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# Why SVOD and AVOD should move to FAST



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# What's Inside

1. **SVOD & AVOD: History and current market landscape**
2. **SVOD & AVOD: Streaming models continue to thrive**
3. **FAST: The game-changer you need**
  - a. Rev up your revenue
  - b. Complete content distribution strategy
  - c. The perfect marketing vehicle for premium content
  - d. Balance your lean-forward and lean-backward strategies
4. **Accelerate your FAST journey with Amagi**
  - a. From content libraries to blockbuster linear-viewing experiences
  - b. Turnkey distribution across FAST services to generate ad revenue and brand visibility
  - c. End-to-end FAST solution: Channel creation, content distribution and CTV monetization



## SVOD & AVOD: History and current market landscape

Video On Demand (VOD) emerged as a breakthrough viewing model in the early 1990s, offering viewers something broadcast TV could not – the option to choose what they wanted to watch. Stepping away from the usual linear TV viewing model was like a breath of fresh air. The early 2000s witnessed a surge in VOD streaming, propelled by the emergence of platforms such as Netflix, Hulu and Amazon Prime Video. These services revolutionized entertainment by providing an extensive content library at an affordable monthly rate, presenting a compelling alternative to conventional cable TV.

Continuing the growth trends, the Subscription Video On Demand ([SVOD](#)) market is projected to witness a robust Compound Annual Growth Rate (CAGR) of nearly 9% from 2023 to 2028, reaching an impressive market volume of \$146.6 billion by 2028. Similarly, the Advertising-based Video On Demand ([AVOD](#)) market is projected to witness a CAGR of 10% from 2023 to 2028, culminating in an estimated market volume of \$67.40 billion by 2028.

### **Factors that made SVOD popular**

- **Plethora of content options**
- **Ad-free viewing**
- **Offline, on-the-go viewing**
- **Personalized content choices**

While SVOD gained popularity for several reasons, such as the flexibility to choose what to watch and getting to watch it ad-free, AVOD became a crowd favorite because of its cost advantage. More and more viewers chose watching ads as a trade-off in exchange for high-quality, free content. This model provides an unparalleled advantage to content owners and FAST services by enabling them to optimize content monetization through targeted advertising.

While the future projections for both SVOD and AVOD look positive, are these enough for your growth strategy?

## SVOD & AVOD: Streaming models continue to thrive

Growth numbers tell us both SVOD and AVOD models will continue to sustain well – according to a recent study from NPAW, the video analytics and business intelligence expert, **76%** of SVOD companies are planning to roll out ads by 2025. Netflix, a global SVOD leader, started offering ad plans in November, 2022. The result? Amy Reinhard, President of Advertising at Netflix, said the move catapulted Netflix to **15 million** monthly active users worldwide in the ad-supported category. Other advantages that Netflix unlocked include:

- A revolutionized global data measurement approach by implementing third-party verification
- Offering multiple ad formats for clients to choose from (10, 20, and 60-second ads)
- Alleviating viewer experience by becoming the first and only ad-supported service that offers the option to download movies and series

Additionally, **the AVOD revenues** for TV series and movies are set to skyrocket, hitting \$69 billion by 2029 – an increase from the \$39 billion mark in 2023.

These numbers clearly indicate that both SVOD and AVOD continue to perform well. The rise of popularity of the ad-supported model – AVOD, paves the way for the success of FAST. Let's take a closer look.

**Read: [Top 3 FAST monetization strategies to drive revenue](#)**

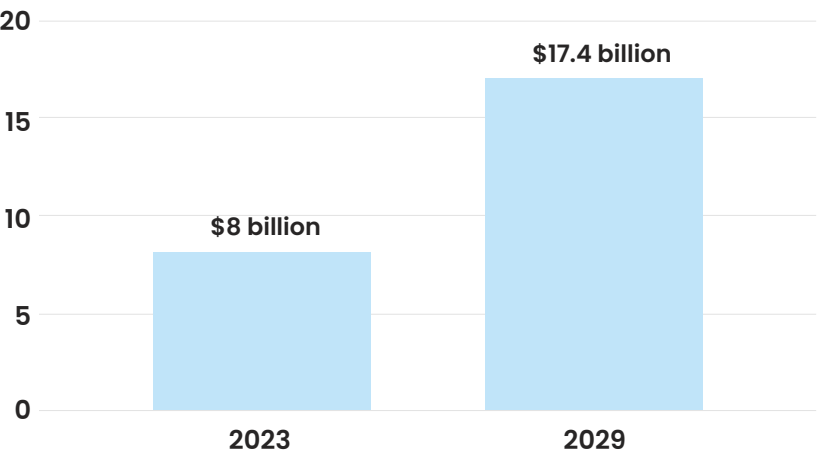


# FAST: The game-changer you need

Whether you have SVOD or AVOD offerings, Free Ad-supported Streaming TV (FAST) is your next logical and profitable step. Before we dive into why it is indispensable for you to spin up FAST channels, let's look at how FAST is doing.

FAST is the fastest-growing model in streaming. Between 2023 and 2029, FAST revenue will experience a [\\$9.4 billion](#) increase globally. The US is set to spearhead the FAST phenomenon with a 90% contribution.

Global FAST revenue forecast

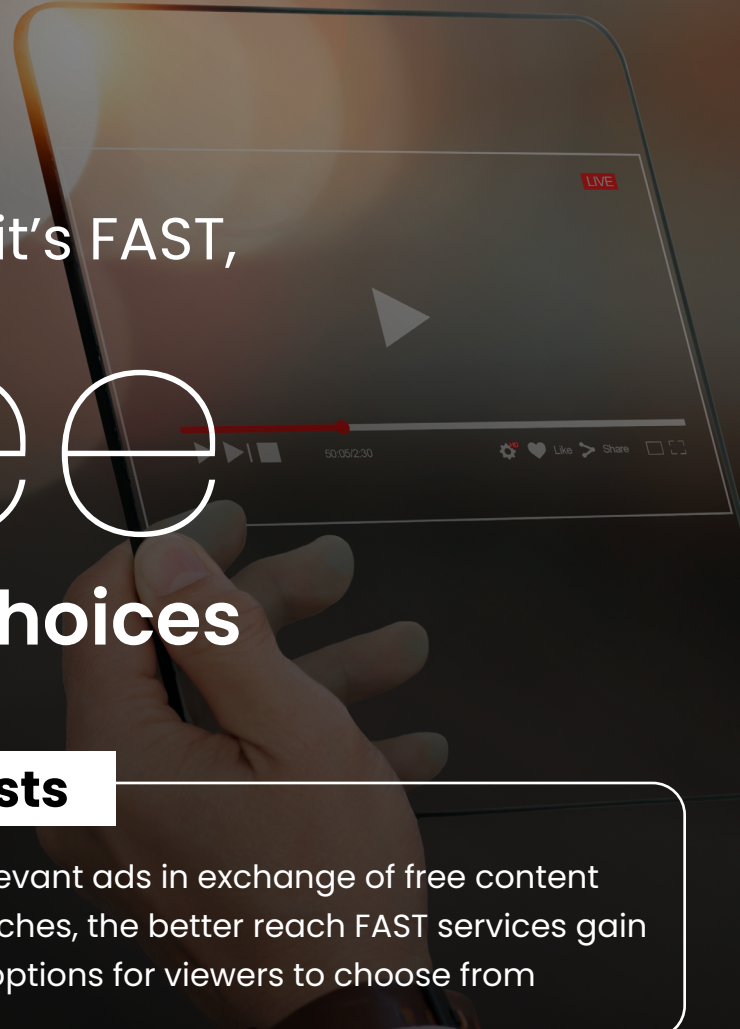


Source: [Digital TV Research](#)

Amagi's 10th edition of the Global FAST Report reveals a significant surge in the FAST revolution. Notably, there has been a remarkable 30% increase in Hours Of Viewing (HOV), a substantial 45% growth in channel deliveries, and a notable 15% rise in global ad impressions. The Asia-Pacific (APAC) region leads in this exponential growth, showcasing an impressive 352% surge in ad impressions when comparing Q4 2022 to Q4 2023. The Latin American (LATAM) region followed closely, experiencing a consistent uptick in ad impressions at 173% during the same period.

Global - Analysis period - Q3 2022 (Jul-Sep) vs. Q3 2023 (Jul-Sep)	Global - Analysis period - Q4 2022 (Oct-Dec) vs. Q4 2023 (Oct-Dec)
<div>45%</div> <div>growth in channel deliveries</div>	<div>25%</div> <div>growth in channel deliveries</div>
<div>15%</div> <div>growth in ad impressions</div>	<div>28%</div> <div>growth in ad impressions</div>
<div>30%</div> <div>growth in HOV</div>	<div>26%</div> <div>growth in HOV</div>

Source: [Amagi Global FAST Report Edition 10](#)



The future of streaming – it's FAST,  
**it's free**  
**& it's full of content choices**

### Top FAST growth catalysts

**Who doesn't love free entertainment?** Viewers don't mind watching relevant ads in exchange of free content

**Massive popularity of Connected TV (CTV)** The more living rooms CTV reaches, the better reach FAST services gain

**Plethora of content choices** FAST is full of a huge library of content options for viewers to choose from

Now let's take a look at the top reasons why SVOD & AVOD players need FAST channels.

Read: [FAST 101: A content owner's guide to Free Ad-supported Streaming TV](#)

## Rev up your revenue and reach

Embracing a solely subscription-based streaming model can limit audience accessibility due to the cost barrier. When viewers are required to pay a subscription fee, it creates a hurdle for some potential users who may be price-sensitive or unwilling to commit to a recurring expense. This restriction narrows down the demographic that can access and afford the content, potentially excluding a substantial audience.

FAST disrupts this cost barrier by offering a free-of-charge content consumption model supported by advertisements. It helps viewers access a variety of content without the financial commitment associated with subscriptions.

It's not just about the numbers – expanding your reach is your golden ticket to previously untapped demographics, a direct route to boosting your revenue.

## Complete content distribution strategy

Diversifying audience entry points is critical to getting your content distribution strategy right, rather than relying on a single avenue, such as Owned and Operated (O&O) channels. Other key elements of this holistic strategy include branded third-party channels, partnerships with external platforms, social media outlets, and other distribution avenues to create a multifaceted audience engagement network.

FAST enables you to cast a wider net and reach audiences through channels that align with your audience preferences and habits. Whether it's a brand's proprietary channel, collaborations with third-party platforms, or establishing branded channels, each entry point serves as a unique pathway to connect with diverse audience segments.

While navigating the streaming landscape, it's important to recognize the dynamic nature of audience behavior. FAST facilitates this understanding, providing the flexibility and adaptability you need in the ever-evolving content consumption landscape.

**Read:** [How sports content owners can leverage FAST to boost revenue, reach and engagement](#)





# FAST:

## The perfect marketing vehicle for premium content

FAST is much more than just another streaming model. It also doubles up as the perfect tool to market your premium content offerings. You can maximize monetization for your premium content in two ways:

**By repurposing it in different formats:** This can include sneak peeks, behind-the-scenes footage, or limited-time access to premium content, creating a sense of exclusivity and urgency among viewers.

**By setting up exclusive channels:** Creating dedicated FAST channels can elevate your premium content with genre or theme-specific exclusivity. A prime example is Tennis Channel, which introduced T2, [an exclusive FAST channel](#) tailored for its premium content. Through a collaboration with Amagi, they successfully debuted this channel on Samsung TV Plus in the US in March, 2022. This fall, T2 [expanded its reach](#) with October launches on Amazon Freevee and Fubo.

**Read:** [LA FAST 2023: How to build a FAST business, optimize your advertising strategy and prepare for the future](#)

## Balance your lean-forward and lean-backward strategies

VOD streaming models, encompassing SVOD and [AVOD](#), represent an effective lean-forward content strategy. Here, viewers actively engage by choosing the content they wish to watch. However, to get your 360-degree content strategy right, you must also offer a lean-back option. That is where FAST comes in.

FAST introduces a curated content experience where viewers can seamlessly access various content without actively selecting each piece. It aligns with a more relaxed and effortless viewing style, allowing users to enjoy continuous content tailored to their preferences. By incorporating lean-forward and lean-back options, you can cater to diverse viewer preferences, striking a balance between active engagement and relaxed consumption. This holistic approach ensures a comprehensive and adaptable content strategy that resonates with the varied dynamics of audience behavior in the ever-evolving streaming landscape.

**Read:** [4 Major Challenges of VOD Distribution & How to Solve Them](#)

# Accelerate your FAST journey with Amagi

With our expertise as pioneers in cloud-born playout solutions, we can craft tailor-made solutions for your power-packed FAST journey. Here is how we can help:

## **From content libraries to blockbuster linear-viewing experiences**

Amagi's solutions help to effortlessly convert expansive content libraries into engaging linear experiences. This transformative process allows you to curate and schedule a dynamic content stream, providing viewers with a continuous and curated viewing experience.

By harnessing this capability and spinning up a FAST channel, you can transform your on-demand content into a channel-like format, offering a programmed lineup that immerses audiences. This enhances content discoverability and provides a structured and engaging way for viewers to explore your diverse content offerings in a linear fashion, contributing to a more enriched and satisfying viewing experience.

**Read more:** [5 tips for programming your FAST channel](#)

## **Turnkey distribution across FAST services to generate ad revenue and brand visibility**

plug-and-play solution to maximize ad revenue and brand visibility. This approach involves seamlessly deploying your content across diverse channels, ensuring it reaches a broader audience base.

Doing so creates revenue opportunities through targeted advertising and significantly enhances your brand's visibility. This turnkey distribution model simplifies the complexities associated with content deployment, offering a one-stop solution to propel your content and brand into the spotlight across a spectrum of platforms, optimizing your reach and revenue potential.



# End-to-end FAST solution: Channel creation, content distribution and CTV monetization



## Channel creation

Leverage Amagi's cloud-native solutions for the swift creation and delivery of linear channels tailored for OTA, cable, satellite, or Over-the-Top (OTT) platforms. Craft engaging channels with advanced graphics, programming, and ad schedules within hours.



## Amagi CLOUDPORT

The ultimate cloud playout solution helps you make the most of unified cloud workflows and spin up broadcast-grade quality FAST channels. Additionally, it empowers you to elevate the viewing experience for your customers with impactful secondary graphics for thematic content, live sports, and news.

# Standout **features**



## **Seamless video & metadata ingest**

Automate ingest workflows with QC and deliver the highest quality channels that maximize your ROI.



## **Regionalized channels**

Traditional broadcast networks can regionalize channels based on viewer preferences, broadcast regulations & content rights obligations.



## **Dynamic graphics**

Add rich video effects such as credit squeeze, PIP, L-band and more using ready-to-use dynamic graphics templates.



## **Pop-up channels**

Spin up short duration channels to test markets, drive content promotions and manage seasonal/holiday demands.



## Content distribution

Amagi powers both sides of content distribution – for content owners as well as FAST services. Content owners can benefit from leveraging Amagi’s solutions by broadening their global reach and diversifying revenue streams. They can do so by effortlessly adding new channels, enhancing the variety of content offerings, and exploring new markets and demographics. The flexibility and scalability of Amagi’s cloud-native solutions empower content owners to seize opportunities and optimize their presence in the evolving media landscape.

By leveraging Amagi’s capabilities, FAST services can curate an attractive content library that resonates with diverse audience segments, fostering engagement and loyalty. This strategic enhancement of content lineups contributes to building a dedicated viewer base, ultimately driving sustained success for FAST services.

**Amagi CONNECT** is the all-in-one FAST marketplace for content owners and FAST services. You receive:

1. **Maximum ad monetization:** Boost ad revenue with our cutting-edge ad tech stack and pioneering first-party programmatic ad sales.
2. **Effortless onboarding & channel management:** Tap into 2,000+ channels and 50+ FAST services.
3. **Advanced data analytics:** Enhance content personalization for heightened viewer engagement and increased ad revenue.



## CTV monetization

Amagi's ad monetization solutions, including Amagi THUNDERSTORM and Amagi ADS PLUS, are your key to seizing the full potential of ad-supported streaming. From fine-tuning ad breaks to establishing real-time connections with buyers, our solutions empower content owners. This ensures maximum fill rates, elevated inventory value, improved operational efficiency, and an enhanced user experience, making the most of the ad-supported streaming landscape.

**Read more:** [Move FAST to Reach CTV Audiences](#)

**Amagi THUNDERSTORM**, our **Dynamic Ad Insertion (DAI)** solution helps monetize live, linear and VOD content to maximize your revenue. Some key benefits include:

1. **Flexibility:** Customize your linear and VOD content with captivating ad experiences.
2. **Value:** Effectively monetize your content globally.
3. **Quality:** Deliver seamless and enriching viewing experiences

**Read more:** [Combating 5 biggest challenges of SSAI with Amagi THUNDERSTORM](#)



# Standout **features**



Content monetization and delivery at scale across all screens



Wide range of device support for monetization and personalization anywhere, anytime



Latest ad tech that enables you to unlock additional ad revenue and get ahead of the competition



Viewership and ad performance analytics empower you to make better business decisions



**Amagi ADS PLUS.** Our real-time marketplace helps maximize CTV advertising value for content owners by connecting them with leading advertisers. Key benefits include:

- **Access to buyers at scale:** Connect to thousands of leading advertisers leveraging Amagi's integrations and relationships.
- **Maximum value for every minute:** Benefit from innovations like advanced contextual targeting and new ad formats to drive demand and CPMs.
- **Profit on your terms:** Transparent reporting, flexible deal terms, and a consultative team help ensure that ADS PLUS complements your monetization strategy.

Read more: [FAST advertising: What's in it for advertisers?](#)



## amagi ADS PLUS

# Standout **features**



Benefit from Amagi's unique demand connections across the programmatic ecosystem



Boost monetization with advanced yield management, including unified auction capabilities when paired with Amagi Thunderstorm



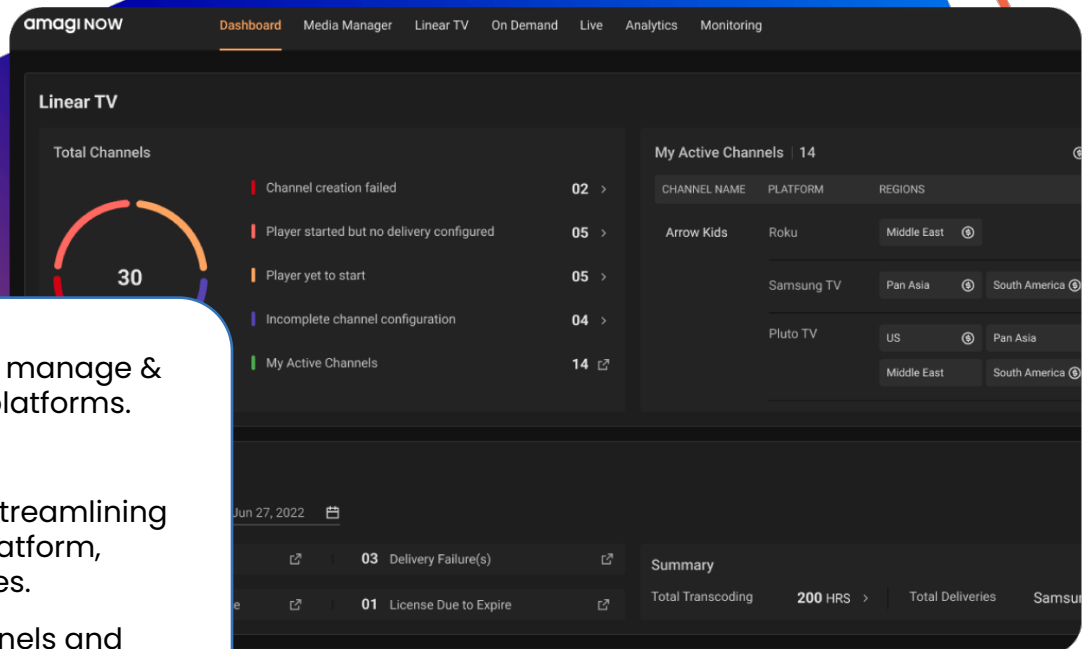
Tap into product innovations designed to maximize the value of every stream, including seamless contextual packaging and unique in-content ad formats



Access transparent revenue reporting and proactive optimization services

**Amagi NOW.** Our modular SaaS platform lets you manage & deliver media content to multiple linear and VOD platforms. Key benefits include:

- **Enhanced efficiency:** Optimize efficiency by streamlining linear and VOD distribution through a unified platform, minimizing time, resource, and cost expenditures.
- **Effortless control:** Establish and oversee channels and delivery platforms with swift, self-service capabilities, fully automated processes, and comprehensive workflows.
- **Actionable data:** Leverage advanced analytics to gain profound insights into performance, monetization, and attribution, providing comprehensive metrics for viewer engagement.
- **Optimized distribution:** Achieve compatibility across diverse device types, overcome ad blockers, and enhance the viewer experience through seamlessly integrated server-side ad insertion for superior content delivery.



amagi NOW

# Standout **features**



Delivers comprehensive workflow functionality in a single self-serve platform that reduces complexity for you to bring up and manage linear and VOD channels yourself



Provides access to the largest media platform distribution network to meet all your requirements today and tomorrow



Offers engaging, rich graphic experiences that retain viewers



Improves monetization with TV-like ad experiences and innovative ad types and placements

Are you ready to launch a FAST channel?

**Talk to us**



Reach out to us at [cloudandme@amagi.com](mailto:cloudandme@amagi.com) to  
**build or bolster your FAST strategy**

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 Lodz, and a global media monitoring center in New Delhi.

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