

Dan Robbins Transcript

Dan: Streaming should be accessible to everyone. It shouldn't just be for a specific audience. And when we look at that user base, it really does reflect the countries in which we operate by age, by income, by ethnographic, and so forth. And so that's something to me that's really exciting, because streaming is for everybody.

Matt: To thrive in a rapidly evolving landscape, brands must move in an ever increasing number. I'm Matt Britton, founder and CEO of Suzy. Joining me and key industry leaders as we dive deep into the shifting consumer trends within their industry, why it matters now, and how you can keep up. Welcome to the speed of culture. Welcome to the Speed of Culture podcast. We live here in Las Vegas. It's a consumer electronics show. And I'm super excited today to introduce our guest, Dan Robbins, who's VP of Marketing and Partner solutions at Roku. Dan, great to see you.

Dan: Excited to be here.

Matt: Absolutely. Before we get started, I'd love to hear a little bit about you and your background and what led you to your current role at Roku.

Dan: I had a sort of interesting journey into marketing at Roku. I started my career at Nielsen in measurement and analytics, and then moved to Roku to help launch our measurement and analytics function and then moved into marketing. So I'm sort of one of the people who has gone from numbers into the creative side as opposed to the other way around.

Matt: Yeah, we find that I've done a couple of these interviews already here at CES, and actually that seems to be a common theme, that a lot of people are coming from the science side versus the art side. And obviously, in this economy, as we enter some uncertainty, a lot of brands are looking further down the funnel. And with that, I think math comes further into play than maybe it did in boom times, where people were just running ads for the fun of it. So I do think that there's certainly more of a focus on performance marketing in this world with large brands. I'm sure that's played really nice for you in your role at Roku.

Dan: Yeah, and there's more data than there's ever been. And so what you can do with the science side of marketing has changed tremendously in the last five or ten years.

Matt: Absolutely. So what made you decide to make the jump from Nielsen to Roku?

Dan: I was really excited about the shift from traditional TV to streaming TV. I've been at Roku now for about six years, and Roku was founded almost about 20 years ago now, really on the vision that all TV and all TV ads would be streamed. And when you look at what the Internet has done to every industry, it was clear to our founder and CEO, Anthony Wood, that that transformation was going to come to television as well.

Matt: Absolutely.

Dan: And so Roku started by building originally players and sticks that plugged into your television and helped you watch movies and TV over the Internet. It then expanded into televisions where we actually gave our operating system out to TV manufacturers and then most recently has expanded into the Roku channel. We make our own originals, Roku originals. And so I had no idea at the time that this was going to be the arc that we were going on. But it just seemed clear to me that this is going to be such an exciting place to be particularly in consumer electronics.

Matt: Yeah. And a lot of people know of Roku as the Roku stick. So as you kind of have engaged in your role in communicating your story to consumers has that been something you've been focused on in terms of communicating that broader vision of the company?

Dan: Yes. The mission of Roku is better TV for everyone. And what does that mean? The idea is that ease and choice and convenience is the name of the game in television and that giving consumers the ability to choose what they want to watch to get it easily, to do it in a way that doesn't require you to read a manual to figure out what to do. That was going to be incredibly important in entertainment. And even though our business has grown from players and sticks as you mentioned to TVs to audio to services to advertising, content and more, our goal has always been to connect the consumer, the content owner and the advertiser on one platform. And as we've done that, that sort of key. Pulling that all together is what has gotten us to be the number one TV streaming platform in the US. Canada, Mexico and increasingly across the world.

Matt: That's impressive, especially given the competitive set that you have because streaming obviously the big guys are in streaming. Amazon's there Apple is there all the major players. So to compete amongst that land of giants is pretty impressive. Why do you think the company has been successful just from the culture of the company? What do you think has led to its success?

Dan: I think two things. The first is that we are singularly focused on better TV for everyone.

Matt: Right.

Dan: We are not in a bunch of other businesses. That means that everybody at our company wakes up every morning across the world focused on that goal and focuses both in marketing but also just in business. Incredibly important. The second thing is that our operating system is purpose built for television. And what we mean by that is we actually designed the whole software system for TV streaming. We did not start with a mobile or a desktop operating system that then got ported over years later into television. And the reason why that matters is that a purpose built operating system is going to be one, more efficient and better suited for the actual consumer need. Two, it can be more cost effective because it's designed for lower memory televisions. And three it helps keep us with that focus. So I think those are two key things. But it's a very dynamic and fast moving market, which is why it's exciting.

Matt: Absolutely, I've been speaking for over a decade about how I envision one day the TV is going to be a giant iPad hanging on your wall. And we're kind of getting in that direction. And it's just amazing to me that we haven't gotten here sooner because ultimately you look at the consumer and this is what they want. They want to be able to instantly access the content they want in easy ways

that mainstream America can understand. And we're still at a point where many people across the country don't even know how to access, how to get Hulu, or they forgot their password or something. So I think making it easier for consumers is an incredible opportunity. You talked about the operating system, and I feel that companies like Samsung and some other companies that make TVs, they make beautiful TVs, but they struggle to build their own native operating systems and they're just clunky because it's not the focus of their company. What's interesting to me is I've always thought that just like how Apple has so much power with the mobile device, because they own the Rails, they have the operating system, but they also have the physical device that goes in the hands of consumers. There was always a huge opportunity for a company that not only creates software, but also owns the same version of the Rails of the television, which is actually to create a physical television device. And I read on the way out here to Las Vegas that Roku has announced that you guys are launching physical TVs. And I was like, yes, finally a company is doing it. What was behind that decision and what do you see the big opportunities are with that?

Dan: Yeah. So we made two big announcements this week here at the Consumer Electronics Show. The first is that we've launched our own Roku branded TVs. We have eleven different SKUs ranging from 24 inches all the way up to 75.

Matt: Who's manufacturing that?

Dan: It's our own TV. Up to this point, our TV program has been in partnership with more than a dozen TV manufacturers where we provide our operating system with a partner manufacturer. This is the first time we're actually launching our own TVs. And really for us, it's an extension of just finding a new and different way to be able to reach the consumer and create that better TV experience. And so it's both new for us, but also an area we've put a lot of thought into and so we're really excited about it. The second big announcement we had this week is we've just surpassed 70 million active global accounts. And so that's roughly more than 70 million homes across the world on a monthly basis that are using Roku. And so streaming is really now mainstream. And what's exciting about both of those announcements is, I think, actually gets to something you mentioned, Matt, which is how do you create a better consumer experience in streaming?

Matt: An ecosystem right?

Dan: Exactly. And so that's really where our focus is going to be going into the year.

Matt: So what about advertising? What role does advertising play in Roku's business model?

Dan: Advertising is a huge part of our business and we launched an ad business a little more than five years ago. And really it was focused on kind of one primary vision, which is that not only will all TV and all TV ads be streamed, but also that streaming has this real opportunity to take the best of the digital world, all of the precision and the measurement and the data with the best of the television world. Largest screen in the home 100% full screen site sound.

Matt: Yeah, when people are like, TV is dead, what they meant is people aren't going to be tuning into Musty TV on Thursday night to watch Friends. Right. People want to watch content on a big

screen in their living room. That will never change. It's just the form factor in the ecosystem behind television that's going to change. And that's what you're getting to.

Dan: Yes exactly, and so we've been then focused on how do we take that to create a better TV ad experience? And we've really focused on that with a couple of different things. The first has been really our data. We have a direct consumer relationship with each of those 70 million active accounts. That means that ads can be more relevant, they can be measured more accurately, they can be customized and personalized. The second has been that we've really focused on going beyond the 30 second spot. And so, you know, if you think about ads and television for decades now, they've really been that same 15 or 30 second box. We now have a canvas opportunity to home a lot more. And so we recently launched the Roku brand studio, which allows us to go beyond that 30 and take advantage of the entire streamers journey from the moment they sit on the couch, not just the moment they see that first ad break. And then a third focus for us has been really on making it easier to pull all of the pieces together. We launched One View, which is our ad buying platform built for TV streaming.

Matt: It's like a programmatic ad buying platform.

Dan: Exactly. And so it allows you to take all of the best of Roku and buy ads not just from us, but anywhere on our platform, as well as other streaming desktop and mobile platforms, and use our data and our tools again to do the same sort of measurement and precision and optimization.

Matt: So it's basically for a while, it was Facebook programmatic or Google, and then YouTube, where you could do it with video. But now you're basically taking that approach and you're putting it on the big screen in the living room where, theoretically, Joe's Pizza can target consumers in their market during a big NFL game where they would have been sort of left out of the picture in the past if they weren't a national advertiser.

Dan: Exactly. It really opens up access to all sorts of advertisers which is really exciting.

Matt: Yeah. Leveled the playing field and what was for a while just a very out of reach opportunity for smaller businesses which I think the internet was the great sort of equalizer. But TV is still the place where most eyeballs are and it's the biggest opportunity. How about commerce? So obviously people are watching. I read something about a partnership that you have with Walmart to try to go all the way through the funnel and I was fascinated with that as well.

Dan: Yeah. So this is something we're really excited about. As we were talking earlier, Matt, streaming is really full funnel. It allows you to reach a wide number of different audiences. It also allows you to measure, did the product actually gets somebody to change their opinion, to move the product off the shelf, what have you. Our sort of next vision in that full funnel world is commerce. And we want to make TV as easy to shop on as social. And we started by launching shoppable ads with Walmart. How this actually works is you'd see an ad on your Roku device, it's promoting a coffee, you click OK with your Roku remote and you get order confirmation to your email with shipping information fulfilled by Walmart. And so what's exciting about that is it's actually to your point, bringing that promise of shopability onto the television screen.

Matt: So I have a big question for you. Why not just give the TVs away for free? You can't be making it; the margins must be razor thin on television. Obviously you have tremendous upside and high margin on ads and commerce, et cetera. Is there a world where you either subsidize or give away televisions for \$50 as long as people sign up for your service and you basically own the interface? It seems like a no brainer.

Dan: Yeah, I mean, I think for us we view all parts of those businesses as important and so hardware and devices are a really important part of our revenue. Advertising is an important part and so we look at them all together, we don't look at it like one is separate from the other.

Matt: I guess, the reason why they're separate hardware is, it could be a loss leader for you. Hardware is, making televisions is a very low margin business. It's known for that and it's really hard to differentiate in that space. And the way you guys are doing it is you are creating an ecosystem, you are creating an operating system, et cetera. If you had your TV in every household in America, all of a sudden that 70 million accounts become 300 million accounts. You have programmatic, you can take over the entire television advertising market. I believe that's ultimately what someone's going to do is they're going to start to give away the television for cheaper. And it's almost like the Gillette model, right? You give away the razors for very cheap and then you make the blades and you charge up for the blades. And you know what I'm saying? To me, I see that's where things are going over time because that's the recurring revenues on the advertising side and that's the higher margin revenue. So it's fascinating to me and I even think if I was a company like yours, I would look at hotels and other places where it's like, okay, we will replace your TVs with a cheaper solution. Because that's another pain point for consumers when they're traveling and all of a sudden you can reach travelers. I just think it's a massive opportunity.

Dan: I mean, one thing I'd say is that it is the number one TV streaming platform in the US. And Canada and Mexico today, that 70 million active account number is more of a proxy for a household than a person. Sure. And so when you look at both the US. But also the dozens of countries that we operate in today, we really, as the number one TV streaming platform, have moved to a world where most folks actually already have Roku devices in our streaming. More ads run on the Roku operating system than the next six TV operating systems combined. And so to your question on scale, what we often say is that, that scale is already there. And that's what makes things...

Matt: Like Apple TV, like when you say streaming platforms, you count Apple TV in that bucket?

Dan: Correct. Any operating system.

Matt: Wow. Okay.

Dan: And so when we, when we say that scale is already there, that's what's exciting both to content owners to marketers, to the ecosystem, because these things are not emerging. They've arrived and we're now in a place where at least in the US. One in three homes no longer have pay TV.

Matt: Yeah.

Dan: That is down from 90 plus percent just five or ten years ago. So it's a huge, huge change.

Matt: I think it's disproportionately the case on the coasts where, when you have to get to middle America and, and where maybe there's less tech savvy consumers, maybe older generations. I think having a television is a way to fix that because they don't have to switch the input or plug something in, they just turn it on and then they have your operating system. So I do think it's going to be a way where you make it even more applicable to more audiences.

Dan: It's been a big focus for us coming back to the idea of ease and choice and convenience is that streaming should be accessible to everyone. It shouldn't just be for a specific audience. And when we look at that user base, it really does reflect the countries in which we operate by age, by income, by ethnographic and so forth. And so that's something to me, that's really exciting because streaming is for everybody.

Matt: Yeah. So you had mentioned the studio earlier, and I've been speaking to several execs here at CES just about how when you talk about a connected TV or OTT approach, it's not like during up front where you'd have to spend so much money on one or two big spots. You'd need multiple different spots if you're going to be addressing these ads to multiple different audiences. So when you mentioned the studio, is that what that's about? Is it about helping advertisers create content in all different form factors so they can actually be more applicable to their audiences?

Dan: So the Roku Brand studio is about going beyond the 30 second spot. We think about that in a couple of different ways.

Matt: Okay.

Dan: The first is owning the entire streamers journey. So not just the ad break, but when you turn on the TV, bringing the screen saver to life on the home screen. Offering a free movie for somebody who's trying to figure out what to watch. Creating custom ads and content that fit through the entire, again, viewing and streaming experience. So that's one whole area. The second big area is, to your point, new creative. And so that's interactive ads, shoppable ads.

Matt: You're helping advertisers.

Dan: Exactly. Helping them create things that are purpose built for streaming. And then the third is we work on true, full fledged, built for streaming entertainment in partnership with brands. A couple of good examples of that. The first is a show we call Roku Recommends, which was born of this insight that streamers are often looking for what to watch. And we have really great data about what's actually popular, what the hidden gems are. And so Roku Recommends is a weekly show hosted by Maria Minos and Andrew Hawkins that goes through the best bets on our platform and brands can get involved and bring their creativity into that show. We've also started to create entertainment for or in partnership with brands. Most recently, we did a three part docu series called the Lesbian Bar Project with Jagermeister that was focused on the 20 or so lesbian bars that are remaining in the US. And again, we know, looking at the data, what homes might be interested in that sort of stuff. And so there's a whole canvas to explore.

Matt: Well, and I'm sure you recently saw an announcement, YouTube with the Sunday Ticket. That's something I've been again talking about forever because it just makes sense. And companies like Google have much deeper pockets than DirectTV, which is now part of AT&T does. How does an announcement like that and live sports in general impact your business? Because obviously, if you look at the top 30 most watched live shows every single year, 28 of them are usually NFL games or maybe NBA Finals. So sports is a huge part of the television viewing experience. What is Roku's strategy in that area?

Dan: We're really excited about this announcement, but others because it really speaks to the shift of sports into streaming. And as you mentioned, Matt, live sports has long been a bastion, or one of the few remaining bastions of tradition.

Matt: I can't think of anything else. Maybe news.

Dan: Yes, but news and sports are now really growing in streaming. And one thing that we launched recently was our Sport Zone, which was designed to help the consumers with a key thing, which is, I know there's sports on streaming, where do I find it? So we pull together all of the games that shoulder content. We recently launched a Roku original with Rich Eisen really talking about sports, and we're bringing that all into our home screen, pulling it forward so that it's super easy to find sports and streaming. We're very encouraged, though, because it is yet another step into a world where truly all TV is streamed.

Matt: Absolutely. So let's shift gears a little bit and talk about you and your career and kind of how you got to where you are. You obviously strike me as somebody who is very knowledgeable and passionate about the field that you're in and have a really great handle on what is a very complex industry. How do you spend your time and what things do you do to make sure that you stay with your finger on the pulse of what's next? Because that's incredibly important, obviously, in what you do, and you've obviously been very successful at doing it.

Dan: Gosh, it was interesting. I was talking to a younger person on our team recently who was asking about career advice and I wasn't really sure what to say. But one thing that really strikes me is that curiosity is just so important in whatever career that you go into. And I just find media and entertainment and technology so fascinating. And to your point on how you spend your time, I spend an inordinate amount of time reading and listening to things and exploring and looking at papers, doing all sorts of stuff.

Matt: And then what? What do you do after you read something that's interesting? Do you write it down. Do you take notes?

Dan: Like how do you work? Yes, I'm a highlighter and an underliner and a note taker and a post it, all of that. But to me, being curious about what you work in is so, so important. And if you're not curious, there are other people who are going to be more interested and energized by it. And again, I find we're in such an exciting time for television because it's changing so quickly and that doesn't come along all the time.

Matt: And were you always as curious, like, ever since you left college and you went to Nielsen, and were you always just this intrigued by the line of work you're in? And do you feel like that's a mandate to be successful is to be really curious and passionate about what you're doing?

Dan: I think it's hard to be successful if you're not curious about what you do. I have always been interested in media and entertainment. I thought when I was in college that I wanted to be a journalist and realized that I really love the team aspect of working together, building something new, and very much have kind of stumbled into the worlds of streaming and measurement and analytics and marketing and so forth. But media has always been interesting. I started a newspaper in high school, I was an editor of a newspaper in college and did some freelance writing on the side. So all of that has always been very exciting.

Matt: Speaking about curiosity, we're all here at CES and CES is what I love most about CES is It's in January, the 1st week of the year, a fresh start and everyone's eyes towards the future, like last year's done. What's next? Where are we going? What excites you most about either what you're seeing in CES or things that you're working on as it relates to 2023? Obviously, you've had so many announcements that actually still have to go into the market, but are there any other kinds of bleeding edge things that you have your eyes on?

Dan: One thing I'm really excited about is discovery. And so we again live in this world where there's so much to watch. So much to stream.

Matt: Although there's so much to watch. But everyone also said there's nothing to watch at the same time, right?

Dan: Yes.

Matt: You went to Blockbuster, you picked one DVD and you came home and you were happy with that for a night or a weekend. Now you have millions of things to watch and people feel like they don't know what to watch and there's nothing to watch.

Dan: Yes, there's a bit of a paradox of choice. So we have started putting a lot into how we make that discovery experience as seamless and as easy as possible. So we've launched Featured Free so that you can find free content on our platform. We've added save lists, we've created zones that curate different types of content. We created the Buzz, which actually is sort of like a social part of our platform that allows studios and talent and others to share clips and what's going on. I think there's so much more to do in content discovery because there's so much great stuff out there. So that's an area I'm really excited about, bringing data, better user experience, and also giving the opportunity for marketers to be part of that journey. That's one thing this year that I'm really energized by.

Matt: Yeah. And another thing obviously everyone's talking about right now is the leaps that have been made in artificial intelligence with Chat GPT and similar tools. When you talk about the long tail needed to effectively create content and connected TV, do you see a roll down the line with

some of these tools and helping your advertisers create video based content that more impactfully connect with their audience?

Dan: I certainly think in the future there will be ways that generative AI and some of these models play a role in, one, creating advertising, two, creating actual television content. I wouldn't presume to know what that will be, but it's so exciting where we are this year versus a year or two ago is drastic.

Matt: Yeah, I mean, it's funny because last year at this time, everyone was excited about Clubhouse, right? And if you even think about the things that everyone was saying was going to change the world going into 2022, in the business world, whether it be maybe like blockchain, what people, I think, figured out over time is blockchain is an incredible technology. But the application isn't there. The infrastructure is not there, so the applicability isn't there. And we're probably a ways away from many businesses operating on the blockchain. But when you think about AI, people already are figuring out applications for it and they're already putting the business within weeks of when some of these new tools come out. So I think to me that's a signal that this is going to be a real thing. Unlike maybe some of the other headfakes that we've had in the past.

Dan: Yes. And one thing we haven't talked a ton about is the Roku Channel, which is our owned and operated streaming service. It really started from an insight a couple of years ago that the number one searched-for term on Roku was free.

Matt: Right.

Dan: People were looking for stuff that they didn't have to pay for. And so we launched the Roku Channel years ago, licensing movies and television. And it's since expanded really rapidly. It's one of the top channels on our platform. It includes live news and live channels, spanish language, kids and family, and most recently Roku Originals, where we're actually creating movies and television built for our platform. Entirely free, no sign up, no strings attached. The reason why I bring it up in the context of what you were saying, Matt, is we've brought a lot of machine learning and artificial intelligence to the Roku Channel to customize the experience so that when you go in, it becomes a place that can pull together a lot of different parts of entertainment. So we have premium subscriptions that actually allow you to sign up for subscription services right in the Roku Channel and centralize all of that. To see the ways that machine learning is very quickly being deployed in that environment to me is a signal to your point that this stuff is moving very fast and we can expect to continue to evolve.

Matt: I mean, I have to say, as I hear you talk, when I think about some of the other companies that make televisions and they just create components and maybe they have kind of a weak version of an operating system, I just don't see how they're going to be able to compete against a company like Roku who's creating a vertically integrated solution where you're talking about operating system content, an ad platform. You have this data which makes it a better, more seamless experience for consumers. And to be honest with you, I had no idea. And I think that's probably a challenge for you and your company moving forward, because I'm pretty well versed in the technology team,

definitely more than most Americans are, and I still didn't think of Roku as just the stick that you plugged in. I just did. I'm guilty of that, right, and for whatever reason. So I just think there's such an upside opportunity if you guys can communicate your story effectively and get your product in as many consumers hands as possible. So it sounds like a really exciting opportunity for you and the company.

Dan: Yes, there's nothing more exciting than having an awesome product and an awesome business and one that still has a lot more running to do.

Matt: Obviously. Clearly. So we're going to wrap it up with that. I just want to thank you for joining. Obviously, you guys are very busy here at CES, and you clearly have a big year ahead of you. So on behalf of Suzy and team, thanks again to Dan Robbins from Roku for joining us. Be sure to subscribe and review the Speed of Culture podcast on your favorite podcast platform. Until next time, see you soon , everyone.

Matt: Speed of Culture is brought to you by Suzy as part of the Ad Week Podcast Network and Guest creator network. You can listen, subscribe to all adweek's podcasts by visiting adweek.com podcasts. To find out more about Suzy, head to suzy.com and make sure to search for the Speed of Culture in Apple Podcasts, Spotify and Google Podcasts or anywhere else podcasts are found. Click follow so you don't miss out on any future episodes. On behalf of the team here at Suzy, thanks for listening.