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## Background

**Overview**

NASCAR is holding their quarterly *Fuel for Business Council: Official Partner Meeting* and will be doing a panel discussion talking about trends shaping the games industry. NASCAR has invited Roblox and Subnation to take part and will pre-record the session on Tuesday, August 24 from 2:00 - 3:00pm PT; going live Wednesday, September 1.

**Moderator:** Nick Rend, NASCAR

**Panelists:**

* Christina Wootton, VP of Brand Partnerships, Roblox
* [Doug Scott, Co-Founder, Subnation](https://www.linkedin.com/in/doscott/)

**Recording Date:** Tuesday, August 24 - 2:00 - 3:00pm PT

**Location:** Virtual - Zoom

**Audience:** [NASCAR Official Partners](https://www.nascar.com/officialsponsors/)

**Link:** <https://zoom.us/j/98391862275?pwd=QVFXeVRkcmNiSlhjWjFBanA2LzFFQT09>

**Meeting ID:** 983 9186 2275

**Passcode:** 930861

**Goals**

* Educate brands on what Roblox is
* Share insight around the opportunities for brands on Roblox
* Touch on recent successes
* Thought leadership discussion on the metaverse and other notable trends shaping the evolution of games and media

## Questions for Doug

1. What is Web3 and what are the elements that everyone should understand?
2. How are gaming, the blockchain and the Metaverse connected? And what roles do NFTs play in all this?
3. Coca-Cola recently launched their own NFTs. What brands are positioning themselves as forward-thinkers in the Metaverse?
4. What should brands consider as they begin to develop their strategy for and presence in the Metaverse?
5. What are currently the biggest misconceptions about the Metaverse?

## Questions for Christina

1. **Can you provide an overview of what Roblox is and how your consumers interact with the platform?**

* Roblox’s mission is to build a human co-experience platform that enables shared experiences among billions of users.
* Every day, tens of millions of people around the world have fun with friends as they explore millions of immersive digital experiences.
* All of these experiences are built by the Roblox community, made up of over eight million creators.
* We believe in building a safe, civil, and diverse community—one that inspires and fosters creativity and positive relationships between people around the world.

1. **Who is Roblox’s audience - how are you thinking about customer acquisition, engagement, loyalty?**

* Expanding our age demographic is a key area in which to expand our business, and we are already seeing strong progress with users aged 17 to 24 now growing faster than those under 13.
* Users over 13 years old now make up half of our community. We’ll continue to evolve and grow the tools and resources our developers need to build the next generation of experiences on the platform.
* To grow our consumer market share, one of our investments is in technology:
  + In pursuit of this, Roblox launched an exciting new partnership program - the Game Fund. We are looking for developers who love to experiment with new technology and want the opportunity to bring their creative vision to life on Roblox.
  + Our goal is to partner closely with creators to provide funding and support for your content development. Funding for approved participants will start at a minimum of $500,000 per project.
  + With the launch of the Game Fund, we want new and existing developers to have the resources necessary to build the next generation of Roblox experiences. This program is designed to support developers who are eager to push the boundaries of what Roblox experiences can deliver.

1. **How can brands benefit from creating experiences on Roblox?**

* It’s always evolving - the opportunities in the metaverse are limitless. You can literally build anything you want without having the restraints you would in the real world.
* One of the really big opportunities is branded merchandise and virtual fashion —a great way to promote brands and designers, test new ideas, push the boundaries of creativity, and even launch entire collections and collectible items that might not be attainable in the physical world.
* Another untapped opportunity for brands is building persistent immersive worlds that can offer fans evergreen spaces to enjoy their favorite content, help maintain and even increase their emotional investment, as well as draw in new audiences.
* These spaces are the natural evolution of interactions in social media, allowing fans to connect with their favorite brands, celebrities, artists and content curated specifically for them in immersive 3D environments that are open to them at all times.
* Roblox helps connect brands with people in an authentic, natural way, providing a new way of advertising with experiences in the metaverse.
* The size of the opportunities are related to engagement hours. For example, in Q2 2021, our users spent 9.7 billion hours - that’s huge
  + In the month of July, our daily active users were 46.6 million with 3.8 billion hours of engagement - the highest in any month to date.

1. **How do brands decide which avenues to pursue?**

* It really depends. We’ve seen brands explore different opportunities, from partnering with a developer to create a virtual item (Nike,Stella McCartney), collaborating with a top experience to include a brand (NERF), to having a persistent immersive world (Stranger Things).

1. **How do brands break through on the platform?**

* For brands to breakthrough, an experience needs to be authentic, natural, and creative. Our users expect a blend of physical and virtual experiences.
* One misconception that brands have is that Roblox is just one game, but we are a platform with more than 20 million experiences that people can transport into… The metaverse is a medium of shared experience:
  + You can be whoever you want to be
  + Your social interactions aren’t bound by physical distance (where you live, what school you go to) or the language you speak (machine translation)
  + Friendships will be built and grown entirely within the metaverse
* Just like 15 years ago when brands were building teams to advertise on Facebook and Twitter, and now platforms like TikTok, every brand will need a metaverse strategy in the future and the ones that have them now are at the forefront.

1. **What have brands created so far? [Highlight high level brand experiences]**

* [**Gucci Garden**](https://blog.roblox.com/2021/05/gucci-garden-experience/) - Launching at the same time as the unveiling of the of Gucci Garden Archetypes - an immersive multimedia experience in Florence, Italy - Gucci’s virtual experience on Roblox utilized the latest Roblox technology to create a hyper-immersive space where users avatars became a neutral mannequin. Wandering through the different rooms, mannequins absorbed the elements of the exhibition and with everyone experiencing the rooms in a different order, each retained a different fragment from the space, ultimately emerging at the end of their journey as a one-of-a-kind creation.
* [**NERF Hub**](https://www.roblox.com/games/7085107422/Nerf-Hub) - We recently launched a NERF Hub experience in collaboration with Hasbro. Both physical and digital worlds collide where users can play with various toy guns from the NERF Blaster line (also sold in-store), collect exclusive virtual items, and teleport to some of the most popular experiences from the Roblox community - Adopt Me!, Arsenal, Jailbreak, Mad City, Murdery Mystery 2, Phantom Forces, and Strucid.
* **Stella McCartney** - The brand collaborated creators on virtual items and launched them on Roblox.
* [**Nike Air Max**](https://blog.roblox.com/2019/03/nike-air-max-day/) - To celebrate Air Max Day, Nike partnered with Roblox to launch three exclusive bundles.

1. **How do you see your consumers engaging with your platform in 3-5 years?**

* We expect people to engage in a vast range of activities. Whether they are historical in nature (visiting ancient Rome), going to an awesome concert, perhaps for the first time, or learning through shared experiences (like dissecting a simulated frog with others in an online classroom) we continue to make long-term bets with innovative engineering to improve the realism, fidelity, and intensity of how we interact online.
* Our hope is the metaverse doesn’t just look like reality, it feels like reality so that the bicycles in the metaverse have tires and they have chains and they have gears. When the wheel falls off the bike, the bike does what we would expect in real life.
* And the programs that make a bicycle work like it does in real life will be created by users.
  + This creator community includes people specialized in coding, 3D experience design, avatar and clothing design, sound design, community management, moderation, live ops, production, and business.
* Of course, we are also continually investing in the Roblox Platform, including significant investments in high fidelity avatars, more realistic experiences, and other social features.

* We are investing in technology that will also enhance our growth around the world. For example, we believe that features such as automated translation and built-in regional compliance will enable us to scale usage in global markets.

1. **What trends are you seeing in the gaming space?**

* Roblox experiences are social in nature, our community members love dressing up and showing off their latest virtual fashion items, merch, hair styles and overall looks. They adapt their avatars as their real-life interests and preferences evolve and they use their unique identities to connect with friends or belong to a broader community.
  + A great example of this is sales from our Lil Nas X virtual merchandise have far outperformed our expectations. They are now on an eight figure annual run rate!
* Virtual goods pave the way to a more sustainable future that’s fresh and fun. We see and hear from the next generation of consumers (i.e.Gen Z users on Roblox) that they often value virtual items more than physical ones, especially if they’re hard to get.

**Discussion with Doug Scott & Christina Wootton**

1. **Roblox recently showcased its partnership with Gucci. This collaboration of a luxury fashion brand with a game that skews towards a younger audience was surprising to many. How was it received by Robloxians? What did Roblox learn from the project? What can brands take away from this?**

* We saw incredible engagement from our community and in two weeks, there were nearly 20 million visits to the Gucci Garden experience.
* We used the latest off-the-shelf developer tools and lighting technology to create a truly awesome experience for the virtual Gucci Gardens.
  + For example our team used a series of high-fidelity environments with dynamic, personalized textures and patterns for each visitor’s mannequin.
  + And with the newly released developer avatar editor gives visitors freedom to purchase and wear exclusive Gucci virtual items directly in the experience.
* The Garden also hosted a store where visitors could purchase exclusive, limited edition avatar items created by Roblox creator Rook Vanguard that memorialized the Gucci Garden Exhibition and can be used across the Roblox platform.
  + ~20 items, half of them limited, meaning they were for sale twice a day in two time zones for 1 hour only.
  + Users were able to try on exclusive and limited merchandise right in the lobby before purchase (we developed this purchase flow for Gucci)—a blueprint for how developers can implement similar systems in their games using the newly released developer avatar editor.
* One major takeaway for brands is to work with developers on our platform. They know what will work with audiences and ways to make the experience authentic.
  + **Gucci engaged with our creator community and** worked with Rook Vanguard last year on the previous limited-edition item collection. They found him via Twitter, liked his work.
    - He made tens of 3D items for the collection in less than 2 weeks + GFX (marketing materials/renders).
    - He’s a great community designer who creates his own trends. For example, came up with his own cool color-changing line of accessories (change color depending on the angle). Really excited about the latest tech on Roblox and new materials that designers can work with.
    - It’s important to create an authentic experience, and love connecting brands to the creative talent in the Roblox community to create unique brand experiences like Gucci.

1. **How will blockchain, NFTs, crypto-currency and other Metaverse building blocks change gaming? E-Commerce?**

* Having an integrated economy is vital, and NFTs and Cryptogoods are fantastic examples of virtual goods having real-world monetary value.
  + For example, in creating a true metaverse, you’ll be able to buy a limited edition piece of art; think the digital Mona Lisa. Maybe the Louvre sells this art to you on Roblox, you then sell it as an NFT validated by Roblox, and eventually that buyer can sell it back into the Roblox ecosystem.
* This is a digital economy that mirrors the physical world. It allows for people to own something uniquely theirs and allows creators to earn an income.
* There is a form of this taking place on our platform already where “limited” items are offered as part of events or grand prizes for winning a contest or event on the platform. Users then can sell or trade these items on the platform, creating a vibrant marketplace for valuable virtual goods. Profits made from these transactions cannot be cashed out, however, so this is really something for the community to be involved in, and reflects the larger long-term involvement by folks in the community itself.

1. **Roblox gets used as an example of the Metaverse quite often. While there are elements of the Metaverse in Roblox, it is more of a “walled garden”.  Are there plans to make the Roblox universe more decentralized?**

* People often think that what’s gating the adoption of the metaverse is immersion tech like VR, but the metaverse is much closer than most think. It's evolving before our eyes as a social phenomenon driven by a new generation that is growing up online.
* What the internet did to information, the metaverse will do to social connections.
* Because the metaverse is full of people sharing experiences. To successfully grow it must also evolve into a society.

1. **Lill Nas X in Roblox and Travis Scott/Ariane Grande in Fortnite were big groundbreaking events that captured the imagination of many. How big a role do you see live music and digital events playing in the Metaverse?**

* Music is such a natural part of the way we express ourselves, entertain ourselves and find connections with other people. Great music always makes any experience better, and there are several applications for it on the platform:
  + We are starting to license more music catalogues, like Monstercat, onto the platform so that our developers can use the music to enhance their experiences allowing their users to discover new music and have fun with their friends listening while they play.
  + We can make discovery of music and artists super-interactive and special for the Roblox community, delivering experiences that may be unattainable in the real world. For example, at a real concert very few fans have the opportunity to do a meet and greet with an artist or dance on stage. We can make these things happen and give our community tentpole moments and connections with their idols that they will create lasting memories.
    - We recently held a virtual launch party with KSI, who currently has the #1 album in the UK (check him out on Spotify). The interactive launch party experience showcased a video performance from KSI and featured songs from his new album, All Over The Place, followed by a first-of-its kind VIP after party experience for fans, including an exclusive virtual Q&A. There were over 422,000 concurrent viewers who watched and participated in the premier performance (3x larger than the next largest launch party), 11 million total visits to date and a healthy six figures in merchandise sales as of today (and growing).
* We want to connect fans with each other and with their favorite music and artists in new and unprecedented ways in the metaverse. At its core, Roblox is about co-experience, so concerts and music as a whole are a natural area of focus for us.
* The same methodology applies across industries. Not only is Roblox a great place for user discovery of new brands to love, but companies access entirely new audiences and monetize their brand through the sale of virtual merchandise, VIP experiences, and more.

1. **Roblox has a flourishing developer community, with over $250 million being paid to them in 2020. Will creators play a significant role in the Metaverse?  What can brands learn from them?**

* Yes, creators play a significant role on Roblox. We are fully user generated.
* Anyone can design, build and publish immersive, interoperable experiences, and metaverse items for others to consume. The millions of experiences on Roblox are all built by our community of nearly 8 million developers. These are social experiences that people enjoy sharing with their friends, and there’s something for everyone. From birthday celebrations to educational and learning experiences, or virtual concerts like [Lil Nas X](https://blog.roblox.com/2020/12/explosive-lil-nas-x-concert-paves-way-bold-new-roblox-experiences/) visited over 36 million times and fashion exhibitions like [Gucci Garden](https://blog.roblox.com/2021/05/gucci-garden-experience/). People from all over the world come to Roblox to build and create.
* Brands that allow themselves to experiment and collaborate with digital designers will flourish, both in the real world and online.

1. **What are you most excited about over the next 12 months?**