for a car or a pair of shoes online, that car or a pair of shoes follows you around the Internet in a very creepy way for the next six months,” said Ryan Eckel, vice president of brand for Dick’s Sporting Goods. “This [Live Connect] is getting closer to a more useful way to use display.”

“If we harness” the emotions that people have around sports and “what we know about sports fans then we have a competitive advantage,” said Ed Erhardt, president of global sales and marketing for ESPN.

ESPN said early tests show that if ads are more personal and tie into the emotions

people have during a particular game, viewers engage with them more.

In some cases, Dick's saw click-through rates increase roughly 50% when it served ads that were tailored to a fan's favorite team and reflected the outcome of a particular game, ESPN said. Dick's declined to provide data on how sales were affected during the campaign, saying that it's still going through the sales data.

Over the past year, ESPN has pushed into data marketing by hiring experts including its Global Data Officer Vikram Somaya, who previously helped the Weather Co. use data to show advertisers how weather affected product sales.

ESPN has collected first-party data on about 106 million of its users, information such as a person's favorite teams, leagues and players. For ESPN visitors that do not fork over their preferences, the network can figure out sport preferences by tracking a visitor's behavior on the Web.

For example, it figures out a person's favorite team by tracking which blogs or stories they are reading about particular sports or teams.

"Marketers tend to forget that marketing is still the art of persuasion and right target and right time is great but if you are not relevant in that moment" then it can be a missed opportunity, added Mr. Eckel at Dick's.

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