

Financial and Social Thoughts on Roblox Leadership

Money talks. But so does the community.

That is why the key yardsticks that provide an overview of Roblox's progression and leadership involve quarterly reports as well as the company's public appearances, including events and how in tune the corporation is with emerging trends and current topics.

The financial results for fiscal quarter 4 and the rest of 2021 indicate a company that is on its way towards fulfilling the following main objectives: Aged-Up Brand and Roblox as a Platform. This is evident by the 28% increase in hours engaged in the fourth quarter. Increased user engagement is a satisfactory signal of the trustworthiness of the platform. The 45% increase in bookings is also a hopeful signal that developers will be inspired to come to Roblox.

There is one key caveat: Roblox must do more with engaging its users that are between the ages of 13 and 24. According to Statista, while the engagement of users over 13 years old steadily increased each quarter since 2019, it dropped between 2021 Q3 and Q4. While the overall lack of growth can be attributed to the return of in-person schooling, it is something leadership will have to address in the future.

Roblox's progress towards a foundation based on civility can be easily described through its public engagements. Founder and CEO David Baszucki's interview with the Harvard Business Review outlined compassionate projects by developers using the program such as *Let's Be Well* and *Royale High*, which bodes well in Roblox's quest to uphold civil values. In an age where social media enables the dissemination of many different viewpoints, interviews by Baszucki via reputable journals is a major way to shape Roblox's public narrative straight from the source and mitigate potential misinformation.

Getting closer to the north star involves taking inspiration from a national survey that reviews advances in a destination that is also far away from us. By incorporating some of the methods used in the survey's review of the Astro2020 decadal survey, which outlined key objectives of future astrophysics research, Roblox can get closer to achieving its mission. The decadal survey outlined distinct priority areas for research, including exoplanet search and growth of galaxies.

Roblox leadership can do the same, but instead of priority areas, it may be useful to outline key objectives in the context of its most popular genres; those are the "priority areas" for next steps. By talking about new features and proposed endeavors in the popular sectors of role-playing, action, simulators, platforms and tycoon, the company can also get closer to its objective of educating user communities on the core product.

Going all-in on the metaverse will be the most effective way for Roblox to fulfill its objectives, given that it aligns closely to the emerging importance of virtual communication among various communities. As the median Roblox user visited 40 unique experiences in 2021, expanding on those virtual simulations is key.

Additionally, there is no reason why Roblox cannot use the metaverse in a similar fashion as Nike. Just as Nike's trademark filings on October 27 announced the company's intent to sell virtual shoes and clothing, Roblox can do these same, either with its own merchandise or through deals with other corporations. In fact, its collaboration with Nike on "NikeLand" is already a good starting point, one that Roblox might be able to leverage into doing more virtual worlds.

While the ushering-in of a new metaverse will undoubtedly be a relatively longer and time-consuming process, Roblox has already accounted for this by foregoing quarterly guidance. This enables the company to focus more on long-term goals over results by the quarter. Long-term value creation, as described in the quarter 4 shareholder letter, is in line with the detailed processes that metaverse advancements will require. Because of this, the time of Baszucki would also ideally be prioritized with discussions of long-term growth as it relates to tasks like those above, in order for further insight to reach target audiences.

Some of the challenges for leadership to consider are a) the absoluteness of a return to normalcy and b) the growth rates on the weekdays compared to the weekends. Both obstacles are related to each other, as the slow return to normalcy is coinciding with a decline in growth on the weekdays, according to the 2021 Q4 earnings conference call. Despite the fact that numbers may lead to more normalized comparisons later in the year, it is still necessary to examine how weekday growth will be impacted in the coming years.

One idea is to dive deeper into how Roblox is re-inventing the notions of teaching and learning. Engaging with students on educational virtual simulations —or allowing them to code experiences and understand the mathematics and physics that govern these types of simulations, for instance — can help grow the number of weekday users. In this case, Roblox is not just an add on to the daily lives of users; it is already intertwined with their daily agenda.

Overall, Roblox leadership has come a long way since its inception in 2004. Usage has grown, and the company has expanded into other endeavors. Emphasizing key financial and shareholder indicators of success, as well as keeping up to date with current trends and innovation that involve public appearances as well, will help Roblox reach its objectives efficiently.

References

Financial Documents:

[Q4 and 2021 Financial Results](#)

[Q4 Shareholder Letter](#)

[Q4 2021 Earnings Conference Call Transcript](#)

Social and Community:

[Community Standards](#)

[The Next Chapter of Teaching and Learning on Roblox](#)

[Roblox's year-end data reveals its metaverse advantage](#)

[Nike is entering the Metaverse](#)