

Mike Shields (3s):

Hi everyone. This week on Next in Marketing, I spoke to Dan Robbins, VP of Ads marketing at Roku. We talked about why these companies are pushing into original programming despite an increasingly crowded and expensive field, and why he objects to the idea that Roku is building the TV's version of a walled garden. Let's get started.

Intro to Next in Marketing (18s):

Everything we know about the media, marketing, and advertising business is being completely upended, thanks to technology and data. We are talking with some of the top industry leaders as they steer their companies through constant change. Welcome to Next in Marketing. Presented by AppsFlyer.

Mike Shields (37s):

Hi, everybody. Welcome to the Next in Marketing. My guest this week is Dan Robbins. He's the VP of Ad marketing at Roku. Welcome, Dan. How are you?

Dan Robbins (44s):

Thanks, Mike. I am good and excited to be here.

Mike Shields (47s):

I'm excited to talk to you. We have wanted to talk to somebody from Roku for a while. I'm glad you could do this because your timing is super interesting. You guys have been growing for a while. You're coming fresh off your new fronts at a very interesting time for our industry when there is so much changing and accelerating with the consumption and where advertisers are spending money. We're actually right in the middle of the upfronts, which are super interesting because of this juxtaposition of declining audiences, and all these crazy consolidations, and this is fresh-off the Warner media news for the past few days. Where is Roku staking it's attack, if we are calling it an attack?

Mike Shields (1m 28s):

Where are you focused right now in terms of the marketplace and how do you want to go after things and shape your message to the ad community?

Dan Robbins (1m 38s):

Sure. It is definitely an interesting time in the media and the marketing world. Our founder and CEO, Anthony Wood likes to say it's an exciting time to be in the streaming business, and it absolutely is. A bit on just where Roku is right now. Roku is America's number one TV streaming platform. We actually pioneered streaming to the TV when we launched our first streaming player in 2008. We've had a simple mission since then, which is to connect the users to the streaming content that they love. We do this in a couple of ways but it's really about helping content publishers build and monetize large audiences and helping marketers reach streamers with data, with experiences, and with measurement.

Dan Robbins (2m 19s):

We recently announced in our Q1 earnings that we reached 53.6 million active accounts. We power the TV for millions of consumers in 20 plus countries. Where the market right now is this launch of the streaming decade. There is an accelerating shift towards TV streaming and it's something that content owners, marketers, and consumers are all pushing for it.

Mike Shields (2m 41s):

That number is really big. I don't know if you know this. When Roku started, I feel like it was thought of as a device for cord-cutter specifically, or just the way to get going on streaming. I imagine your customer makeup is varied now. Is Roku the primary device for most users? Is it secondary for some? Do you know that in terms of your household makeup, I should say?

Dan Robbins (3m 4s):

What's interesting about our user base as America's number one TV streaming platform is that we largely reflect America, both by age, income, ethnicity, urbanity, and children in the household. For a lot of our streamers, Roku is the primary way that they access TV. More than half of our households don't have Pay TV, which means they are not part of the cable ecosystem or the satellite ecosystem. To the earlier point you mentioned, Mike, a lot of folks think of Roku as being the company that makes pucks and sticks that plug into your TV but, increasingly, we're actually a platform business where we create not only players and streaming sticks, we also power the operating system of most of the TVs in North America.

Dan Robbins (3m 52s):

We have a business that is focused, not just on selling devices, but also on monetizing users and helping content owners and advertisers reach and engage them. That's increasingly our focus and our mission in being the leading streaming platform.

Mike Shields (4m 10s):

Yes. I think most people understand that but I still think it's hard to get past a company's origin story in people's heads. I don't know if this is the right way to think about it. How many people at Roku work on the making of the devices, the plug-ins? How do you explain how big or how much of you are an ad tech company or engineering company versus a device-making company? What's the makeup of your organization?

Dan Robbins (4m 37s):

Off the top of my head, I don't have the exact headcount breakout, but what I can say is that when you look at, even most recently, our Q1 earnings, most of our gross profit and profitability is coming from the platform part of our business, which is the focus of again, helping monetize those users once they take a Roku device home. It's increasingly our focus with things like the Roku channel, which is all about giving free entertainment, movies, and television to users. The focus on our ad business is about building the leading ad

tech stack, an offering for marketers who are making the shift to TV streaming, and increasingly our work with channel partners and content owners, helping them migrate into streaming to build audiences, retain, and engage them, continue to adapt and transform their businesses.

Dan Robbins (5m 26s):

What I would say is that is the key focus for us.

Mike Shields (5m 30s):

Let's talk about your platform versus your advertising technology because I think there may be an important distinction here. I think some people would think of what you do as you're an ad network for connected TV apps, which is not a bad thing or find business, but then other people think of you like the Google of connected television or the tech stack for this ad environment. You power the people. You have your own devices. Can you help people understand how those different facets of your business work?

Dan Robbins (6m 3s):

Sure. The way I would think about it is ultimately our mission as a platform business is to bring the best of data, ad tech, and measurement to marketers who are making that shift to TV streaming. We have built an entire ad tech stack that is about bringing that to life. That's been our focus over the last five-plus years, to help marketers make that shift. There are a few key components of it because it goes beyond just what ad inventory you can buy. First, it's really about the data and the measurement. Roku has a direct connection with our consumers that helps us bring the same digital one-to-one targeting onto the largest screen on the home.

Dan Robbins (6m 46s):

The second is that that ad tech stack is also about building interactive and experiential ad units that go beyond the 32nd spot, things like interactivity, pause breaks, and other things that just aren't possible in traditional TV. Lastly, that ad tech stack is also about measurement that goes back to being the first TV streaming platform to have a partnership with Nielsen to provide age and gender guarantees just like linear television, but it also includes our measurement partner program, our acceleration of IAB standards, both for interactivity, but also for things like ads dot text.

Dan Robbins (7m 26s):

The key takeaway is that the ad tech stack is actually about helping move the industry forward. We bring that ad tech to our partners to help them also sell TV ads and inventory, and to make the most of the shift to streaming.

Mike Shields (7m 39s):

Correct me if I'm wrong, I don't know how much you can talk about the details, but you sell advertising for, I believe, hundreds, if not thousands of apps but then there are also some apps that have complete rights to

their inventory. How does that work if you could explain it?

Dan Robbins (7m 60s):

Ultimately, our ad business is a platform. The focus of that platform is built around data, it's built around unique ad inventory, and then again, it's built around measurement. In terms of where do the ads actually run when you work with Roku, your 15, 30, 60-second video spot is running interstitials in ad-supported channels on our platform. Each of those relationships is different and we don't comment on specific deal terms, but one of the largest sources of that ad inventory is actually the Roku channel. It's one of the fastest-growing ad-supported channels on our platform. It's grown twice as fast as the platform overall recently. The focus on the Roku channel was built out of this consumer insight that the number one search for a term on our platform was free.

Dan Robbins (8m 45s):

As consumers, we're cutting the cord. They wanted free movies and television to supplement whatever they might already have. The Roku channels started with free movies and television shows that were licensed. It then expanded into premium subscriptions, which actually allows you in one central place to sign up for a premium subscription or SVOD services. It expanded to live linear so we've got more than a hundred channels that are part of our live EPG or TV guide. It expanded to the Spanish language, then it expanded to kids and family, and most recently Roku originals. That's actually become part and parcel of our overall ad story and where your ads run when you are on the Roku platform.

Mike Shields (9m 29s):

If I'm an advertiser and I'm coming to you to cut an up-front deal or just a significant deal to promote whatever messaging. Am I getting mostly Roku channel inventory? Is it cherry-picked? "I want to be in these 12 apps." Does it really depend on the targeting that they're looking for and the data they want to use?

Dan Robbins (9m 48s):

It does, I'd say, depend most on the targeting and the data they want to use. We are, first and foremost, an audience-based bot, which is that same digital-first mentality of reaching the right home at the right time. We're bringing to the largest screen in the home and premium TV and movie quality content. Advertisers ultimately come to Roku because they want to marry the precision and attribution that they get in the digital world with that TV screen. It's both an upper funnel and a lower-funnel play. In terms of where, again, the mix of where those ads run, it's going to depend largely on what the advertiser's goals are, what the type of media plan they are trying to build, and then we work with them to build that plan.

Dan Robbins (10m 33s):

Ultimately, there are hundreds, if not thousands of ad-supported channels on our platform. Our goal is to provide the easiest and most effective way for marketers to buy into the shift to streaming.

Mike Shields (10m 41s):

I want to come back to what you mentioned about how so many of your consumers are looking for free stuff to watch because one of the things that I feel I was very wrong about in the last few years is I feel like generationally, something was happening where millennials, Gen Z are just not going to tolerate interrupted advertising again as I did. Growing up on Netflix was just going to ruin your ability to sit through ads. We're definitely seeing that changing between things with you, guys, with Pluto, TwoV, and obviously YouTube. What could you tell us about your viewers and their comfort with advertising, whether it's interruptive or their ability, their willingness to deal with that?

Dan Robbins (11m 23s):

What's interesting there, Mike, is that streaming is now mainstream, and because it's reached that tipping point scale, there is a diversity of audiences that have a diversity of interests in what they want to watch and what they want that experience to be like. There's actually room in streaming for subscription models. There's room for ad-supported models. There's room for transactional or rental models. Our view is that all of those can thrive and serve different parts of the market. What's interesting is that ad-supported video-on-demand or AVOD panels have been the fastest growing on our platform. One of the key-value props is not only how do we bring the targeting and the measurement of the digital world into those experiences, but how do we do it in a way that is going to be better for the advertiser and the consumer?

Dan Robbins (12m 9s):

The Roku channel has an ad load that's about half the average of broadcast and cable. What that means is that it is less interruptive. It does feel less burdensome, and there is an appetite for a lot of consumers to say, "Look, if I can get a movie or show that I'm interested in watching, I can get it for free without a signup and just one click, and that means it comes with a few ads, that benefits the marketer, it benefits the consumer, and ultimately, benefits the ecosystem." We're very bullish about the future of ad-supported television.

Mike Shields (12m 40s):

Right now, we imagined you're coming into this market where the streaming boom we've all talked about in the past year. It's glaringly obvious. There is a big shift in the way marketers are thinking you would assume. How much of your demand right now comes from the big traditional TV brands that worked with giant agencies and do the classic upfront buying that we've seen for decades versus programmatic driven advertisers coming through companies like the trade desk or your own DSP that have a totally different philosophy on metrics and where they track consumers? What does that mix look like?

Dan Robbins (13m 19s):

Today, nine out of 10 of the ad age 200 brands have advertised with Roku. We've reached that point at which the majority of those fortune 500 large companies are now invested in TV streaming because they are going into an up-front and they're looking at three key things. First, they are noticing that TV is no longer delivering

mass reach for young audiences. 39% of linear TV rating points have just disappeared. In the past four years, they're gone. Traditional TV too is getting older. The media and age of the top three broadcast networks are now over 60. That's out of the target for most marketers.

Dan Robbins (13m 59s):

Third, traditional TV prices are going up. Last year, broadcast prime ratings dropped by about 20%. Upfront rates increased by about 13%. The leading marketers in that age 200 are looking at this, and they're saying that the equation is not going to work for much longer. On the same side, what we've also seen again is that TV streaming offers the ability to make the largest screen in the home a performance-driven vehicle. One thing we shared in our earnings the other week is that in Q1, non-ad age 200 brands actually grew faster on our platform than the ad age 200, which is to say that direct-to-consumer brands, small and medium-sized businesses, direct response advertisers are increasingly starting to look at TV streaming as either a compliment or even a replacement for digital and social buys.

Dan Robbins (14m 50s):

What we're really excited about in all of that is that it actually has the opportunity to serve both of those markets and to bring to the floor the solutions, whether they'd be reached, whether they'd be a performance that is going to work for both of those constituents.

Mike Shields (15m 8s):

Does that mean you are constantly having to balance? We are talking about two different types of buyers essentially. One is the performance brands probably work very well for you are data-driven targeting, your ability to hit audiences, but I wonder if you run into the traditional TV brands who want to understand the trade-off they're making. If they're moving money out of the television, they want to look and think in terms of reach, GRPs, and things like that. How do you strike that balance?

Dan Robbins (15m 32s):

A part of it is creating solutions that are going to fit the needs of the marketers, no matter what their plan is. What I'd also add is that there are small, medium-sized businesses that are focused on in-demo reach. There are fortune 500 companies that are laser-focused on performance. It is a little bit of a mix and we cater to both. To come to your question though, Mike, we've done a few things that have been focused on really helping both of those performance and brand-driven marketers. The first is that, several years ago, again, we're the first platform to offer Nielsen audience guarantees, which at a base level, provides an apples-to-apples comparison for a large brand so they know.

Dan Robbins (16m 16s):

"If this is what my audience composition looks like in linear, I can map that same guarantee into TV streaming." The second thing is that we launched Roku Ad Insights, which is our own analytics sweep to help answer some of those key questions. If I want to share shift dollars into TV streaming, what does my

incremental reach look like? What's the point at which my first dollar in TV Streaming is going to work harder than my last dollar in linear TV?" Two, we've launched a tool called reach insights that allows you to actually measure that deduplication. At last, up-front, we rolled out incremental reach guarantees, which is simply to say, you're only gonna play for the impressions on the Roku platform that we're not duplicated with linear TV.

Dan Robbins (16m 60s):

If a Roku user already saw your ad on linear television, you're not paying for that impression. Lastly, we've built out our measurement partner program and our shopper data program to provide that outcome-based data. That's going to help marketers do a bit of both. Our first partner in the shop or data program was Kroeger. We've started to see really strong results across the CPG category for brands that are going more data-driven and more performance-oriented in their marketing plans. All of this is just to say that these tools are helping those big brands make that shift to where the consumers already are, which is streaming.

Mike Shields (17m 38s):

I was reading about some of the up-front coverage and, I hate to say it this way, but some of the old school buyers and marketers still think of TV budgets as one thing, and then there's like a streaming budget, and maybe there was a CQV budget in. I don't want to mix those things around. They think about moving money within that silo versus moving it around to the most effective place or the place where the audience makes sense. Do you feel like you're still battling some of that mentality in the ad world?

Dan Robbins (18m 12s):

I think there has been a tremendous amount of progress among the agency and the client or marketer community in realizing that it's about going streamer first, and it's also about bringing a holistic strategy across all screens in this upfront, I'd say, more so than any in the past has brought that to the fork. One of the things that we've really brought as a focus in our message upfront is three things. The first is that streaming actually has a scale of broadcast prime now. In 2020, Roku reached 34% more people than watched the super bowl this year. That is actually a scale that's going to make it easier to plan across.

Mike Shields (18m 48s):

That old argument, "Well, at least TV can get you that 10 million people in one-night thing," you think that is going away?

Dan Robbins (18m 56s):

Yes, it's really changed because the shift to streaming has accelerated. We're starting to see that reflected in the way folks are planning. The second big focus that we've been talking about in this upfront is that streaming has the canvas to make your big moments bigger. We recently launched a brand studio, which is all about advertiser-driven storytelling built for TV streaming. A good example of this is March Madness this year. We saw a massive shift to streaming. TV streaming audience reach has increased by about 85%. TurboTax has long been a sponsor of March Madness and what they realized is that in order to actually

make the most of that, they needed both a linear TV and a TV streaming strategy because the linear TV ratings are declining.

Dan Robbins (19m 46s):

TurboTax became the official sponsor of the Roku channels, March College Hoops, editorial hub, interactive ad units, a pre-show, and pause breaks. They actually built a Snapchat augmented reality lens that allowed you to beat the buzzer on the Roku channel. We brought in custom content from the players' Tribune to put in that editorial hub. All of which is to say, "There's an opportunity to go on beyond the 30-second spot." That's a key focus of this upfront. The third and final piece has really been that, as we've talked about, Mike, streaming brings together the upper and the lower funnels. While TV has historically been for branding, digital has historically been for performance, TV streaming is for both.

Mike Shields (20m 29s):

Right. On an upper and lower funnel conversation, with the Kroger example you mentioned, talk about how that's going to work. I think, obviously, we have all talked about how there's been this crazy e-commerce boom over the past year. It's probably not going backward. TV historically is not being a medium where you click and execute or buy stuff. That may change. It's always harder to do attribution, I think in television by nature. Tell me. How is it going to work with a brand like Kroger?

Dan Robbins (20m 59s):

Yes, so the nature of that shopper data program is basically taking the Roku identity data and Roku streaming data and marrying that to Kroger shopper data. The number one TV streaming platform in the US and the number one grosser in the US. The whole idea here is actually answering that question you bring up, Mike, which is how do I make TV a performance and outcome-driven medium? What brands are doing are really two main things. First, they are actually using Kroger shopper data to target their campaigns on Roku. That means if you are Snyder's of Hanover and you really just want to reach folks who you know are heavy pretzel shoppers, you can ensure, based on Kroger data, that your campaign and Roku is only reaching those homes.

Dan Robbins (21m 48s):

You can actually measure results on the back end, which is to say that you can look, just like a true experiment control exposed, what are the difference and actual purchase behavior in Kroger stores? What's interesting is that we've seen consistently in our first pilots that when you're using purchase-driven data to actually target and measure, you're seeing a far higher return on ad spend than you would if you are just reaching the average Kroger shopper. Our view is that that's actually the future of TV streaming, which is to say, not only will all TV streams and all TV ads be screen, but also all TV ads will be performing and measurable.

Mike Shields (22m 30s):

Not to go too far down this attribution rat hole, but someone using a Kroger loyalty card of some sort, and then you have data from Kroger about my pretzel habit that I can't stop buying, and you know who I am because I'm logged into your service. You can connect those two things on the back end anonymously., I'm assuming. Is that how it works, essentially?

Dan Robbins (22m 53s):

At a high level, yes.

Mike Shields (22m 54s):

Once brands get a taste of that kind of thing in television advertising, they're going to want it everywhere. I'm assuming that they can do that through Amazon Fire. They could probably do that through some of the connected TVs. They are going to be getting the ad business, but that's going to be really hard for the traditional business to match that without a lot of assumptions being made around data. Is that going to really shift the way that the broader community looks at the television? How do you guys capitalize on that?

Dan Robbins (23m 22s):

I think it absolutely will shift the way that marketers think about the TV screen because it's going to make it more digital and less about spray and pray, more about being able to actually measure your results.

Mike Shields (23m 41s):

Interactive television advertising has experimented with a lot. It's never become huge, I don't think, and people have not shown a huge propensity to buy stuff but I wonder if that's going to change now with this past year in the way these trends are converging and the technology is getting there. Do you see a big future for that? Where you're going to be able to click on that through a Roku remote and buy things right from ads?

Dan Robbins (24m 4s):

Actually, I'd flip that question back to you, Mike, in your thoughts on whether you think a TV will become a commerce-driven medium.

Mike Shields (24m 12s):

I hate when people do this to me. It's not fair. Not sure if I actually deserve it. I have a lot of doubts just because it's not a natural habit to use your remote that way and that's still what most people are controlling television. Now, I'm gonna contradict myself. I'm speaking about my household alone. There's a voice technology built into our Verizon file system. I still have a cable because I'm old, and so I want to watch the nick games. If that technology really gets good and you are controlling your TV screen with your voice, maybe that would be more comfortable for people just to shout out and make purchases. I'm not totally sure. I just feel like we've been trying to make this happen for a long time but I'm typically wrong about these things so I don't know.

Dan Robbins (25m 1s):

Yes. I think the key is one, creating a consumer experience that is super seamless to your point, and two, creating an incentive structure that makes a consumer want to actually buy something from the TV screen. To your point, that absolutely is not there today but I think that it speaks to the broader point about TV, just being a performance-driven medium, one that will continue to help marketers actually go through the entire funnel.

Mike Shields (25m 27s):

I want to shift gears a little bit. Maybe you could talk about the measurement question and what's going on at your request to try and crack more of the bigger brand budgets. You are getting labeled as a walled garden for better or worse. As a lot of companies are, it's positive and a negative, but every brand is talking about, "I want to be able to do cross-platform measurement and figure out," "I want to be able to manage reach frequency across all these platforms. It's really increasingly difficult and not everybody lets me bring in my data or plugin the way I want to." Do you get those kinds of questions? Do you have a response or do you see a path for brands that want to do that to make things easier?

Dan Robbins (26m 10s):

Yes. You know what, I do want to correct the record on that, which is to say that we are an open platform. We have been, and we are specifically focused on providing solutions for the industry around this measurement problem. It's near and dear in my heart because I'm a researcher originally by trade, but we also think we're uniquely positioned to help the industry solve this. There are maybe three or four things that we have done as an open platform to help there. The first is that, as we were discussing earlier, we built an ad tech stack that's focused on measurement first and not just measurement for Roku, but measurement for anyone who is buying and selling ads on our platform. To take Nielsen again as an example, that Nielsen digital ad ratings product is available for any sales team and any buying teams to use.

Dan Robbins (26m 59s):

That's been as you are using our ad tech stack to help the industry move forward and measure.

Mike Shields (27m 5s):

The idea that the data can't leave Roku, for example. In that case, it's not true, right? If you're using Nielsen, you can use that data for the rest of your campaign?

Dan Robbins (27m 17s):

Yes. Well, what I do want to clarify there is that we take our consumer data very seriously. We don't sell or send that out outside of Roku's walls but our partnership with Neilson is built on the premise to help the entire industry measure, again, not just for Roku's ad sales team, but for any buyer and any seller. The second, I think, key point thereon being an open platform, we're really trying to push the industry forward and

help is our measurement partner program, where we've worked to integrate more than 20 partners across the funnel.

Dan Robbins (27m 59s):

In these upfronts, we announced six additional partners, including Adjust, Affinity, Branch, RIA, Cochaba, and Viva Crossix. Third, we've launched Roku Ad Insights to help take our linear TV data through ACR (Automatic Content Recognition), which is second-by-second data on linear TV and help make that available for planning, measurement, and incremental reach guarantees. Forbes is our most recent partnership with Nielsen, which is going to be about two things really. One, bringing dynamic ad insertion to linear TV. That's the real-time replacement of ads on broadcast and cable for Roku TV devices. What that means is that a programmer can actually go out and, in real-time, replace the dog food ad with a cat food ad, and work with an advertiser to bring the same targeting, precision, and measurement that exist in the streaming world and put it on the linear TV screen.

Dan Robbins (28m 55s):

Again, that's where the benefit is, not just Roku, but for programmers who want this technology to better monetize their user base. I bring up these four examples simply to say that our focus has been on helping the industry move forward and helping to build an ad tech stack that is going to answer the measurement questions.

Mike Shields (29m 16s):

On that, I did want to ask you about the acquisition you guys made from Nielsen, the dynamic ad insertion products. I think the dream in television is it will be just like digital and everybody will get their own individualized ad someday. It seems as though we're a little bit far from that at this moment, but how closer are we going to be through that product to seeing? Not just splitting the inventory between dog and cat people, but where everybody is getting a specific ad at a given time based on their profile history, stuff like that.

Dan Robbins (29m 50s):

We're actually not that far away from dynamic ad insertion in linear television. I think you hit it well, Mike, which goal is to say, "Let's make linear TV as performant and as relevant as the digital world. That's really our goal. It's to help the entire industry better monetize and build better ad experiences around that. It's going to be a key focus for us over the next year.

Mike Shields (30m 13s):

Speaking of linear television on Roku, you guys were recently in a little bit of a conflict with Google over YouTube TV, and the way they showed up on your search results or the way they want it to and the way that you're their app is displayed. I guess, what can you say about this at this point? Are we going to see similar clashes? I know all these platforms <inaudible>, everybody wants to control the real estate, the relationship

with consumers and streaming.

Dan Robbins (30m 42s):

Yes. I don't have anything to share at this time about any ongoing negotiations or deals. Beyond that, we hope to reach a fair deal with Google soon. What I would say, and I think sometimes, this point gets lost in the conversation, is that the shift to streaming is really about an expansion of the pie. With a vast majority of our partners, we're able to grow together. That means taking all of the ad tech tools that we've been talking about and trying to make those available to our partners. It means helping them grow, monetize, and engage audiences with a full suite of promotional tools, whether that's a button on a Roku remote, helping with the initial channel selection, promoting new shows, or providing tune-in reminders.

Dan Robbins (31m 36s):

It's also about helping them engage those users and continue to retain them. It's also about, more broadly, just growing the industry overall. I think the important point being there for most of our partners, it's really a joint exercise in growing the pie. That's fundamentally different from what exists in a declining market, where there is a fixed pie.

Mike Shields (32m 2s):

I want to ask you again. You mentioned earlier about originals in the Roku channel. You guys had recently acquired some programming that was going to run on Quimbee before that service shut down. You're investing there. Why the originals at all? It just seems the financial stakes are so high that you're seeing these mergers happen because you can't spend enough to have original content. Why go there at all?

Dan Robbins (32m 31s):

We're super excited about Roku Originals. This is actually a timely conversation because Roku Originals launches on the national streaming day, which is May 20th. They'll be exclusively available on the Roku channel. We are bringing award-winning series from breakout reality to scripted originals, to dramas, to comedy. It's a really diverse set of entertainment that's going to be entirely free and entirely available to viewers on the Roku channel. That content is strong and brand-safe. It's going to function well in a free ad-supported environment. On the Roku channel, it's going to enable us to be more creative and expansive in continuing to build entertainment again, for those consumers who are looking for free shows.

Dan Robbins (33m 13s):

What I'd say to your question, Mike, is that we believe the opportunity to view new, compelling content from leading creators will be appealing to a broader range of TV streamers. For those who are drawn to the Roku channel to view new and exclusive content, they might discover other great content to watch while they're there. It's really part of growing the Roku channel and growing ad-supported viewing. We are going to continue to ensure that our content spread fits our AVOD economic model and our scale, and look for ways to be creative, growth-oriented, and source and cost-effective content.

Mike Shields (33m 53s):

That's interesting. The AVOD model only is not a dual revenue stream model necessarily like some other services. You have to play in a different realm maybe than HBO or Netflix. Do you see your Originals as helping someone decide? "I want to buy a Fire, a Roku. I'm not sure, but I heard about this show." Is it much more about trying to habitualize watching the ad-supported content, the channel, and something that you own?

Dan Robbins (34m 17s):

I'd say it's something that we are going to learn and see as we launched here and get a better sense of how it grows and evolves, but where we are really excited is that we, again, know that ad-supported viewing is growing fast. We know that there's an appetite for free. We know that there is interest in diverse content that you can watch from the click of the home screen without signup, subscription, strings attached. Within that cost-effective content model, our goal was to find those opportunities and to really maximize them. We're super excited about it.

Mike Shields (34m 57s):

You mentioned earlier privacy. It's a very hot topic across the industry right now and it's something that you guys are obviously taking seriously. I don't totally understand. From your perspective, how much do these big changes, like the deprecation of the cookie, what's going on with Apple and IDFA, do they matter for your ecosystem at all?

Dan Robbins (35m 21s):

The short answer is we aren't materially impacted by IDFA or cookie changes. That's primarily because we are not a phone-driven company and we're not a browser-driven company. That's actually one advantage for performance-driven marketers. It's that TV streaming becomes an opportunity for you to be able to target and measure in a way that isn't going to be negatively impacted by some of those changes. We think we're in a unique position to support the industry. We haven't talked a bit about one view, but I think that that's helpful in context here. One view is our ad-buying platform built for TV streaming. Really, the goal is to answer this question of something we were talking about earlier in this discussion, how do I make the most of the shift to TV streaming?

Dan Robbins (36m 12s):

What one view actually does is provide the best way to reach streamers on the Roku platform. In Q1, total TV ads, streaming ad impressions delivered through one view nearly tripled year over a year. Part of that is built exactly on this question of identity, data, and performance. That simple purpose of how do we give you the best way to buy into this shift of TV streaming allows for advertisers to do a few things. One, make the most of the better identity solutions. One view's the only ad-buying platform that delivers Roku data to reach who you want across streaming, across desktop, across mobile apps to provide more Streaming media.

Dan Robbins (36m 55s):

The Roku channel is exclusively available with an ad-buying platform in one view, and then lastly, smarter TV performance, measuring real return on ad spend. A great example of this is that Home Chef recently found that their return on ad spend on the Roku platform was 2.4X. For every dollar they invested, they made back \$2.40 in revenue. All of that is to say that we believe that not only are all the TV ads be streamed and, as we are talking about earlier, measured, but they're also all going to be automated.

Mike Shields (37m 26s):

That's interesting. When you have a new front, like you did recently, do most of those brands want to start out with a traditional like, "Let's have a proposal and some custom campaign," or do you want them to go right to one view and start getting their feet wet there?

Dan Robbins (37m 42s):

Our goal is to serve the advertisers' needs and each of them is going to have different goals and needs. Ultimately though, they are coming with the same set of questions. One, how do you choose which TV streaming channels and platforms to buy? Two, how do you make sure you're reaching enough streamers to matter? Three, how do you avoid ad collision and make sure you're measuring impact on product sales? Ultimately, one view is going to be the best place to do that because it pulls together those puzzle pieces. It allows marketers to get a full view of their TV streaming campaign at a time when most are recognizing they need to shift into TV streaming.

Mike Shields (38m 20s):

Dan, I want to wrap things up on this one. We keep talking about the shift of streaming, especially in the last year. Anything you guys saw that was interesting, unexpected? You are the research guy. Trend-wise, programming-wise, during the pandemic or for the last year where tons of people are watching Long Tail stuff that no one knows about it or surprised at, what kinds of interesting stuff that you guys see?

Dan Robbins (38m 46s):

It's a great question. Over the last year, we have seen an accelerated shift to TV streaming. Folks were streaming more than ever before. More folks were cutting the cord and moving into streaming for all the reasons we talked about - ease, choice, convenience, and the desire to build entertainment experiences that fit their needs. One thing that I personally found interesting as a research nerd was that we saw particular growth in fitness and DIY content on our platform. Part of that is because you've got the largest screen in your home. If you are going to be doing yoga in your living room or you're going to be riding your Peloton, and Peloton actually is a channel on our platform, you actually are using your Roku to do that.

Dan Robbins (39m 31s):

Over the last year, we've seen particular growth in fitness but what I would say overall is just the shift to

streaming is here. This is clearly the streaming decade and there hasn't been a more exciting time to be in the TV streaming business.

Mike Shields (39m 30s):

I wonder if we'll see that fitness stuff falls off a cliff now that people are going out again. Maybe they are going back to the gym or they have just given up and are celebrating. We'll see what happens there. Dan, terrific conversation. Thanks so much for your time.

Dan Robbins (39m 40s):

Thank you for having me, Mike.

Mike Shields (39m 42s):

A big thanks to my guest this week, Dan Robbins, VP of Ad Marketing in Roku, and of course, my partners at AppsFlyer. If you liked this episode, please take a moment to rate and leave a review. We have lots of more to bring you. You should be sure to hit that subscribe button. We'll see you next time for more than what's Next in Marketing.