



A FAST Catalyst:

How Free Ad-supported Streaming TV enhances streaming's many business models

Introduction by



Alan Wolk
Co-Founder/Lead Analyst, TVREV

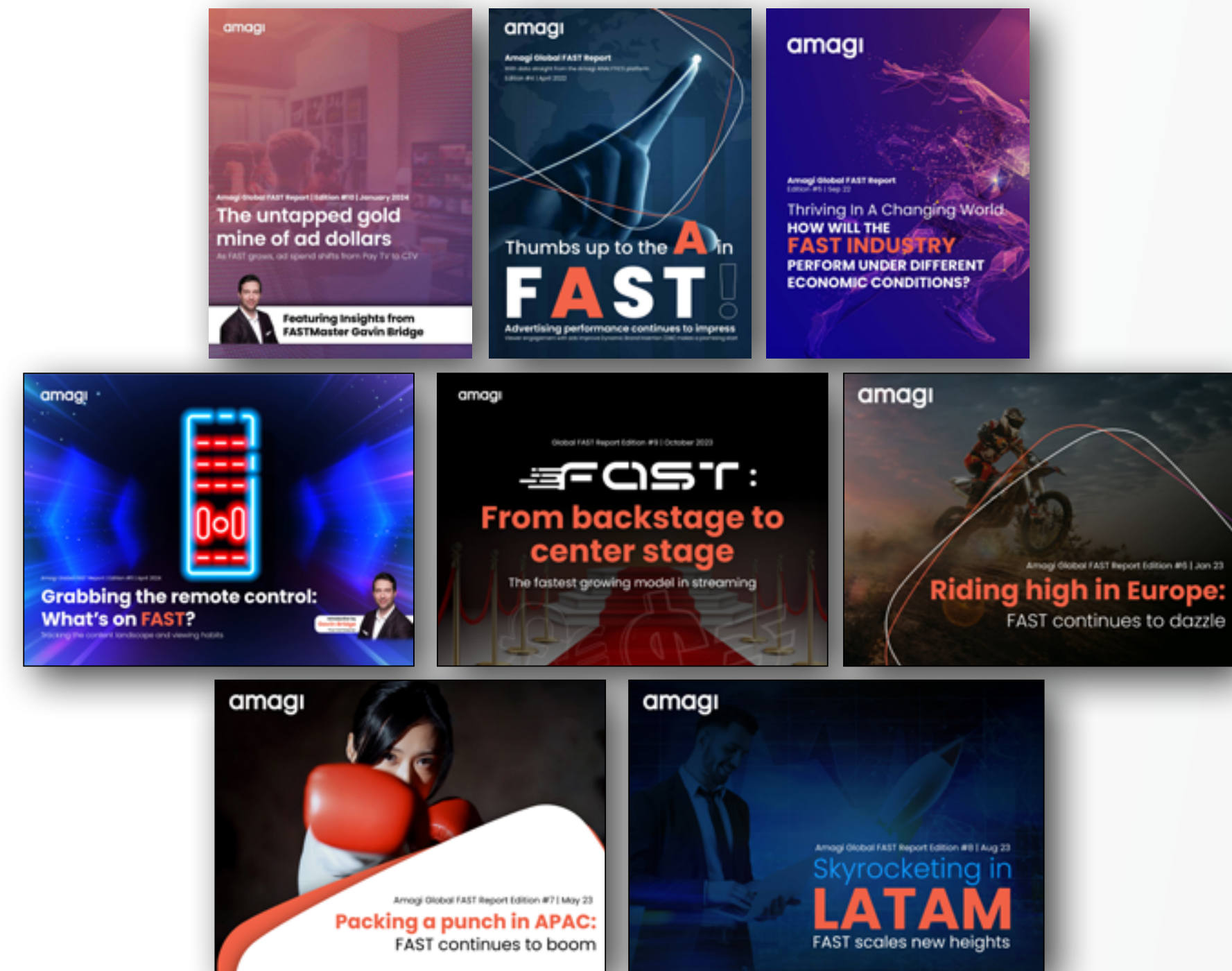
Delve into comprehensive data and insights powered by Amagi's homegrown data analytics platform – [Amagi ANALYTICS](#) and the Amagi Consumer Survey 2024.

Analysis period

Q2 2024 (Apr–Jun) vs. Q2 2023 (Apr–Jun)

In the 12th edition of the Amagi Global FAST Report, we focus on the global market and bring data and insights from **2,500+** channels distributed that use [Amagi THUNDERSTORM](#), our SSAI (Server-Side Ad Insertion) platform. We understand that this is not a universal data set of all FAST channels and FAST services. But in the absence of reliable third-party data sources, we hope this report provides directional guidance to content providers, FAST streaming services and advertisers.

The report also provides insights into audience preferences and viewing habits based on the 2024 Amagi Consumer Survey of **500+** U.S. households comprising diverse income groups.



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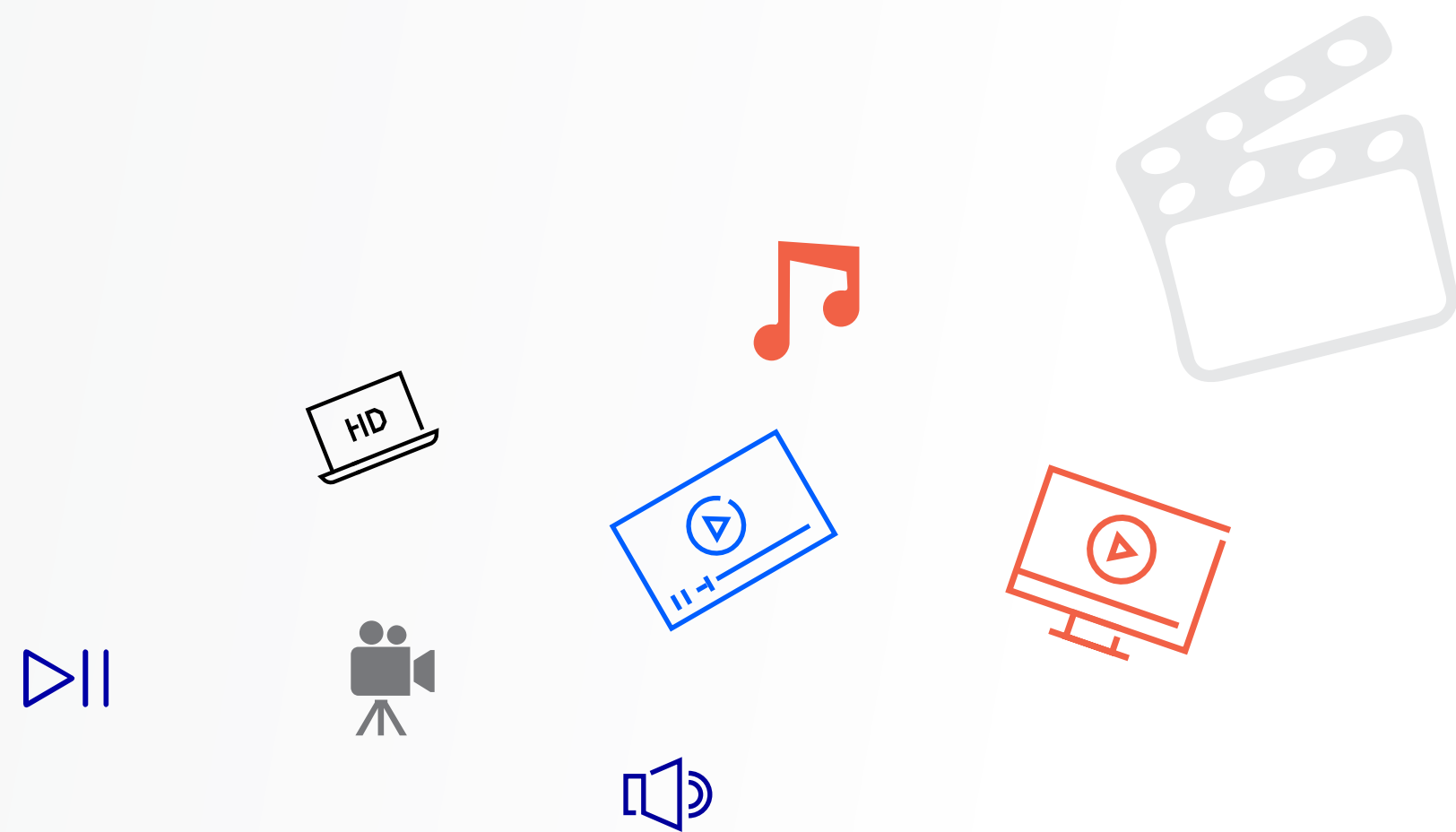
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Preferences between paid and free streaming services



1

FAST as a catalyst: A value add to the streaming universe



Introduction by



Alan Wolk
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When FAST services first launched more than 10 years ago, they were standalone services, a novel way to make money off of library content that had not been picked up by any of the subscription streaming services.

There was skepticism about the validity of the business model and even more skepticism in January, 2019, when ViacomCBS CEO Bob Bakish bought the first of these services, Pluto TV, for what, at the time, was considered to be the outlandish sum of \$340 million.

How times have changed.

Today, as the following report neatly lays out, linear FAST channels are being adapted by a range of players in the TV space who see their value in driving everything from ad revenue to viewer engagement.

Broadcasters and cable networks are using them to create new revenue streams by pushing their content - news in particular - onto FAST services attached to the various media companies, OEMs and independent operating systems.

Pay TV providers, especially those that also sell broadband, are creating their own FAST channels that are included in all of their bundles, giving viewers added value and more options, which in turn helps with subscriber retention while also creating an additional source of ad revenue. Subscription streaming services are launching their own linear channels

now, too. It offers them an easy way to surface their library content while also providing subscribers with a frictionless way to start watching. It's an effective way to help short-circuit the notorious "**analysis paralysis**" that comes with having too much choice.

These same subscription services are also looking to launch their own FAST services - free, ad-supported tiers that serve as a "**front porch**" of sorts - a place to keep viewers within the fold while surfacing older seasons of current shows on their subscription service as a way to allow viewers to catch-up in the hope that they can be upsold to a subscription plan to watch the current season.

The "front porch" also expands the number of possible ad impressions the subscription services can sell across their subscription and free ad-supported tiers. As advertising becomes a more critical part of subscription services' revenue streams, we can expect to see these FAST front porches assuming even more importance.

Finally, we're seeing adoption from "owned and operated" apps - the on-demand only versions of niche services with dedicated fan bases. There too, the ability to keep viewers engaged longer and avoid the "analysis paralysis" conundrum have led to an uptick in the adoption of FAST channels.

One key conclusion of the report is that all signs now point to the continued growth of FAST services and linear FAST channels as streaming gains traction. This will be particularly true in some countries in Africa, Asia and Latin America, where paid subscription TV services are not as common. This indicates that FAST will become the default business model in countries with emerging economies, and any service that wants to become a dominant player in these markets will need to roll out a free ad-supported tier.

The expected growth of sports on streaming will also contribute to the growth of FAST channels and FAST services. This will take the shape of live games and shoulder content around those games, giving fans a new home to watch the content they love.

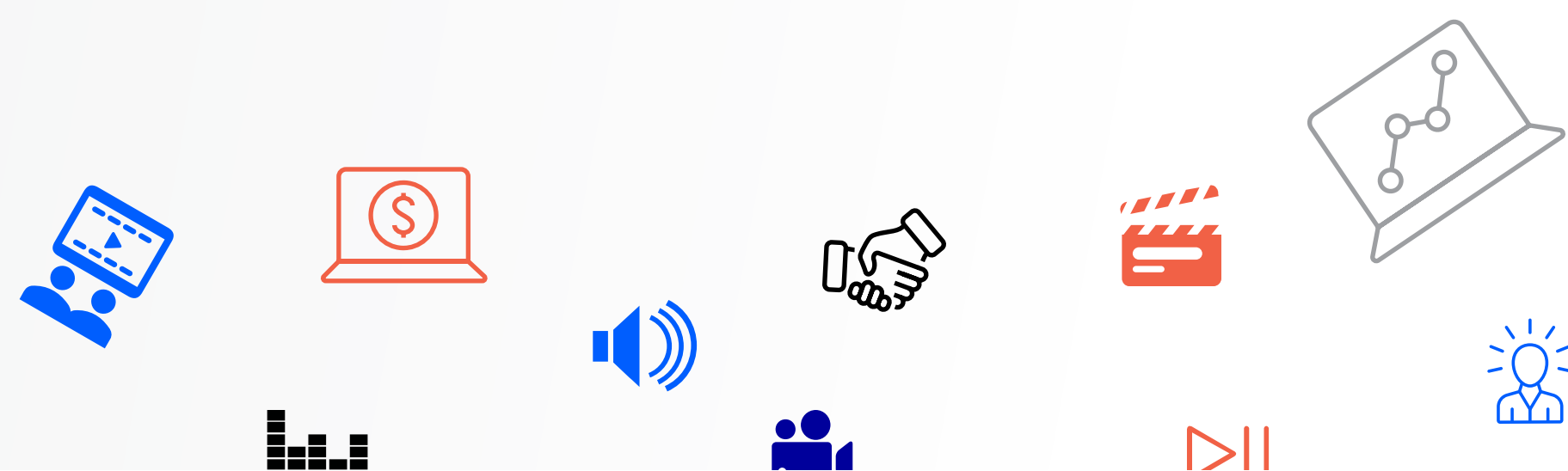
The growth of sports, coupled with the continued shift of news and non-fiction programming to FAST, indicates a bright future ahead. The increases in Hours of Viewing (HOV) and ad impressions revealed in the report are indeed impressive and indicate that FAST is now a global phenomenon.

Amagi's research indicates that while regional differences remain in the types of content found on FASTs, the concept of free linear channels as a popular delivery mechanism is a universal phenomenon. As you will read in the report, this model has been successfully adopted by a wide range of global players across the TV ecosystem, all of whom recognize the value and potential in free ad-supported linear channels.



2

The evolution of FAST: From a standalone service to an embedded one



When FAST channels first debuted, they were primarily available through FAST services, offering an alternative to paid services within the streaming world. However, their role has significantly evolved over the last few years.

Today, FAST channels are vital to streaming's success, integrating with various streaming models such as Subscription Video On Demand (SVOD), virtual Multichannel Video Programming Distributor (vMVPD) etc. to create a cohesive, multi-layered viewing experience.

FAST revolutionizes the viewing experience

1

Ease of content discovery: Linear channels offer a curated list of shows and movies, allowing viewers to start watching immediately without endlessly surfing through on-demand options.

2

Additional source of revenue: Introducing free channels enhances the value for viewers without extra cost while unlocking new advertising opportunities for video services and content providers.

3

Gateway to paid services: FAST provides a gateway for streaming services to showcase previous seasons or limited content, serving as a sampler for paid subscriptions.



Broadcasters

FAST & Broadcasters: Mainstream broadcasters embracing FAST

As cable TV markets continue to decline and streaming services face profitability challenges, broadcast divisions from major media companies are increasingly investing in FAST to augment their streaming revenues. Broadcasters are taking a dual approach with FAST, including offering a FAST service of their own and/or distributing FAST channels to third-party FAST services.

Paramount and Fox [have FAST services of their own and also distribute](#) several of their channels to third-party FAST Services. While Fox's Tubi is primarily focused on driving advertising revenues, Paramount's Pluto TV uses its platform to also promote its subscription service, Paramount+.

NBC Universal (NBCU), Warner Bros. Discovery (WBD), Disney and Sony Pictures Entertainment (SPE) are primarily focused on creating and distributing FAST channels. NBCU, WBD and SPE are actively expanding their presence in FAST with third-party FAST services. Disney is exploring 24x7 linear channels on Disney+ to possibly serve as a FAST front porch and is also currently utilizing ABC to offer FAST channels in news and entertainment.

Compared to last year, Amagi Insights show that the total number of broadcaster-owned channels within FAST has increased by approximately 2.5 times.

Read: [Unlock the future of live broadcasting with revolutionary on-demand orchestration system](#)

Here's why broadcasters are serious about FAST:



Audience reach:

Broadcasters aim to extend their reach beyond conventional terrestrial, cable, and satellite methods, tapping into the growing streaming audience. Especially for local news divisions of broadcasters, FAST provides an opportunity to reach incremental viewers (beyond DMA, even nationwide) who are currently not consuming their content via broadcast/cable outlets.



Monetization of unused content libraries:

By embracing FAST, broadcasters can provide a wider variety of library content from their vault - including classic shows and niche programming - to FAST services and unlock new revenue opportunities.

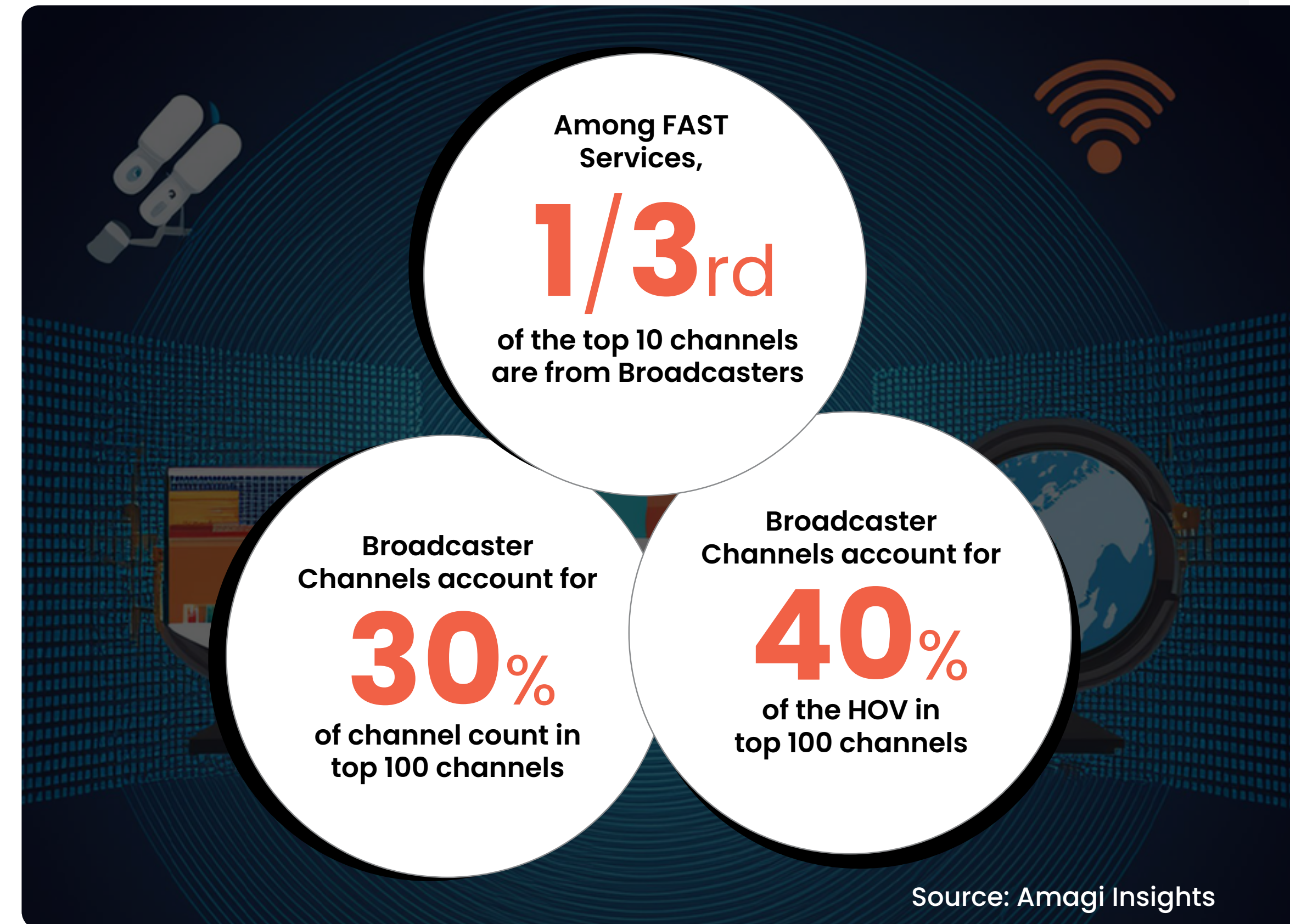


Cost-effective viewer acquisition:

Through their own FAST services (Tubi, Pluto etc.), broadcasters can reach viewers who don't pay for cable or SVOD services through shoulder content of their paid programming, converting them into paying customers.

By blending the strengths of traditional broadcast programming with the flexibility and accessibility of FAST, broadcasters are choosing to remain competitive in the dynamic media landscape and ensure that they meet the diverse needs of their audiences.

Insights from Amagi Data Q2 2024



Alan's Take:

It's been interesting to watch broadcasters wrap their heads around FAST, which is in many ways the streaming equivalent of broadcast as both are technically free. Porting local news to FAST is going to be a big shift in the U.S., especially as those shows can become very personalized 24/7 FAST channels.

SVOD

FAST in SVOD: **Driving user acquisition for subscription services**

FAST channels are increasingly becoming part of SVOD services, serving as a 'front porch' to bring in price-conscious subscribers who are looking to sample content before committing to a subscription plan.

Spotlight: DAZN

DAZN, a leading sports platform, recently launched [10 FAST channels](#).

The DAZN front porch strategy will help them merchandise the ever-expanding portfolio of FAST content on their platform. Taking full advantage of the recently launched free tier on their platform, the front porch will enable greater discoverability of FAST programming while driving brand awareness, loyalty, and retention. It will also give DAZN a 'top of funnel' of engaging content, which they can use to deliver audiences to paid tiers and other platform functionality, including betting and ecommerce (customers can purchase merchandise and tickets).

This is a new strategic endeavor for DAZN, and in just two months they've had almost 650,000 DAZN users engage with their FAST channels, delivering almost 150,000 hours of viewing.

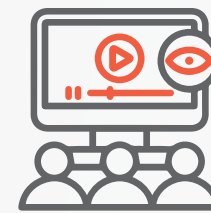
They will continue to build on the content offering in the front porch, using Amagi as the distribution and technology partner for the additional channels. They will also further integrate features which enable them to best serve the audience engaging with these channels as they build the ultimate destination for all sports fans. EPG integration is already well underway, and they will also look to include other features like language localization options, to enable greater personalization and accessibility.

There are three key drivers that make FAST a compelling add-on experience to SVOD services:



Reduce Customer Acquisition Cost (CAC):

It's much cheaper to acquire a customer for a free service than a paid service. SVOD providers face significant challenges in demonstrating value, with [36%](#) of consumers finding the content not worth the price and [48%](#) considering canceling if prices increase by just \$5. By providing a free front porch through FAST channels, customers can sign up for a service without committing to any payments upfront.



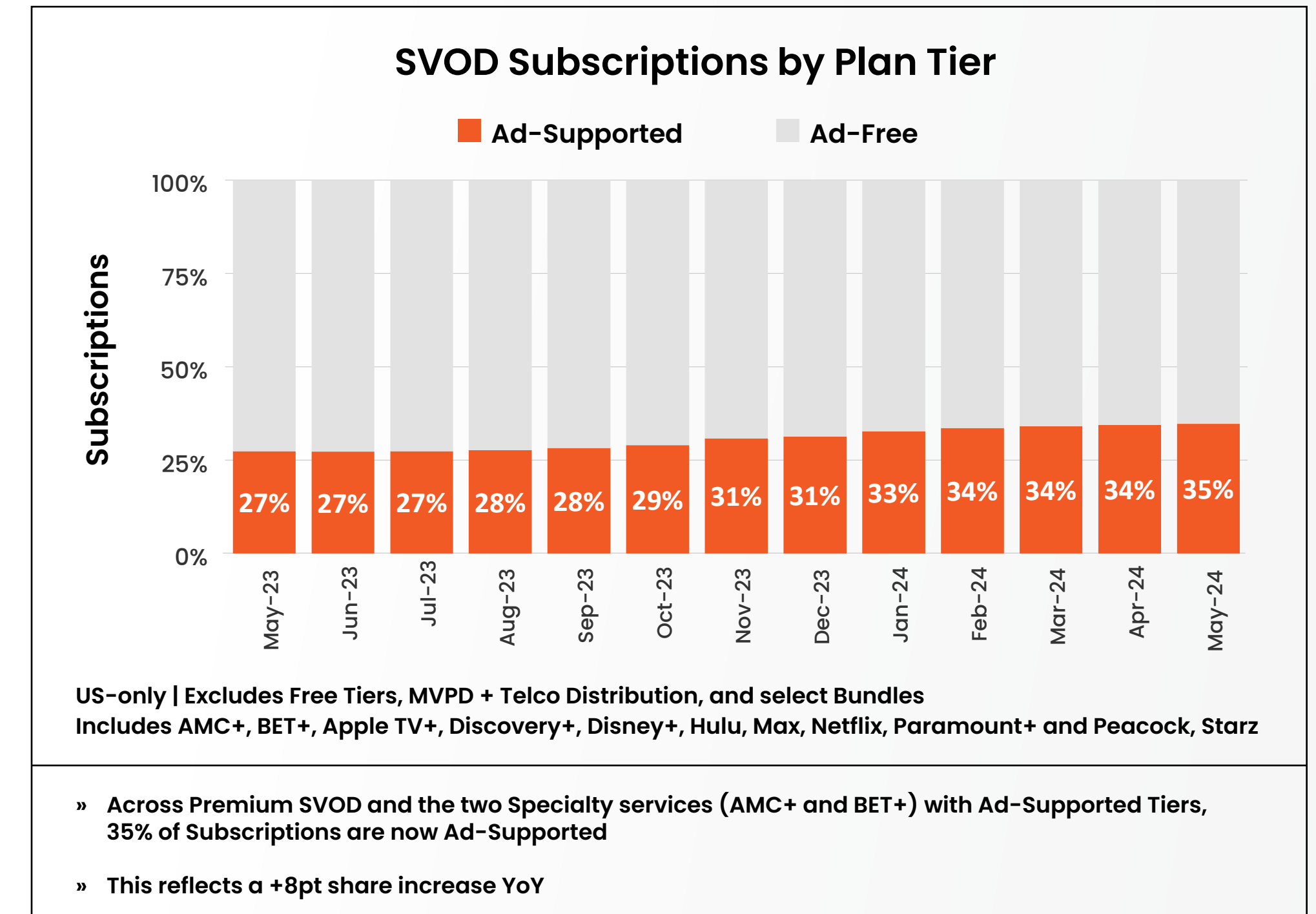
Reduce decision fatigue:

Universally, SVOD services have not made it easier for customers to choose what content they want to watch. According to Nielsen's 2023 State of Play Report, [20%](#) of survey respondents said they didn't know what to watch beforehand and couldn't find anything appealing, leading them to choose another activity. A FAST front porch will help alleviate the paradox of choice.



Increase ad dollars:

Almost all SVOD services have added an ad-supported option to their services and are aggressively looking to grow ad revenues. With their audiences conditioned for ads, FAST provides an additional opportunity to increase engagement of the customer within the ad-supported tier.



Source: [Antenna](#)

O&O apps

FAST in O&O apps: Driving additional advertising revenues

Owned & Operated (O&O) apps, which largely provide a brand-centric curation of their own on-demand content, are embracing FAST to curate content in the form of linear channels and increase engagement with their audiences. More engagement means more advertising revenues in ad-supported models. For example, music video network Vevo expanded the content offering on its O&O app in the U.S. to include a linear guide of over 16 channels, after seeing successful channel launches on various FAST platforms worldwide.

“

The success of our FAST channels on major platforms has driven us to incorporate FAST into the Vevo app. The addition of the linear channel guide has been a major source of engagement within the app, with viewers utilizing the curated experience as a way to discover new and relevant music videos.

Natalie Gabathuler-Scully

EVP, Revenue, Distribution & Data Operations, Vevo

”

3 key advantages that FAST channels provide to O&O apps:

Increase ad revenues:

Many O&O apps already have ad monetization as part of their business model; adding FAST channels to their portfolio is synergistic to the revenue model and also, to viewer expectations who are used to ads on the service.

Improve viewer engagement:

Along the lines of collections or playlists for on-demand content, FAST provides an easy way to program related content together in a linear fashion, making it easier for the viewer to discover their favorite content, sit back and enjoy a lean-back experience.

Ease of FAST programming:

FAST channels are primarily non-exclusive when it comes to distribution deals and as a result, media companies with O&O apps incur minimal cost in making their FAST channels available in their O&O apps. Some O&O apps are also adding (synergistic) third-party FAST channels to their O&O apps as a result of non-exclusivity.

In the world of O&O apps embracing FAST, news apps command higher FAST viewership and FAST channel counts, followed by music and sports. In the U.S. and Canada, nearly 100 FAST channels are available across the top 10 O&O platforms, and the total number of FAST channels within O&O apps has increased by almost 50% compared to last year.

AVOD services, which are similar to O&O apps but also aggregate third-party content, are similarly benefiting from FAST channels to improve discovery and ad revenues.

Read: [How FAST Channels Complement On-Demand Strategy](#)



There's a reason viewers like linear channels — it's just easier. This is particularly true with O&O apps, where much of the content is library content the audience is familiar with. And so rather than have to pick something every time they come to the app, linear channels give them an easy way to jump right in.

Pay TV

FAST in Pay TV: Reducing churn through value-added content

Pay TV (and also Telco) companies are increasingly leveraging FAST channels to enhance their bundled service offerings, providing customers with additional value and comprehensive entertainment packages.

FAST channels are making inroads into the Pay TV ecosystem and finding themselves nested amongst paid channels in the Electronic Program Guide (EPG). Given the synergy of the linear viewing experience between FAST and Pay TV channels, Pay TV services are increasingly embracing FAST into their ecosystem.

There are three key advantages that FAST provides to Pay TV services:



Retain subscribers:

FAST is a great stop-gap solution to stop subscribers from cord cutting and completely exiting a Pay TV service. The subscriber stays with the service and offers opportunity to the Pay TV service for upsell/cross-sell in the future.



Increase ad revenues:

Against a declining subscription revenue, FAST offers a new source of revenue for Pay TV services. Many of them are already familiar with ad sales, and FAST leverages their existing infrastructure to generate new revenue streams.



Improved content is a value-add:

FAST channels enhance the viewing experience by offering a wide range of free, ad-supported content that complements premium channels in their Pay TV services. As a result, subscribers get more channels without additional cost, helping them stay with the service.

Similar to Pay TV, Telcos and vMVPDs – which are also constantly battling to reduce customer churn – are adding FAST channels to their service, with an aim to drive more value to their customers and increase ad revenues.

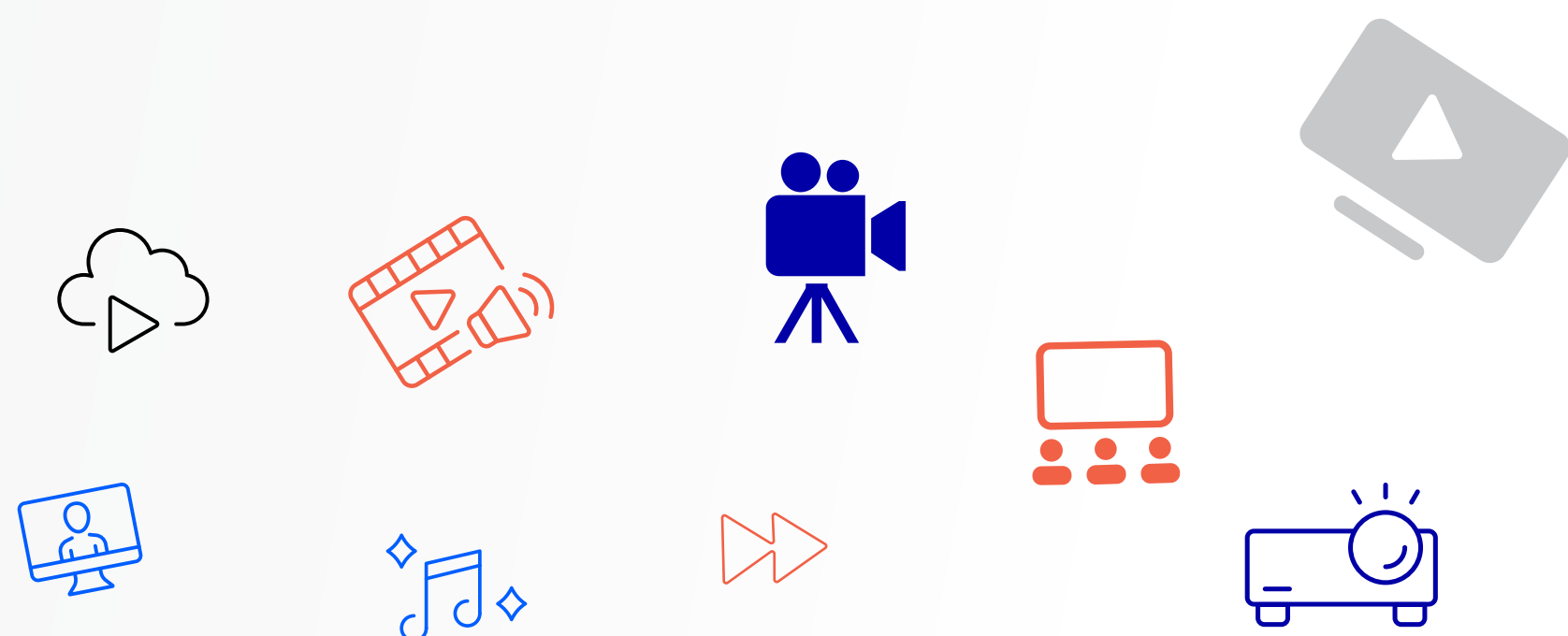
Watch our webinar on [FAST Growth & CTV Ad Opportunity](#)

How FAST is embedded in the streaming ecosystem:

	SVOD	O&O apps AVOD	Pay TV
Lower cost of acquisition	✓	✓	✓
Decreased customer churn	✓	✓	✓
Increased advertising revenue	✓	✓	✓
Improved ease of content discovery	✓	✓	✗

3

Amagi Insights: Ad impressions, Hours of Viewing & Top genres



The global ad impressions and Hours of Viewing (HOV) continue to show healthy double-digit growth across all markets when comparing Q2 2024 and Q2 2023, with the total HOV increasing by **31% YoY**. New channels launched after June, 2023 contributed to **27%** of the total HOV and ad impressions in the quarter.

Here's how new channel launches contributed to viewership:

33%
of the total viewership in entertainment

41%
of the total viewership in sports

FAST Channels Global Growth Insights: Q2 2024 (Apr - Jun) vs. Q2 2023 (Apr - Jun)

U.S. & Canada

17% HOV

21% Ad impressions

LATAM

28% HOV

56% Ad impressions

Total

31% HOV

26% Ad impressions

EMEA

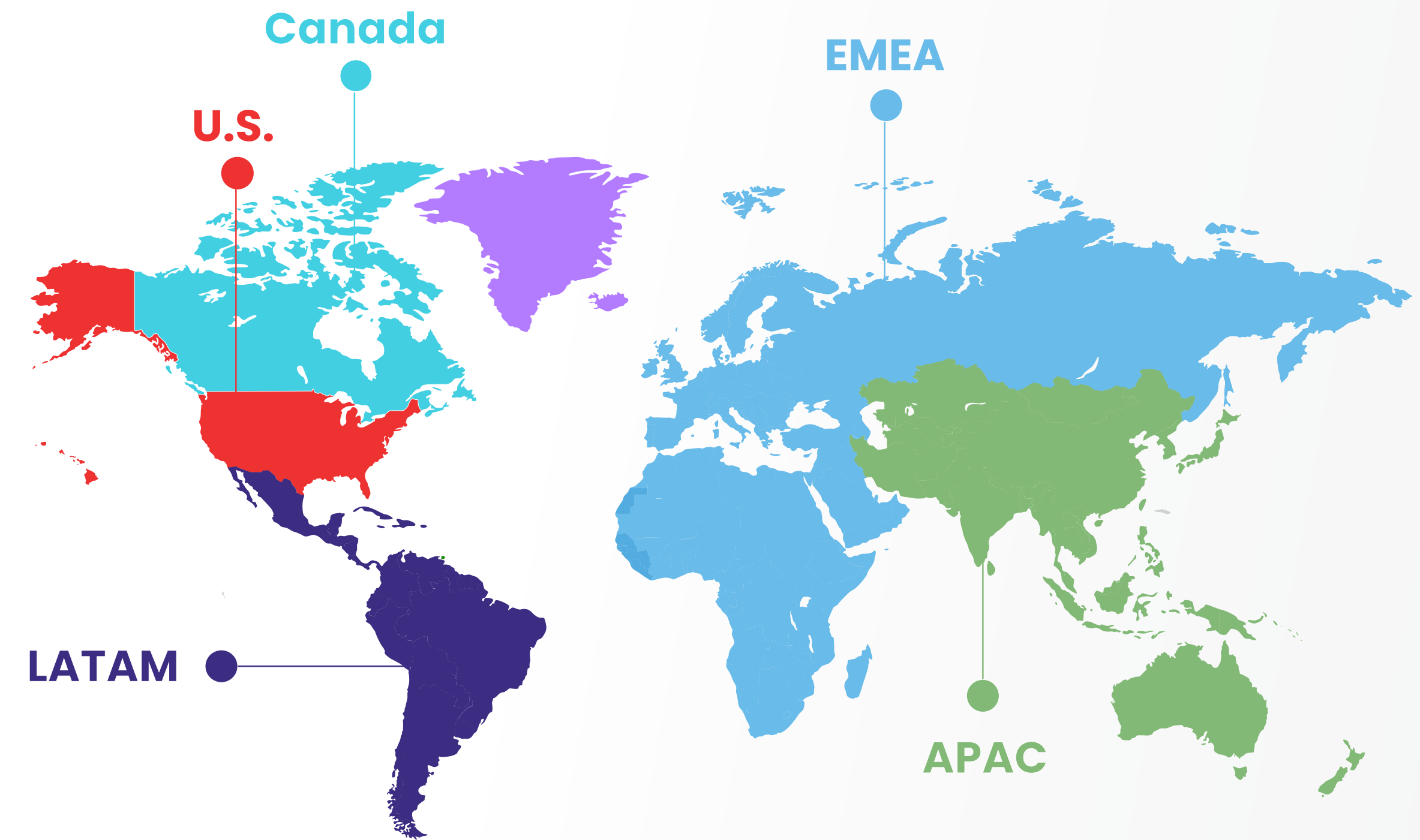
89% HOV

84% Ad impressions

APAC

113% HOV

78% Ad impressions



n= 2500 channels distributed using Amagi THUNDERSTORM | Source: Amagi Global FAST Report Edition 12 | July 2024

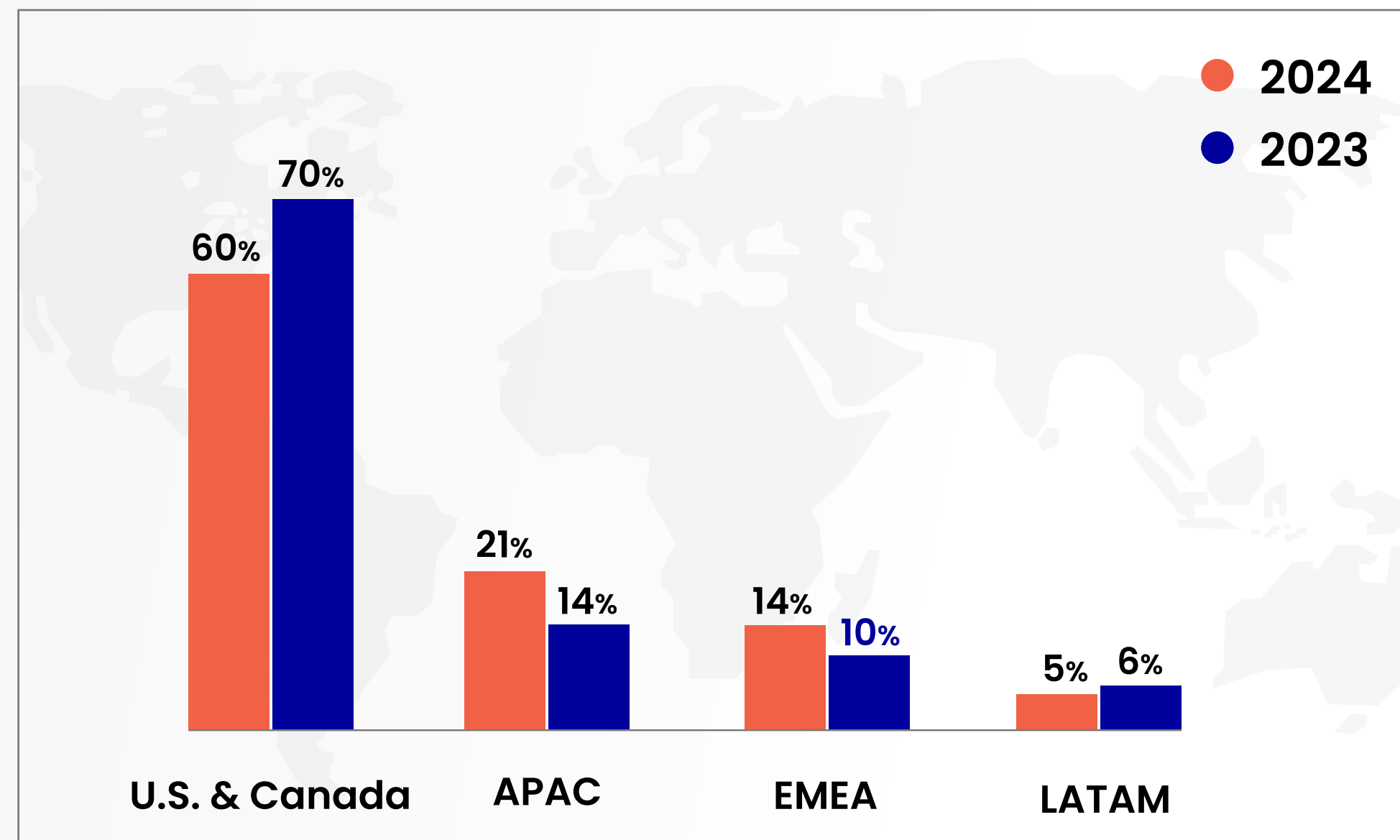


The growth in Asia is not surprising as FAST spreads out from its U.S. origins. Countries with emerging economies in Africa, Asia and Latin America promise to be the biggest market of all as the economics of the region all but ensures that free will be the dominant content model.

Comparison across regions: HOV and Ad Impressions

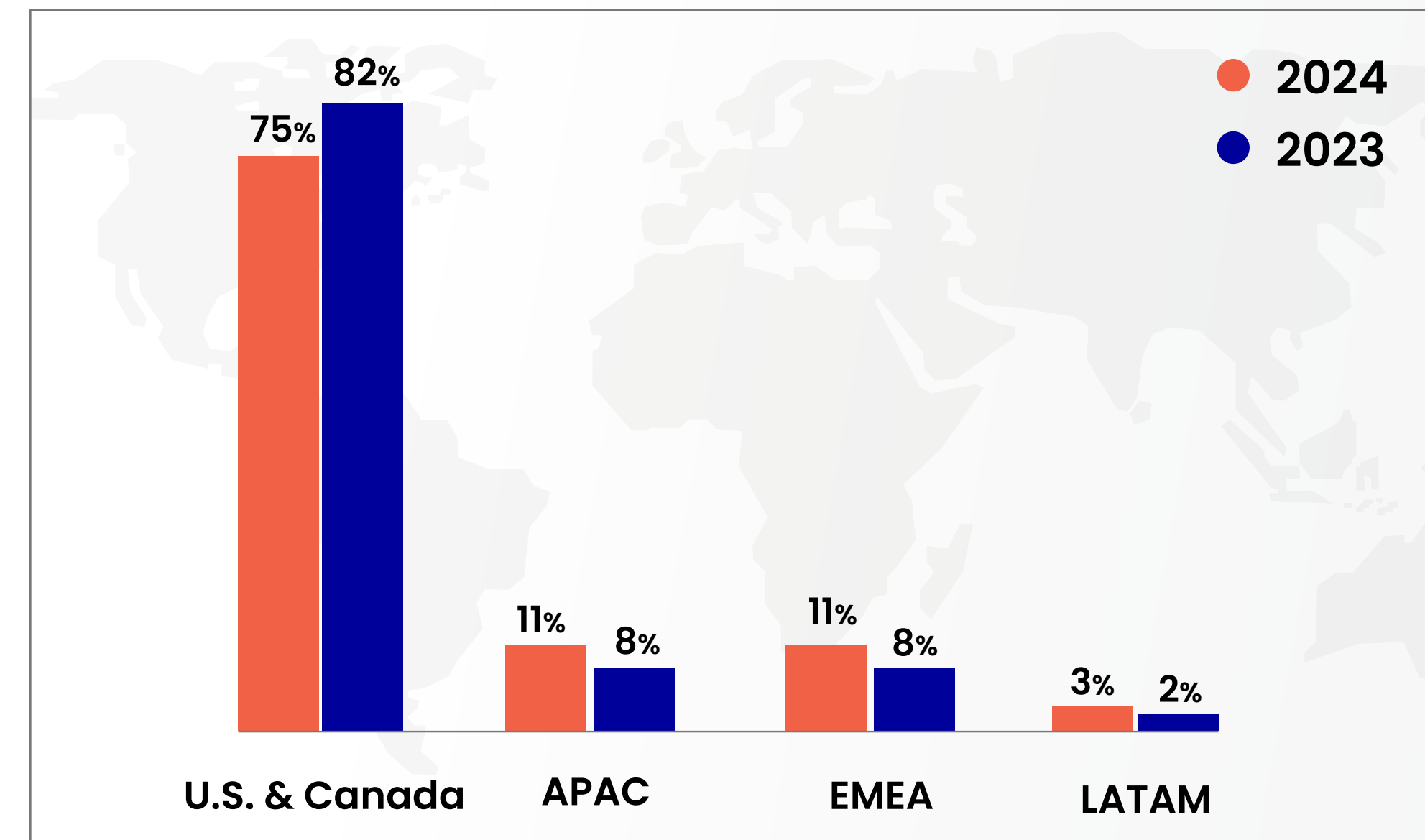
U.S. & Canada continue to lead the global FAST phenomenon in terms of HOV and ad impressions. But there's continued growth across regions, indicating that FAST is no longer just a U.S.-centric model.

Global HOV Contribution: Q2 2024 vs. Q2 2023



n= 2500 channels distributed using Amagi THUNDERSTORM
Source: Amagi Global FAST Report Edition 12 | July 2024

Global Ad Impressions Contribution: Q2 2024 vs. Q2 2023



n= 2500 channels distributed using Amagi THUNDERSTORM
Source: Amagi Global FAST Report Edition 12 | July 2024

Tracking regional genre trends

Global overview

1

News and entertainment remain the most popular genres, continuing a trend from previous quarters

2

Within entertainment, reality shows and game show channels each contribute 10% to the total entertainment HOV

3

Comedy, crime, and drama are the next most popular entertainment genres

4

Single IP channels contribute 35% of the total entertainment HOV (11% of the global HOV)

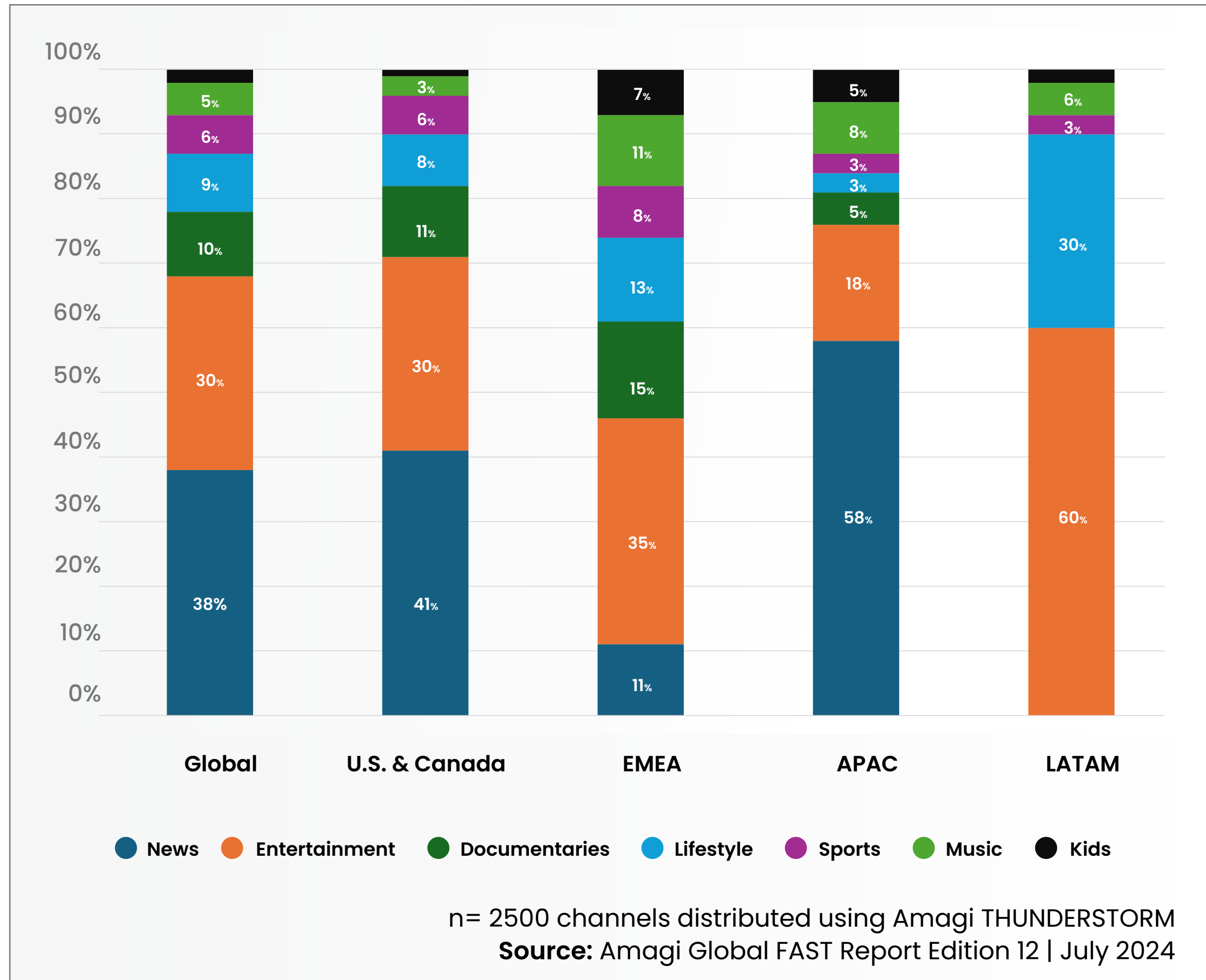
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With a 56% share of the entertainment HOV, TV shows are a crowd favorite on FAST platforms

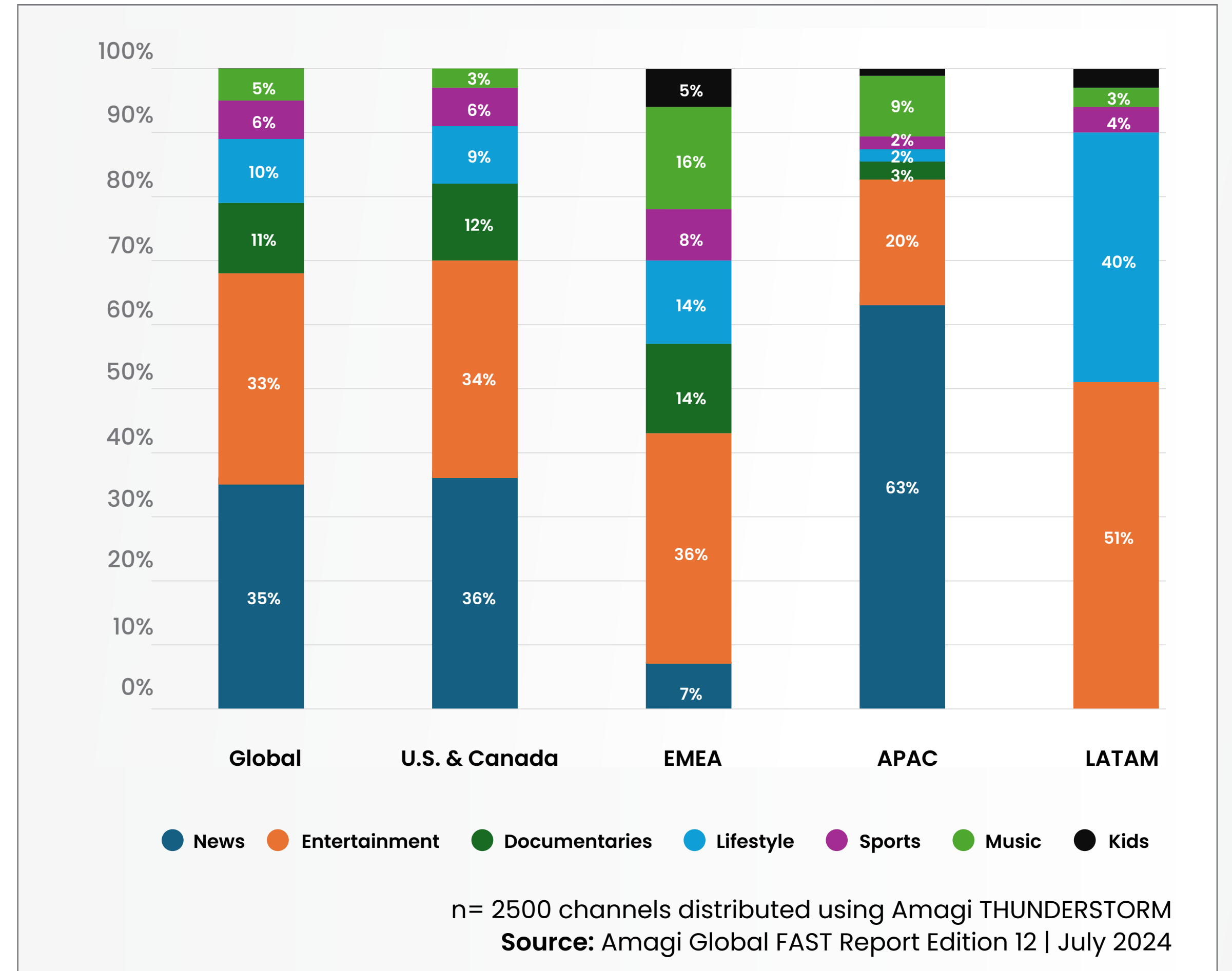
What are viewers watching?

Top genres Q2 2024 – Globally

Top performing genres by HOV

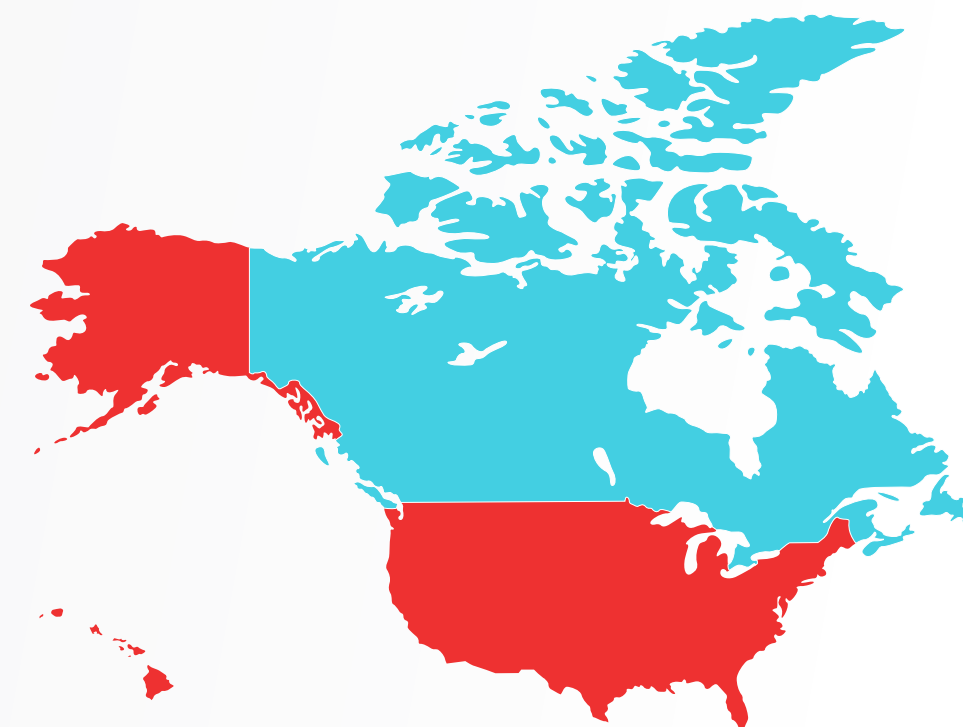


Top performing genres by Ad Impressions



U.S. & Canada:

- **29%** of the news HOV comes from local news channels
- Lifestyle and entertainment genres are better monetized (ad impressions/hour) compared to the rest
- Popular entertainment genres include reality shows, comedy, game shows, drama and crime, Within entertainment, Single IP channels comprise 25% of the channel count, driving more than 33% of viewership.
- Among lifestyle channels, home improvement shows are the most popular
- In documentaries, **70%** of viewership is from nature and wildlife channels, followed by history and science
- Motorsports is the most popular sports genre, commanding **10%** of the sports viewership



EMEA:

- Entertainment and documentaries are the top two genres
- **35%** of the total viewership and channels are from entertainment genre
- **~ 1,000** new channels were launched in the EMEA region from June 2023 to June 2024
- Music channels see the highest monetization, while news channels have the lowest



APAC:

- News emerged as the top genre with a jump in viewership driven by Indian election coverage
- The second-most popular genre is entertainment
- **40%** of the total channel count was launched after June 2023, but they contributed to less than **30%** of the viewership
- Kids' channels show the lowest monetization ability



LATAM:

- Entertainment tops the charts as the most popular genre, followed by lifestyle
- News channels are non-existent in LATAM, indicating a potential opportunity for new news channels

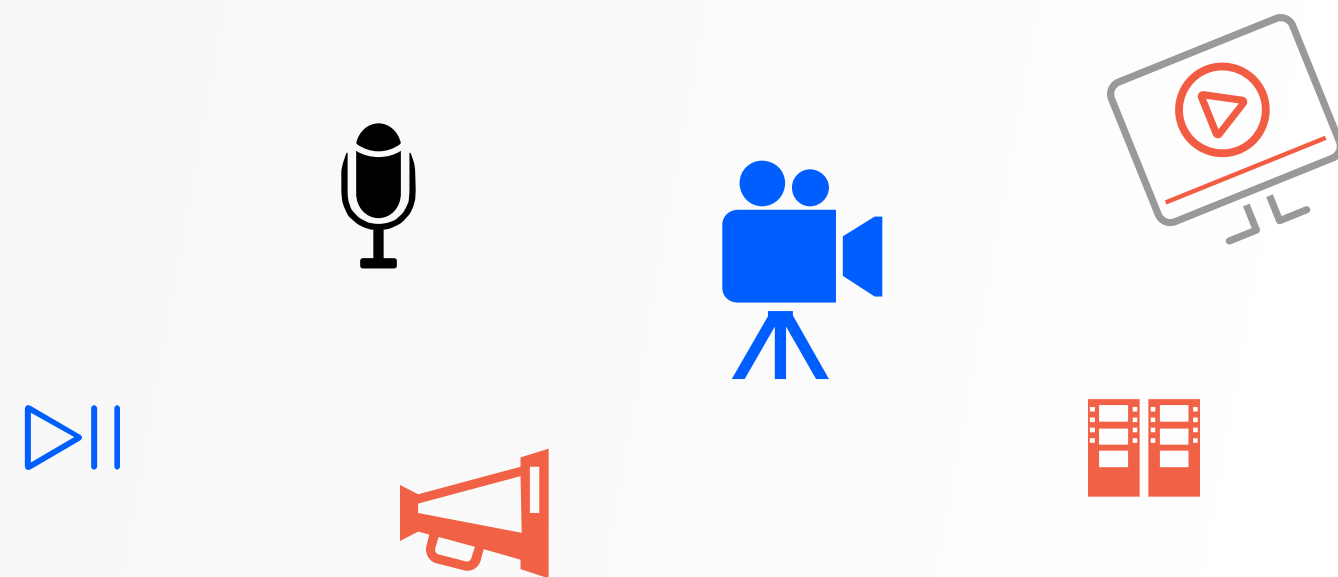
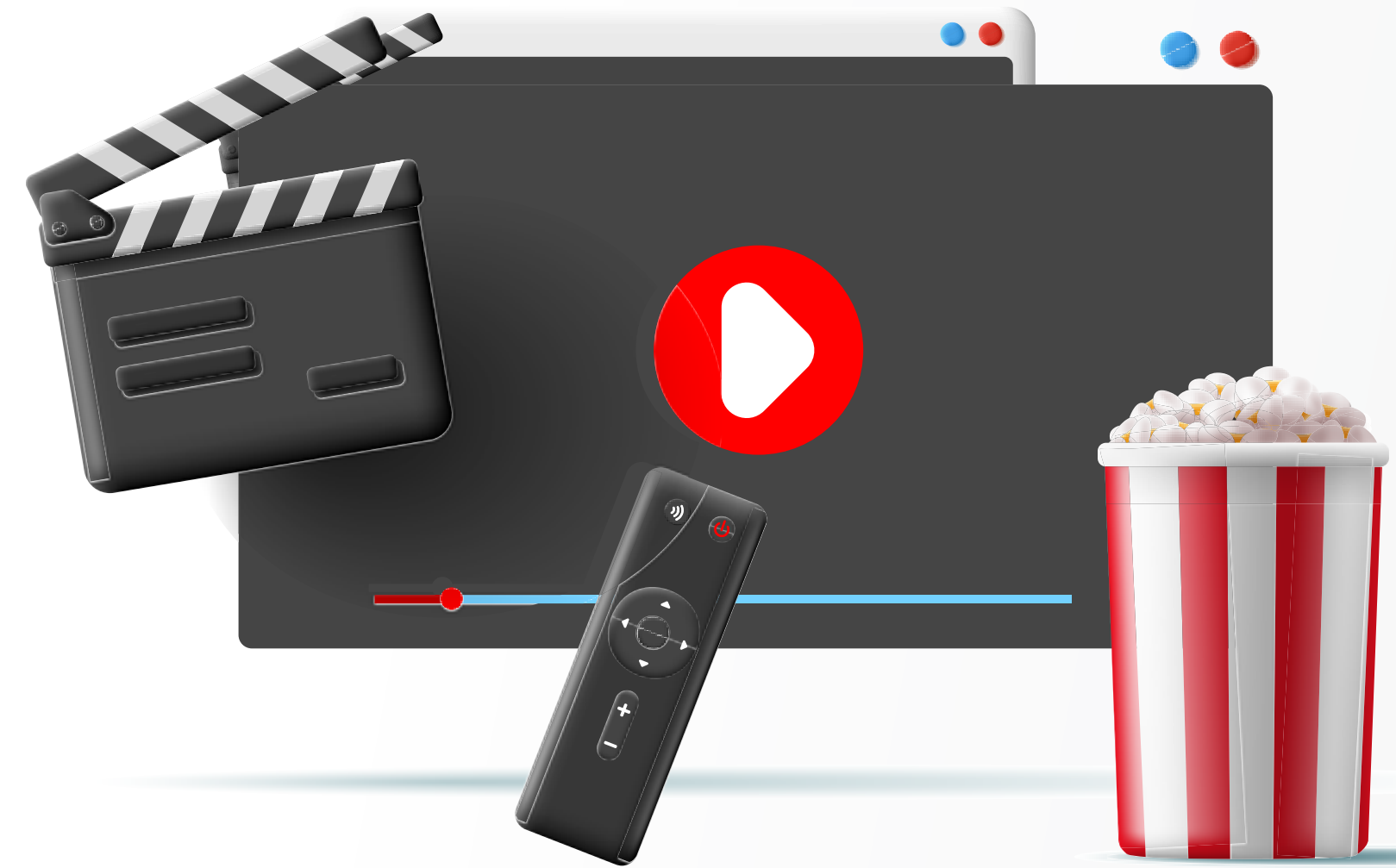


News and sports have long been acknowledged as the two genres keeping viewers attached to the Pay TV umbilical cord, so it's not surprising to see the news category so dominant on FAST in the U.S., as both local broadcasters and broadcast network news shows make the transition to streaming. In Europe, most news shows are already free (versus the cable news model in the U.S.), so again, it's not surprising to see entertainment and documentaries leading the pack there. Evergreen content like documentaries and reality TV lends itself to linear FAST channels, as it is unlikely to seem dated and provides the sort of seamless "lean back" experience viewers have come to expect. This also explains the popularity of single IP channels, as the linear format saves viewers from having to make a decision about which episodes to watch.

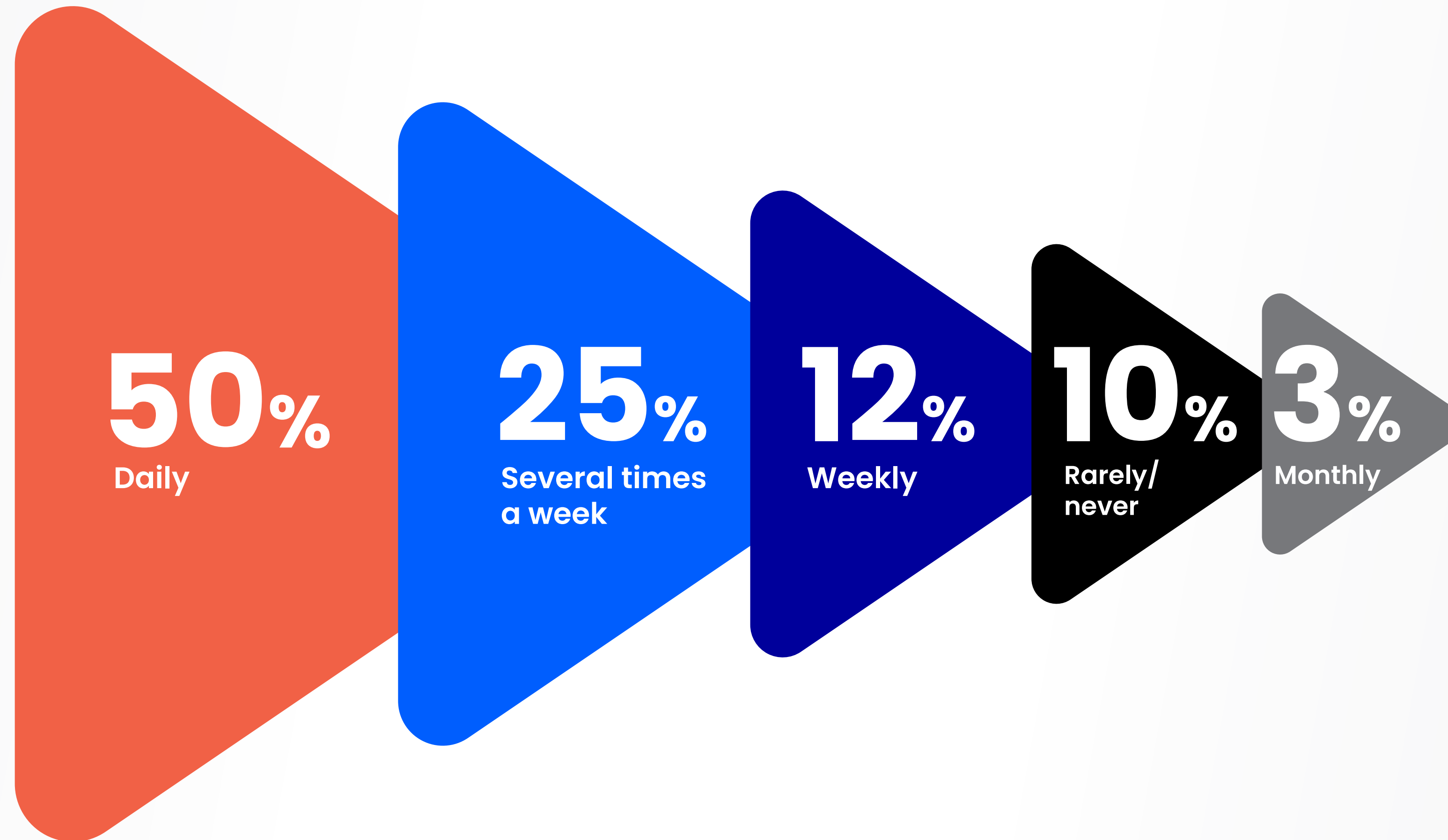
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Amagi Consumer Survey: U.S. Insights

We conducted a comprehensive consumer survey to gain deeper insights into how audiences in the U.S. engage with FAST and other streaming platforms. This survey targeted approximately 500 households across the country. The primary objective was to gather detailed information on viewer preferences, viewing habits, and overall satisfaction with FAST and streaming services.

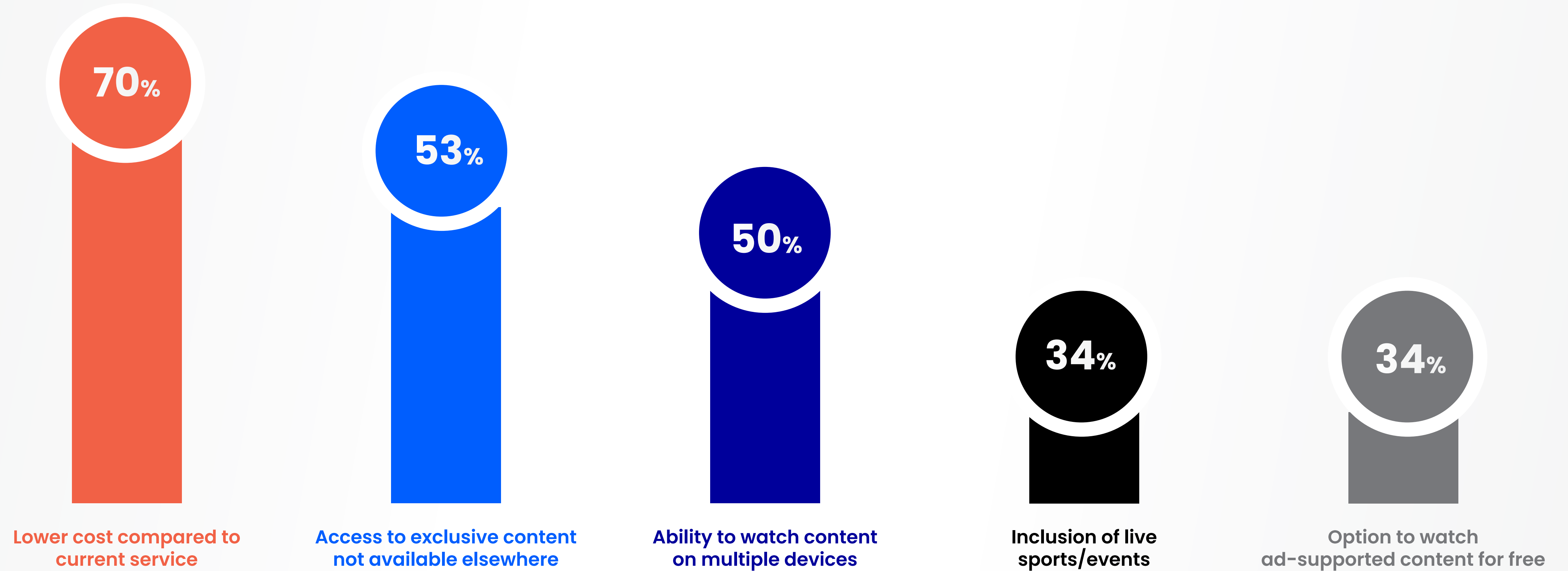


High-demand viewing: 75% watch ad-supported content several times a week



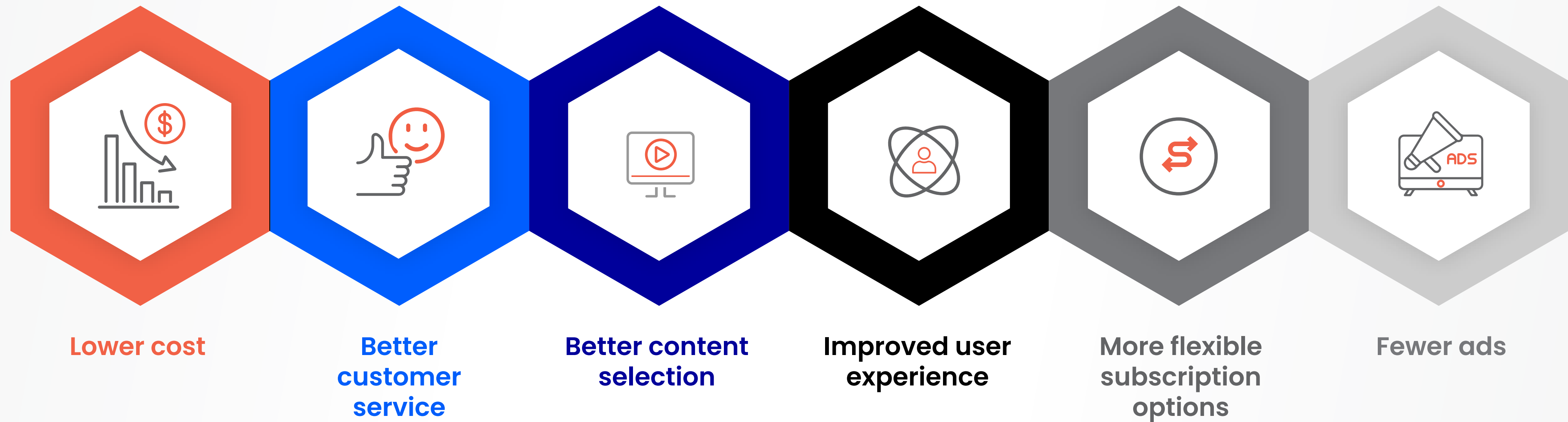
n= ~500 US households from diverse income groups | **Source:** Amagi Global FAST Report Edition 12 | July 2024

What's driving new subscriptions?



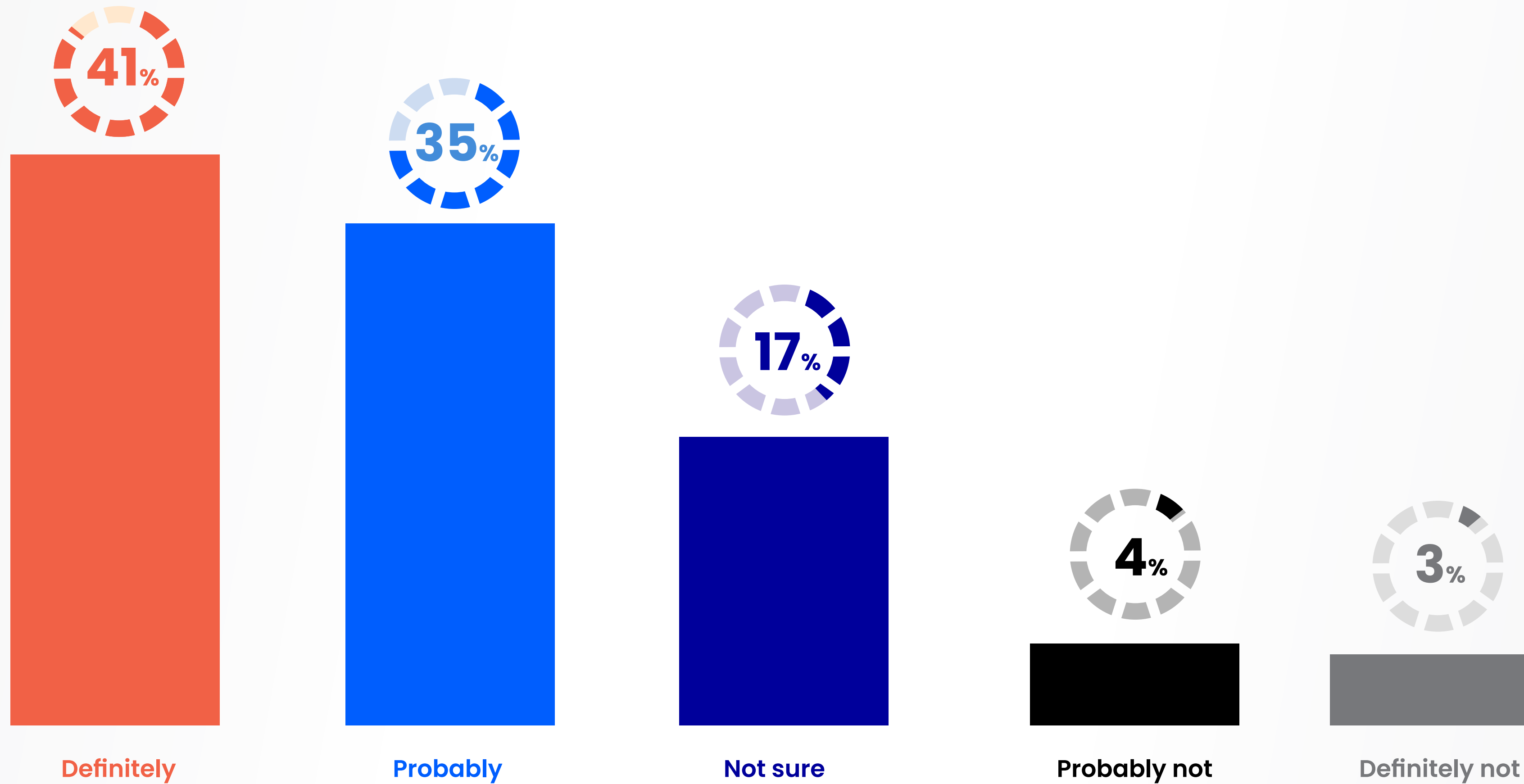
n= ~500 US households from diverse income groups | **Source:** Amagi Global FAST Report Edition 12 | July 2024

Factors for switching from current TV service to another include:



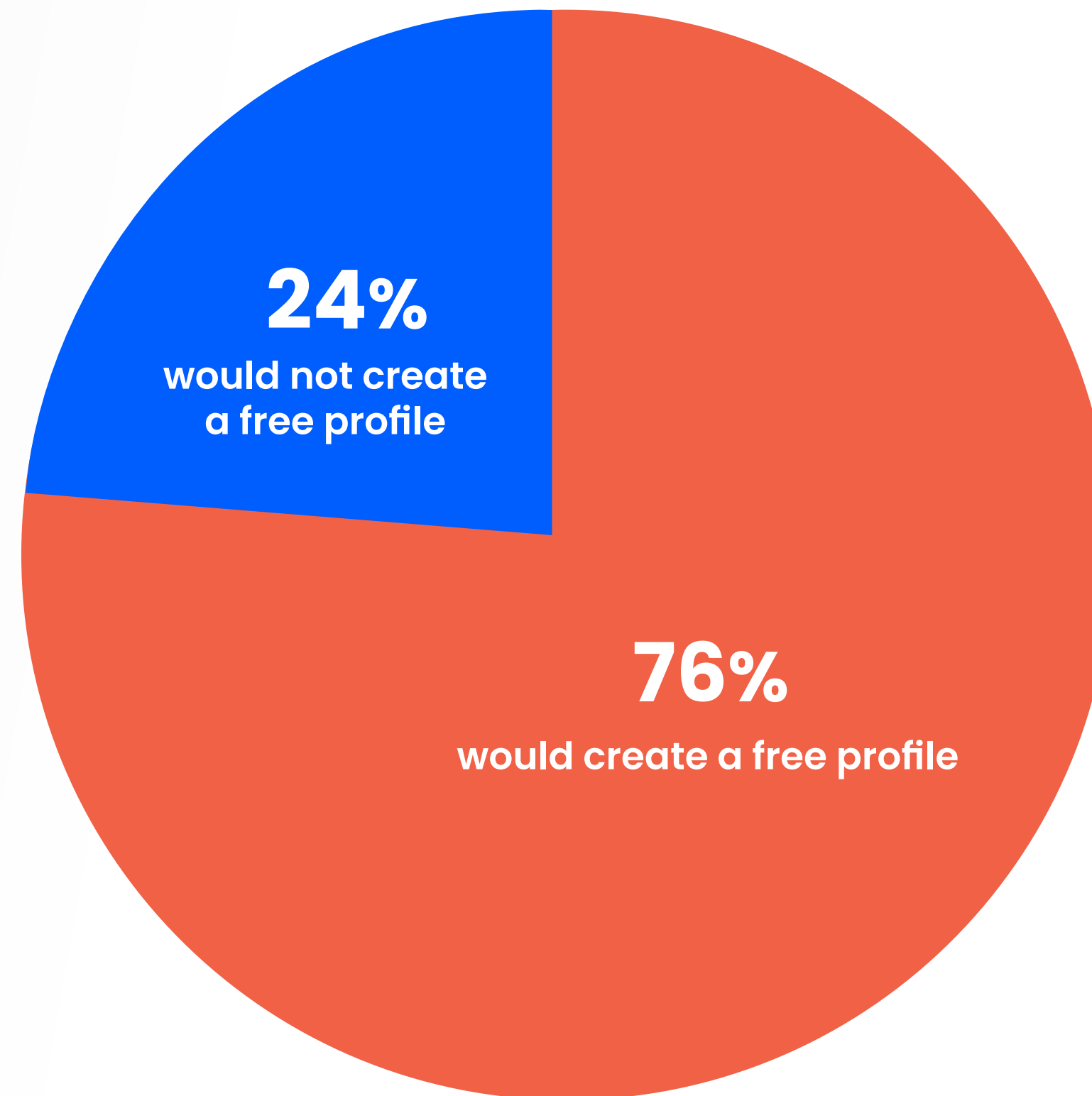
n= ~500 US households from diverse income groups | **Source:** Amagi Global FAST Report Edition 12 | July 2024

Stop the churn: 75% would be willing to reconsider canceling their cable or streaming subscriptions if they offered FAST channels



n= ~500 US households from diverse income groups | **Source:** Amagi Global FAST Report Edition 12 | July 2024

Viewers want FAST: 76% would create a free profile on a paid streaming service to sample FAST channels

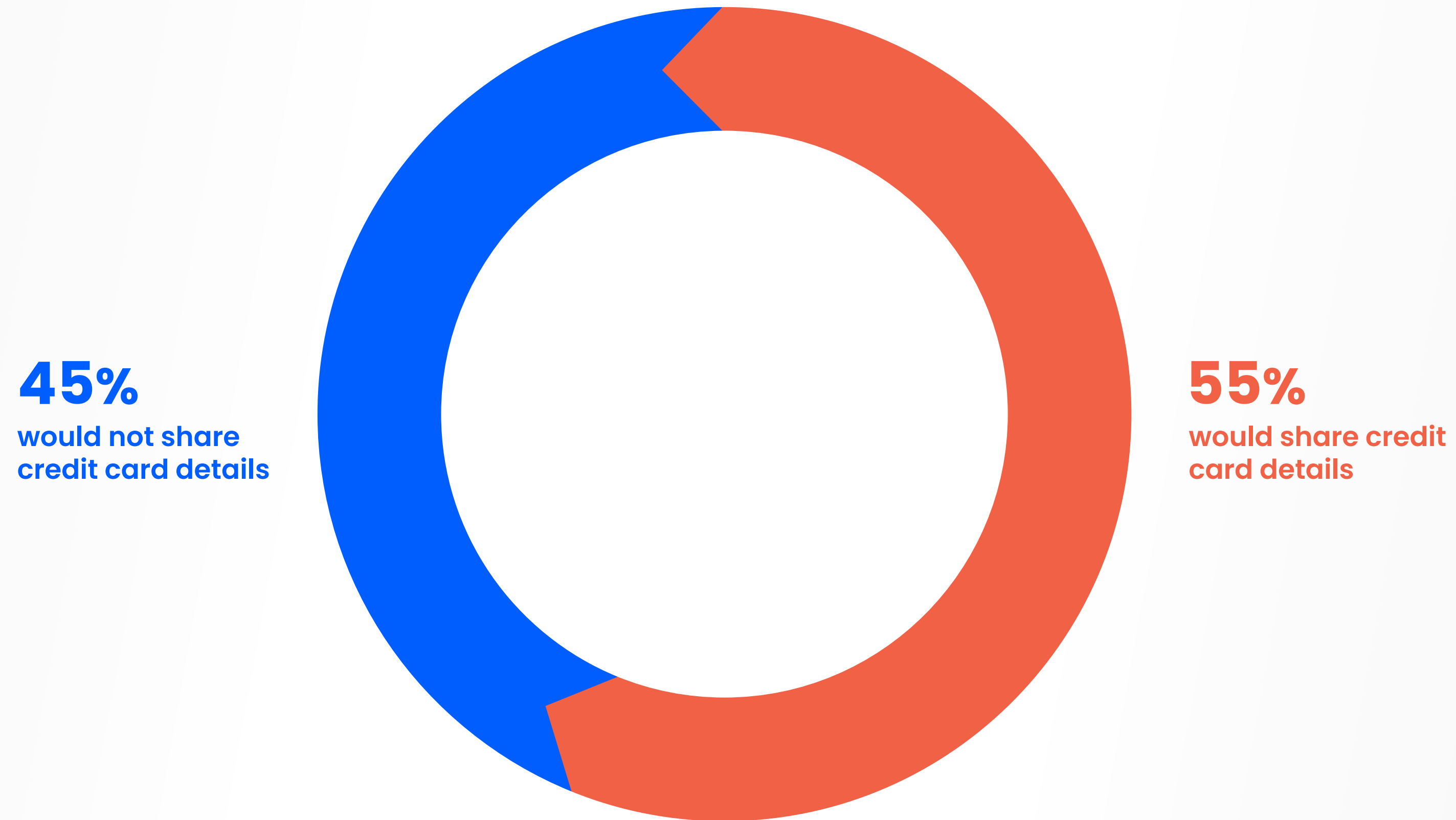


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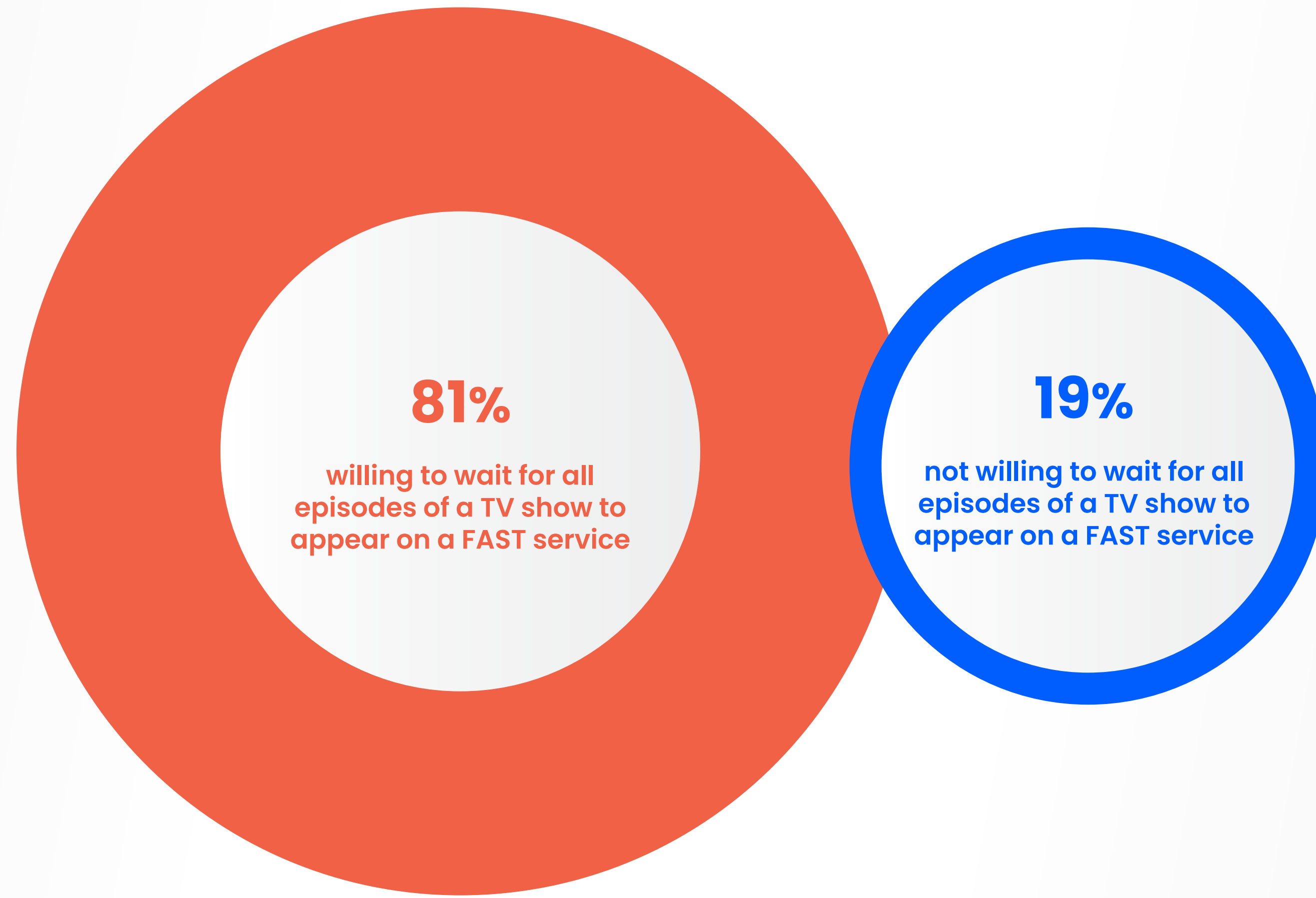
This is a very good sign for the future of free tiers on paid streaming services. Getting viewers to sign up and create profiles, possibly even provide a credit card, has long been flagged as a key hurdle to get past, but it seems consumers are more than willing. This is a boon for advertisers as it lets them target ads with much greater precision while also being able to collect attribution data.

Buying in (for free): More than half would share credit card details for a free trial of FAST channels on a paid streaming service



n= ~500 US households from diverse income groups | **Source:** Amagi Global FAST Report Edition 12 | July 2024

Worth the wait: 81% would be willing to wait for all episodes of a TV show to appear on a FAST service rather than paying to watch them as they air on a paid streaming service



n= ~500 US households from diverse income groups | **Source:** Amagi Global FAST Report Edition 12 | July 2024

Glossary of terms

- » **Platform** – Device or App through which viewers can access content
- » **Channel** – An individual stream delivered to a platform (not necessarily unique across platforms)
- » **Ad impressions** – Number of views of a particular advertisement
- » **Hours Of Viewing (HOV)** – Number of hours a channel was seen/played by viewers
- » **Ad impressions per hour** – A derivative metric calculated by dividing ad impressions by HOV, which indicates the monetization efficiency of a channel
- » **Genre** – Classified into 8 major categories based on the below sub-genres.
 - » **Entertainment** – Movies, TV shows, crime, drama, comedy, horror, etc.
 - » **News** – National news, local news, opinion, weather
 - » **Lifestyle** – Food, cooking, travel, culture, pets, health, etc.
 - » **Documentaries** – Nature, science, art, history, etc.
 - » **Kids** – Cartoons, anime, etc.
 - » **Sports** – Ball-based, adventure, track events, E-sports, etc.
 - » **Music** – Music videos
 - » **Religion** – Religious services
- » **Regions** – Divided the world into four major regions
 - » **U.S. & Canada**
 - » **EMEA** – European region that includes the UK, Germany, Spain, France, Middle East, etc.
 - » **APAC** – Asia and Pacific region including India, Australia, Japan, South Korea, Philippines, etc.
 - » **LATAM** – Spanish and Portuguese-speaking countries such as Mexico, Brazil, etc.

Thrive with us!

Reach out to us at cloudandme@amagi.com to build or bolster your presence across FAST.

About Amagi

Amagi is a next-generation media technology company that provides cloud broadcast and targeted advertising solutions to broadcast TV and streaming TV platforms. Amagi enables content owners to launch, distribute, and monetize live, linear channels on Free Ad-supported Streaming TV and video services platforms. Amagi also offers 24x7 cloud-managed services, bringing simplicity, advanced automation, and transparency to all broadcast operations. Overall, Amagi supports 800+ content brands, 800+ playout chains, and 5000+ channel deliveries on its platform in over 150 countries. Amagi has a presence in New York, Los Angeles, London, Paris, Melbourne, Seoul, Singapore, and broadcast operations in New Delhi, and innovation centers in Bengaluru, Zagreb, and Łódź.

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