WHITE PAPER

The FAST Guide: Monetizing Content via Free Ad-supported Streaming TV

FAST (Free Ad-supported Streaming Television) is the fastest-growing OTT distribution model, and content owners and aggregators are increasingly looking to generate revenue by licensing their media assets to or launching their own FAST platforms.

We created this guide to help content sellers learn more about the FAST market landscape and monetizing content on FAST. You'll find answers to the following:

- What is FAST?
- Why are FAST platforms gaining rapidly in both revenue and viewership?
- Who are the market leaders in FAST?
- What types of content succeeds on FAST channels?
- What are the key monetization challenges for content sellers and FAST platform providers?
- How will the FAST market change in the future?

What is FAST?

FAST is an OTT (Over-The-Top) content distribution model where service providers distribute television and movie channels — known as FAST channels — in a linear format over the Internet.

FAST channels are free to watch for audiences, with no subscription fees and often no sign-up required. FAST service providers monetize their viewers by delivering targeted advertisements as part of the viewing experience.

FAST is one of two ad-supported distribution models for OTT video streaming, with the other being AVOD (Ad-supported Video-On-Demand). Many free video streaming services today offer both linear and on-demand content with ad-based monetization, making them simultaneously FAST and AVOD service providers.

Why FAST is growing so...Fast

Audiences are feeling overwhelmed by the massive content libraries available on SVOD (Subscription Video-On-Demand) services and frustrated by the number of subscriptions required to keep up with their favorite shows.

This phenomenon, known as subscription fatigue, is one reason why market penetration for SVOD services in the United States and Europe declined for the first time between Q1 and Q2 2022.

Audiences are searching for a more casual, "lean back" viewing experience that can supplement their SVOD streaming without the pain of subscription management and additional costs. That's exactly what FAST service providers are delivering: a convenient, accessible, media streaming experience with no subscription fee that feels just like watching linear television – but with appealing new content choices and fewer ads.

FAST services have been rapidly growing in viewership since 2020, creating new opportunities for content sellers to connect with audiences and generate revenue by monetizing their video assets on FAST platforms.

FAST service usage by US internet households, 2018-2022 (%)

	Q1'18	Q1'19	Q1'20	Q1'21	Q1'22
Pluto TV	3	8	13	15	20
Peacock (free)	-	-	-	13	20
The Roku Channel	-	13	17	18	19
Tubi	4	6	10	15	19
Freevee	-	-	6	9	14
Samsung TV Plus	-	-	-	-	8
Watch Free with Plex	-	-	-	-	6
Redbox Free Live TV	-	-	-	-	4
LG Channels+	-	-	-	-	4
VIZIO WatchFree+	-	-	-	-	4
Xumo	-	-	-	-	3
STIRR	-	-	-	-	2

Source:
S&P Global Market Intelligence

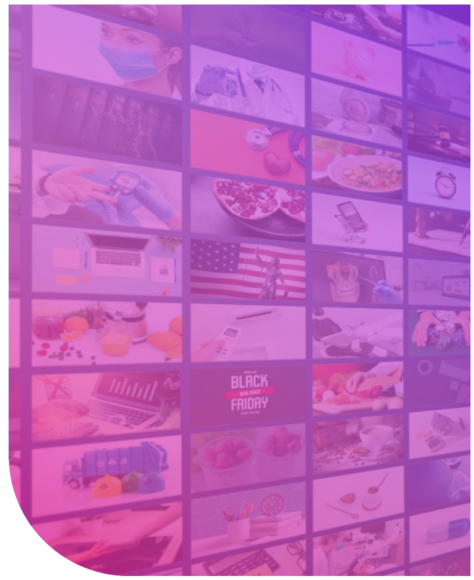
Getting to know the FAST market landscape

Overview of the FAST Market

FAST is a relatively new distribution model for OTT video streaming. While the first SVOD and AVOD services were launched in the mid-2000s (Netflix, Hulu, and Amazon Unbox, the precursor to Amazon Prime Video, all launched in 2006), the FAST model first appeared with the launch of Pluto TV in 2014.

Since then, the FAST market segment has continued to expand with Pay TV providers, SVOD/AVOD providers, and OTT media start-up companies launching their own FAST service platforms to the public.

Despite their relatively late entry into the OTT video streaming marketplace, FAST services are reaching a wide audience and generating significant revenue. In a 2022 survey of U.S. media consumers, 55% of respondents said they were regularly accessing content on at least one FAST platform. Research from S&P Global estimates that total revenues generated by FAST streaming platforms will approach $4 billion in 2022 and are projected to reach $9 billion by 2026.



The FAST market includes 20-30 streaming service providers, with the three largest – Pluto TV, Peacock, and Tubi – generating roughly two-thirds of all FAST revenue. Freevee and The Roku Channel are also popular, while newer up-and-coming FAST services are still finding ways to differentiate themselves and build an audience. FAST services like LG Channels+, Samsung TV+, and VIZIO Watchfree+ are offered by Connected TV manufacturers as a built-in product feature.

Leaders in the FAST market

Pluto TV

Pluto TV was a pioneer in the FAST market segment, launching in 2013 and releasing the beta version of its ad-supported streaming TV service in 2014. The independent business was acquired in 2019 by Viacom, who merged with CBS Corporation to form ViacomCBS in the same year, and in 2022 rebranded as Paramount Global.

Pluto TV offers more than 250 virtual streaming channels across categories that include Entertainment, News, Comedy, Sports, and Classic TV. Some content on Pluto TV is streamed in real-time from live broadcast playouts, while other channels consist entirely of licensed media. Pluto TV is increasing its viewership, with 68 million monthly active users reported as of Q2 2022. Ads on Pluto TV generated just $210 million in 2019, but the platform is expected to generate $1.14 billion in advertising revenue for the year 2022.

Peacock Channels

Peacock was launched in 2019 by the TV and Streaming division of NBCUniversal, a subsidiary of Comcast.

Peacock Channels delivers a mix of live and on-demand programming, featuring content from studios like Nickelodeon, Showtime, The History Channel, ABC, and CBS. The platform offers new episodes of NBC's current season shows, one week after they air on traditional broadcast, cable, and satellite television.

Peacock Channels offers a free ad-supported version of its platform, and a premium subscription-based version with no more than 5 minutes per hour of advertisements. As of September 2022, Peacock has more than 60 million registered users, 30 million monthly active accounts, and 15 million paid subscribers. The platform is expected to generate more than $2 billion in revenue in 2022, with most of that revenue coming from subscriptions rather than advertising.

Tubi
Tubi was launched in 2014 by Los Angeles tech entrepreneurs and acquired in 2020 by the Fox Corporation.

The platform features more than 40,000 on-demand movies and television shows, as well as 200+ FAST channels. Tubi's channel line-up includes national and local news, specialty sports, nostalgic movies and TV, reality game shows, and niche content like Lone Star and the Bob Ross Channel.

Tubi reported 51 million monthly active users as of Q2 2022 and is expected to generate $700 million in advertising revenue for the year. A mid-2022 survey found that while 20% of Tubi users are watching FAST channels, upwards of 70% are still exclusively streaming content on-demand.

The Roku Channel
The Roku Channel is an AVOD/FAST service launched by Roku Inc. in 2017. The service offers more than 40,000 on-demand titles, as well as 300 FAST channels. Roku has content licensing deals with large media owners (e.g. Sony Pictures, Warner Bros, Paramount Pictures, and others), and offers a diverse channel line-up that includes news, weather, sports, true crime, movies, music, and more.

Roku's platform generated $2.285 billion in revenue in 2021 (mostly ad revenue) and reported having around 63.1 million active users in Q2 2022.

Amazon Freevee
Freevee was launched in 2019 under the name IMDB Freedive by the Amazon-owned International Movie Database (IMDB). The platform later changed its name to IMDB TV. In 2020, IMDB TV's content team moved to within Amazon Studios and the platform was rebranded as Freevee.

Amazon Freevee offers a mix of original programming and third-party licensed content across thousands of on-demand titles and more than 120 FAST channels. Amazon hasn't released details on the specific viewership or revenue performance of Freevee, but the company did say in May 2022 that it had 120 million monthly active users across all of its ad-supported video content.

Up-and-coming FAST services

The FAST leaders listed above are leading the pack when it comes to viewership and revenue, but they aren't the only options available. A growing number of up-and-coming FAST services are working to capture market share by differentiating themselves with innovative features and unique content offerings.

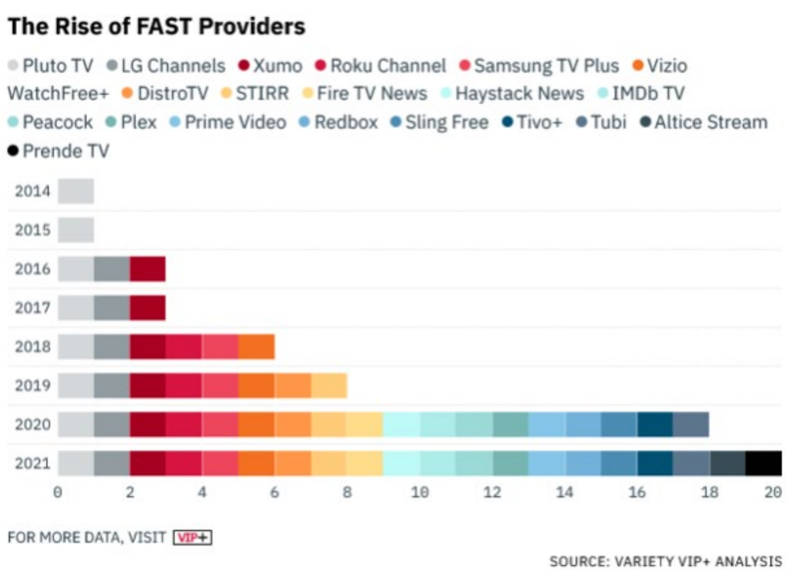
- **Xumo** was launched in 2011 and acquired by Comcast in 2020. The platform offers more than 190 FAST channels and reaches 40 million monthly active users in 2022.

- **Crackle** is a FAST/AVOD platform owned by Chicken Soup for the Soul Entertainment with 40 million monthly active users in the U.S.
- **DistroTV** is the largest independent FAST/AVOD platform with 270+ FAST channels and thousands of hours of on-demand video content.
- **Sling Free** is the free ad-supported version of Sling's Live TV streaming service, featuring 150+ live TV channels.
- **Plex** is both a FAST/AVOD streaming service (with 50,000 free titles and hundreds of FAST channels) and a client-server media player for hosting user-owned music, video content, and photos.
- **Redbox Free Live TV** is a FAST service launched in 2020 by Redbox, a subsidiary of Chicken Soup for the Soul Entertainment. The platform offers content licensed from Lionsgate, Cinedigm, FilmRise, TMZ, and other media owners.
- **ViX** is a Spanish-language FAST streaming service owned by TelevisaUnivision, with more than 50,000 hours of content and 100+ live FAST channels.

CTV FAST services

Some manufacturers of Connected and Smart TV products have launched their own FAST services. These FAST services may be accessible as a standalone app, or they may function by integrating digital FAST channels into the customer's cable TV lineup.

- **Samsung TV Plus** is a FAST/AVOD service with 200+ live channels and 1000s of on-demand movies and shows. It's available for free on Samsung Smart TVs and select Galaxy mobile and tablet devices.
- **LG Channels** is a FAST service, powered by Xumo and included with LG Smart TVs, that integrates more than 100 FAST channels into the viewer's broadcast or television lineup.
- **VIZIO Watchfree+** is a FAST service with 250+ channels that's available on VIZIO Smart TVs.



Source: Variety

What types of content should I put on FAST?

The majority of FAST platforms carry between 100 and 300 digital channels. A handful of those channels will show original content made just for FAST, but the majority will feature licensed content that is often available on multiple FAST services.

As of July 2022, there were 1,400 unique FAST channels available to platform audiences in the United States.

Here's a quick breakdown by genre of the content you can expect to find on FAST services:

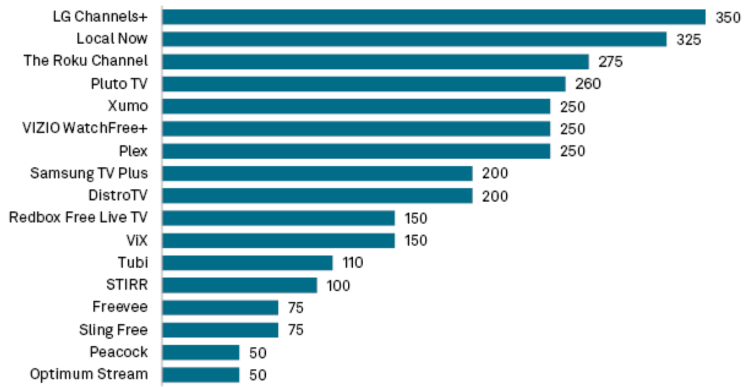
- **National/World News and Opinion** from major networks including CBS, ABC, NBC, CNN, Fox, and Bloomberg Television.
- **Local News** from networks like NBC, WeatherNation, and ABC appears on FAST services with channel availability based on the viewer's location.
- **Entertainment** channels like Vice, Nosey, People TV, Chicken Soup for the Soul, TV Land Sitcoms, and ET Live.
- **Crime** channels like Law and Crime, Court TV, Real Crime, and Forensic Files.
- **Game Shows** are common in FAST, with notable examples including Fear Factor, Deal or No Deal, Wipeout Xtra, and Buzzr.
- **Niche Sports** are carving out an audience on FAST platforms, with channels dedicated to Golf, Drag Racing, Surfing, Poker, Pro Wrestling, Billiards, Kickboxing, and more.
- **Food, Home, and Travel** is a wide category of FAST channels with content related to cooking, interior design, home renovation, real estate, and world travel. Examples include Food Safari, Hell's Kitchen, and This Old House.
- **Reality TV** reruns are frequent choices for FAST channels, including Project Runway, Kitchen Nightmares, and Operation Repo.
- **Comedy**-themed FAST channels like FAIL Army, Chive TV, and The Pet Collective are available on multiple services.
- **Gaming**-themed FAST channels include IGN, Minecraft TV, and live Gameplay channels for Fortnite, Roblox, and Call of Duty.
- **Kids** can tune into age-appropriate FAST channels like PBS Kids, The LEGO Channel, and Nick Pluto TV.
- **Movies** are popular on FAST, with dedicated movie channels from content owners like Paramount, Hallmark, FilmRise, and Cinevault.
- **Science and Nature** content is widely available on FAST, with channels like Love Nature 4K, TED, and Xplore.
- **Music** channels are available on FAST streaming platforms, including nostalgic channels like XITE 90s flashback and themed channels like Vevo Country and Vevo Pop.

While new and mainstream content may be more effectively monetized on SVOD platforms, nostalgic and niche content is increasingly finding its way onto FAST platforms. For example, there are FAST channels that exclusively play the following classic TV shows:

- The Degrassi Channel
- 21 Jump Street
- Midsomer Murders
- Hell's Kitchen
- Kitchen Nightmares
- Hawaii Five-O
- Baywatch
- Doctor Who
- Teenage Mutant Ninja Turtles
- American Gladiators
- Cops
- Dog the Bounty Hunter
- The Addams Family
- Naruto
- Star Trek
- Johnny Carson TV
- Survivor
- Stargate

Source: S&P Market Intelligence

Approximate total channels available at select FAST services, June 2022



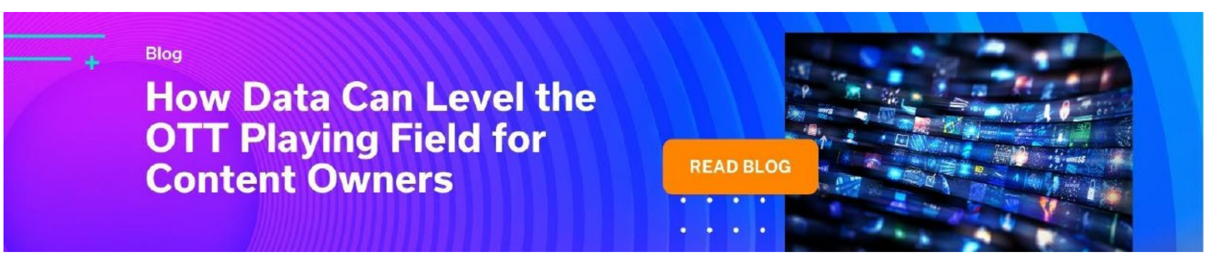
Data compiled June 2022.
FAST = free ad-supported TV
Channel lineups change frequently and totals are for approximate channels available.
Sources: Company data; industry data; Kagan estimates
Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.

Monetizing video content on FAST platforms

FAST platforms must license television, film, and video content from the owner/aggregator before it can be monetized on their platform. In exchange for these rights, content sellers receive either a flat buy-out fee or an ongoing share of advertising revenue generated by their content.

The terms of licensing agreements can vary substantially based on the perceived value of a content asset and the relative negotiation positions of the content seller and the distributor. If a content asset is expected to attract a large viewership, the content seller can negotiate a greater share of the benefits.

Content sellers can better prepare for these negotiations by leveraging the data stored in content data aggregation platforms like **Revedia Digital**.



FAST monetization challenges for platform sellers

Driving Audience Engagement

Maximizing FAST subscriber engagement is a core objective for FAST platforms competing for a bigger share of the market. The most important audience engagement metrics for FAST platforms are **monthly active users** and overall **hours streamed per month**.

FAST platforms generate revenue based on the quantity and value of ad placements they sell. To serve more ads and generate more revenue, FAST platforms need to build engagement by growing their audiences and delivering high-quality content that keeps viewers glued to the screen and coming back on a regular basis. The more hours a streaming platform delivers each month to all its users, the more opportunities it has to generate revenue by displaying ads.

Increasing Average Revenue Per User

Besides driving audience engagement with desirable content, the other big challenge for FAST services is increasing Average Revenue Per User (ARPU).

While a cable TV package normally costs $100-$200/month and the average Netflix subscriber pays around $16/month, leading FAST platform Pluto TV recently reported that its monthly ARPU across 68 million active users is just $2.54. If FAST providers want to compete on revenue with Pay TV and SVOD, they will eventually need to generate more revenue per user.

FAST platforms can grow ARPU by increasing hours streamed per user per month (driving engagement), or by improving the quality of ad targeting systems. A more targeted approach delivering ads increases the value of those ad placements, allowing FAST platforms to generate more cash while showing the same number, or even fewer ads.

FAST monetization challenges for content sellers

Aggregating and normalizing data

To maximize the value of their media assets, content sellers monetizing with FAST must carefully track, aggregate, and manage data related to content performance, distributor revenue, and overall financials.

But each FAST platform operates differently, submitting payments, data, and documentation in different forms and with a different cadence. As a result, aggregating and normalizing data from FAST distributors is a hands-on and labor-intensive process for content sellers.

This makes it time-consuming and expensive to extract insights from data that can support the process of selling, negotiating, and managing FAST licensing terms.

Comparing FAST Platforms

Content sellers often lack adequate tooling to track, evaluate, and compare the performance of FAST platforms when it comes to generating revenue from their content.

Tracking and comparing the value of content on a per-platform or per-distributor basis helps content sellers understand which platforms are driving content revenue performance, how that performance is impacted by licensing through other channels, and how to adjust overall **content monetization strategies** to increase revenue.

Forecasting Future Performance

Forecasting future performance is a key aspect of strategic planning for any business, but content sellers licensing to FAST often lack the capability to forecast future demand, views, audience growth, and platform performance for their content assets.

The future of FAST

FAST vs Linear Pay TV

Despite a ten-year trend of declining viewership, Pay TV continues to out-earn competing content distribution models by a wide margin. While all FAST services in the United States generated an estimated $2.6 billion in ad revenue during 2021, traditional Pay TV services earned $69.9 billion through advertising and another $85 billion from subscription revenue.

Free ad-supported streaming video services are projected to generate $6.1 billion annually by the year 2025, but it will likely take multiple decades for **FAST platforms to generate more revenue than Pay TV** – if it ever happens at all.

More FAST channel proliferation

Beginning in 2020, both the number of FAST service providers and the number of available FAST channels has increased rapidly. In July 2020, there were just 550 FAST channels available in the U.S., a figure that grew to over 1,000 by September 2021 and stands at more than 1,400 today.

While traditional cable TV channels are usually organized around a core theme or genre, FAST channels can be much more niche, sometimes exclusively airing just one show. This creates a huge amount of space for new and diverse FAST channels with a variety of niche, nostalgic, and original content.

The rise of FAST originals

Up until now, free ad-supported streaming TV providers have mainly expanded their content offerings through licensing agreements with content sellers. That's about to change though, as for the first time in 2021 we saw FAST streaming platforms Roku, Tubi, and Freevee commissioning original movies and TV shows for distribution on FAST. Freevee signed a deal with Judge Judith Sheindlin (Judge Judy) for a new reality TV court series, the Roku Channel is partnering with Martha Stewart and Emeril Lagasse to develop seven new culinary channels, and Tubi has already released 30+ original films – primarily in the thriller, rom-com, horror, documentary, and true crime genres.

As the FAST viewing model grows in popularity, FAST TV service providers will not only compete to license desirable content, they'll also release FAST originals carefully designed to attract and engage new audiences.

Monetize your content on FAST with Revedia Digital

SymphonyAI Media helps content sellers and FAST platform providers harness their data to better monetize television, film, and video content assets in the competitive OTT video streaming marketplace.

Our Revedia Digital platform offers data intelligence and AI-driven capabilities for content sellers who monetize media assets via FAST, SVOD, AVOD, and TVOD. With Revedia Digital, content sellers can:

- Automate content licensing workflows and eliminate repetitive tasks.
- Aggregate and normalize data from multiple FAST distributor partners,
- Measure the value and ROI of content assets to optimize distribution, platform selection, and revenue models,
- Track every aspect of financial performance in a single location, and
- Manage revenue recognition, detect revenue leakage, and assure distributor compliance with licensing agreements.

Ready to Learn More?

Schedule an interactive demo of Revedia Digital or watch the free on-demand webinar "**Intro to Revedia Digital**" to see why Revedia is the platform of choice for content sellers monetizing assets on FAST.