

Roblox's new video ads take aim at the lucrative Gen Z market

Article

The news: Roblox has announced that immersive video ads will now be available for all advertisers to reach the platform's younger-skewing user base of 71.5 million average daily active users.

- This new ad format allows brands to connect with Roblox's engaged audience through scalable video ads without needing custom 3D content creation.

Why it matters: Three in four (75%) of users are more likely to notice brands advertised on Roblox, and 73% see these brands as category leaders, according to Roblox research with Latitude.

- Video ads can drive significant lifts across key metrics such as brand awareness, consideration, and user actions like visiting advertiser experiences (+10 percentage points) and posting about brands on social media (+5 percentage points).

The measurement component: Roblox has partnered with **Integral Ad Science (IAS)** to provide third-party measurement and verification of viewability and invalid traffic for the new immersive video and image ad formats.

- This integration will allow advertisers to independently validate that their Roblox ads are viewed by real users, via trustworthy metrics.
- IAS's viewability and invalid traffic measurement products for Roblox campaigns are expected to roll out later in 2024; Roblox is working with **Kantar** for interim brand lift measurement studies.

Will it work? Roblox's [recent deal with PubMatic](#) to bring programmatic ad buying to the platform should further accelerate adoption of the new ad format.

- We expect US total game ad revenues to [grow 6.7% to \\$8.6 billion](#) this year and reach \$11.54 billion by 2028.
- US nonmobile game ad revenues are rising considerably faster (13.8%) but are a far smaller portion of the pie (\$0.82 billion).

Our take: Roblox's introduction of immersive video ads expands monetization opportunities for creators and offers brands an exciting way to engage the highly valuable Gen Z audience at scale.

- Roblox's detailed guidelines and brand suitability controls help ensure a safe advertising environment for users and brands.

- Innovative ads in virtual worlds could redefine brand engagement, but their seamless integration into Roblox's gameplay is vital for long-term success.

**Daily Time Spent With Leading Gaming Apps
Among US Children, 2021-2023**

average daily minutes

	2021	2022	2023
Roblox	180	190	139
Minecraft	36	49	48
Among Us	61	74	18
Clash Royale	40	35	18
Pokemon GO	23	16	18
Magic Tiles 3	11	14	8

Note: ages 4-18

Source: Qustodio by Qoria, "Born Connected: The Rise of the AI Generation," Jan 24, 2024

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