

Immersive Ads Publisher Learnings and Insights

Summary

Immersive Ads represent an exciting new monetization opportunity for creators on Roblox. Publishers can earn Robux by inserting portal and image ad units in their experiences that programmatically serve ads to eligible users. Publishers earn a revenue share from viewable impressions and eligible teleports driven by the Image and Portal Ad formats, respectively. Creators that combine Immersive Ads with in-experience monetization can earn more.

Immersive Ads launched on March 30, 2023 to all eligible publishers ([DevForum post](#)) as a new way to monetize in-experience. This document provides insights and preliminary findings from the Portal and Image Ad formats during the 3/30/2023-8/31/2023 period.

Learnings from Immersive Ads:

1. Increased total monetization in publisher experiences.
2. Have not decreased total engagement in publisher experiences.
3. Have not negatively impacted user retention in publisher experiences.
4. Do not negatively impact S&D ranking and organic discovery of an experience.

Insights from Immersive Ads:

5. Ad demand fluctuates often but has been trending upwards.
6. Advertiser demand for Portal Ads is 9x higher than demand for Image Ads in the past three months.
7. Average Earnings Per Teleport (EPT) rates have increased by 25% from May to August 2023.
8. Most ad spend comes from brands today, with Sports, Entertainment, Music, Fashion, and Beauty brands being the main advertisers.

Methodology

Data shared in this report was collected during the period of 5/1/2023 - 9/1/2023. Insights shared are based on two methods: an immersive ads holdout and a user segmentation analysis.

Holdouts are generally used for assessing a product feature's performance, user satisfaction, and impact on overall product quality and user experience. The method enables one to identify causal relationships between certain features that are excluded from the holdout population and

metrics such as engagement. This method is commonly used by ad systems to understand the impact that ads have on the user base.

The immersive ads holdout involved exposing 92.5% of users to ads while suppressing immersive ads from 7.5% of users (the holdout group). The holdout group was ineligible to see any immersive ads. Users in the holdout group may have seen ad units, but no ads were shown and therefore they did not have the opportunity to teleport for the portal ad format.

Learnings

No Statistical Significant Impact on Engagement

[Engagement metrics](#) include Daily Active Users (DAUs), and time spent in an experience. These metrics measure the health and engagement of the user base.

The holdout data showed that there was no statistically significant engagement impact in publisher experiences between users who were exposed to immersive ads and users that did not see any immersive ads. Time spent in the publisher experience was the same between both groups of users. One reason is that only a small fraction of users in the publisher experience teleport through portal ads, therefore. As a reminder, users U13 will not see portal ads. Furthermore, with the Back Button feature, over 50% of those that do teleport end up coming back to the publisher experience within 24 hours. [1].

Increased Monetization Impact

[Monetization metrics](#) gauge the revenue an experience generates. We have observed that portal ads drive net incremental earnings to publisher experiences. Earnings from virtual purchases (including micro-transactions and affiliate fees) for Immersive Ad publishers is not negatively affected by immersive ads [3]. In fact, most of these experiences have seen a net increase in earnings as a result of immersive ad payouts.

In the month of June 2023, immersive ad payouts accounted for a significant share of total earnings for participating publishers [3]:

- Top 50 experiences: ~1% earnings
- Experience #50-100: 8% earnings
- Experience #100-1000: 11% earnings
- Experience #1000+: 7% earnings

No Statistically Significant Impact on User Retention

[Retention metrics](#) measure the percentage of users that return to the publisher experience after their first visit in 1 day (D1) and 7 days (D7). D1 and D7 retention in publisher experiences were not negatively affected by the placement of portal ad units.

Based on the ads holdout, users exposed to portal ads did not have a difference in D1 or D7 retention rates in publisher experiences compared to users who saw ads. Users are equally as likely to return to publisher experiences after a day or a week after they teleported out as users who were not exposed to ads.

One reason for this is the “Back Button” feature that allows users to easily come back to the publisher experience after visiting the advertiser experience. We observe that, on average, over 50% of users return to the publisher experience within 24 hours after visiting the portal ad [2].

No Statistically Significant Impact on Search and Discovery

[User acquisition metrics](#) measure new users who visit an experience from various sources including Home, Search, Friends, and more. Search and Discovery is responsible for helping developer experiences be found on the platform. After comparing experiences that are publishers of immersive ads with those that do not have any ad units in their experience, we did not find a significant decrease in Homepage-recommendation impressions for experiences with ad units after they inserted ad units.

The Home ranking algorithm uses many signals to rank experiences for discovery. One of these signals includes the ability for an experience to monetize. In the future, this will include earnings from immersive ads. Experiences that increase their earnings from portal and image ads may be ranked higher in the algorithm.

Insights

The insights shared in this section are based on data collected during the period of 6/1/2023 - 9/1/2023.

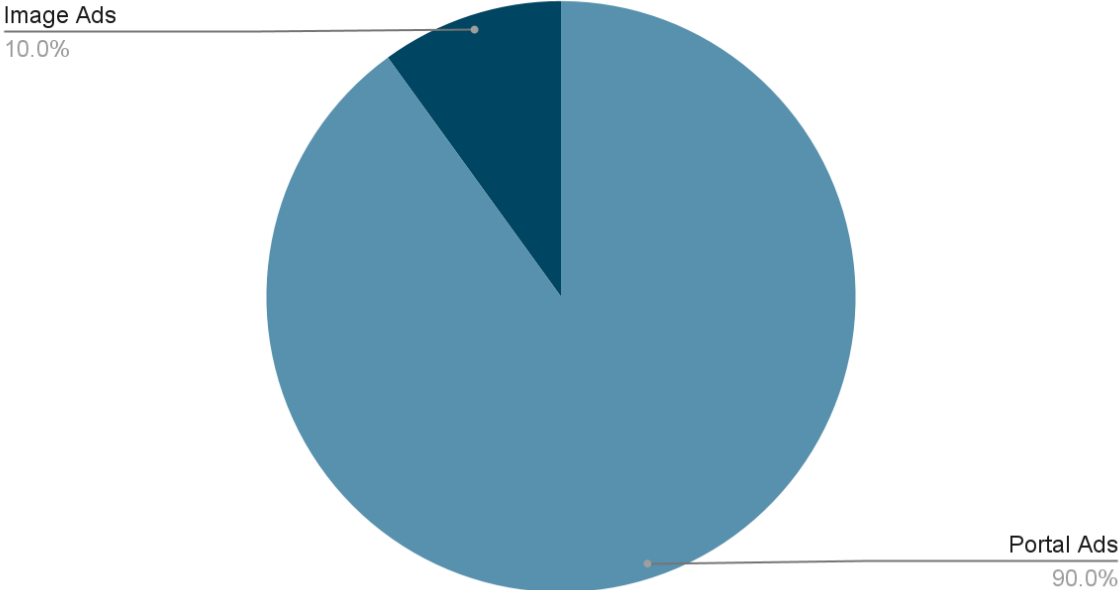
Ad Demand Trends: Fluctuating But Overall Increasing

Over the past few months, ad demand has fluctuated. Periods of high demand often coincide with a launch of a new branded experience or an update to an existing one. As we continue to attract and onboard more advertisers, we aim to offset some of this volatility in ads earnings. However, there are numerous reasons for volatility in advertiser demand, with external factors such as, but not limited to, seasonality, economic conditions, and the competitive landscape. Over the past three months, we have seen a 75% increase in demand from the month of June to August 2023 [5]. We expect ad demand to fluctuate in the near term but overall increase in the long run. We’re continuing to work on attracting new advertisers to our platform.

Portal Ads Have 9x Higher Demand than Image Ads

The total ad demand for portal ads was 9 times higher than ad demand for image ads for the month of August [5]. We continue to see new brands building a persistent presence on the platform. As a result, we believe they will continue to leverage portal ads to drive traffic to their branded experiences. Therefore, portal ads today represent a much larger monetization opportunity for immersive ad publishers.

Immersive Media Demand by Ad Type



Earnings per Teleport (EPT) Rates have been Increasing

The immersive ads system uses a bidding and auction mechanic. As ad demand increases, advertisers compete against each other for image impressions and portal teleports. As demand for portal ads increases, advertisers are raising their bid prices to compete in the auction. The increase in bid prices is transferred to publishers through an increase in Earnings per Teleport (EPT) rates. EPT rates have increased by 25% from May to August 2023 [5].

Note: past trends around EPT rates do not guarantee future rates.

Large Brands Across Industries Are Beginning to Adopt Immersive Ads

Since launching immersive ads earlier this year, we have seen a diverse range of advertisers spanning multiple industries. Below is an example set of advertisers that have run Portal or Image Ad campaigns in 2023.



Building Product Features Based on Feedback

We are committed to building features that empower immersive ad publishers. Below are a few features we recently built based on publisher feedback:

- ❖ Back button: when a user enters a portal to an advertiser experience, they will have a button in the UI to go “Back” to the publisher experience.
- ❖ Custom fallback image: when an ad unit isn’t serving an ad to a particular user, the default fallback image is shown. Publishers can now set a custom image to show users when there is no ad available.
- ❖ Publisher reporting in Creator Dashboard: publishers can visit the “Immersive Ads” tab in the Creator Dashboard to view metrics spanning impressions, teleports, and earnings.

We are continually looking for feedback to improve the publisher experience. Looking ahead, there are several updates that are planned for later in 2023.

- ❖ Enabling experiences that have filled out Experience Guidelines to become an immersive ads publisher.
- ❖ Additional publisher reporting to include “Return Rates” and more.