

FAST 101

The basics about Free Ad-supported Streaming Television (FAST)

Part one of a two-part series



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FAST 101

Overview

What is FAST and why should you pay attention to it?

FAST defined

Free
Ad-Supported
Streaming
Telelevision

At-a-glance

It's free!

There are ads.

It's linear.

Viewers cannot fast forward, rewind, or restart a show.

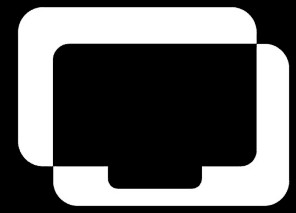
Viewers cannot skip ads.

There are hundreds of channels.

Elevator pitch

FAST is television programming that's streamed over the Internet to a smart TV or third-party device like Roku. A quick and easy set-up provides access to hundreds of free linear ad-supported channels.

Three ways to access FAST channels



**Samsung
TV Plus**

CTV

These channels are baked into a Connected (Smart) TV and become available once connected to the Internet.

Examples: Samsung TV Plus, LG Channels, Vizio WatchFree+

ROKU

Device

These channels are accessed by using a third-party device that plugs into a TV.

Examples: Roku, Amazon Fire TV

tubi

Application

These channels are part of an application that can be accessed through a Smart TV, a third-party device, or web browser.

Examples: Pluto TV, Tubi, Local Now, Xumo Play

Types of channels

**STAR
TREK**

Single show

Examples: Star Trek, Jersey Shore, CSI, Judge Judy, Antiques Roadshow

**pluto^{tv}
ACTION**

Thematic

Examples: News, westerns, true crime, action, home improvement

news12

Broadcast & cable TV channels

Examples: News 12 NY, Court TV, History, SCIFI, Spike

Sources of content

Owned

Most commonly single show channels dedicated to a program that has a substantial fan base.



Licensed

Often the thematic and TV channels that license content from a variety of providers.



How FAST fits into the alphabet

- **OTT = Over The Top**

Streamed content that's delivered through the Internet rather than cable or satellite. Many cable providers, like Xfinity, offer content OTT as do streaming devices like Roku.

- **CTV = Connected TV**

TV services streamed over the Internet. This usually requires a device like a Smart TV or Roku. FAST is a CTV service along with SVOD and AVOD.

- **SVOD = Subscription Video On Demand**

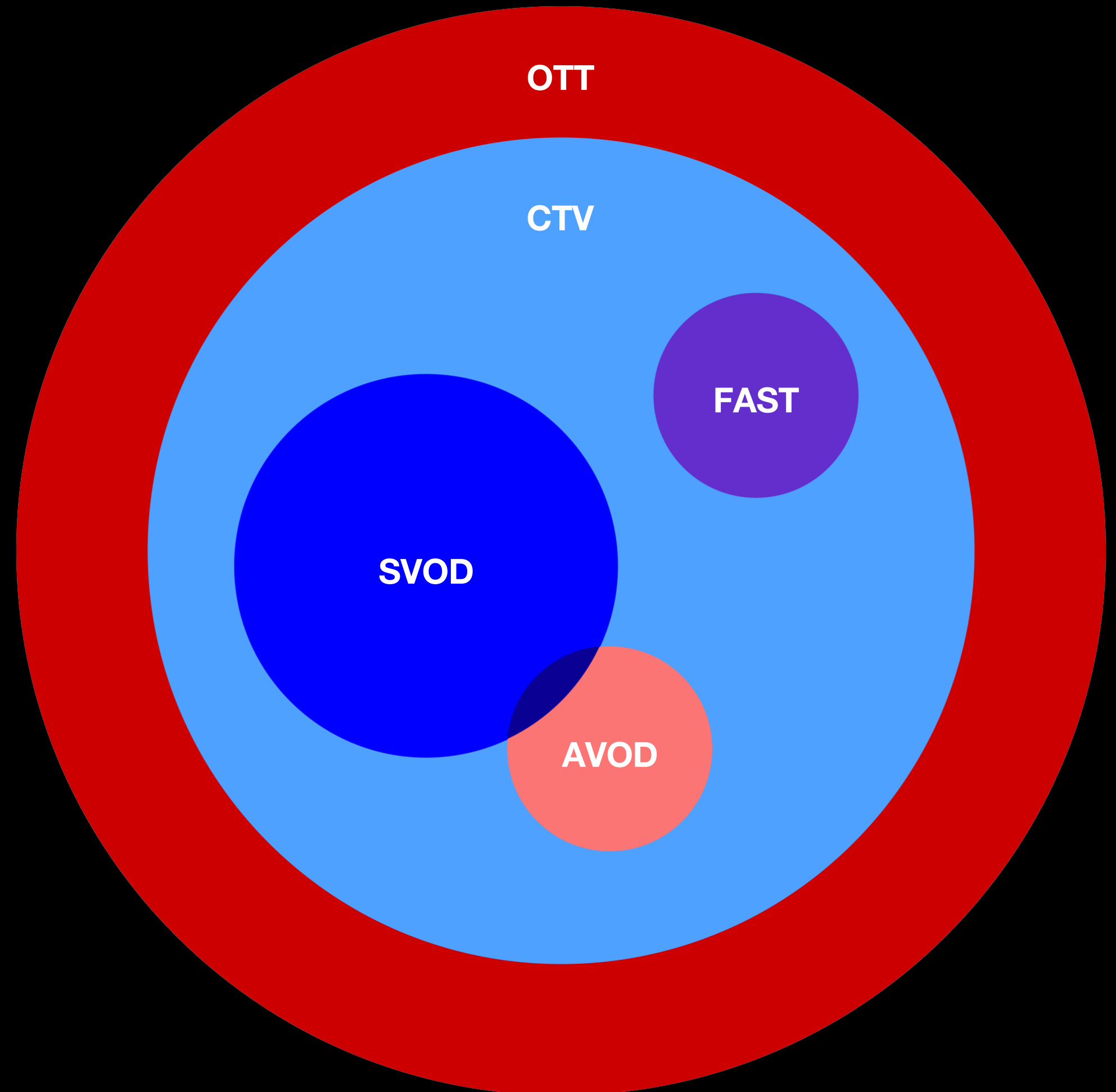
A subscription service where viewers pay a monthly fee to access on-demand programming without ads, e.g., Netflix, Max, Apple TV+.

- **AVOD = Advertising Video On Demand**

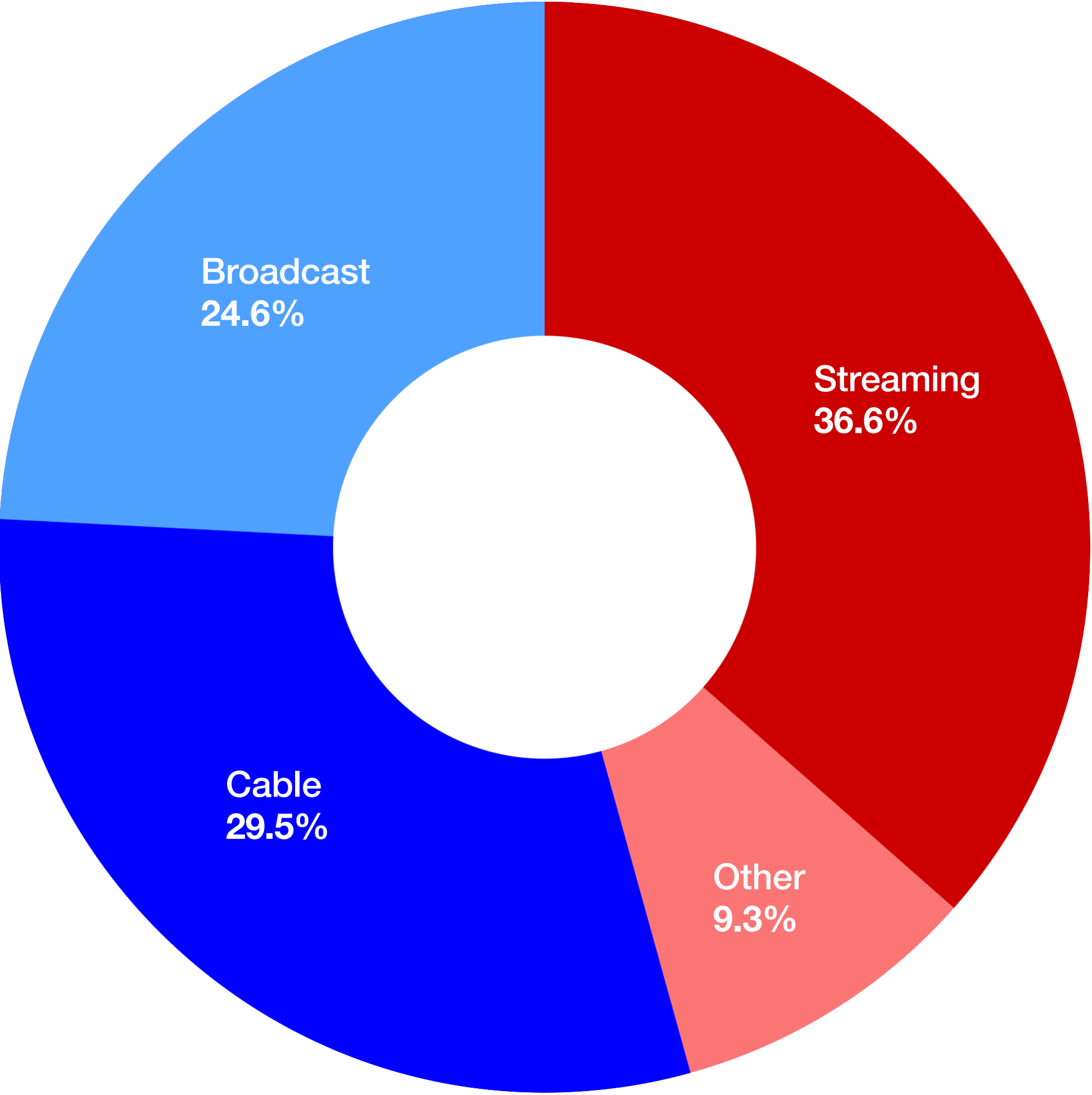
A subscription service where viewers pay a reduced or zero monthly fee to access on-demand programming in exchange for watching ads. Examples include SlingTV, Crackle, YouTube, and ad tiers from SVOD streamers like Hulu, Disney+, and Peacock.

- **FAST = Free Ad-supported Streaming TV**

A CTV service that offers linear TV channels for free in exchange for watching ads. Some services also offer a limited amount of video on-demand.

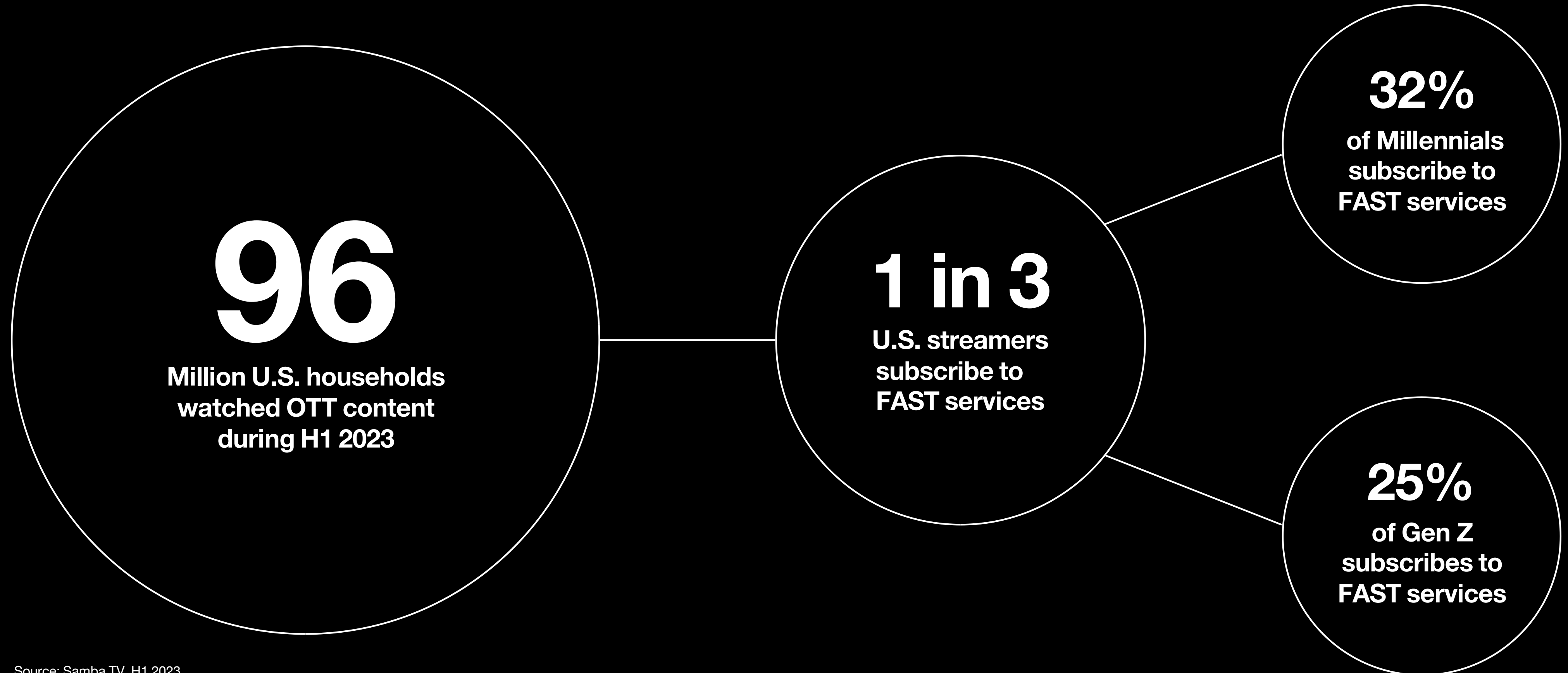


Streaming is now the dominant method for viewing TV

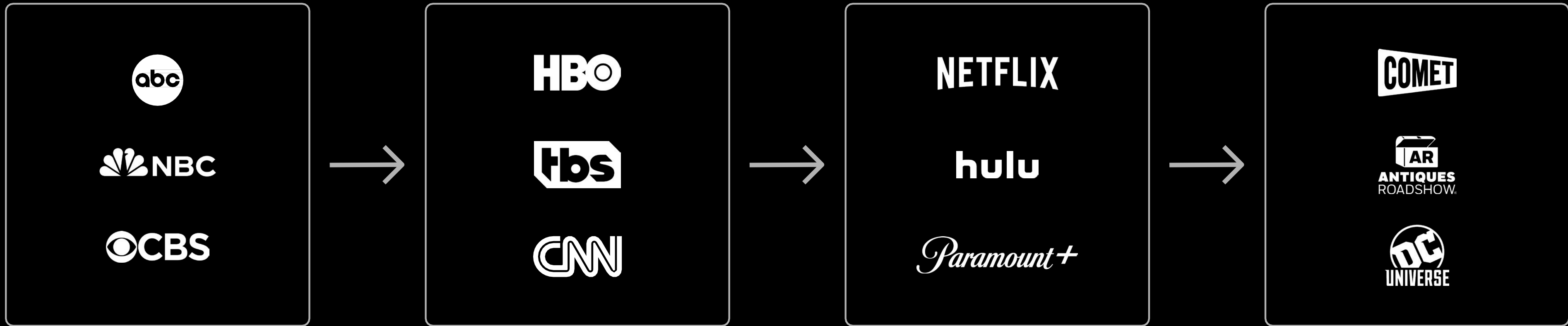


Source: Nielson The Gauge, Nielson's Total TV and Streaming Snapshot, October 2023

Who's watching



The evolution of FAST



Broadcast TV

Broadcast television became the most popular form of home entertainment in the 1950s and dominated for decades.

Just a handful of networks broadcast a linear stream of programming supported by ads to homes across the U.S.

Cable TV

While HBO, the first satellite-transmitted cable network, launched in 1972, cable TV didn't really gain mass audience until the 1980s.

By 1989, 53 million people in the U.S. were not only paying a subscription fee for dozens of channels, they were also watching ads – and the subscription fees steadily increased.

Subscription VOD

In 2007, Netflix changed the movie rental game by introducing its low-cost, ad-free subscription streaming service.

By 2012, it began offering high-quality original episodic shows to compete with networks.

As consumers cut the cable cord in exchange for smaller subscription fees, other streamers launched.

FAST

In the 2020s, as sought-after SVOD programming fractured onto many different services, each with rising subscription rates, FAST became attractive to many consumers seeking to reduce the cost of their home entertainment bills.

Contributing factors

The growth of FAST has been accelerated by several trends

01 Rise of Connected TVs

\$115M households are projected to have Connected TVs in 2024.

Source: [Statista](#), January 2024

02 Number of paid subscription services

In just the past few years, Disney+, Peacock, AppleTV+, Max, and others have joined the streaming wars.

03 Cord cutting

In Q3 2023, the U.S. pay TV industry (cable, satellite, telco) shrank at 7.3%, accelerating a decline of 5.9% from the year prior.

Source: [MoffettNathanson](#), January 2024

Only 35% of Gen Z have a monthly cable or satellite subscription.

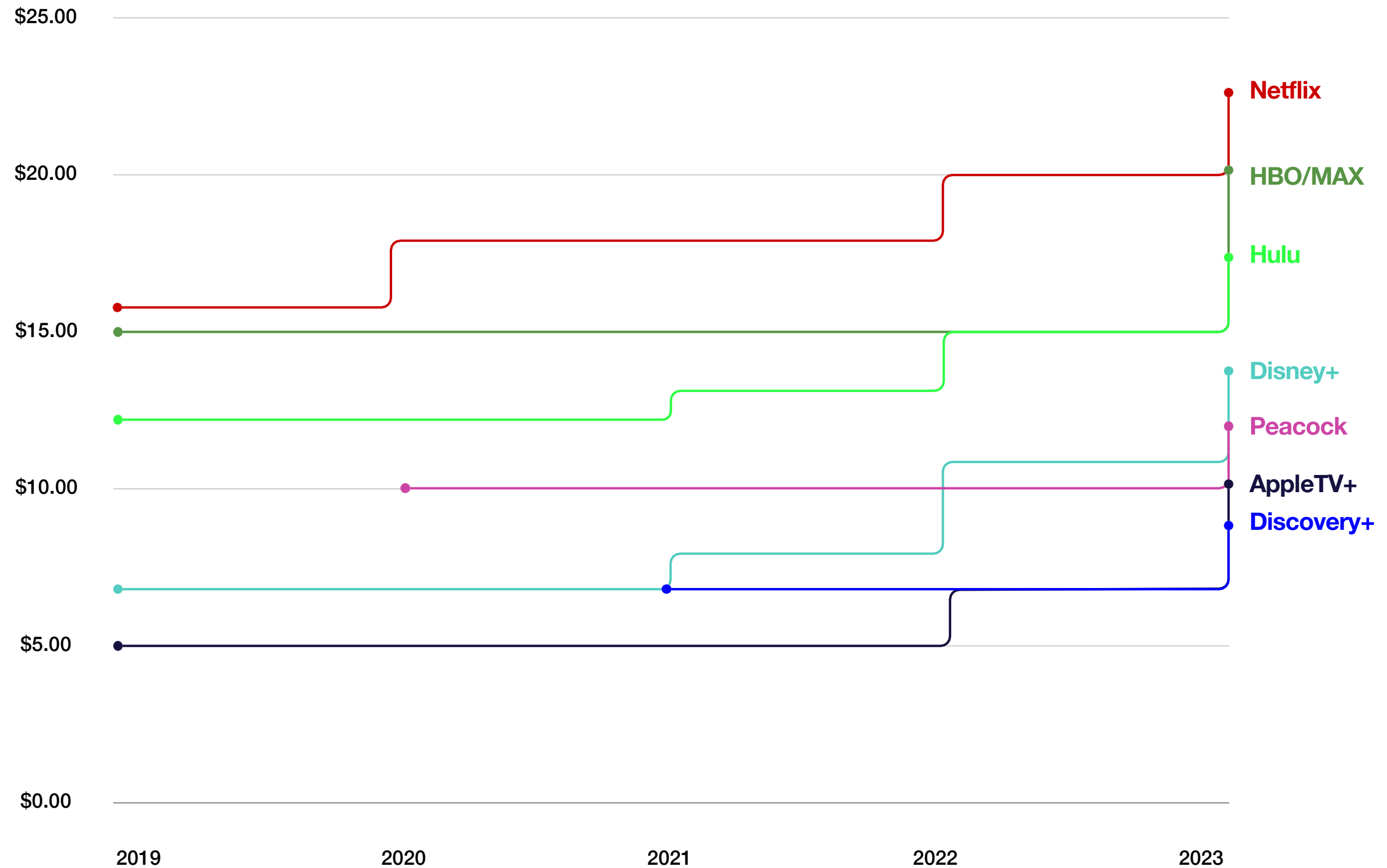
Source: [Samba TV](#), H1 2023

Not to mention... SVOD price hikes

The price of ad-free streaming is at an all-time high with Netflix, Hulu, Disney+, Max, Apple TV+, Paramount+, and Peacock all raising prices in 2023.

These increases are partially the result of streamers having to pay for pricey original programming amid the loss of subscribers.

Tracking the premium tier price of the big streaming services

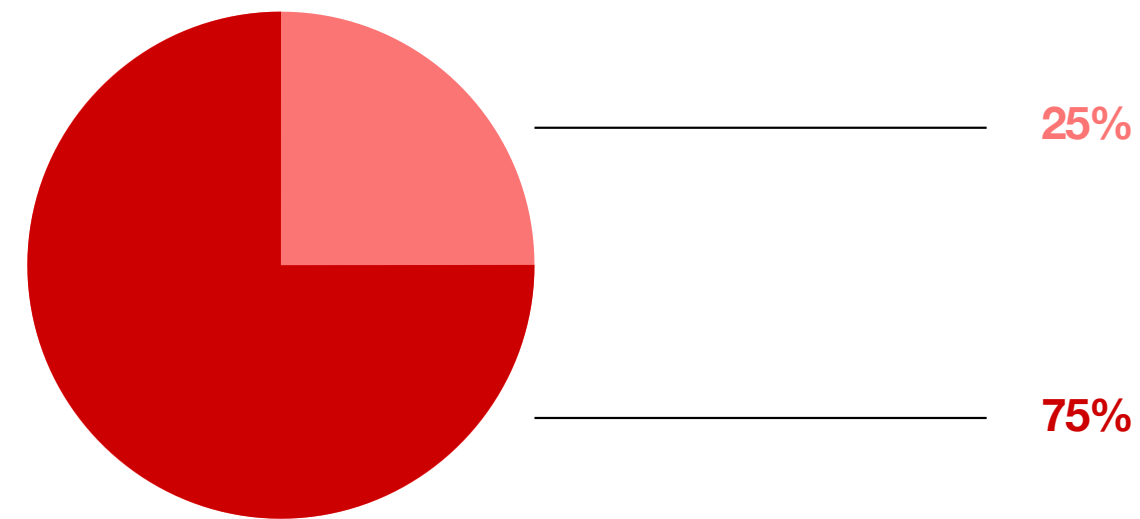


SVOD introduces ads

As SVOD streamers lose subscribers they've moved to create tiered packages where cheaper subscriptions come at the cost of ads interrupting programming (AVOD). They're also rolling out their own FAST channels.

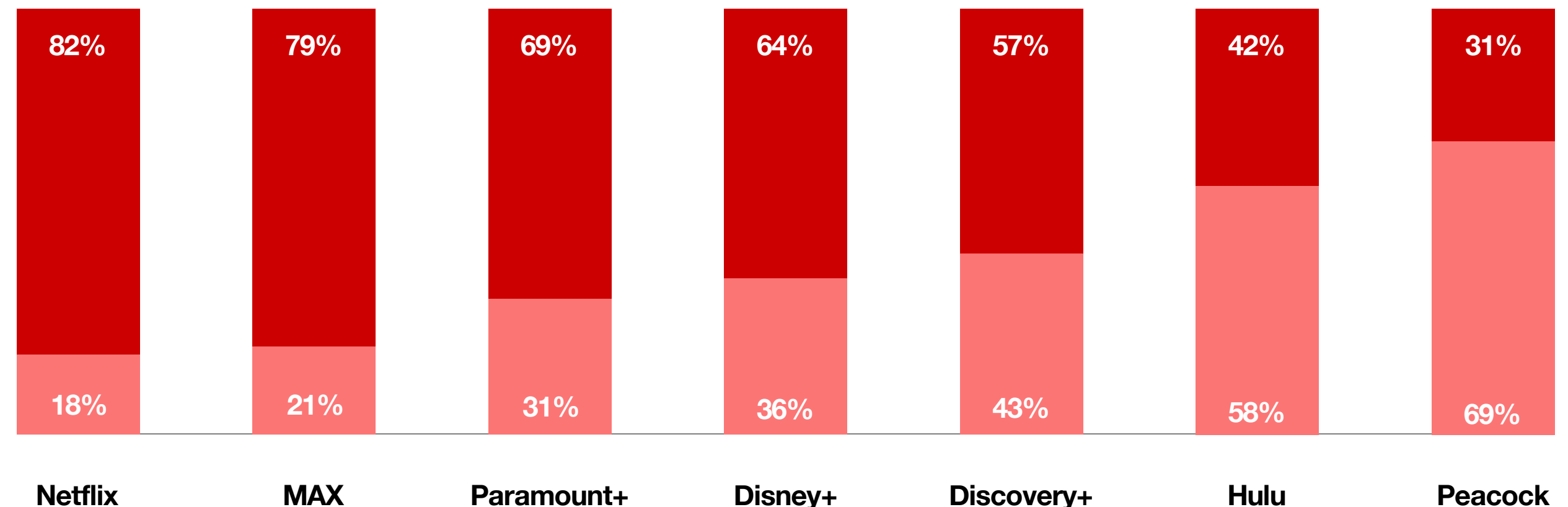
Premium SVOD subscriptions by plan tier

● Ad Free ● Ad Supported



Sign-ups by plan tier

● Ad Free ● Ad Supported



FAST is rapidly growing

\$11 Billion

**Predicted size of U.S.
FAST market by 2028**

Source: [Statista](#), January 2024

42%

**Adoption rate of FAST
in the U.S.**

Source: [Amagi](#), October 2023

From Q2 2022 to Q2 2023:

40% Growth in channel deliveries

20% Growth in ad impressions

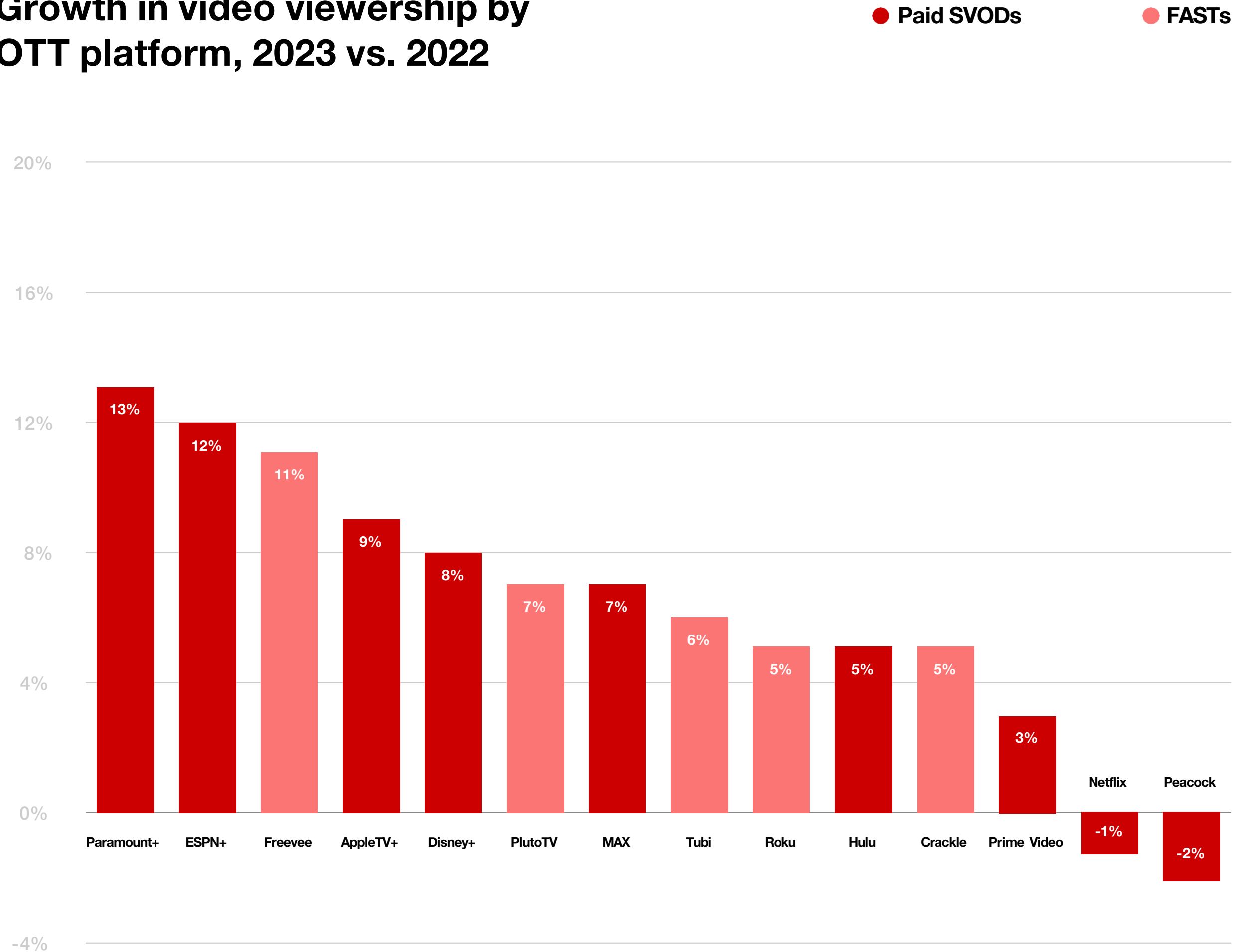
12% Growth in hours of viewing

Source: [Amagi](#), October 2023

FAST platform growth vs SVOD

All of the major FAST platforms saw growth in viewership from 2022 to 2023, while Netflix and Peacock saw a decline.

Growth in video viewership by OTT platform, 2023 vs. 2022



7 reasons why FAST is successful

01 **It's free!**

04 **It's already embedded in connected TVs.**

07 **It has long-retired nostalgic programming that connects emotionally with viewers.**

02 **It replicates a familiar broadcast TV linear model.**

05 **It has large amounts of both premium and library content.**

03 **It's easy to access and set up.**

06 **It has very narrow niche channels targeting fans of specific shows or genres.**

FAST players

Platforms

Streaming services where FAST channels are found.

ROKU

tubi



Content owners/creators

Media companies and other TV/movie content distributors.

Paramount

Disney



Hardware OEMs

Manufacturers who make connected TVs and their operating systems, which include an embedded FAST interface.

SAMSUNG



VIZIO

Cloud master controllers

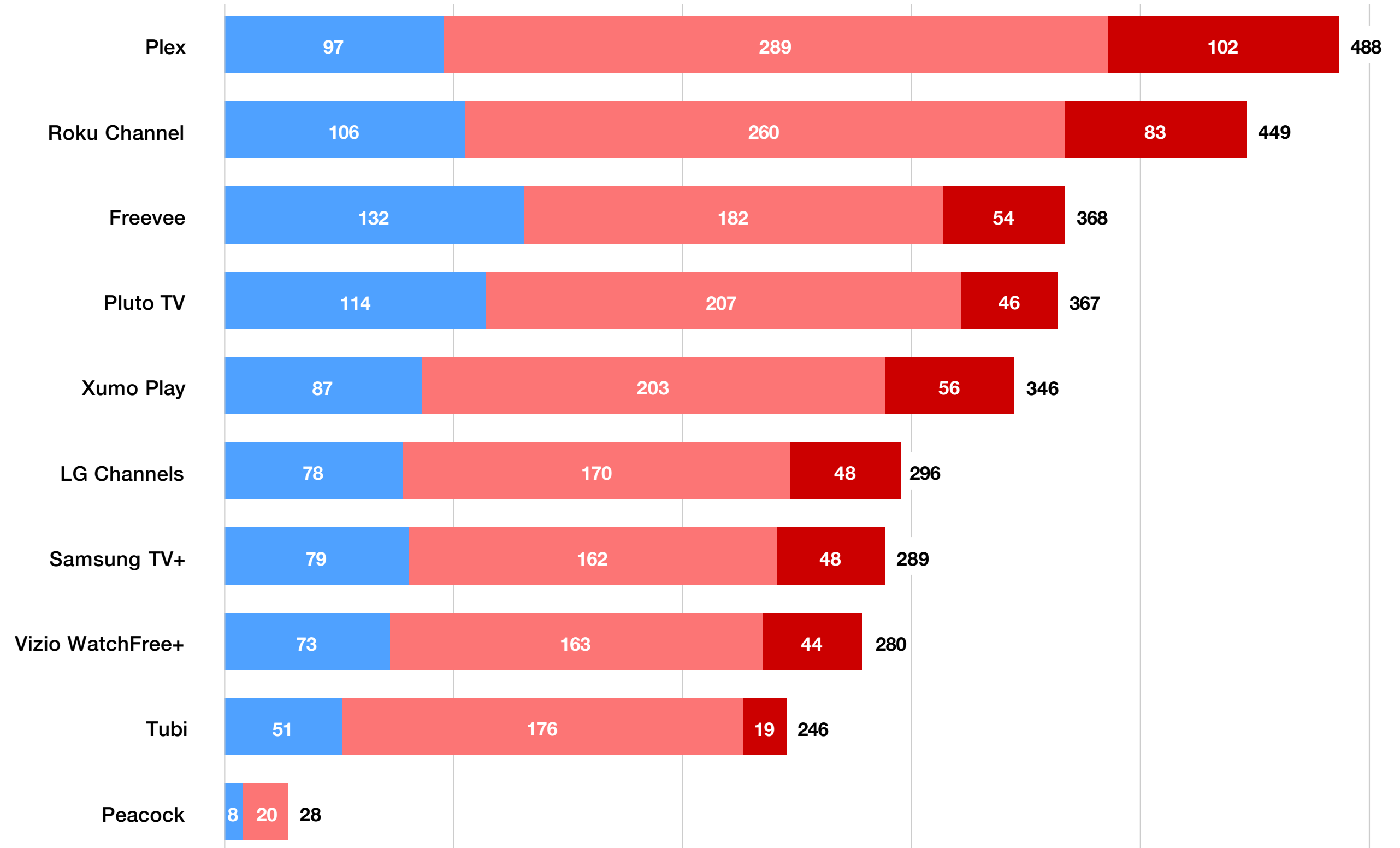
Companies that enable content owners to launch and manage FAST channels, including ad insertion.

amagi

bitcentral

Which platform has the most channels?

Total number of channels on selected U.S. FAST Platforms



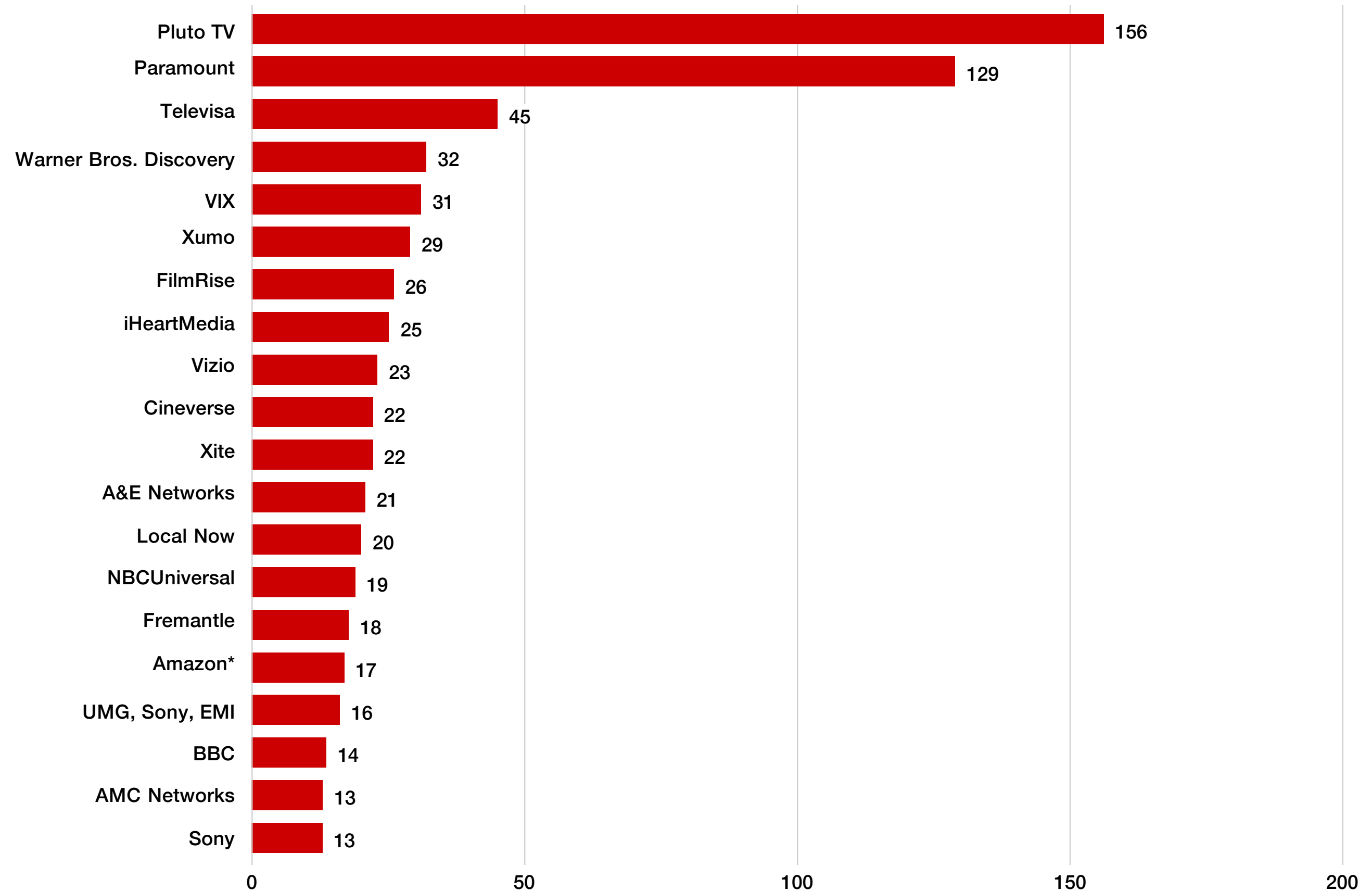
Source: [3Vision FAST Tracker](#), September 2023

Who owns the most channels?

Note: Owners are entities that have created a unique FAST channel either with owned or licensed content. That channel may appear on multiple FAST distribution platforms but is only counted one time.

In some cases, owners are also distribution platforms. For example, Pluto TV is a platform that has created a large number of its own FAST channels.

Top 20 Owners of Unique FAST Channels

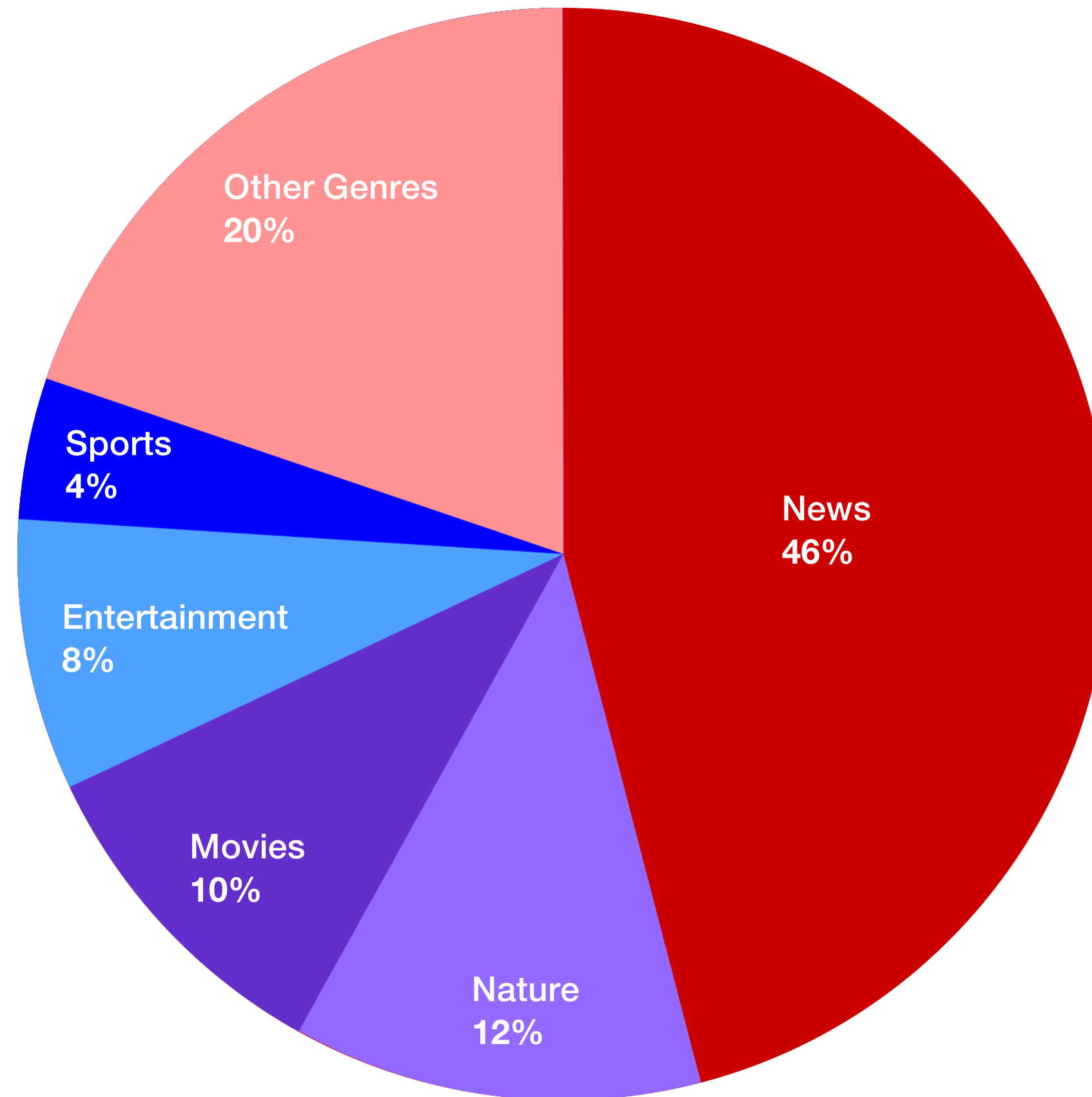


*FreeVeve adds another five
Source: [IndieWire](#), June 2023

What are people watching?

Of the 842 local news stations in the U.S., 218 have introduced their own FAST channels.

Top 5 FAST genres in Q2 2023 in the U.S. by viewership



Local news by platform

Local news channels far outweigh the number of national or international news channels.

News FAST channels available on FAST Services

	Business	International	Local	National	Weather	Opinion
Local Now	5	2	66	5	1	3
Haystack News	4	3	44	3	0	1
News by Fire TV	4	2	18	8	2	1
Plex	4	9	7	5	2	1
DistroTV	4	8	6	3	0	4
Vizio WatchFree+	4	2	3	9	1	4
Samsung TV+	4	0	1	12	1	3
Tubi	3	2	48	7	2	0
Pluto TV	3	2	14	9	1	6
LG Channels+	3	2	14	10	2	2
Roku Channel	3	5	8	8	3	4
Redbox	3	1	10	5	1	0
Sling Free	3	1	0	7	0	1
STIRR	3	0	2	2	1	1
Sports.TV	2	0	28	0	1	1
Xumo	1	0	16	5	2	0
Very Local	0	0	28	0	0	0
Peacock	0	1	6	2	0	0
ViX	0	4	0	2	0	0
Freevee	0	0	0	3	1	0

Benefits for content owners

**New source
of incremental
revenue**

**Ability to reach new
audiences**

**Non-exclusive
deals with FAST
platforms**

No carriage fees

**Connected TV
viewership data**

**Additional ad extensions/
opportunities**

Challenges to overcome

While subscribers have been flocking to FAST, there are a few issues plaguing services:

01

The number of channels available can be overwhelming.

02

It's a hassle for viewers to discover content and content providers to capture attention.

03

Lack of personalized recommendations.

04

Limited on-demand options.

05

The number of FAST platforms with overlapping content makes it difficult to choose which to use.

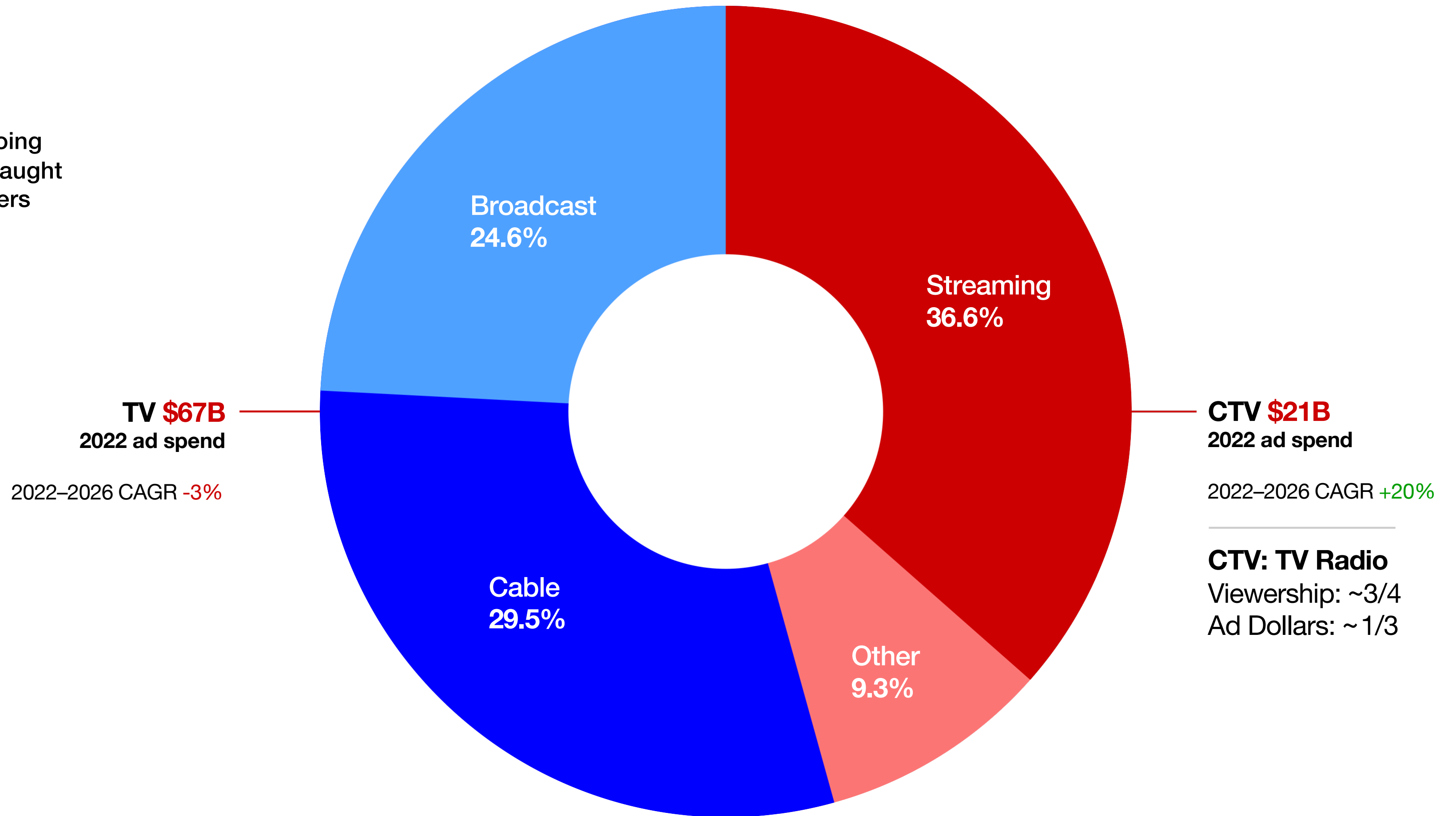
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Monetization

**Where the ad dollars are now and
where they're projected to go.**

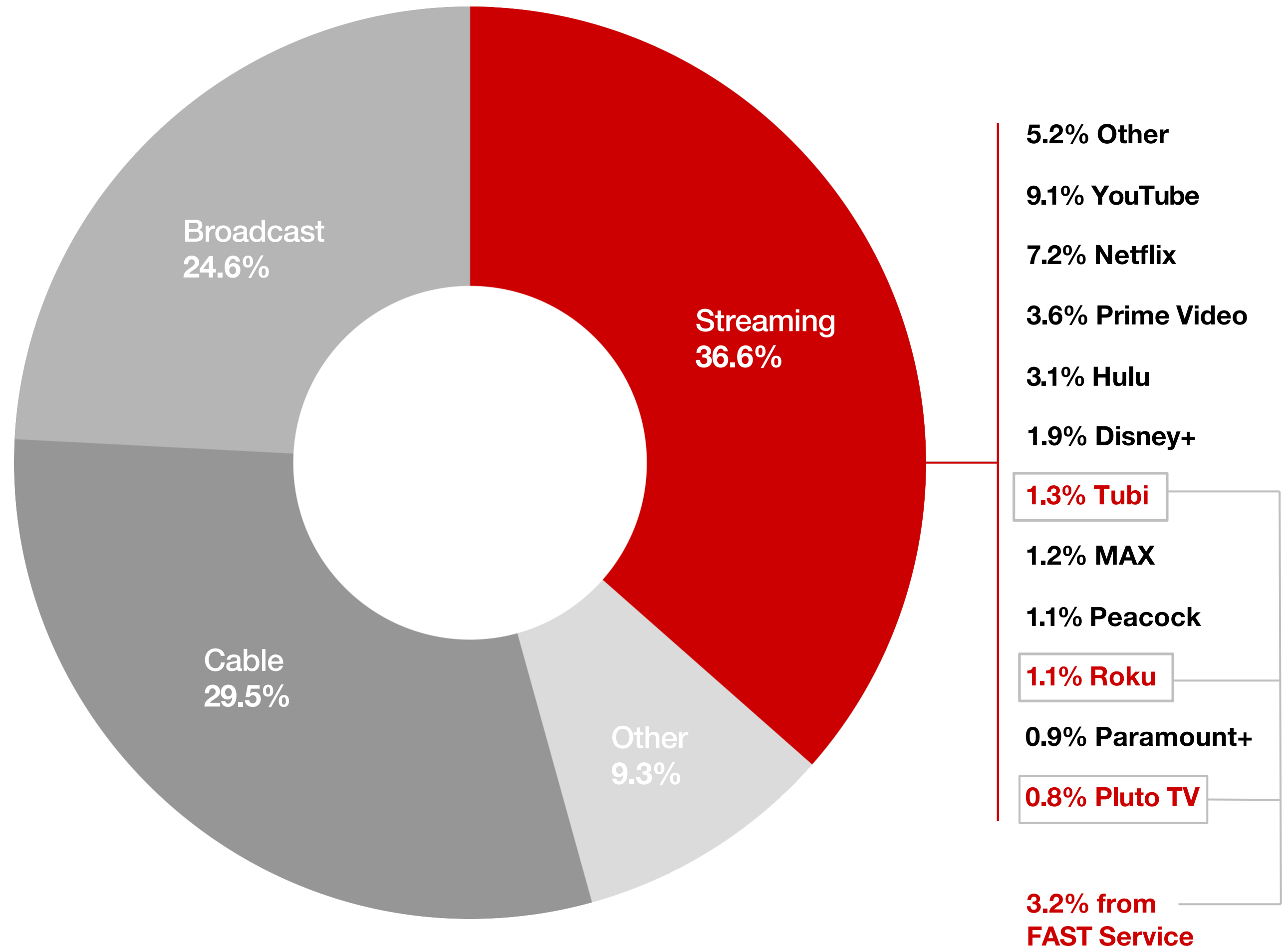
Ad dollars lag viewership

The proportion of ad dollars going to Connected TV has not yet caught up with the proportion of viewers adopting CTV.



FAST is well positioned

FAST currently has only a small portion of CTV ad dollars giving it a lot of headway to capture the shifting ad dollars.



“Not only do media companies generate more revenue per user within an ad supported option, but the potential for growth is much greater.

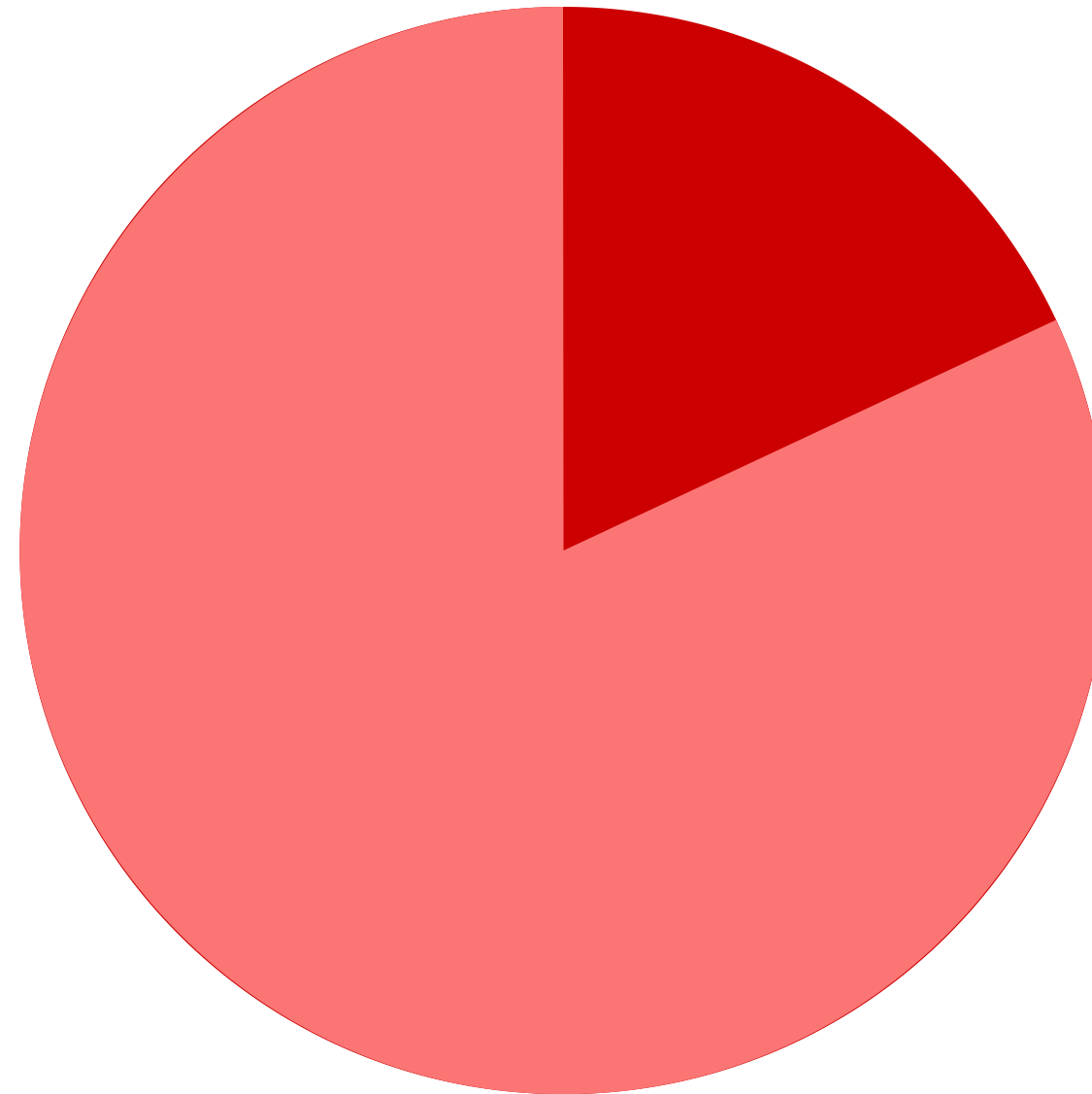
Ultimately, there’s a limit to how much viewers will spend on subscriptions. Economic pressures on the consumer, right now, are increasing the appeal of a free or low-cost option, that is supported by ads. However, this model is only sustainable if the ad load is significantly lower than traditional linear TV. And the only way we get there is if the ads are relevant to the viewer, so that advertisers are willing to pay more for each of them.”

— Jeff Green, CEO of The Trade Desk

Less ads = happy viewers

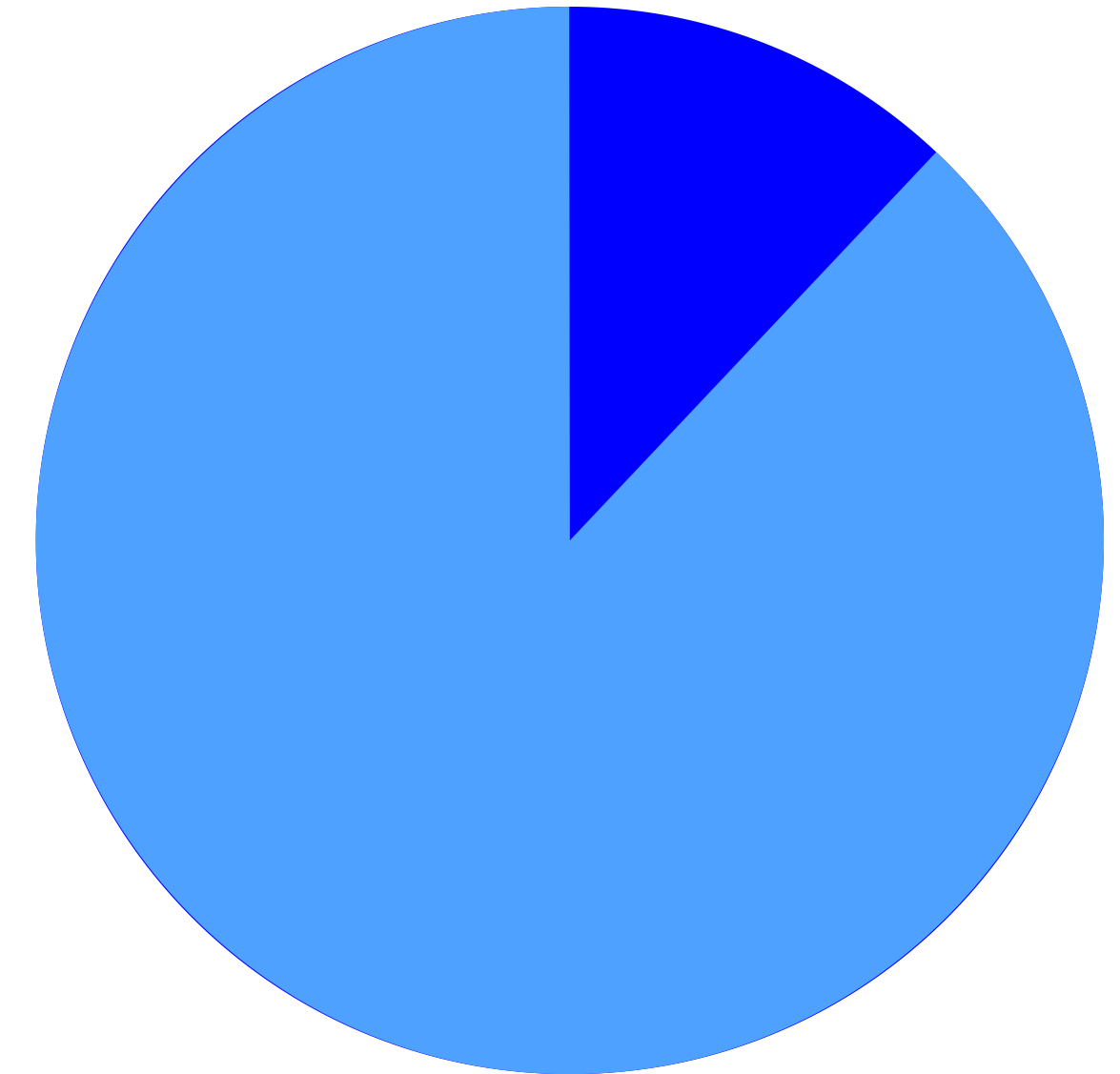
FAST has a reduced amount of ad breaks per hour.

Traditional linear TV



• **16–18 mins per hour**

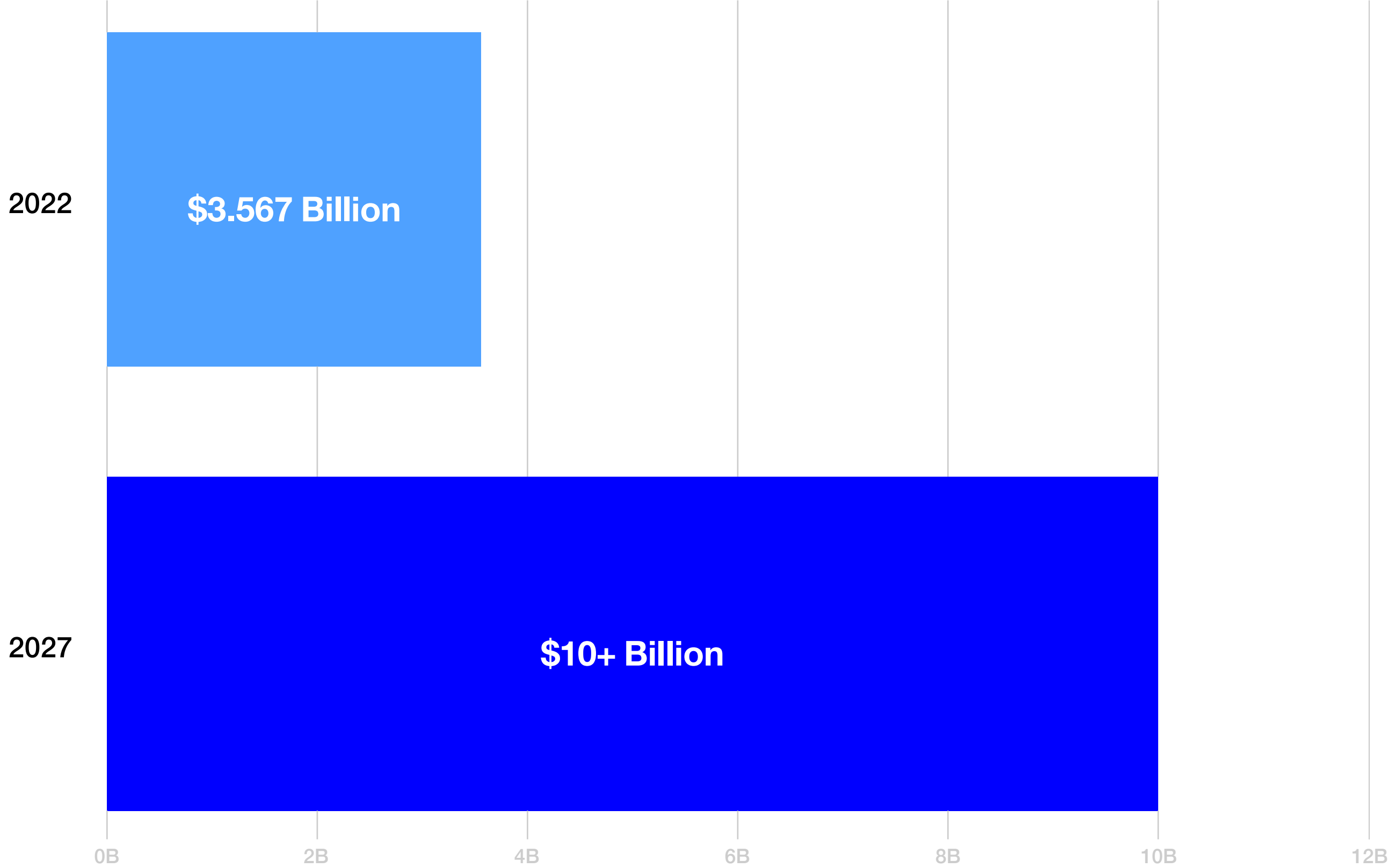
FAST



• **8–12 mins per hour**

Revenue is predicted to rapidly grow

FAST revenue in the U.S. is projected to nearly triple by 2027.

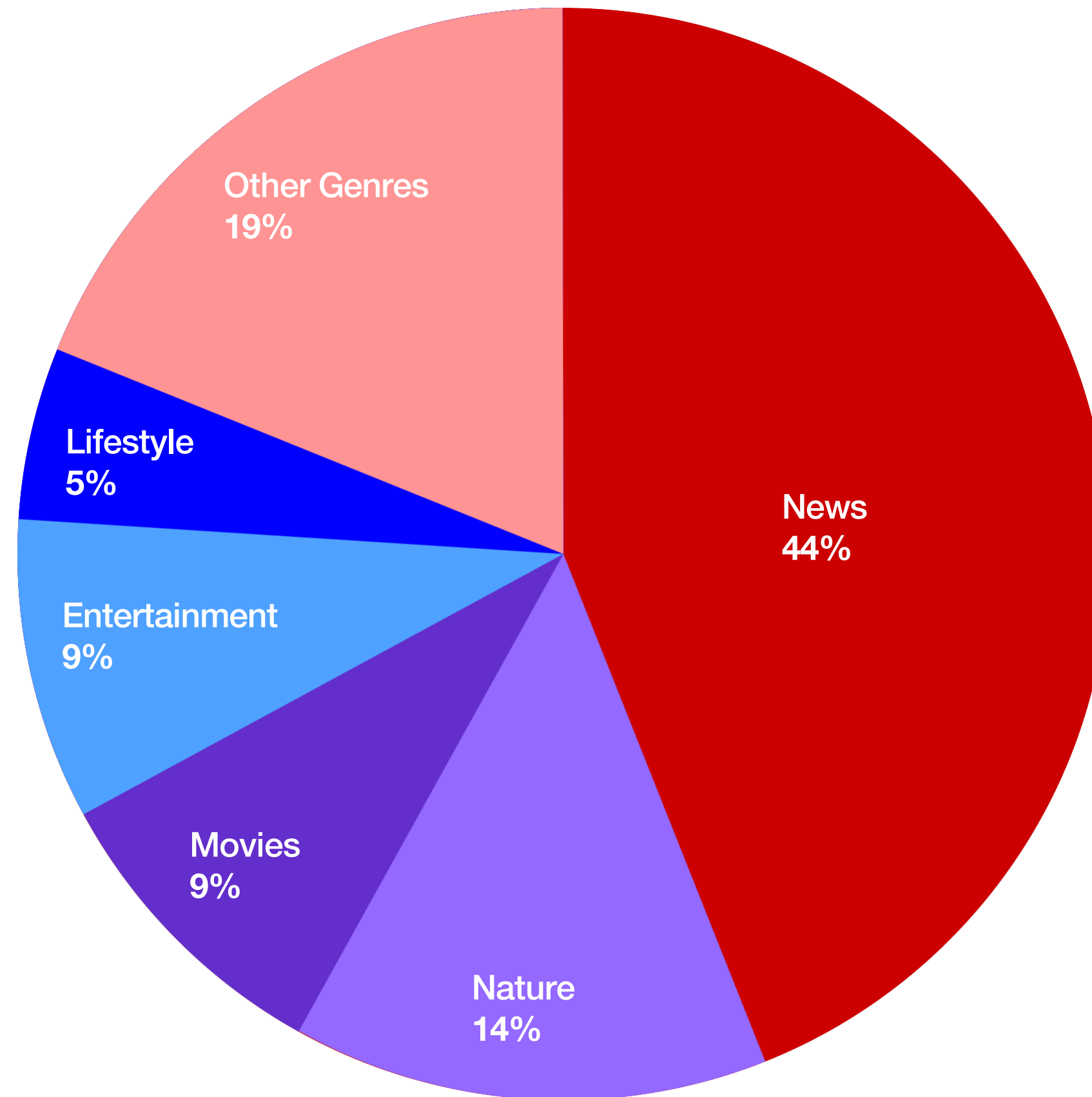


Source: [OMDIA](#), January 2023

Top genres by ad impression

News outperforms all other genres.

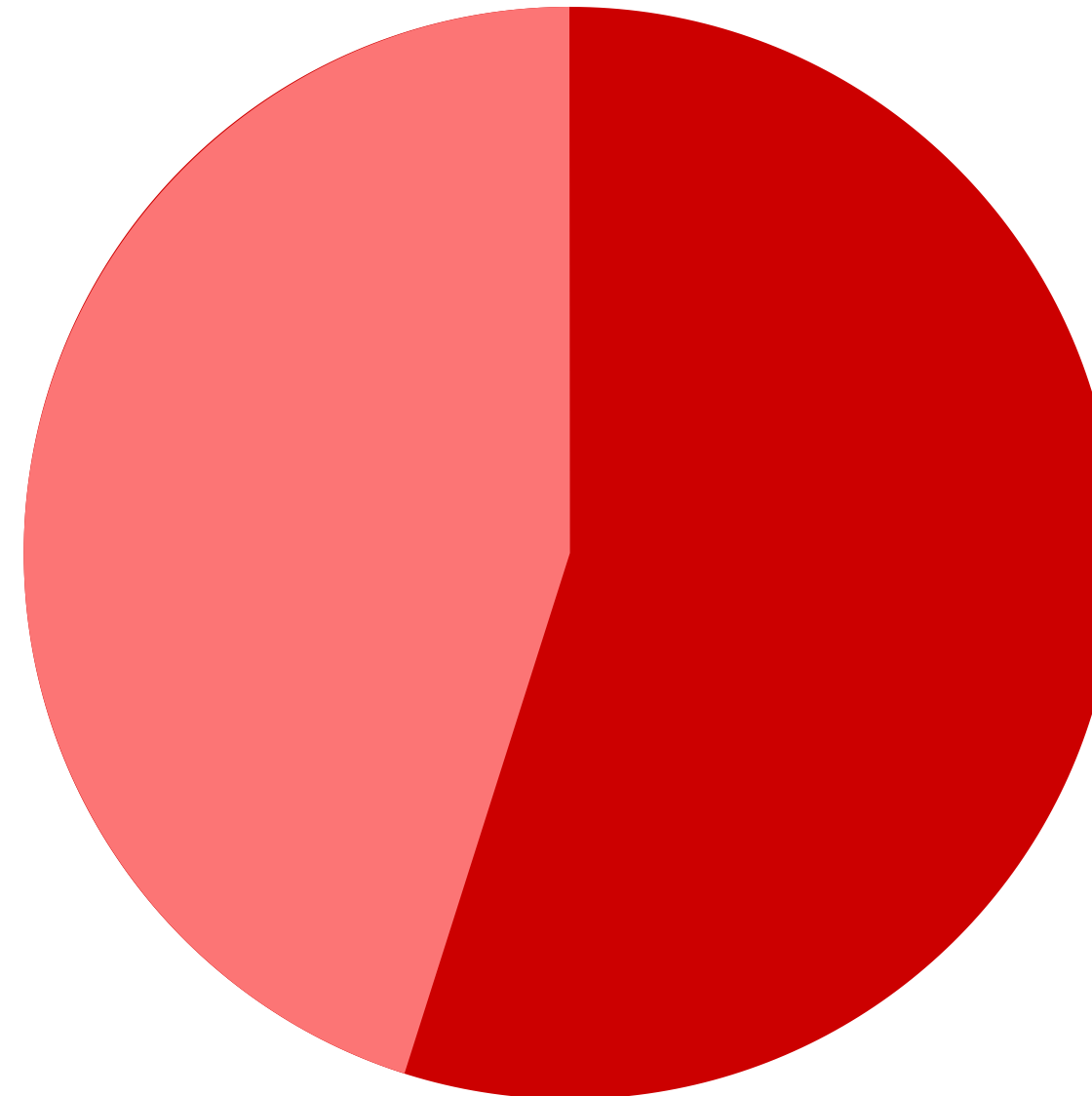
Top 5 FAST genres in Q2 2023 in the U.S. by ad impressions



How revenue is split

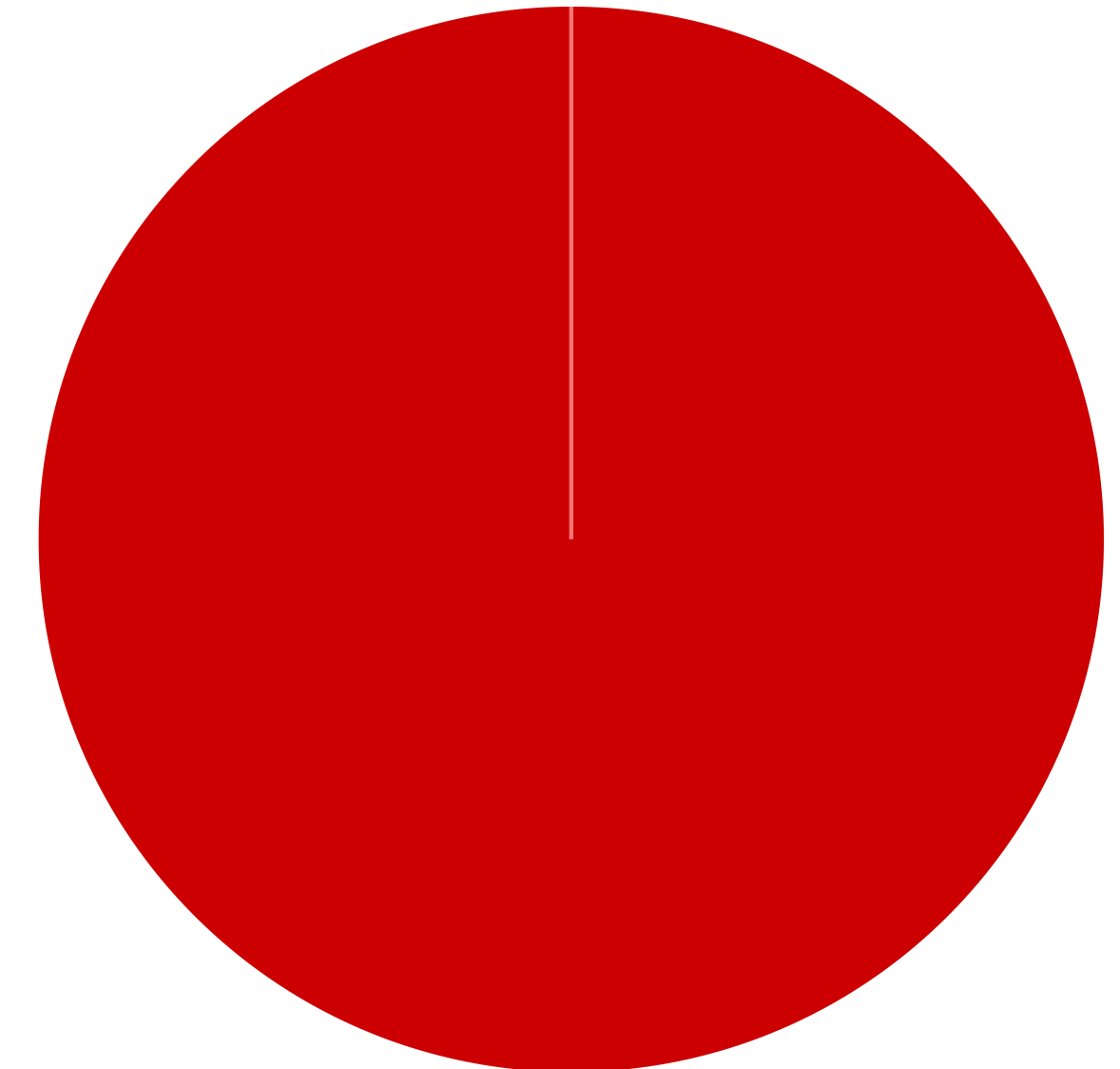
There are two revenue models for FAST.

Inventory Share



- 50–60% sold by content provider
- 40–50% sold by FAST service

Revenue Share



- 100% sold by FAST service
Content provider still receives 50–60% of revenue

Ads can be highly targeted

Server-side ad insertion (SSAI) enables ads that appear on FAST TV to be personalized based on context and content. These ads are stitched into the video stream on the server side. There are multiple dimensions to SSAI:

Pod building

Stitches multiple ads together into one back-to-back commercial break, much like ads on linear TV.

Contextual advertising

Targets viewers with ads based on the content type or genre they're watching, e.g., ads for a grocery delivery service when watching cooking shows.

Content localization

Geo-targets ads based on the viewer's region, e.g., ads for swimsuits for viewers in warm locations.

Per-user playlist

The most personalized ad break targets viewers based on known viewing habits, location, demographics, interests, and behaviors.

Opportunities for improvement

The ad experience has not been optimized based on FAST service capabilities or viewer desires.

01

80% of viewers ignore ads, choosing to mute the TV, check their phone, or leave the room.

03

78% have never made a purchase through an interactive ad.

05

A generic ad slate is shown when there isn't an ad available to be served to a particular viewer due to a frequency cap or unfulfilled inventory.

02

54% expressed a negative inclination for interactive ads.

04

Advertisers reuse the same monotonous :15 and :30 ads made for broadcast and cable TV, even though they are not restricted to those lengths.

06

The power of FAST personalization is underutilized. 50% of viewers find it useful while 10% wish they received it.

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Key takeaways

Four key takeaways

01

FAST is rapidly growing in audience and revenue while traditional viewership is declining.

02

The rise of CTV and cord cutting will continue to fuel FAST growth.

03

Local news is one of the most popular genres on FAST services.

04

FAST represents a new source of revenue and an opportunity to reach new audiences.

FAST 101

Up next...

**In part two of this series,
we will focus on local news
stations and the factors
involved in the decision to
invest in FAST.**

Topics include:

Common questions

Pros

Best practices

Considerations

Examples from news organizations

How to get started



To learn how CNN Newsource can help you in your FAST journey, contact us at:

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