

An Amagi Whitepaper | September 2022

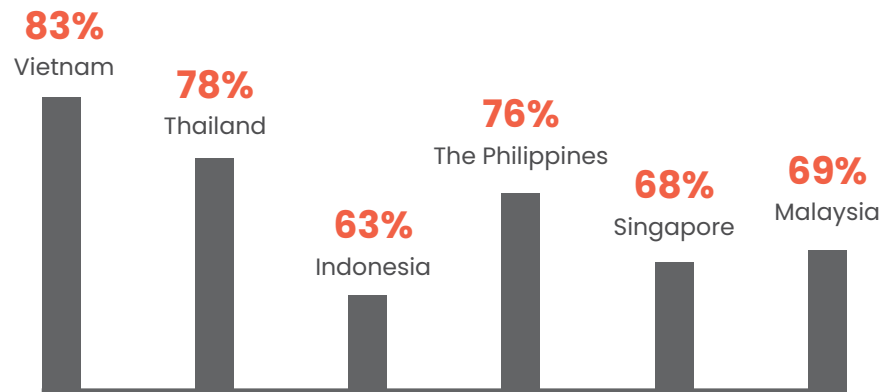
FAST101

A complete guide to thriving in the
Free Ad-supported Streaming TV world

Decoding FAST

No content owner can stay oblivious to the existence and impact of FAST in today's age. The rising popularity of connected TVs is indirectly paving the way for FAST into millions of living rooms. Talking about Australia specifically, 8 in every 10 consumers have access to a connected TV and prefer to use it to consume content as opposed to other devices such as mobile phones.

The penetration of streaming TV in the APAC region is quite impressive as well. Here's a quick glance based on data from **GlobalWebIndex 2020 report**



Recent data on streaming TV viewing trends shows that some bright things are in store for FAST. While it leads to new revenue opportunities for content owners, FAST also opens the gateway to loads of great quality, free content for your viewers. Now that's a perfect win-win situation, isn't it?

Let's start from the beginning - what exactly is FAST?

FAST or Free Ad-supported Streaming TV refers to the new linear distribution model that delivers pre-programmed content to a mass audience via connected devices.

What makes it different from AVOD (Advertising-supported Video on Demand) is – linear content distribution. In simpler terms, a FAST channel is like a traditional TV channel that has fixed programming, schedules and advertising. On the other hand, the AVOD model, apart from being ad-based, lets viewers choose what they want to watch in an on-demand manner.

FAST flavors: Three variants

Based on the platforms/devices they are available readily on, FAST channels are broadly of three types.

- 1. Smart TV specific:** The ones available on a select few smart TVs such as LG and VIDAA.
- 2. Connected device specific:** These are available on a limited set of connected devices like Fetch.
- 3. Device agnostic:** FAST channels available on a variety of connected TVs, smartphones, tablets and web browsers. For instance, you can install Samsung TV Plus on your connected device for free and watch its channel bouquet for free.

Why is FAST a rising star today?

The third edition of Amagi's FAST Report highlights the phenomenal growth of FAST across APAC. Data collated from our Analytics platform between Dec 2020 and Dec 2021 depicted a whopping 645% increase in total Hours of Viewing (HOV), while ad impressions went up by 906%, showing that viewers are lapping up linear channels and advertisers are increasing their investments across this space.

Now let's have a deeper look at various factors that help FAST grow at an exponential rate.

Growing number of cost-conscious young viewers

Deloitte's 2022 Digital Media Trends report highlights this phenomenon. More and more youngsters are seen canceling paid video streaming subscriptions and resubscribing later. But why do they do that? There are multiple reasons behind this behavior:

- Their favorite TV series drops a new season/episode
- They get a highly discounted subscription deal
- A movie/series from their 'must watch' list becomes available on a streaming service

Clearly, the younger audiences are watching the cost even as they scout for the best sources of entertainment.

Better content discoverability

When you opt for a video/music streaming service, all you are looking for is entertainment. While AVOD and SVOD services offer a lot of options to choose from, we no longer seem to want just that. All we want is a fuss-free viewing experience.

Since FAST channels offer content in a pre-programmed, linear fashion, all we have to do is watch. FAST platforms, therefore, offer much better content discoverability compared to its AVOD & SVOD competitors.

The growing popularity of Connected TV (CTV)

As people across the globe are welcoming CTV into their living rooms, it's indirectly helping pave the way for FAST as well. Smart TV OEMs are increasingly offering inbuilt FAST channels, thus helping the free ad-supported model gain more popularity.

If you look at this trend in terms of numbers, the global CTV market is estimated to be around US\$ 107.82 mn and is expected to hit US\$ 115.82 mn by 2028. Proof that some big milestones are in store for the CTV and FAST businesses.

Content is everything

FAST is synonymous with high-quality content with plenty of choices across a wide spectrum of genres.

Apart from licensing movies and series from media houses and companies, many FAST players are also actively engaging in creating some original content. Reports, in fact, show that audiences have started developing a taste for original programming. According to The Roku Channel, the 10 top most watched programs on their channel from May 20 to June 3 in 2022 were all originals.

Key content sources

FAST content typically encompasses pieces that you won't find on a traditional broadcasting channel.

Some of the most common FAST content sources include:

- Syndication deals for individual shows
- Licensing deals with mainstream studios
- Small content producers
- Digital live feed of a TV channel
- Own content libraries

TOP 5

FAST content genres

(Dec 2020-Dec 2021)

#1 News

#2 Movies

#3 Entertainment

#4 Crime

#5 Sports

Source: Amagi FAST Report Edition 3

FAST platforms: An overview

According to a 2021 nScreenMedia report, the FAST market in the US is projected to be around \$4bn in 2023. It goes without saying that some of the big names in the technology industry are altering their strategies to fit FAST in and while simultaneously working towards being a good fit in the FAST space.

Based on the data from the Variety 2022 FAST Report, the US saw a good mix of new FAST channels from different genres. Some of the key ones included general entertainment, news, sports, movies, and opinion. While most of them belonged to the general entertainment genre, many were seen making their own niche space in the market. Some such approaches included:

- Channels focused on a particular audience type. For instance, Spanish-speaking population
- Channels based on a particular show, such as 'Baywatch'



Let's now talk about some of the emerging stars in the US FAST market.

Freevee

Amazon's FAST platform has everything working in its favor with some popular and exclusive original content. Currently, Freevee is staying away from going too niche unlike its competitors.

Top 5 genres offered:

Reality | Lifestyle | True crime
Classics | Game shows

Total no. of FAST channels:

76

Peacock

Peacock offers both its SVOD and FAST offerings via the same app, which considerably increases their app stickiness. They are also one of the major FAST players that are seen using the magic of pop-up channels very frequently. Unlike Freevee, Peacock has a few special-interest channels, 3 of which are dedicated to Hispanic audiences and 1 to the African American folks.

Top 5 genres offered:

Reality | Comedy | Lifestyle
Local news | True crime

Total no. of FAST channels:

55

Redbox

Redbox, recently acquired by Chicken Soup for the Soul Entertainment, Inc., follows a slightly different strategy compared to what we've seen so far. They have a collection of branded movie channels which are non-exclusive and hence available on other platforms as well. They offer a very limited number of special interest channels—7 Hispanic and 1 African American focused.

Top 5 genres offered:

Lifestyle | Comedy
Local News Reality | Food

Total no. of FAST channels:

145

Samsung TV Plus

Samsung TV Plus, also available in Australia, has an existing gigantic fan-base thanks to their smart TV production. This gives them a clear and massive edge over the other players. Apart from other channels, Samsung TV Plus also offers some exclusive ones. They also have some Hispanic, foreign interest and African American offerings in their kitty.

Top 5 genres offered:

Reality | Lifestyle | National
Comedy | Documentary

Total no. of FAST channels:

206

Plex

An independent FAST service that doesn't have any in-house content but continues to grow as one of the current largest Hispanic and foreign content line up. They are constantly evolving and improving their customer experience by offering better search and discovery options.

Top 5 genres offered:

Reality | Documentary
Lifestyle Movies | Comedy

Total no. of FAST channels:

252

Pluto TV

With one of the largest channel offerings in the US, Pluto TV is also one of the most popular channels across the region. Apart from a large number of generic channels, they also offer over 50 Spanish and a few foreign interest and American African channels.

Top 5 genres offered:

Reality | Drama | Kids
Lifestyle Classics

Total no. of FAST channels:

332

The Roku Channel

The biggest differentiator that sets Roku apart from the others is—investment in original content. They have a growing number of owned and operated channels that ensures massive viewership numbers.

Top 5 genres offered:

Lifestyle | Kids | Reality
Videos | Drama

Total no. of FAST channels:

286

ViX

ViX caters specifically to the Hispanic audiences and doesn't have any other generic offerings. Currently, it has close to 130 Spanish FAST channels and continues to be massively popular among the Hispanic folks.

Top 5 genres offered:

Drama | Kids | Comedy
Documentary | Lifestyle

Total no. of FAST channels:

127

Xumo

Xumo, acquired by Comcast, offers a wide range of generic as well as special interest channels. The fact that Xumo content comes integrated with Xfinity set-top boxes massively improves its reach.

Top 5 genres offered:

Lifestyle | Reality | Local news
Comedy | Kids

Total no. of FAST channels:

247

Tubi

Although Tubi started out as an AVOD platform, it has gradually embraced the FAST world. It offers channels across the generic segment and a few special interest ones as well. Missed targeting certain audiences on linear TV? No worries, Tubi lets you target them on connected TVs. One of the leading FAST platforms in the world, Tubi, lets brands reach the eyeballs they'd have otherwise missed in a linear TV framework.

Top 5 genres offered:

Local news | National | Lifestyle
Classics | Reality

Total no. of FAST channels:

98

LG Channels +

One of the biggest players in the FAST space, LG has approximately 350 channels spread across different segments. Some of these are also licensed from other big players such as Xumo and Pluto TV. With LG Channels +, there's a lot of good-quality content for everyone. Apart from their generic channels, they offer Hispanic, foreign interest and African American specific channels as well.

Top 5 genres offered:

Reality | Lifestyle | Kids
Movies | Comedy

Total no. of FAST channels:

348

Google

Thanks to this explosive growth FAST market is witnessing right now, giants like Google have already jumped on the FAST wagon and made several strategies to capitalize on the ever-growing FAST market. A couple of these include adding Pluto TV channels to their Google/Android TVs' live guide and introducing YouTube's own FAST offering.

Big media brands moving to FAST include

COMCAST acquired Xumo for over \$100 mn

VIACOM CBS acquired Pluto TV for \$340 mn

Content owners already on the FAST route

Traditional news networks & station groups	ABC News	NBC Universal	Sinclair
Traditional media publications	Conde Nast	People TV	USA Today
New age digital brands	Elvis Presley	team whistle	Tastemade
Sports	beIN	fubo TV	PAC 12

FAST: the big bang for content owners and advertisers

FAST has become the gateway of opportunities for content owners and advertisers. Let's delve deeper to see how this market segment can revolutionize business for each of these players.

Content owners

The two most critical things you as a content owner need are - an unmatched reach and the ability to make the most of your content.

According to 2022 Statista figures, more than half of TV viewers in the US (58%) are watching free ad-supported services. These numbers have grown from 40% in 2020 and 48% in 2021.

It's clear that FAST is making its way into the market faster than we can imagine. As a result, FAST clearly offers you phenomenal reach across regions.

According to the third edition of Amagi's FAST report, the average unique users of the FAST platforms grew by 102% between December 2020 and December 2021.

If you go by the traditional approach, you can monetize your content by syndicating it via a TV broadcaster. But is that enough? Does this do justice to your rich content catalog? The answer is - no. While traditional broadcasting limits your horizons, FAST platforms provide you the opportunity to monetize your content in new and innovative ways. You can repurpose your old content in different formats that's otherwise yielding very little monetarily.

If you choose the right tech partner, you can get access to the best of live, linear and Video on Demand (VOD) content. Furthermore, you can also join hands with an advertising platform to monetize your channels using the power of Server-Side Ad Insertion (SSAI) technology.

Advertisers

Given the rate at which CTV is penetrating into the global market, CTV advertising is also gaining traction. With technologies like SSAI, and innovative and non-intrusive ad formats such as contextual videos as lower-thirds, advertising no longer seems to bother viewers. In fact, it enhances their overall viewing experience as they get to see ads that are relevant to their likings and lifestyle.

The 4th edition of Amagi's FAST report shows that the ad opportunities are up by 110% YoY. More and more viewers are watching not only the content but ads too. More eyeballs, better chances of monetization.

CTV advertising also widens the scope of getting better data analytics support. These powerful insights can help make better targeted ads, thus enhancing engagement and results.

Ad impressions grew by

109% YoY

Total hours of viewing (HOV) grew by

84% YoY

Total number of channels delivered grew

2.2X YoY

" We love the new lean-back experience "

- FAST audiences

Aussies love FAST

Although it is a recent phenomenon for them, it is safe to say that Australians love FAST and have taken to its various aspects pretty well.

According to a consumer study by Integral Ad Science (IAS), 94% Australian consumers enjoy the CTV ad experience and believe that it offers a more enriching viewing experience compared to the traditional linear TV model.

53% consumers won't mind viewing a full ad on CTV if it is in line with the content they are watching.

Better engagement gets better results

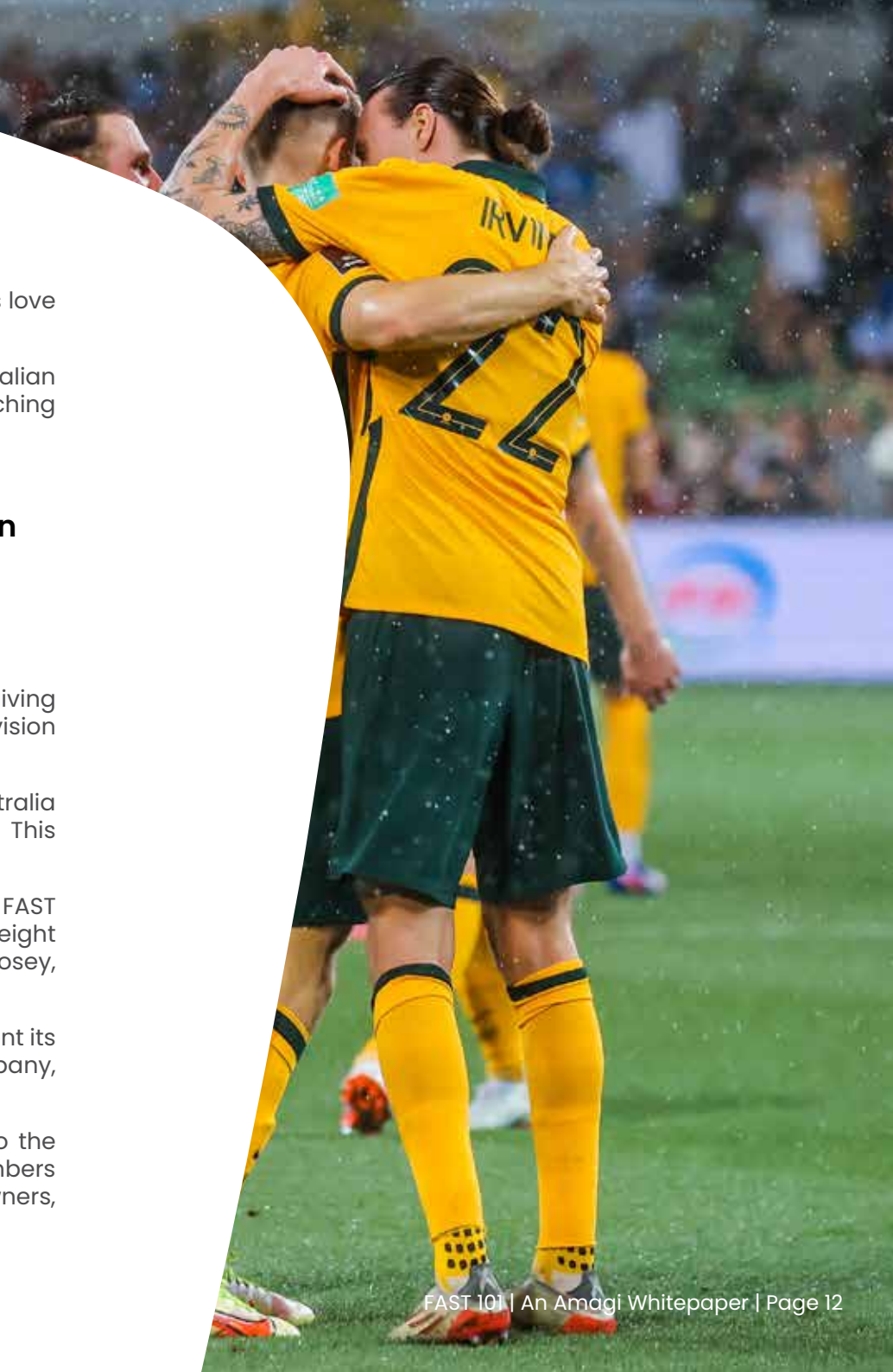
The rise of connected TV has played a major role in bringing FAST to millions of living rooms. Australian consumers love the CTV viewing experience over linear television as it is way more engaging and interactive.

The CTV market is clearly one of the fastest growing market segments in Australia with 8.6 mn folks watching content on connected televisions every day. This represents a solid 18% YoY growth in viewership.

Leading streaming TV platforms are cashing in on this trend, launching their FAST offerings in Australia. Fetch TV joined the FAST wagon recently by launching eight new channels – The Pet Collective, People Are Awesome, Outdoor CHANNEL, Nosey, INSIGHT TV, InTrouble, INWONDER and FAILARMY.

Pluto TV, one of the major FAST services in the US and Europe, is all set to cement its presence in Australia by 2023. They aim to assist ViacomCBS, their parent company, grow exponentially in the FAST sector.

The high appetite for free ad-supported TV is automatically contributing to the decline of some of the most popular SVOD services of all times. These numbers and trends speak volumes about the multiple opportunities for content owners, platforms and advertisers alike.



Venturing into **FAST**



4

Point checklist to venture & thrive in the FAST world

Before we go over the checklist, let's first explore the need to take your content on the FAST route. When do you as a content owner know that it's time to make the switch?

The answer is simple. After making it big on platforms like YouTube, and building a loyal audience for yourself, you can further scale in a linear TV avatar. That's when launching a FAST offering can offer maximum benefits. You can unlock higher ad revenues while maximizing your reach.

1 A power-packed content strategy

The most critical part of any channel is content. When you decide to launch a FAST channel, you need to firstly think your content strategy through. Comparing your content's genre with what's already available in the FAST market is a good starting point.

The next thing you need to do is check whether the genre you've chosen is under or over-represented. In simpler terms, are there too many competitors for you or too few? Either way, it can be slightly complicated. Here's why – if your genre is over-represented that means you have a lot of competitors to deal with.

On the other hand, if your genre is under-represented, that implies you might have to work slightly harder to build your niche and pull audiences in.

2 A well thought out distribution strategy

Now that you've figured out your niche, the next big question is where to distribute your content. Choosing the right distribution partner isn't enough. You also have to join hands with a tech partner who can handle the complexities of distribution deals for you. Additionally, you also need to dive deeper into and understand the delivery format requirements of these distribution platforms you choose.

The right FAST partner will enable you to distribute at scale, grow your channel portfolio on platforms you currently are on or launch channels on newer platforms, and expand reach internationally. Your success will hinge on how easily you can access the widest range of CTV/FAST & AVOD platforms, while also managing the end-to-end distribution and agreements with ease.

3 A robust, end-to-end ad sales strategy

With your content and its distribution in place, the next target is planning your ad sales strategy such that you can unlock maximum content monetization.

You need a solid ad tech stack combined with detailed analytics and reporting to deliver targeted ads at scale and improve the fill rate. A critical step here is to finalize a revenue share model with your distribution platform. You can either go for a revenue share or an inventory model. While the former works well for smaller or new content owners who have just begun their FAST journey, the latter works in favor of content owners with big ad teams.

However, an end-to-end approach to ad sales equips you to monetize your FAST content at scale, optimize price and attract leading advertisers.

If you are looking for sustainable success and greater ROI, work with a partner who can help plan & implement a complete go-to-market CTV strategy and transact with platforms or demand partners.

Also important is to ensure data and privacy compliance by adopting a robust approach to identity management, while aligning your inventory with the highest valued audience segments.

Get more ROI with new ad formats

To further get better monetization results, you can experiment with some innovative ad formats. Why? They are non-intrusive, more relevant to the content being presented and account for an overall enhanced and seamless experience for the end viewers.

Some of the most popular innovative ad formats are as follows:

Dynamic Brand Insertion (DBI)

As the name suggests, DBI lets you either insert a product or brand name into the video stream. In brand insertion, a 2D ad is inserted into the scene. On the other hand, in case of product insertion, a 3D product is inserted into the scene.

Graphics overlays ads

These refer to static or graphic contextual ads overlaid in the lower third—intuitively based on the video content.

Contextual video ads

Here, you can use rich metadata to insert targeted, contextual video ads into the content being played.

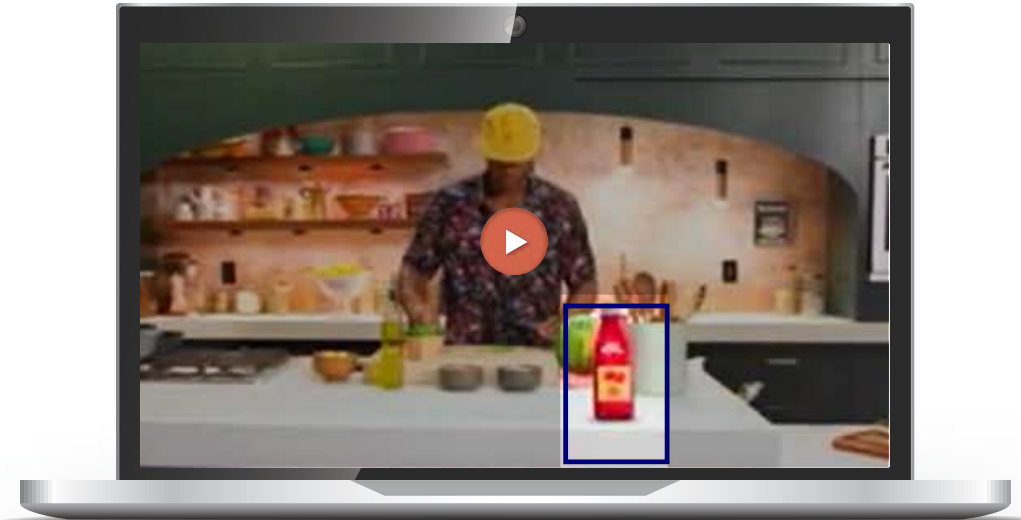
All in all, these ad formats let you unlock maximum content monetization without increasing the ad load. This is a win-win situation as you get to make better revenues without hampering the viewing experience for your customers.

This is a huge leap compared to regular CTV advertising, which means increased ad loads and compromised viewing experiences.

Dynamic Brand Insertion (DBI)



Brand insertion within video streams



Product insertion within video streams

4 A solid data & analytics strategy

The last but not the least step in launching your successful FAST offering is – the big number game or data & analytics strategy. No matter how robust your content strategy is, it is of no use if you do not know how well it is working or if it is not working at all.

Measurement criteria

When measuring content consumption and monetization status, there are two major factors to bear in mind. First, the dimension, such as a geographical location, publishing platform, content genre or viewing device for which to measure. Second, the measurement itself, i.e. the metric which defines the performance of the content around a specific dimension.

Analytics is composed of dimensions such as date range, viewed channels, viewing device, viewer location, titles watched, and more. These dimensions are observed for a variety of metrics including the total number of sessions, viewership hours, and average duration.

Key viewership metrics

Total sessions: The total number of viewing sessions, where a single session is understood as a minimum download of one segment of minimum five seconds each or watched stream of any duration.

Total viewership minutes (session duration): This is the sum of all session durations counted in minutes or is the total time spent by each user on a channel or platform watching content. The platform also provides data on the total number of unique viewers.

Average session duration: The average time spent per user on a single session. This is calculated by dividing the total viewership minutes by the total number of sessions.

Multi-dimensional viewership data ultimately helps you make quick and accurate business decisions on programming based on content affinity.

What content will channel viewers want to watch six months from now? When and what device do viewers prefer enjoying their favorite fare? How do global events shape content preferences? The pandemic, for example, saw people finding retreat in light-hearted content and bite-sized content that is better suited to a view-at-home experience. Decisions on what kind of content to produce are easier to make when we have access to viewership patterns. Moreover, the almost real-time insights into engagement of users allows you to quickly fine tune tactics to get more ads and viewers to the stream, and therefore make more money. Similarly, with concurrent viewers metric, you can identify the peak periods of usage and downtimes, enabling you to improve program scheduling at peak periods of usage to yield better monetization opportunities.

Key ad performance metrics

While advertising on traditional TV doesn't give you effective metrics and is more of a 'spray and pray' approach, things are strikingly different with CTV advertising.

Advertising in the CTV world is highly driven by numbers and metrics. A large pool of data that is further dissected and thoroughly analyzed to understand what is working and what is going south works in favor of content owners, platforms and advertisers.

How do you know if your ads are doing well?

Here are key metrics to consider.

Total number of ad opportunities detected and ad requests sent

Ad requests sent for all ad opportunities detected under the selected dimensions

Ad responses received after sending the request

Ad assets received, where one response can have multiple assets

Ad impressions recorded - the total number of times an ad asset was watched during a slot

Ad completion rate - percentage of users watching the entire ad without dropping

Based on these insights you can determine the ideal ad load and how frequent the ad breaks must be. You can work with your tech vendors to define the best practices to deliver personalized and seamless ad experiences that ensure audiences stickiness.

Most importantly, you can also fine tune your ad insertion and conversion processes to ultimately attract more revenues. This can help improve ad fill rates, thereby showing more ads and earning more money.

Special focus

Add thunder to your weather & eSports channels

If you are running a linear weather or eSports channel, the most critical thing is – delivering exceptional, time-critical secondary & dynamic graphics.

Weather and eSports channels are heavily dependent on graphics. Among the many critical aspects, weather channels need a real-time weather ticker that's connected to an external data source. Similarly eSports channels also need amazing graphics for an immersive gaming experience.

This is where custom HTML5 graphics play an important role to render real time scores and data from external sources. Leverage a playout solution that enables powerful HTML5 graphics rendering for any channel in a very short amount of time.

Rise to the occasion with pop-up channels

Pop-up channels are increasingly becoming popular these days and more and more broadcasters are including them actively in their programming strategies. Why?

Cloud-powered, flexible workflows allow you to launch a pop-up channel for a specific duration and then tear it down as needed. This feature enables you to scale your operations up and down as needed, thus saving a lot of money. That's not all. Above all else, pop-up channels help you stay relevant and on top of the competition. For instance, you can spin up a channel for the Holiday season and tear it down once done.

Reinvent your live sports game

A lot of sports channels have ventured into the FAST space but live sports streaming still holds the key for unlocking better monetization and fan engagement opportunities. According to Statista's recent report, the viewership of digital live sports content in the US is projected to rise to 90.7 million by 2025.

Due to this increasing demand for live sports content in a free ad-supported format, some of the leading FAST players are coming up with dedicated sports offerings. These channels offer both live and pre-recorded snippets/highlights of various games.

Why do sports fans want things the FAST way?

Exciting viewing experiences: Instead of offering a standard experience where fans just get to watch the live match, FAST channels offer so much more. They add further value by delivering broadcast-grade, low latency channels and other perks such as exclusive backstage action, deeper game insights, fan community discussions and so on. These sound like a perfect dream come true for any sports fanatic, don't they?

What can sports teams/leagues/content owners/platforms gain out of FAST?



Maximum content monetization:

Old content archives that no longer look like a source of revenue can be repurposed effectively using FAST channels. This content can be utilized in different formats, thus opening up new revenue streams.



Hyper-focused advertising opportunities:

You can run super-personalized advertising campaigns that have higher chances of yielding better results. Focusing on innovative, non-intrusive ad formats can further work in your favor as they will result in an engaging and enriching viewing experience for the fans.

As a result of these major advantages, all major sports leagues including the NFL, MLB, MLS, Premier League, PGA Tour and WWE have launched FAST channels.

Some of the leading broadcasting networks are not far in this race and have launched their own FAST offerings as well. For instance, the FAST version of NBCUniversal's Peacock has a 24/7 line up of sports talk programming.

How to take the FAST route for your sports channel?

Running a linear channel with live programming, rich graphics and a flawless, low latency viewing experience can be a challenging task for sports broadcasters. You can change that by choosing and implementing the right cloud-native live solution.

What you need is a versatile, cloud-based live sports orchestration platform that helps you spin-up live channels instantly and orchestrate broadcast-grade live content on the go.

Some of the key capabilities you must look for in a live orchestration solution include:

- Scalability & flexibility
- Low latency for a great QoE
- 4K UHD with rich audio-video experience
- Support for multiple ingestion and delivery formats
- Real time control over breaks & graphics
- Rich HDR graphics with DVE effects & HTML graphics. Powerful secondary graphics have a heavy impact on the viewing experience. These include channel logos, lower-thirds, a glimpse of upcoming programs, critical game stats and player information.
- 24/7 monitoring and technical support to avoid minor or major disruptions

Choose a seasoned **FAST partner who offers**

- Cloud-based, scalable, unified workflows to simplify operations
- Well-knit distribution network to maximize your reach
- Cost-effective & intuitive playlist & channel creation
- Enriching secondary graphics
- End-to-end ad sales support
- Native support for innovative ad formats
- Improved ad & ad break controls
- In-depth analytics framework

One stop destination for everything FAST

We offer end-to-end, cloud-powered solutions to simplify content creation, distribution and monetization for you.

Customer success stories

Powering streamlined delivery and live sports experience for Inverleigh

Inverleigh, a leading premium sports content company in Australia that creates high-value content solutions for over 500 broadcasters globally, partnered with Amagi to expand their live sports vertical. Amagi also piloted their move to the cloud in just seven business days.

Enabling outstanding live sports experiences for Spark Sport

Spark Sport, a New Zealand-based premium sport streaming service joined hands with Amagi to enable content aggregation and playout services for their OTT linear channel, Spark Sport 1.

Amagi's solutions helped orchestrate the delivery of their linear channel that had a mix of both live and recorded content. Apart from this, Amagi also powered some amazing secondary graphics, playlist automation and channel playout for them.

**Whether you are a FAST debutant or an existing player,
it's time to shift up a gear with Amagi**

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

Amagi is a next-gen media tech company that provides cloud broadcast and streaming TV solutions to TV networks, content owners and streaming TV platforms. Amagi enables content owners to launch, distribute and monetize live linear channels on Free-Ad-Supported Streaming TV and SVOD platforms. Amagi also offers 24x7 cloud managed services bringing simplicity, advanced automation, and transparency to the entire broadcast operations for traditional TV networks. Amagi delivers 2000+ channels with deployments in over 40 countries. Amagi has presence in New York, Los Angeles, London, Paris, Singapore, New Delhi and Bangalore.

amagi.com

The image features a solid blue background. Two wavy, overlapping lines, one white and one orange, curve across the frame from the top left to the bottom right. The word "amagi" is centered in the middle of the image in a white, lowercase, sans-serif font.

amagi