

Roku kicks off branded content offerings with new TV show

Article



“Roku Recommends” **premiered** yesterday on The Roku Channel. The weekly, 15-minute show surfaces top titles to stream across the thousands of channels on Roku, helping viewers combat decision fatigue.

It’s a culmination of a few recent moves by the connected TV company, including:



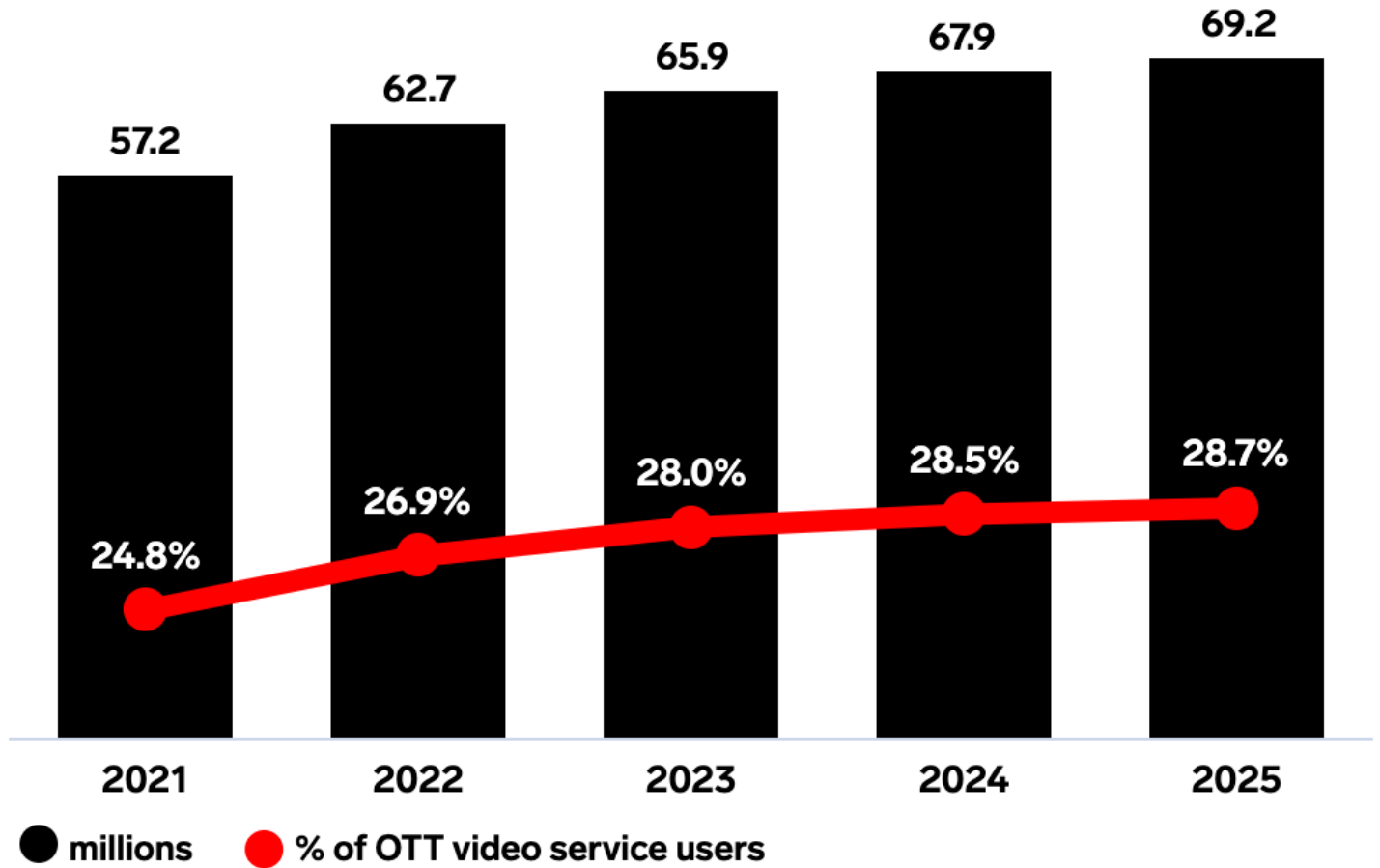
- **The launch of its branded content studio.** “Roku Recommends” is the first production of Roku’s in-house content studio, which **debuted** in late March.
- **Its expanded Measurement Partner Program.** The show will also be the first to use Roku’s new and improved ad metrics system after its **purchase** of Nielsen’s Advanced Video Advertising segment in March.
- **The acquisition of Quibi’s library.** Quibi’s shows **arrived** on Roku last month under the banner of “Roku Originals,” and “Roku Recommends” could help the company bring them to viewers’ attention.

The show will also offer several new ad opportunities, such as the chance to reach viewers who would normally go directly to ad-free streaming services. The promise of discovering new, trending content gives “Roku Recommends” the chance to capture viewers who may have otherwise gone straight to a premium subscription service like Netflix or Disney+. The show itself is packed with opportunities for brands, including 2 minutes of standard ad programming and native, host-read ads similar to those found in podcasts, as well as sponsored segments, with Walmart coming on as the show’s debut sponsor.

As Roku leans more heavily toward advertising, marketers can look forward to more opportunities to capture connected TV (CTV) viewers. Though Roku is best known for its players and smart TVs, devices haven’t been the main driver of Roku’s revenues for a long while. Instead, its platform segment, which includes its advertising and subscription revenue-sharing businesses, **accounted** for 81% of its total revenues in Q1 2021. And the company’s new content studio and measurement tools are set to only continue expanding its ad business, which will give advertisers better access and more ways to engage with the growing number of CTV viewers. For context, we estimate there will be 109.7 million monthly Roku users in the US this year, with more than half (57.2 million) of those users also watching The Roku Channel every month—nearly a quarter of all those who use an over-the-top video service.

The Roku Channel Viewers

US, 2021-2025



Source: eMarketer, February 2021

eMarketer | InsiderIntelligence.com