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Amagi Global FAST Report | Edition #11 | April 2024

Grabbing the remote control: What's on FAST?

Tracking the content landscape and viewing habits

Introduction by
Gavin Bridge
The FASTMaster

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

Analysis period – Q1 2024 (Jan-Mar) vs. Q1 2023 (Jan-Mar)

In the 11th edition of the Amagi Global FAST Report, we focus on the global market and bring data and insights from 50+ FAST services and 5,000+ channels distributed that use Amagi THUNDERSTORM, our SSAI (Server-Side Ad Insertion) platform. This is not a universal data set of all FAST channels and FAST services. But we hope this report provides directional guidance to content providers, FAST 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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Introduction: Expanding the picture of FAST viewership

Gavin Bridge
The FASTMaster

The upfront season will see many media companies unveil their new channels and plans for FAST for the coming year. This is hot on the heels of Q1 earnings season where media companies share the latest key performance indicators with investors.

A commonality in both will be a lack of actionable FAST metrics. This is a core issue within FAST. To address the theme of the prior Amagi Global FAST Report, which looked at the imbalance between FAST audiences and advertising revenues and how that is expected to change, the most powerful change agent will be providing marketers with information on what content is being watched on FAST and how it has been trending.

This is where this edition of the Global FAST Report steps in. Amagi has crunched the numbers across their worldwide operations to provide us with a detailed look into what content types are most popular in key regions and how these differ between now and one year ago.

Before highlighting some essential takeaways, an important caveat. This data reflects only the channels carried by Amagi, so for instance, if Amagi carries a high proportion of news channels in the US, this may be reflected in the dataset. In other words, as Amagi states in the body of this report, the dataset should be considered reflective but not representative of the entire universe of FAST.

Yet, in the absence of reliable content performance insights, it provides a fascinating view of the current status of FAST and how it differs by region. News is undeniably a popular format in the U.S., a feat made possible by population size, the rise of cord-cutting, and an increasingly growing demand for centrist news content to counter cable news and opinion channels. No other developed nation has all three of these key ingredients to support a thriving FAST news market of the size that is possible in the United States.

(It would be duplicitous to not point out that the APAC region has seen news grow tremendously driven by India, due to a combination of local elections, and also the embrace of traditional broadcasters in regions like Australia to incorporate FAST into Broadcaster Video On Demand BVOD service, quite unlike the approach seen in the U.S., which generally eschewed BVOD for the masses.)

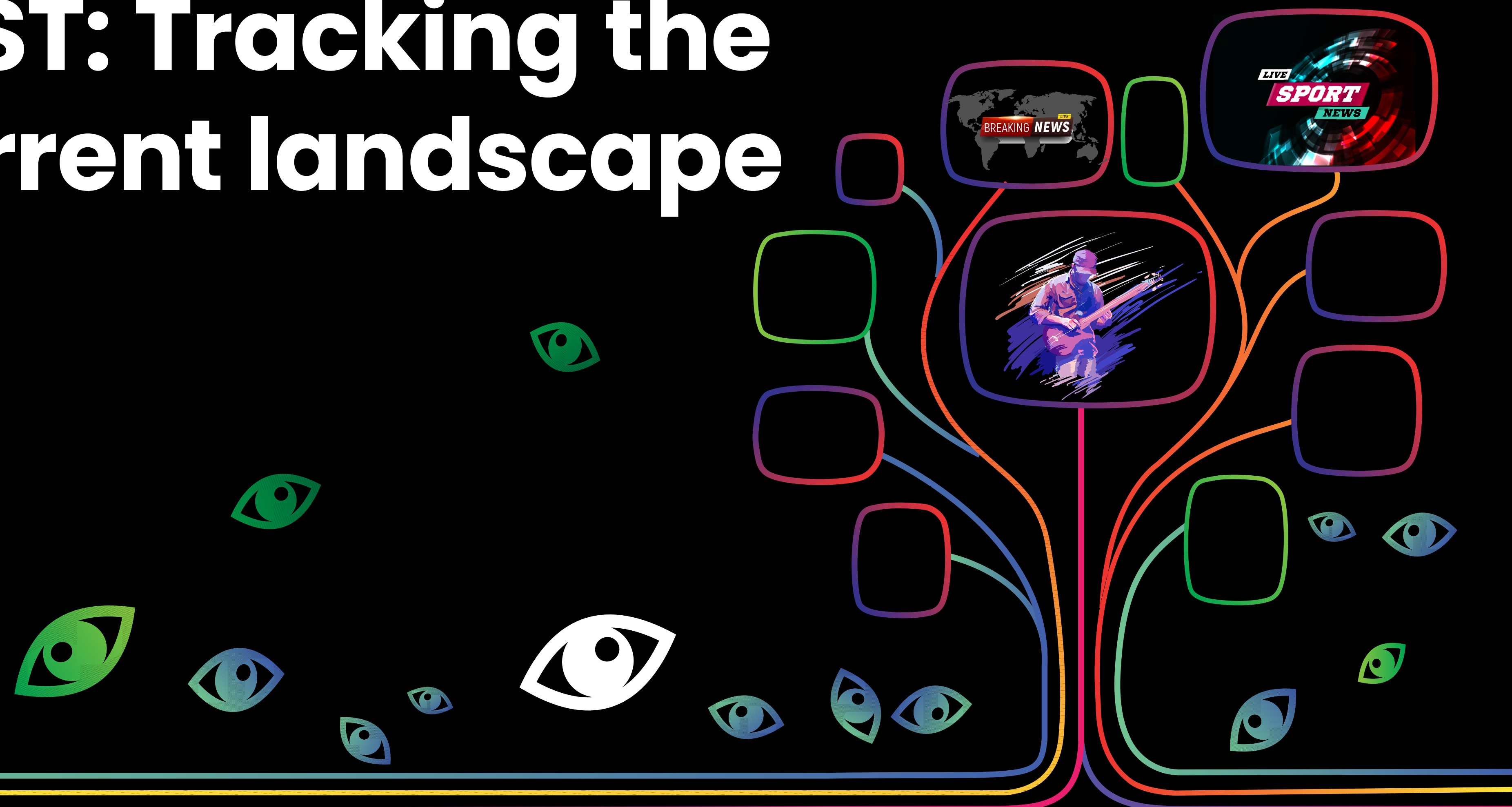
Yet while news remains the most popular format in the U.S. and Canada among Amagi-powered channels, it has seen its share fall as the overall pie of FAST viewership grows and more non-news channels get launched. This is a key point as analysts last year suggested that FAST success in the U.S. was intrinsically linked to news. Instead, it can be seen as one of the key drivers for viewership, but not the only one.

In other regions — EMEA and LATAM — entertainment rules supreme in FAST. This is because of the ease that FAST allows viewers to access content, but also plays into a common theme seen in the U.S., where being able to easily find content not available on TV is a key driver for the success of FAST.

Why is this data important? It should encourage talent agencies and owners of entertainment content that FAST is a viable arena to embrace and be a part of. It should also help media buyers to better understand what is available on FAST and draw logical conclusions. Taking the U.S. as an example, if news is a strong driver for watching FAST, then it is not hard to assume that viewers are watching for long enough to see commercials. That then opens up possibilities for using the news audience to promote other FAST channels too, further growing the time spent watching this format.

This report contains a rich treasure trove of data that invariably you will see reformatted and shared in the coming weeks by analysts and media bodies. If you are interested in what to expect as FAST grows across the globe, be sure to read on. Hopefully, a full picture of FAST viewership can emerge that will not only help guide better content decisions but also provide better data to advertisers, boosting the value of FAST and strengthening the industry.

FAST: Tracking the current landscape



With its established position in the streaming industry, Free Ad-supported Streaming TV (FAST) remains a highly sought-after streaming model. As Subscription Video On Demand (SVOD) subscription costs rise and Pay TV cord-cutting increases, FAST has become a popular streaming option for viewers. According to eMarketer, almost one-third of the U.S. population is projected to watch FAST channels by 2027.

Our previous edition of the Amagi Global FAST Report, showed a notable uptick in channel growth (25%), ad impressions (28%), and Hours Of Viewing (HOV) (26%). Our latest analysis shows FAST maintains its trajectory of advancement across these metrics.

Linear, lean back and library: A viewer's point of view on FAST

Why do viewers actively choose FAST services over other streaming options?

- **Linear:** FAST upgrades the familiar Pay TV experience with streaming-like navigation by allowing viewers to enjoy premium, high-quality content in their favorite, tried and tested TV-like format.

- **Lean back:** FAST solves one of the biggest problems for today's viewers – the paradox of choice. Instead of spending valuable time looking for what to watch next, FAST services let viewers indulge in a worry-free experience.

- **Library:** FAST has a vast content library, offering viewers diverse entertainment options. From blockbuster movies to niche documentaries, viewers can enjoy a wide variety of nostalgic and recent content from leading studios and creators – ensuring there's always something new to discover.

FAST also offers highly targeted and customized ads. The Amagi Consumer Survey 2024 told us 33% of viewers prefer more personalized ads, while 29% are interested in shoppable ads.

What is driving the popularity of FAST among viewers? What content genres are resonating with viewers? Do the genres differ by geography? We answer all these questions and viewership insights in this report.

Global Analysis
Q1 2024 (Jan-Mar) vs Q1 2023 (Jan-Mar)

Growth in ad impressions **35%**

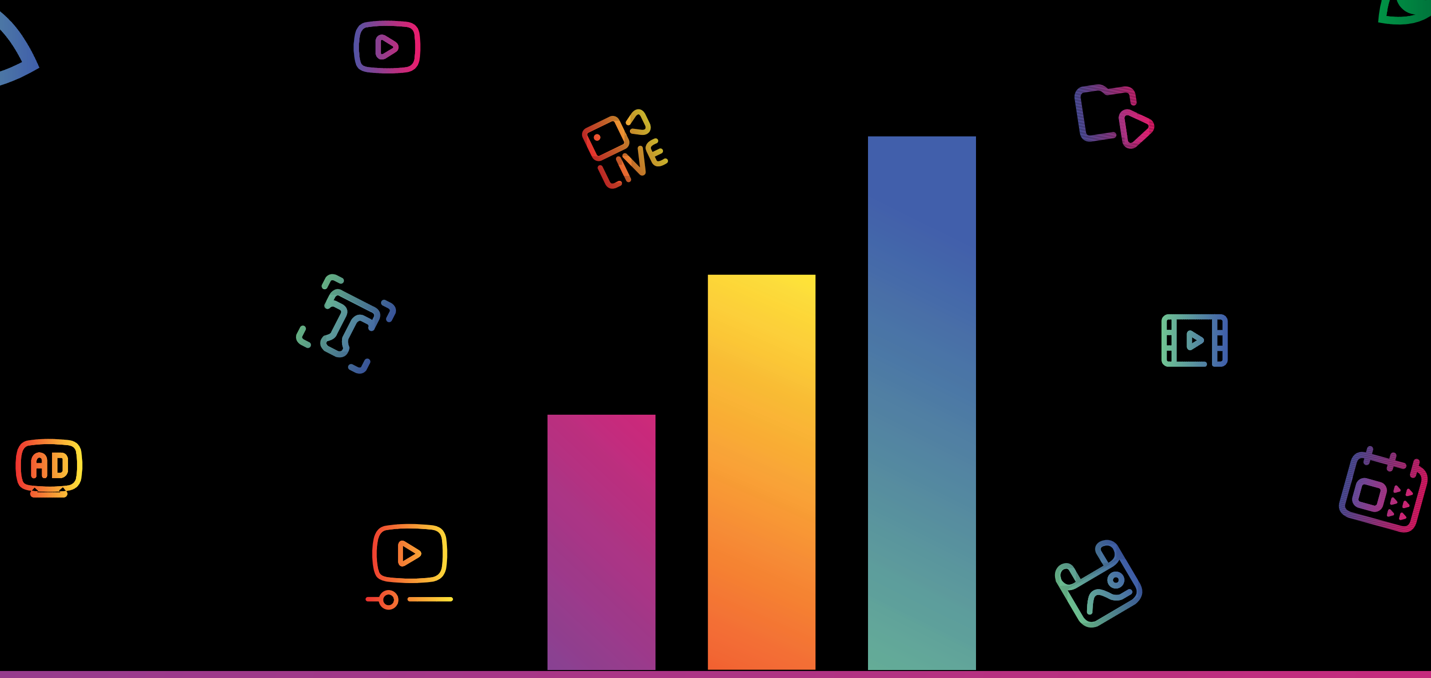
Channel growth **28%**

Growth in HOV **42%**

Channel growth is # of channels (not unique) across platforms

Source: Amagi Global FAST Report #11

Strategies to boost the 3 pillars of FAST measurement



The effectiveness of a FAST service hinges on critical metrics, including viewer growth, engagement growth and revenue generation. These metrics offer insights into the platform's performance and inform strategic decision-making. Here are the three fundamental pillars of FAST measurement and how to optimize them.

- **Monthly Active Users (MAUs)** are the number of unique users who engage with a digital platform or service within a specific month. It's a critical metric for measuring user engagement and platform performance. A rise in MAUs generally reflects a rise in popularity or visibility of a FAST service.
- **Hours Of Viewing (HOV)** refers to the time viewers spend watching content on a specific channel within a given period, measured in hours. Typically, the better the content, the higher the HOV and audience engagement.
- **Revenue** growth is the clearest indicator of a FAST service monetizing its MAUs and HOV.

With a larger user base and more viewing hours, FAST channels and services can attract more advertisers willing to pay higher rates than other streaming options such as ad-supported SVOD services. For example, FAST services such as Tubi and Pluto TV count 75M+ MAUs each in the U.S., which is 3X higher than the ad tier MAUs of Netflix.

Channels with higher MAUs and HOV have better negotiating power with content creators, distributors, and advertising partners. They're able to secure more favorable deals and partnerships, such as exclusive content rights or premium advertising placements, thus opening up additional revenue streams.

Continuously improving platform usability, navigation, and performance enhance this experience, along with features like seamless playback and customizable profiles.

Strategies FAST services can use to elevate these metrics include:

- **Continuous content expansion:** FAST services must offer a comprehensive range of content to thrive, including original titles, live event coverage, and short- and long-form options such as series, movies, and documentaries across various genres.
- **Personalization is a superpower:** Every viewer has different needs. By integrating sophisticated recommendation algorithms and tailored content suggestions that align with viewer preferences and viewing habits, FAST services can foster deeper engagement and encourage viewers to spend more time exploring the platform.
- **Elevated user experience:** In a landscape brimming with streaming choices, the key to drawing and retaining viewers to your channel is to offer an interactive and intuitive user experience that keeps viewers engaged and retention high.

Additionally, in FAST, the key lies in viewers transitioning swiftly from browsing to watching. This transition is crucial for maximizing monetization potential. Spending prolonged periods browsing represents lost opportunities for serving and monetizing ads. Therefore, prompt engagement (for example, landing the viewer in a default channel that is already playing) is essential for capitalizing on revenue opportunities in the ad-supported landscape.

Insights: Growth in HOV & ad impressions

Monthly active users: YoY growth

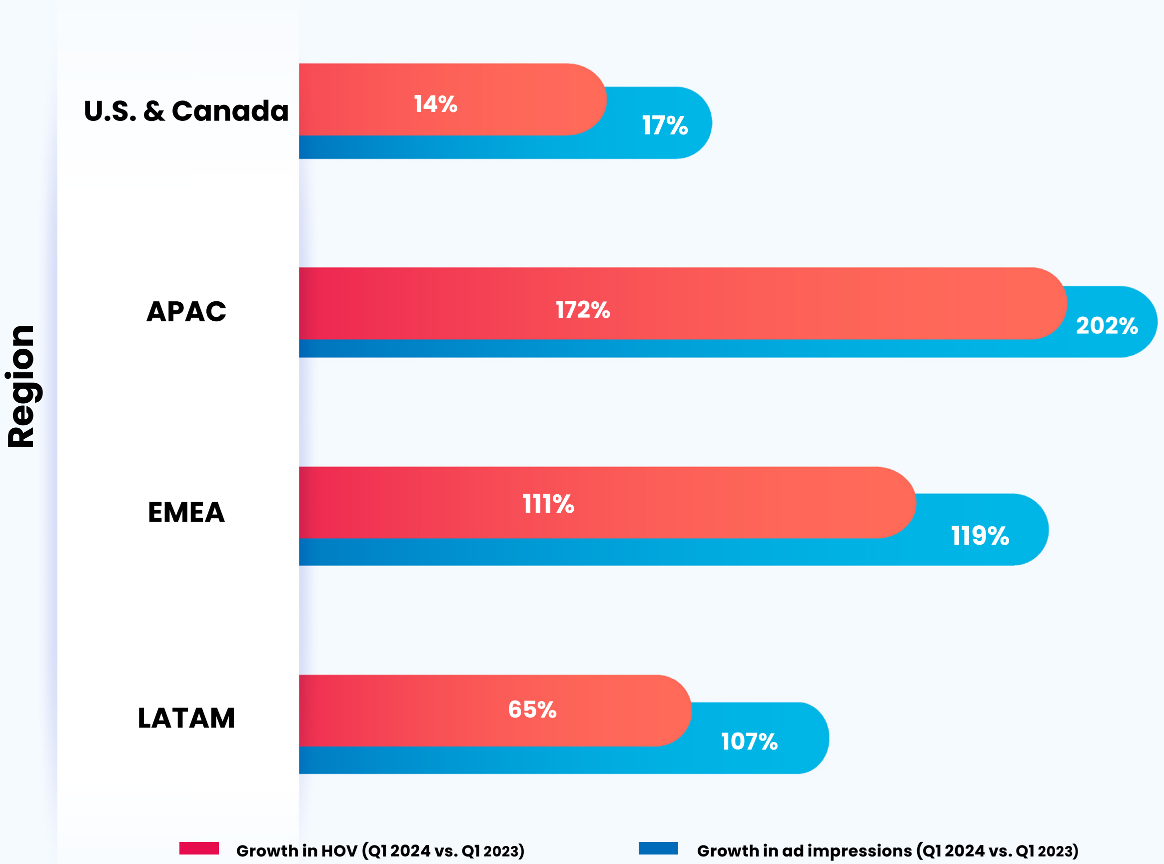
The YoY MAU growth analysis of FAST services shows double-digit increases ranging anywhere from 25%-75%, which is a unique growth phenomenon compared to other mature streaming models like SVOD and AVOD. Such growth rates across the board tell us we are still in the early days of FAST and more viewers are coming into these platforms to discover and enjoy rich content.

Growth in HOV and ad impressions: YoY analysis

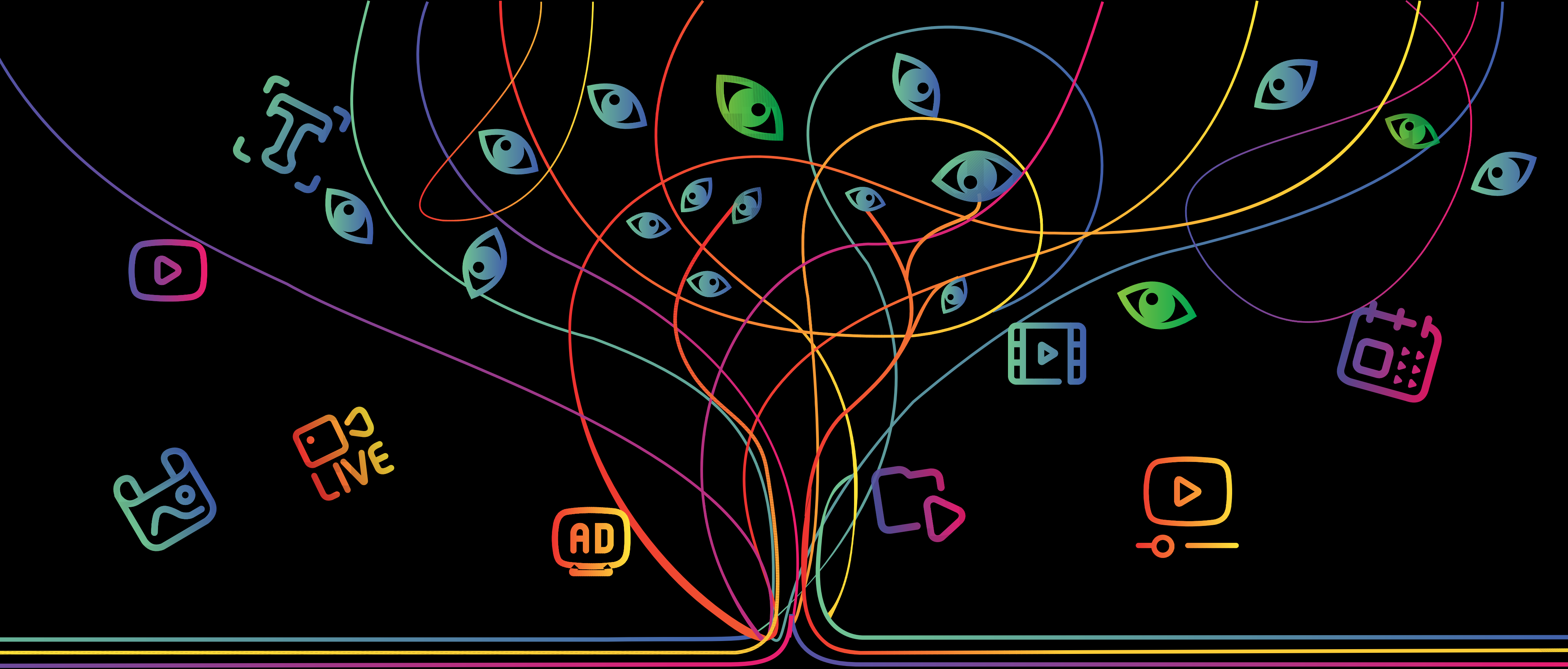
Compared to our last FAST report in January, 2024, we observed shifts in HOV trends and ad impressions growth. While APAC and LATAM continue to exhibit triple-digit growth in ad impressions, EMEA now has a 111% growth in HOV and a 119% increase in ad impressions. While a higher growth rate in ad impressions can be considered as a proxy for a healthier ad market, it is also an indicator of the need for improving fill rates and maturing ad operations across all regions.

A common trend in viewership growth is that in all regions, new channel launches drove significant contributions.

Growth in ad impressions and HOV YoY analysis (Q1 2024 vs. Q1 2023)



n= 50+ FAST services & 5000+ channels distributed that use Amagi THUNDERSTORM
Source: Amagi Global FAST Report 11

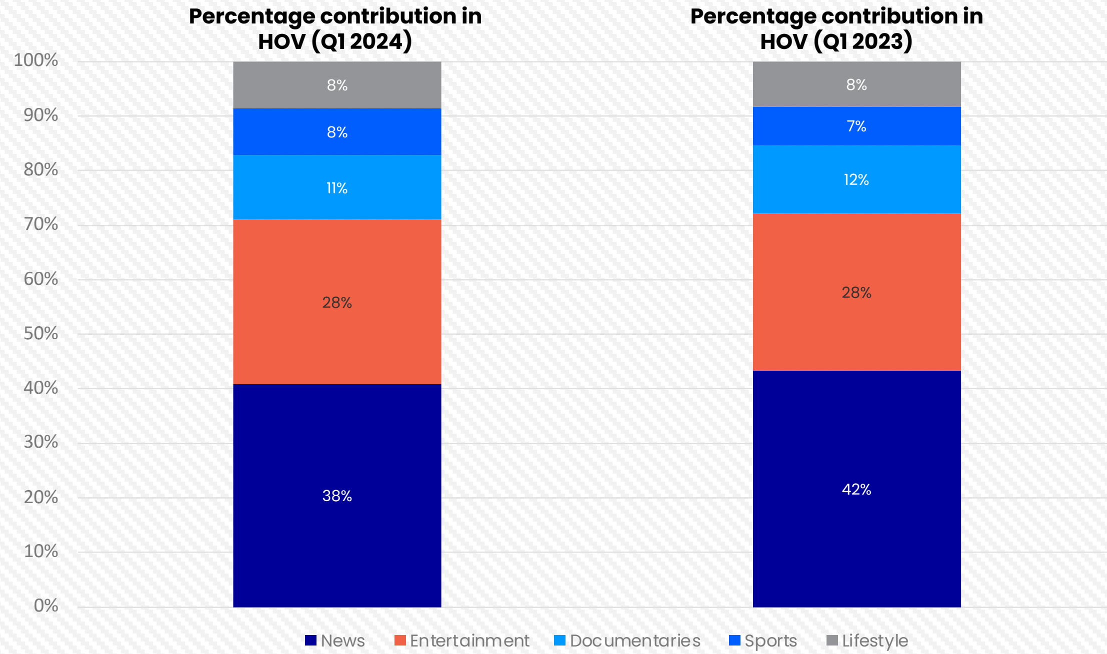


Mapping trends: Genre popularity across regions

Top genres by HOV & ad impressions Global | Q1 2024 vs. Q1 2023

News remains a top performer globally, contributing significantly to HOV and ad impressions in Q1 2023 and Q1 2024.

Against the backdrop of global FAST growth, it should be noted that a significant portion of the growth in overall viewership was driven by many non-news channels launched over this analysis period. While many of the non-news channels launched were in entertainment, sports is another genre worth watching both for viewership growth and monetization opportunities.



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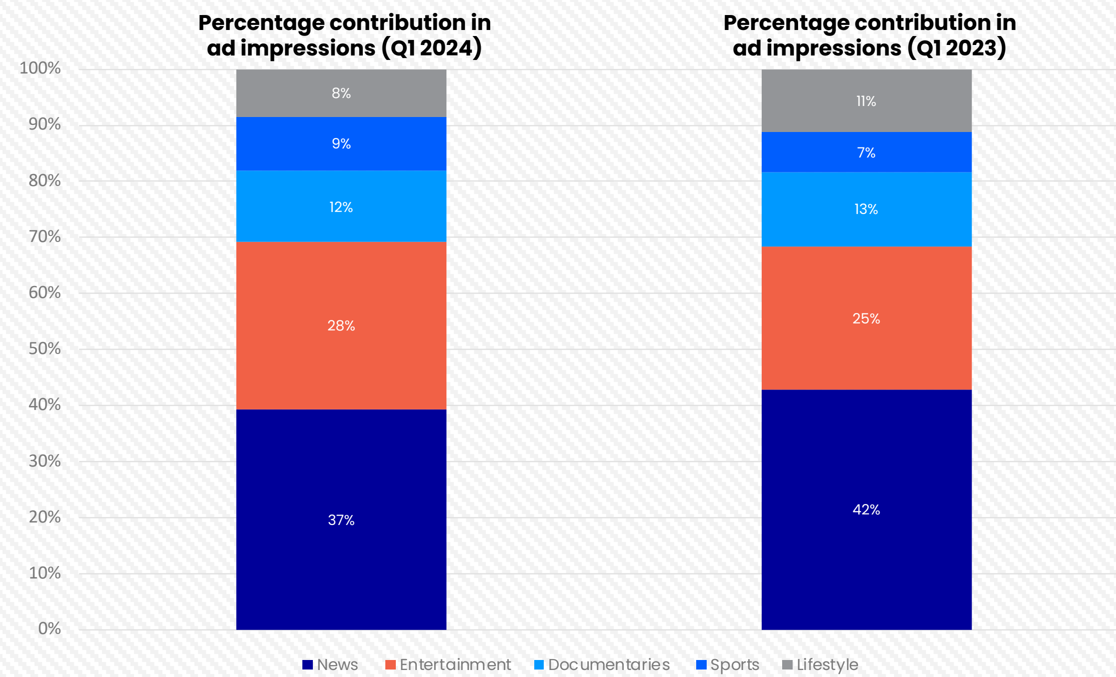

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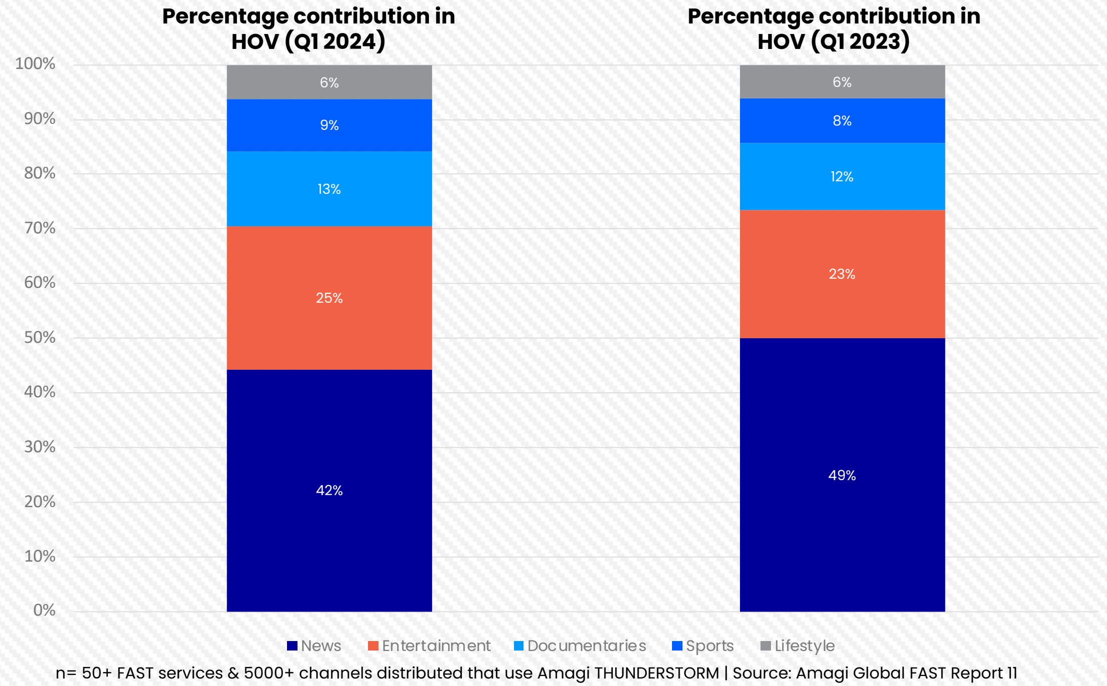
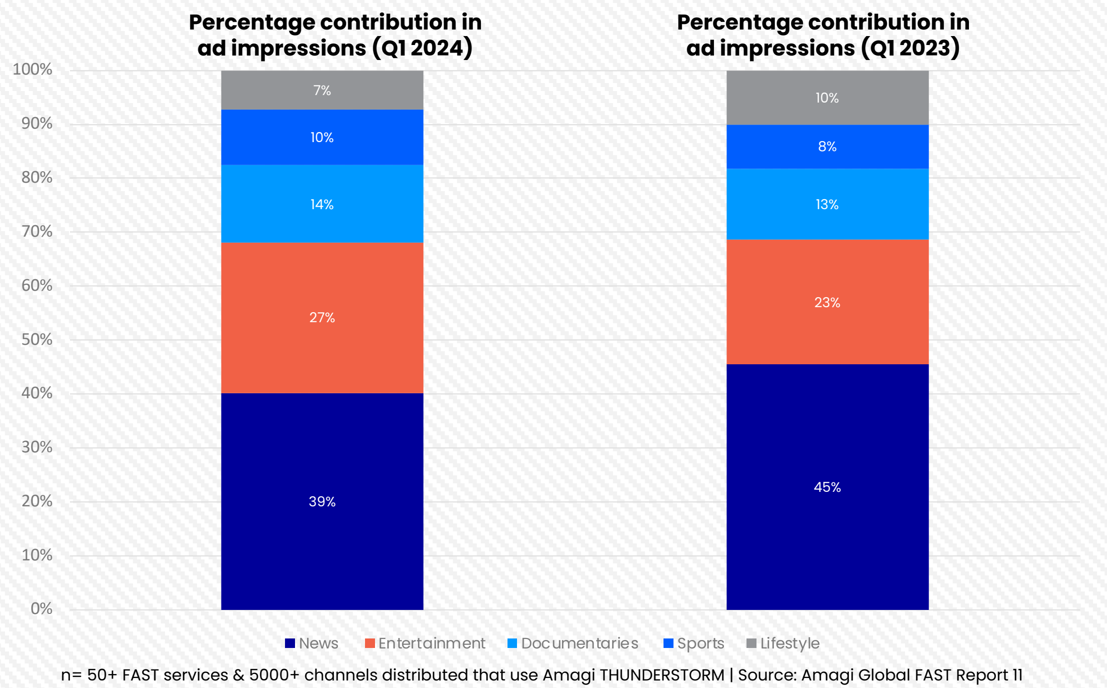
Top genres by HOV & ad impressions US & Canada | Q1 2024 vs. Q1 2023

With the U.S. election season ongoing, news will likely continue to dominate and remain tops among genres in FAST. Growth in news was primarily led by national, branded channels. However, the gap between the first and second spot in genre popularity is shrinking, with news no longer 2X higher than entertainment in viewership contribution.

Similarly, within the domain of sports broadcasting, channels have demonstrated significant increases in advertising impressions per hour when juxtaposed with other genres. Notably, specific sports channels have even secured the foremost position in viewership growth compared to counterparts from disparate genres.

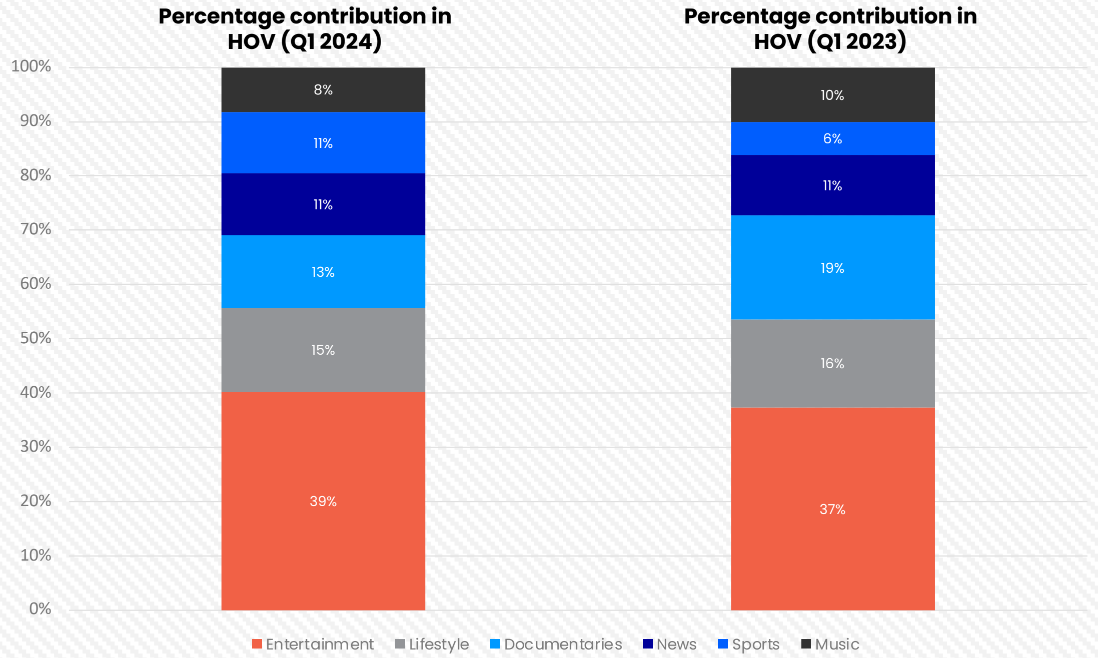




Top genres by HOV & ad impressions | EMEA Q1 2024 vs. Q1 2023

In EMEA, unlike global and U.S. & Canada trends, entertainment topped the charts in contribution to HOV and ad impressions. This is consistent with last year's numbers, since the majority of major news channels are available free-to-air in Europe. Within entertainment, movies are major drivers for growth while in lifestyle, single-IP shows in food and fashion contributed to the majority of growth.

Within documentaries, nature is the most popular category, and, like the U.S., sports exhibited growth in viewership and ad impressions in EMEA. Monetization-wise, entertainment, music, and sports demonstrated higher contributions to growth in ad impressions compared to other genres.



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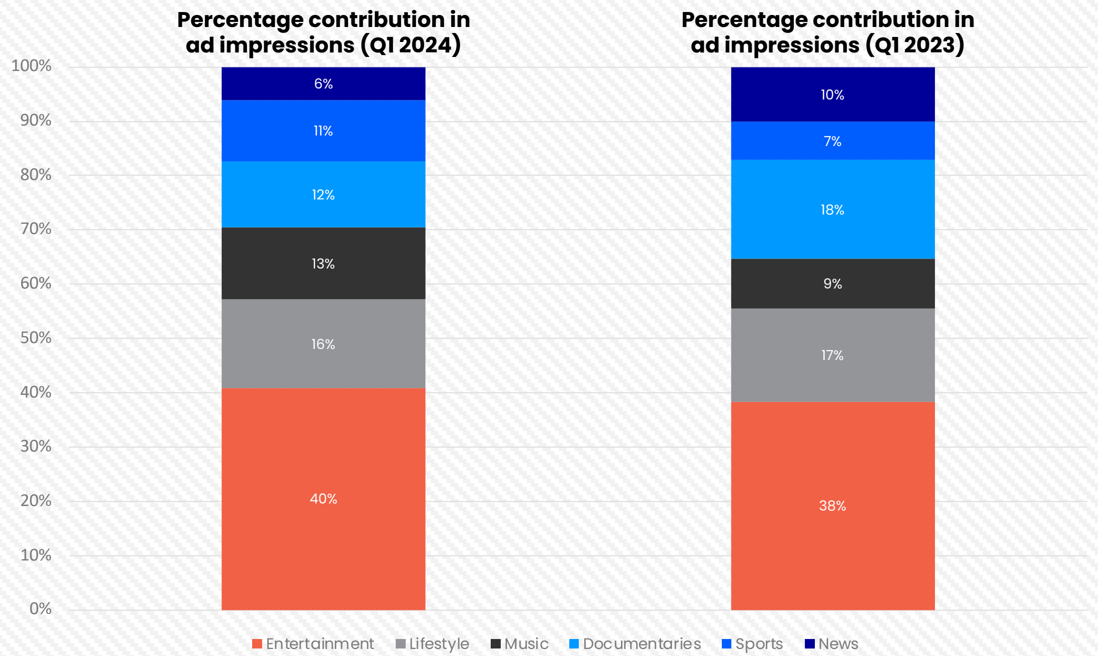


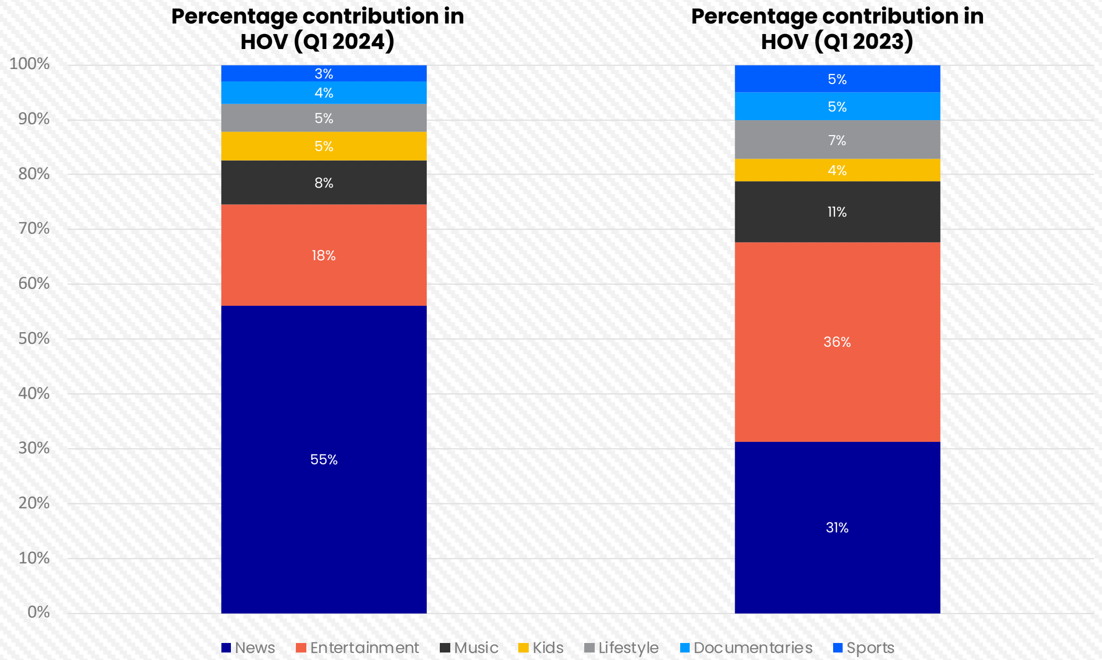
n= 50+ FAST services & 5000+ channels distributed that use Amagi THUNDERSTORM | Source: Amagi Global FAST Report 11

Top genres by HOV & ad impressions APAC | Q1 2024 vs. Q1 2023

Repeating last year's trend, news took the top spot in APAC in terms of both HOV (55%) and ad impressions (64%) this year. The election cycle in India has been a significant driver of growth in news. In entertainment, a mix of local and Hollywood movie channels drove viewership.

Across the region, new channel launches accounted for more than 50% of the channel count during this period. Unlike other regions, kids' content is a top genre, with animation and anime channels being popular, too.

In terms of specific pockets of growth in APAC, India, Australia, Japan, and Korea are key markets.



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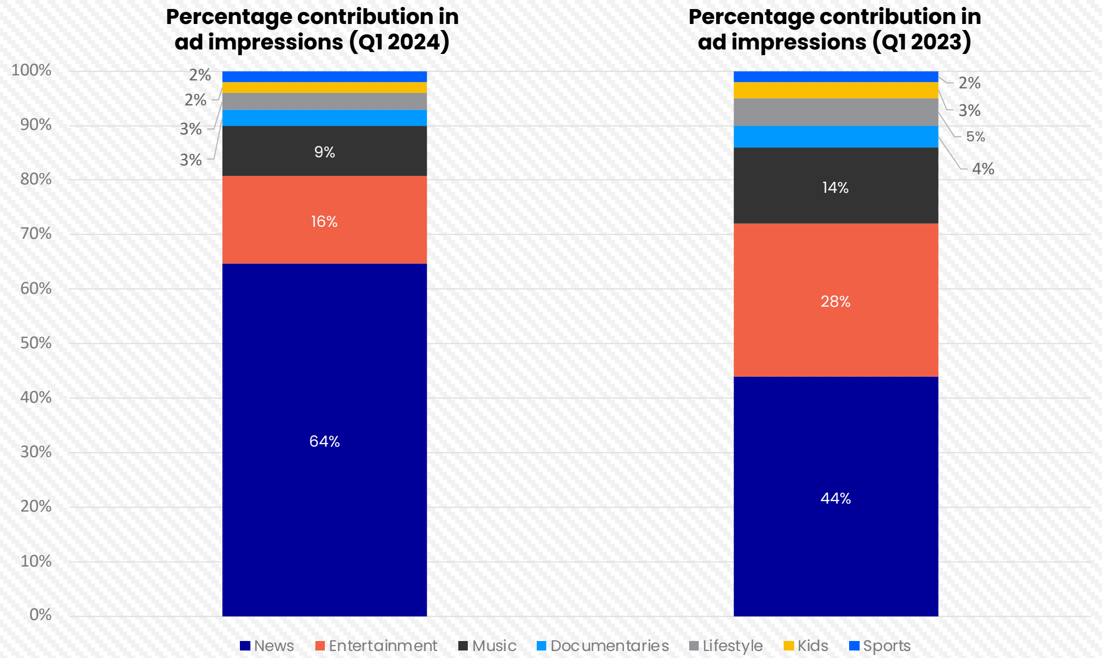
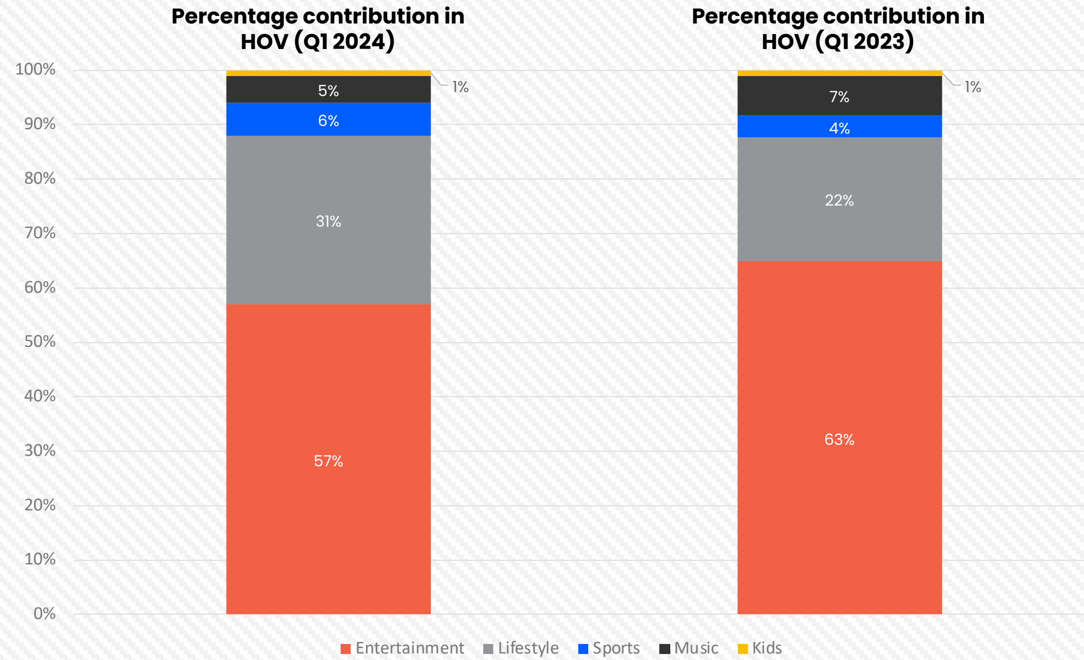


n= 50+ FAST services & 5000+ channels distributed that use Amagi THUNDERSTORM | Source: Amagi Global FAST Report 11

Top 5 genres by HOV & ad impressions LATAM | Q1 2024 vs. Q1 2023

Like EMEA, entertainment also ruled the charts in LATAM. Entertainment contributed the majority of HOV in LATAM FAST in both Q1 2023 and Q1 2024, accounting for 63% and 57%, respectively. Within entertainment, Hollywood movie channels primarily drove growth.

Food remains a leading category within lifestyle, and in sports, LATAM has the highest proportion of sports channels in the overall channel count, which is reflected in the viewership contribution and plays into localized cultural norms.



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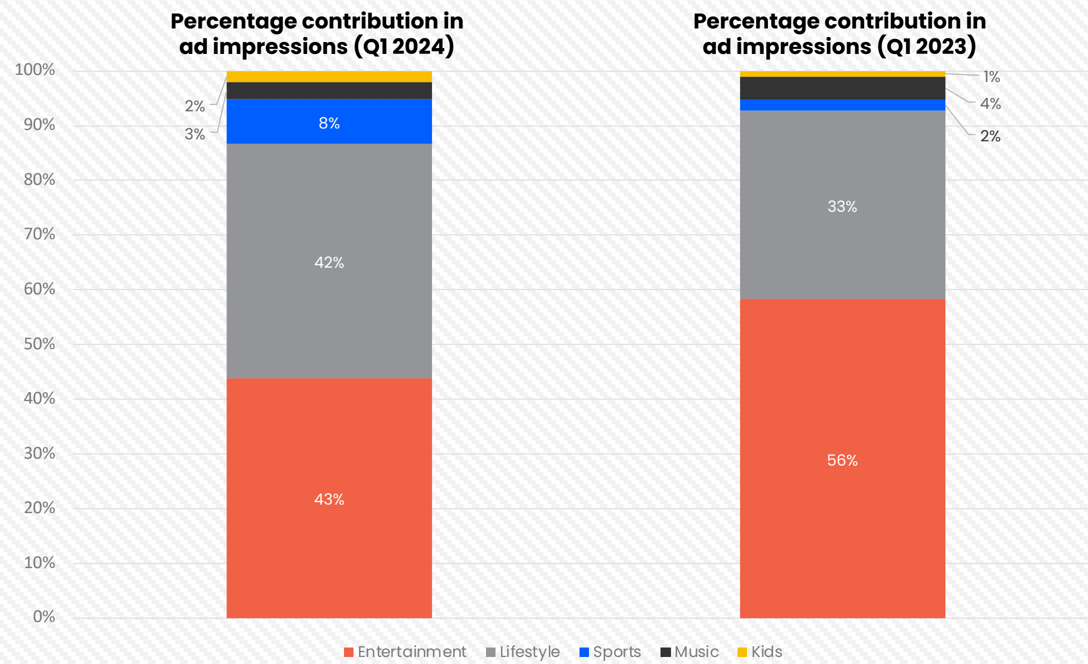

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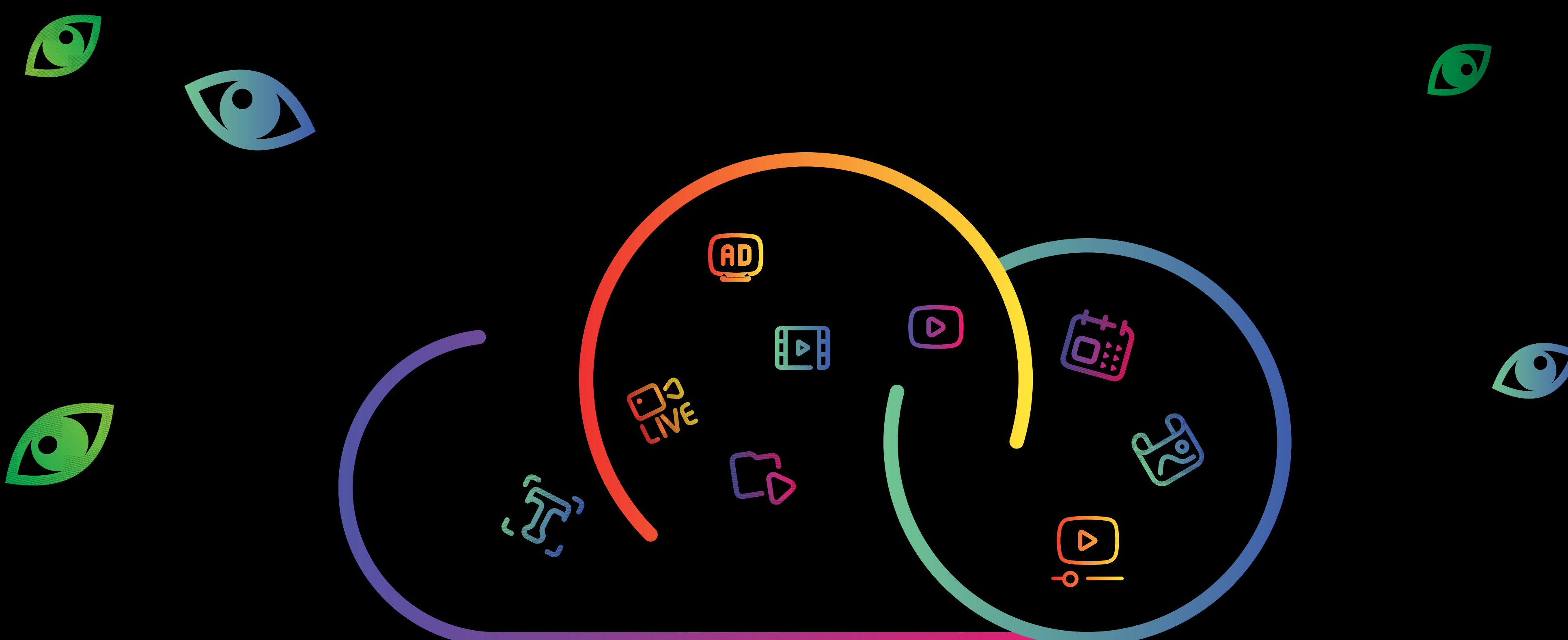
O&O channels: Their significance in the FAST world



Owned & Operated (O&O) channels are created and managed directly by the FAST service, and feature original series, exclusive programming, and curated content collections. Because these channels are programmed by FAST services who have better insights into what content their viewers like and dislike, they tend to drive a significant amount of viewership for FAST services.

O&O FAST channels fall under two buckets – single-IP and genre-based. Let's take a look at each.

- **Single-IP FAST channels:** These exclusively feature a specific TV show or franchise, providing fans access to all episodes, behind-the-scenes content, interviews, and special features related to the show. These channels capitalize on the show's popularity, offering a unique viewing experience tailored to dedicated fans and enthusiasts. Judy Justice on Freevee and Fork & Flight on Vizio's WatchFree+ are examples of single-IP O&O channels.

- **Genre-based FAST channels:** These channels are sourced from third-party content providers like studios, production companies, or content distributors, offering viewers a curated selection of popular movies, TV shows, and programming. Leveraging existing content libraries, these channels attract and retain viewers without the need for extensive content production. Real Madrid TV by Cinedigm, Vevo Country by Vevo and Vizio American Classics by Vizio are examples of O&O genre-based FAST channels.

O&O channels: Unlocking better revenue opportunities for FAST services and O&O apps

In addition to FAST services, O&O FAST channels also make appearances as part of a content provider's own app. For example, Vevo's channels appear in Samsung TV Plus and in Vevo's O&O app.

With enhanced reach through FAST Services and O&O apps, O&O channels provide significant contributions to FAST viewership growth. Here are some significant advantages offered by O&O channels:

- **Filling a content void:** O&O channels typically fill a content void in a FAST service. For example, a FAST service might launch O&O crime channels if its viewership insights reveal the current set of third-party channels is not serving the needs of their audiences.
- **Effective monetization:** By owning and operating O&O channels, FAST services and O&O apps have greater control over ad placement, ad unit innovation (e.g. in-content ad units), and ad loads, which can optimize revenue generation.
- **Rich data insights:** O&O apps that carry their O&O FAST channels can access a rich set of data that is not typically available when their channels are distributed on third-party FAST services. Access to viewer behavior, viewing patterns, and demographic information on their own app helps them gain a deeper understanding of their audience, which helps them curate and distribute the right content for external FAST services.

Looking at high-level insights on O&O channel metrics:

- O&O channels remain mainly a U.S. & Canada-centric phenomenon, with more than half of the global count primarily in that region
- Of the total FAST channels distributed on FAST services and O&O apps, around 10% of the channel count is O&O, contributing to approximately 15% of HOV
- In FAST services, close to 25% of the top-performing channels tend to be O&O channels of the respective services
- Music, news, and entertainment are popular genres in O&O channels

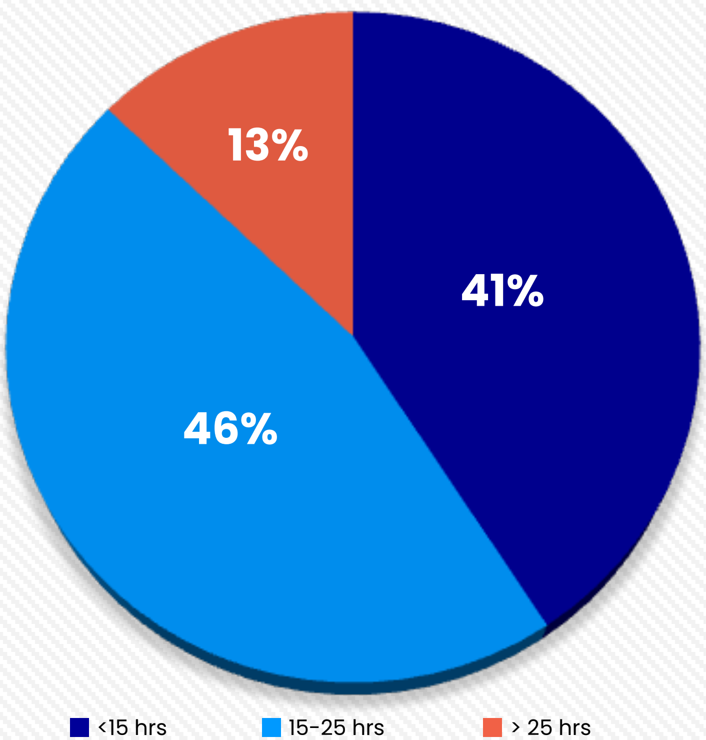
When we look at the evolution of FAST channels in FAST services and non-FAST apps, we see many media brands have increased their count of FAST channels in their own apps in addition to distributing them to external FAST services.

Amagi Consumer Survey: U.S. insights

To better understand how our audience views FAST, we've gathered insights from a consumer survey spanning approximately ~500 households across the U.S. Here we share the findings.

Online content streaming frequency per week: A snapshot

How frequently do you stream content online per week?

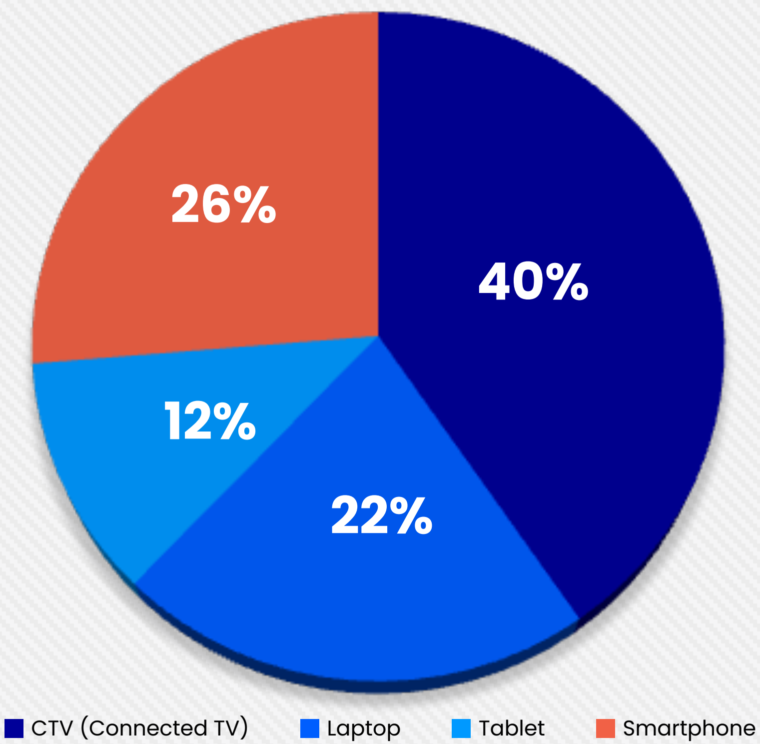


n= ~500 US households from diverse income groups
Source: Amagi Global FAST Report 11 | Consumer Survey

CTV rules the charts: The preferred device for viewers

Thanks to their effective penetration in the global market, CTV continue to remain the preferred device for streaming content among the US households.

Which devices do you use to stream content online?

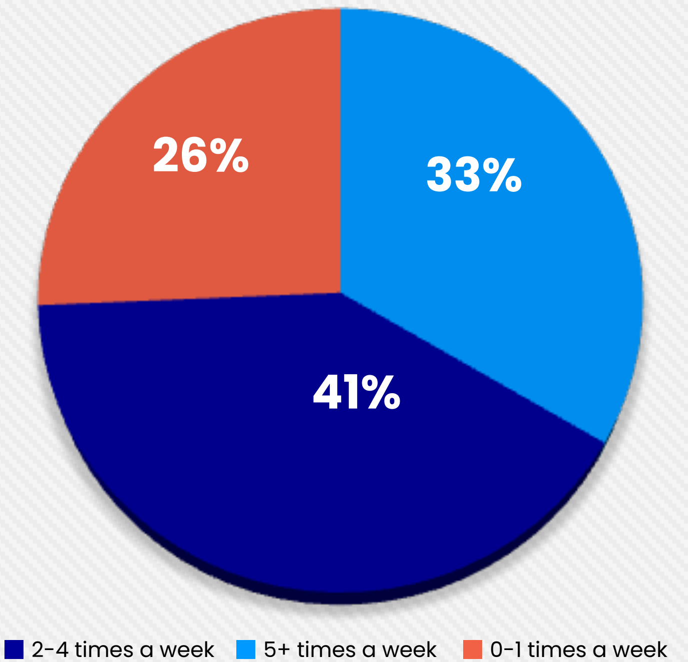


n= ~500 US households from diverse income groups
Source: Amagi Global FAST Report 11 | Consumer Survey

Mapping FAST channel viewing frequency

FAST channels are gaining popularity in the U.S., with 33% of households watching them over five times a week and 41% watching them 2-4 times a week. This marks a notable 33% increase in FAST adoption from our previous survey.

How often do you watch FAST channels?

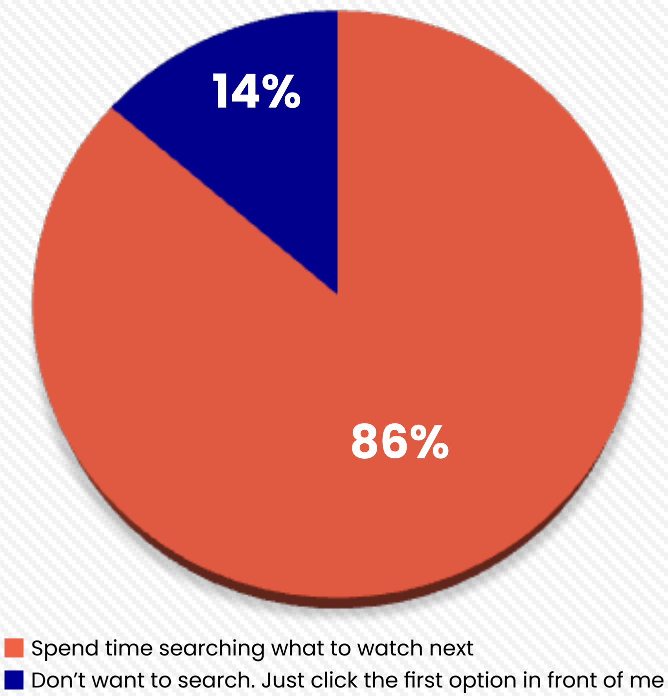


n= ~500 US households from diverse income groups
Source: Amagi Global FAST Report 11 | Consumer Survey

FAST helps viewers overcome the paradox of choice

The ultimate challenge viewers face across streaming platforms is the paradox of choice and not being able to decide what to watch next. FAST helps solve this problem by offering a cable TV-like, linear viewing experience.

Do you spend time searching for something to watch, or do you just watch what pops up on the screen immediately?



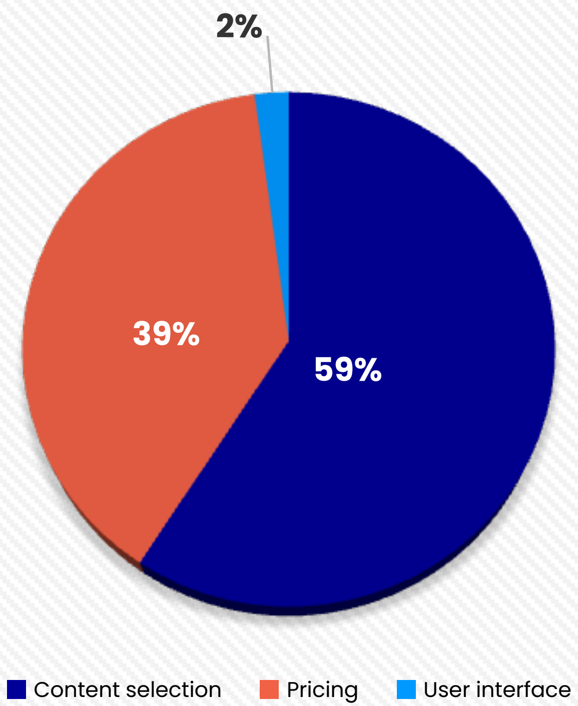
n= ~500 US households from diverse income groups
Source: Amagi Global FAST Report 11 | Consumer Survey

Deciding factors at play while choosing online streaming platform & FAST services

Let's take a peek at factors that influence viewers' decisions to choose an online streaming platform and FAST service.

While choosing a streaming platform or a FAST service, viewers prioritize content selection over everything else, reinforcing the need for personalization in content options for all streaming experiences.

Streaming platform



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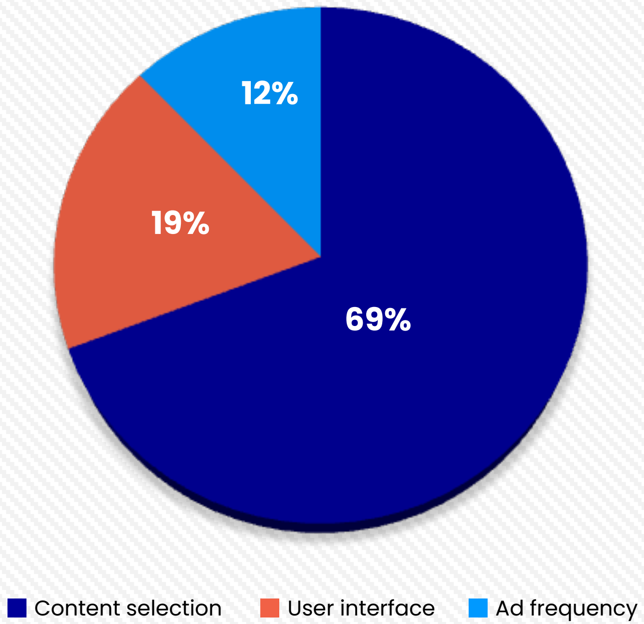
FAST service

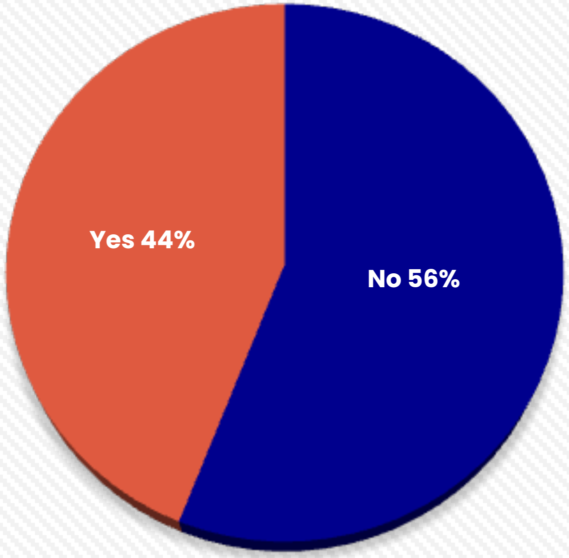


n= ~500 US households from diverse income groups
Source: Amagi Global FAST Report 11 | Consumer Survey

How ad relevance & feed personalization affect viewership

Can more targeted advertisements and personalized viewing feeds lead to an increase in HOV? 44% of viewers say yes to targeted ads, and 75% prefer personalized feeds.

Do relevant advertisements keep you hooked to a channel?



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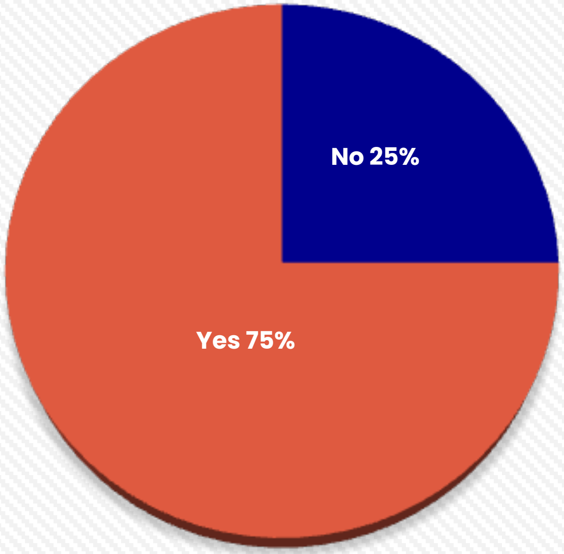
Would you consistently watch a channel that offers personalized content?



n= ~500 US households from diverse income groups
Source: Amagi Global FAST Report 11 | Consumer Survey

Key takeaways

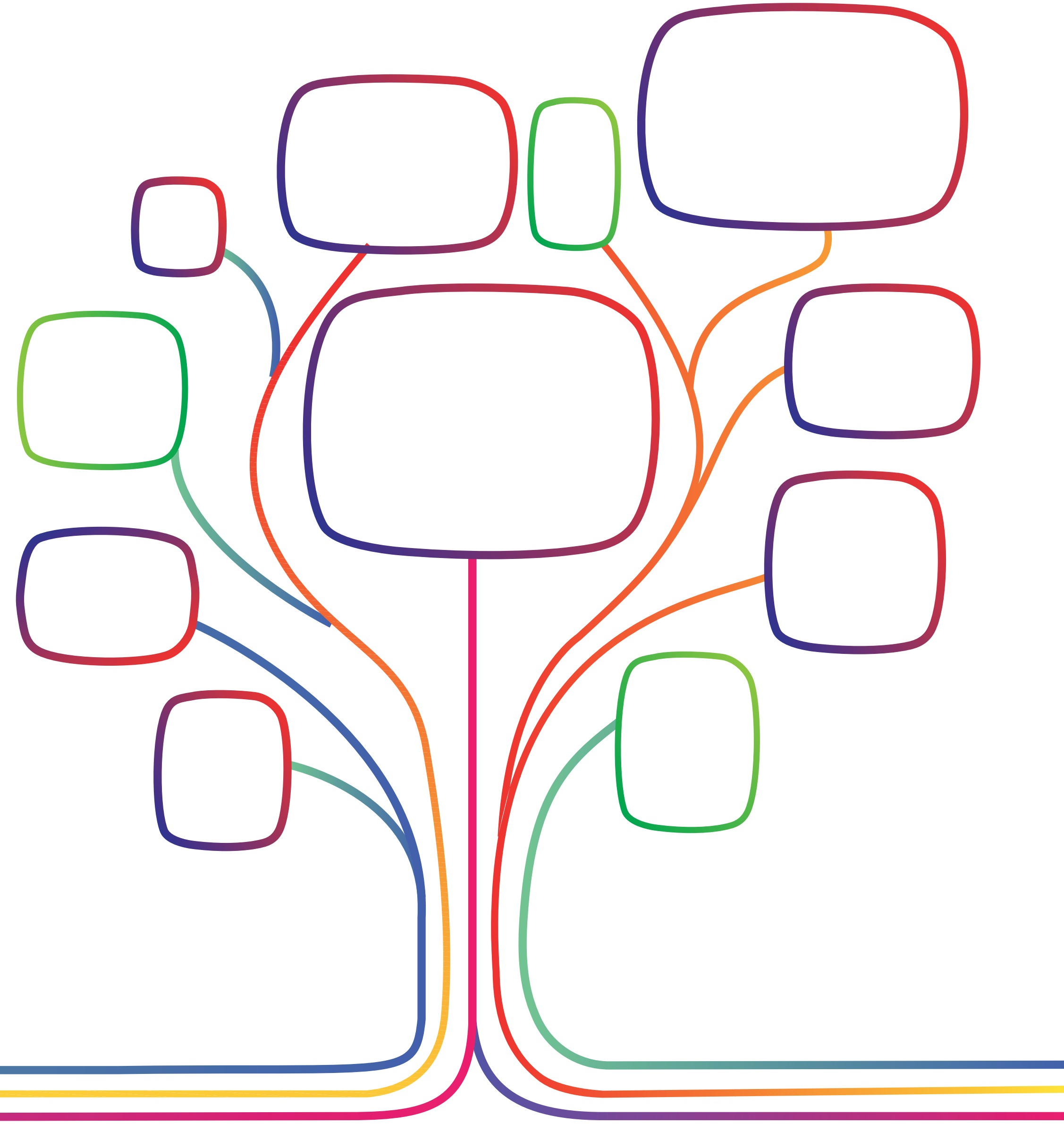
- Growth in FAST viewership continues to climb upward, **largely driven by new channel launches**

- Due to the type of new channel launches, FAST is beginning to show signs of promise as it evolves **from a U.S.-centric, news-heavy content experience to a more global, diverse content service**

- **O&O channels remain a significant contributor** to overall FAST viewership within both FAST services and O&O apps

- Ad impressions continue to grow in line with viewership growth, which is a **great sign of improving fill rates** and higher revenues to follow for the FAST ecosystem

- As viewers continue to struggle with paradox of choice problem in streaming, the **convenience of an always-on experience will enable FAST channels to expand beyond FAST services** and make inroads into every streaming application



We will be back with more action-packed insights on Free Ad-supported Streaming TV and how it fares in the year ahead.

Send in your feedback, questions, and comments to **cloudandme@amagi.com**.

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 Viewership (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**
    - **Religion**

- **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, 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 the premier industry cloud platform, providing comprehensive management, distribution, and monetization solutions for both traditional and streaming TV services. Through continuous innovation and our make-move-monetize framework, we make video content fluid and accessible to everyone across regions and platforms -- cable, D2C apps, FAST, CTV, VOD and OTA platforms. As a pioneer in cloud broadcasting, we offer best-in-class cloud migration services for broadcast TV networks, transitioning their entire operations into the cloud effortlessly. Globally, we work with 800+ content brands, delivering 3,800+ channels with deployments in 150+ countries, managing ad opportunities in excess of 50 billion. We have a presence in New York, Los Angeles, London, Paris, Singapore, Seoul and Sydney, with innovation centers in Bangalore, Zagreb, and Łódź, and a global media monitoring center in New Delhi.

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