

Roblox's advertising prowess outgrows the metaverse

Article



Roblox has been popular with young <u>game</u> players for years. It brings in tens of millions of players every day. As more <u>marketers</u> explore activations on the platform, best practices are starting to take shape.

Many brands used Roblox to jump on the "metaverse" hype a few years ago. With that buzz now faded, Roblox has continued to attract brands, with a growing emphasis on <u>creator</u>



partnerships.

Brands on Roblox

Roblox isn't a single experience. It contains a vast collection of games, environments, and unique avatar clothing, all created by its users. This diversity of experiences and products allows Roblox to be a significant platform for a variety of brands to explore.

- Chipotle has its ongoing Chipotle Burrito Builder world experience.
- Nike fashioned a playable minigame called Nikeland.
- Earlier this year, Kidz Bop launched an experience on the platform.
- Additionally, beauty brands like e.l.f. Cosmetics, Fenty Beauty, and Maybelline, manage activations and games on the platform.

Meanwhile, <u>Walmart</u> built out a whole marketplace called Walmart Discovered, where users can personalize their spaces, discover items, and also play games.

Roblox itself has sought to make activations easy for brands, with a <u>brand-focused landing</u> <u>page</u>, and a partnership with PubMatic to help sell video advertisements.

Creator partnership shift

While many brands are continuing to set up their own experiences and court users, partnering with existing creators on the platform has become more common. Globally recognized brands like Adidas, Ralph Lauren, and Hugo Boss are collaborating with popular users to craft virtual, sometimes limited-edition items, which can be sold to users on Roblox.

For example, last year, Adidas partnered up with Roblox user <u>WhoseTrade</u>, who designed everything from a virtual rainbow ski to a unique \$20,000 virtual necklace that also came with a custom, one-of-a-kind pair of Adidas shoes.

Additionally, Walmart Discover's press release said that the experience will spotlight "community creators, from digital fashion designers to experience developers."

Gen Alpha in their sights

For brands, having a presence on Roblox is a way to build awareness among young consumer audiences, particularly <u>Gen Alpha</u>.

- Almost 45% (44.9%) of US children under 12 play digital games, according to our November 2024 forecast.
- 65% of US children under 14 played Roblox in 2024, a growth of 31 points from 2020, according to a September 2024 report from CivicScience.
- 48% of US <u>Gen Zers</u> played Roblox in 2024, per CivicScience.

However, brands trying to build awareness with Gen Alpha might have to navigate growing scrutiny on the level of access and content that is available to Roblox's younger users. Roblox has implemented tighter restrictions, including limiting messaging outside of games for players under 13, as well as spending caps.

Scrutiny aside, Roblox has been so successful with brands that our analyst Yory Wurmer expects that other developers will create similar platforms to woo advertisers.

"My prediction is that Roblox's ad platform, which has been pretty successful so far, is going to usher in a big effort by a lot of game developers to create their own game platforms specifically geared towards brand advertisers," Wurmer said on an episode of "<u>Behind the</u> <u>Numbers</u>" last summer. "That will entail more standardized ad formats, easier tools, better <u>tracking</u>... I think this is going to be a fairly common move by most big game developers."

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