

# Understanding FAST

Commissioned by



# ZTHIS REPORT

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## An Introduction From Blue Ant Media

**W**elcome to the first edition of Understanding FAST, which we've commissioned as a gift to the broader content community with the goal of demystifying the world of free ad-supported streaming television (FAST). As channels and operators have galloped into this brave new world with zeal, many in the production community have been left wondering what FAST is and more importantly, what it can do for them.

At Blue Ant Media we have been at the vanguard of the FAST evolution. In 2020, we launched Love Nature as a

FAST channel in the US and since then we have launched six additional curated FAST brands including HauntTV, HistoryTime, Total Crime, Homeful, Love Pets and Drag Race Universe. Our FAST business is gaining a foothold in the exploding US market and we are subsequently expanding its reach around the world as FAST platforms continue to grow globally. As such, our distribution business has been mining FAST opportunities from the get go. Our front-line knowledge and connections across FAST platforms positions us well to help third party producers place content

and offer customised programming solutions.

We've seen our channel audiences multiply and our revenues increase hand in hand with the growth of these new platforms and look forward to sharing continued successes with all of you, our partners. We hope you glean meaningful takeaways from our report to help you navigate this thriving new TV landscape. As always, we look forward to discussing how we can work with you to maximise your opportunities in the FAST space when we next meet!



## What is FAST?

**F**AST stands for free ad-supported streaming television. When defining FAST, a distinction needs to be made between a FAST service and a FAST channel:

**FAST Service:** an over-the-top (OTT) video service, or platform available online – delivered over the open Internet – that offers a collection of pre-programmed linear video channels to users, which contain scheduled ad breaks. Prominent examples of such services include Samsung TV Plus, LG Channels, Pluto TV and Rakuten TV. The channels usually comprise a mix of a service’s owned-and-operated channels and third-party channels from partner content owners. These services typically also include an ad-supported on-demand (AVOD) element

**FAST Channel:** A pre-programmed, linear video channel, with scheduled ad breaks, which is delivered over the open Internet through a FAST service. A FAST channel owner will not necessarily own the service(s) through which it is delivered, but will have control over ad placement, content curation and programming. Depending on the carriage agreement with the FAST service, FAST channel owners can also have control over the sale of a portion of ad inventory. Crucially, channels are curated rather than being algorithm driven. In many ways, they tap into a consumer preference for passive, “lean-back” viewing and offer an alternative to on-demand content and services.

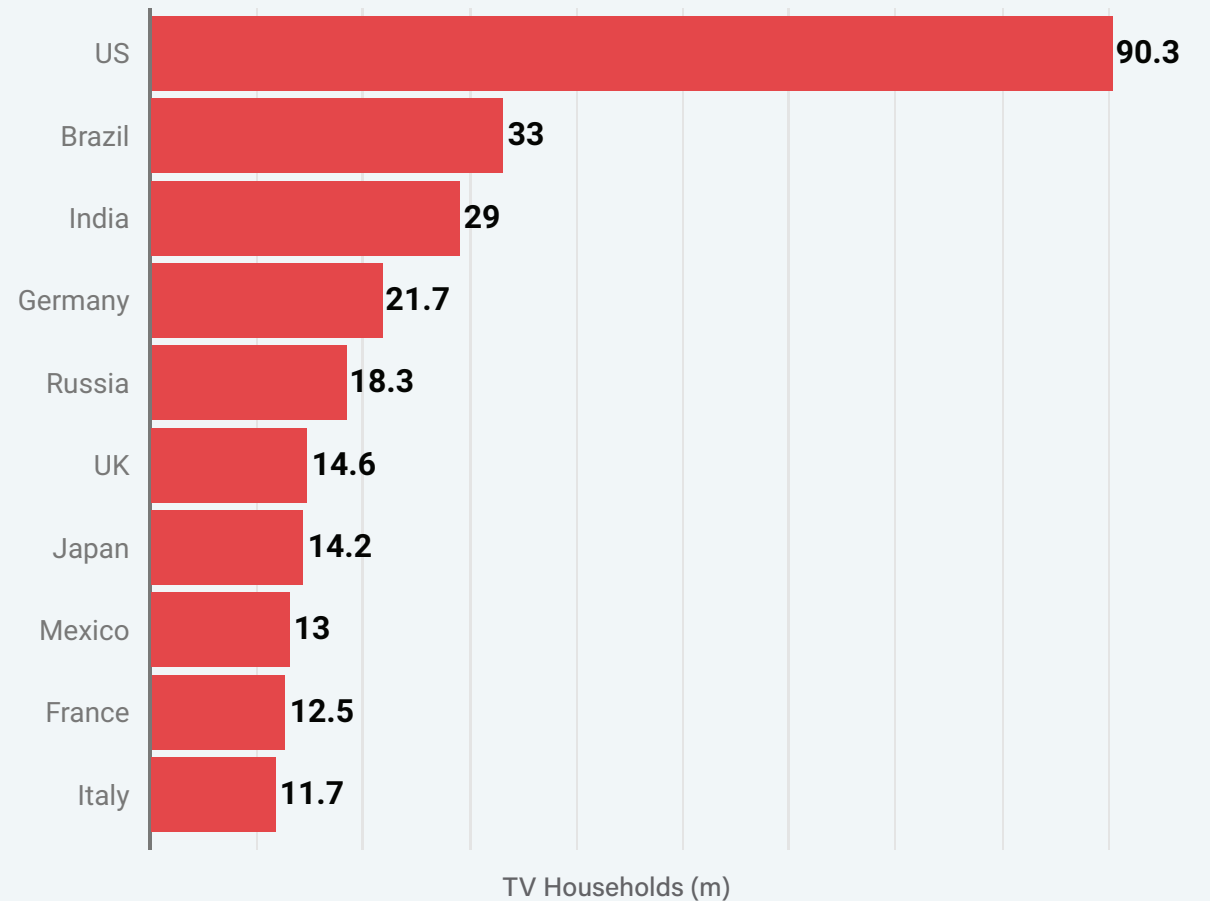
Though many are device-agnostic, FAST services are

typically found and viewed on connected TV (CTV) devices. In the case of TV OEM (original equipment manufacturer)-owned services – such as Samsung TV Plus – the service is usually integrated at a system level within a smart TV. Other FAST services are typically distributed as individual video apps through a CTV platform’s app store, although some may come pre-installed on smart TVs where an agreement has been made between the FAST video service provider and a CTV manufacturer.

This, combined with the fact that FAST service user interfaces (UIs) typically resemble a traditional TV electronic program guide (EPG) and – in some instances – are actually integrated within the core smart TV EPG, means that FAST



### Top 10 Global Markets for Connected TV Households - 2022



Source: Omdia

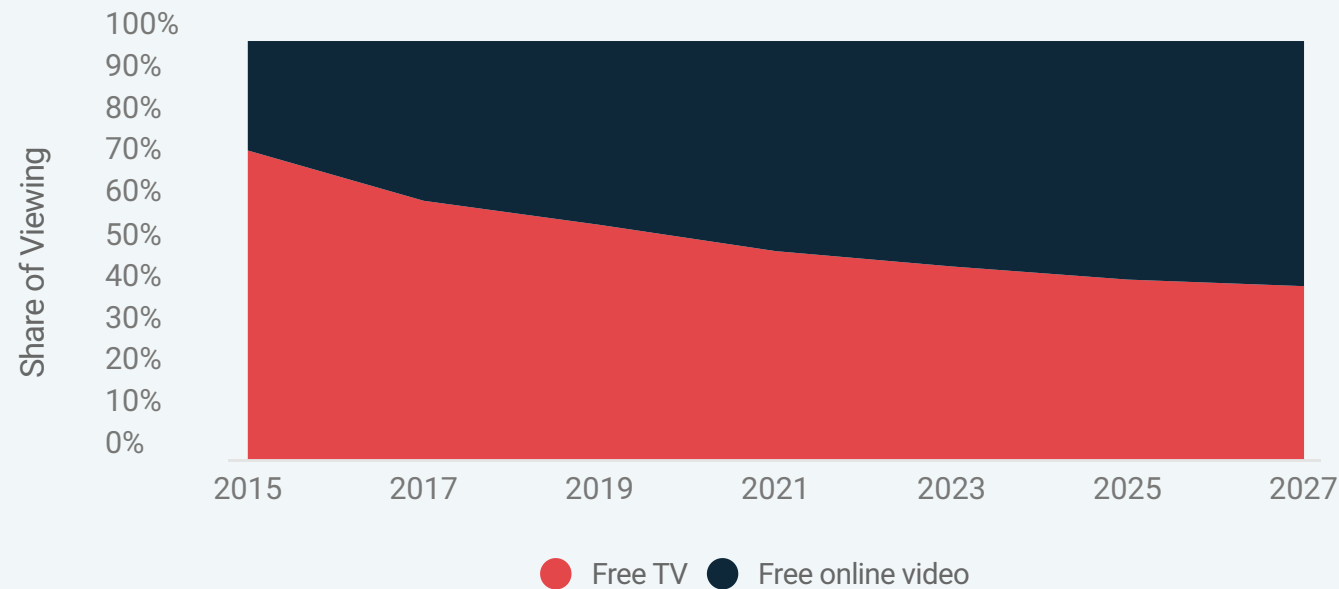
channels and services primarily resemble traditional TV in all but broadcast and – to an extent – advertising technology. In other words, what sets FAST channels apart from traditional linear ad-funded TV channels is, principally, how they are distributed, via digital networks that are fully addressable and are therefore perfectly suited to targeted advertising. The FAST advertising buying environment currently more closely resembles that of digital AVOD than traditional TV, with programmatic deals more prevalent than direct buys, but many in the industry believe that FAST, AVOD, and linear TV should all be seen as individual parts of a converged advanced TV marketplace.

A variety of channels are available on FAST, including pre-existing traditional linear TV channels, retooled on-demand services, and “FAST-native” channel brands. Companies that have not previously operated channels are converging on the FAST channel space, including device manufacturers seeking to offset declining hardware margins and content distributors looking for incremental revenue from advertising. Channels that have been created specifically for FAST are the most significant category. Many are operated by owners of program libraries looking for innovative ways to monetise their content, either by packaging them into a targeted genre or by scheduling episodes of a single show.

### What is Driving FAST Outside the US?

Omdia data shows that 2022 saw free online video surpass free TV in terms of viewing time in key markets. Yet this shift online does not mean that consumers want

### Select 10 Markets: Primary Format Used For Free Viewing Within Household, 2015 to 2027



Note: Total of 10 selected markets | Source: Omdia

an entirely on-demand experience—the lean-back, linear TV viewing experience is still of great value to many viewers. This is evident in the rise of FAST services, especially in the US, where such platforms are serving as effective replacements for linear pay-TV subscriptions among cord-cutters. Without a widespread, national free-to-air (FTA) TV market (i.e. one that uses traditional broadcast technology to distribute TV channels to homes for free), FAST services represent the most frictionless way to enjoy the popular linear TV experience in the US, without having to pay for it.

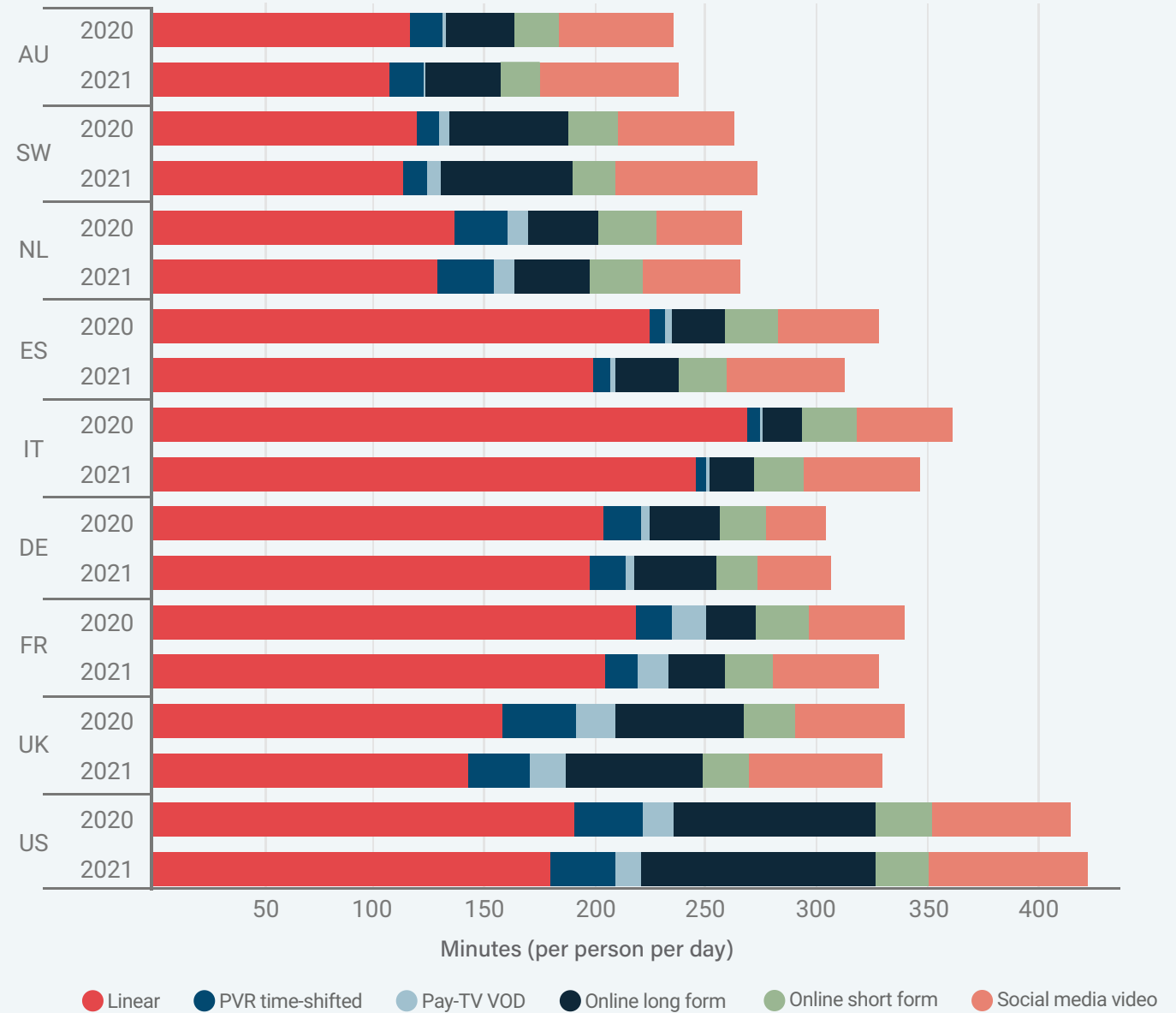
The dynamics are different in markets with a strong FTA TV presence, where traditional broadcast remains the easiest way of consuming free, pre-programmed linear TV. FTA TV's role, as the primary mode of linear consumption, is strengthened even further in markets such as the UK, where consumers are required to acquire a TV License to watch linear broadcasts, regardless of whether that is through traditional broadcast technologies or through FAST services. Yet, this does not mean that FAST does not have an important role to play in the Western European market and major global FAST services – such

as Samsung TV Plus, LG Channels, and Paramount's Pluto TV – are now available in most countries in the region as well as other global regional markets such as Latin America and Asia. Other regional European players, such as Rakuten TV, offer their own FAST service and channels across almost all of Europe, in addition to other OTT video activities. Clearly, despite such inhibitors, service operators believe that the increasingly online, cost-sensitive and young audiences – and the CPMs that they generate from advertisers – are valuable enough to make the region's market an attractive area of operation.

In markets where FTA TV remains dominant, CTV manufacturers’ moves to blend FAST channels with linear broadcast channels in the EPG – in turn making the two indistinguishable to the average consumer – will likely boost FAST viewing and revenue over the coming years. This forms part of CTV manufacturers’ global efforts to funnel more viewers towards their owned-and-operated FAST services, especially as they become more reliant on their services businesses, rather than hardware, for profitability. It’s worth noting that CTV manufacturers’ growing role as gatekeepers in the CTV content market is likely to bring increased regulatory attention – especially if it comes at the detriment of public service broadcasters in certain markets.

Outside of North America, Europe and a handful of more advanced economies in APAC, FAST remains a largely nascent and uncertain prospect. Even in markets that seem primed for premium ad-supported video services, such as India, the generally lower advertising yield combined with low CTV and high-speed internet household penetration, has some in the industry questioning whether FAST exists as a profitable pursuit in the country – at least in its current guise. Although Samsung TV Plus is present in India, much of the movement into FAST from Indian content owners has focused on serving diasporic audiences living in more advanced markets, such as the US and the UK, where FAST channels are likely to be more profitable,

2021: Cross-Platform Viewing Time by Country



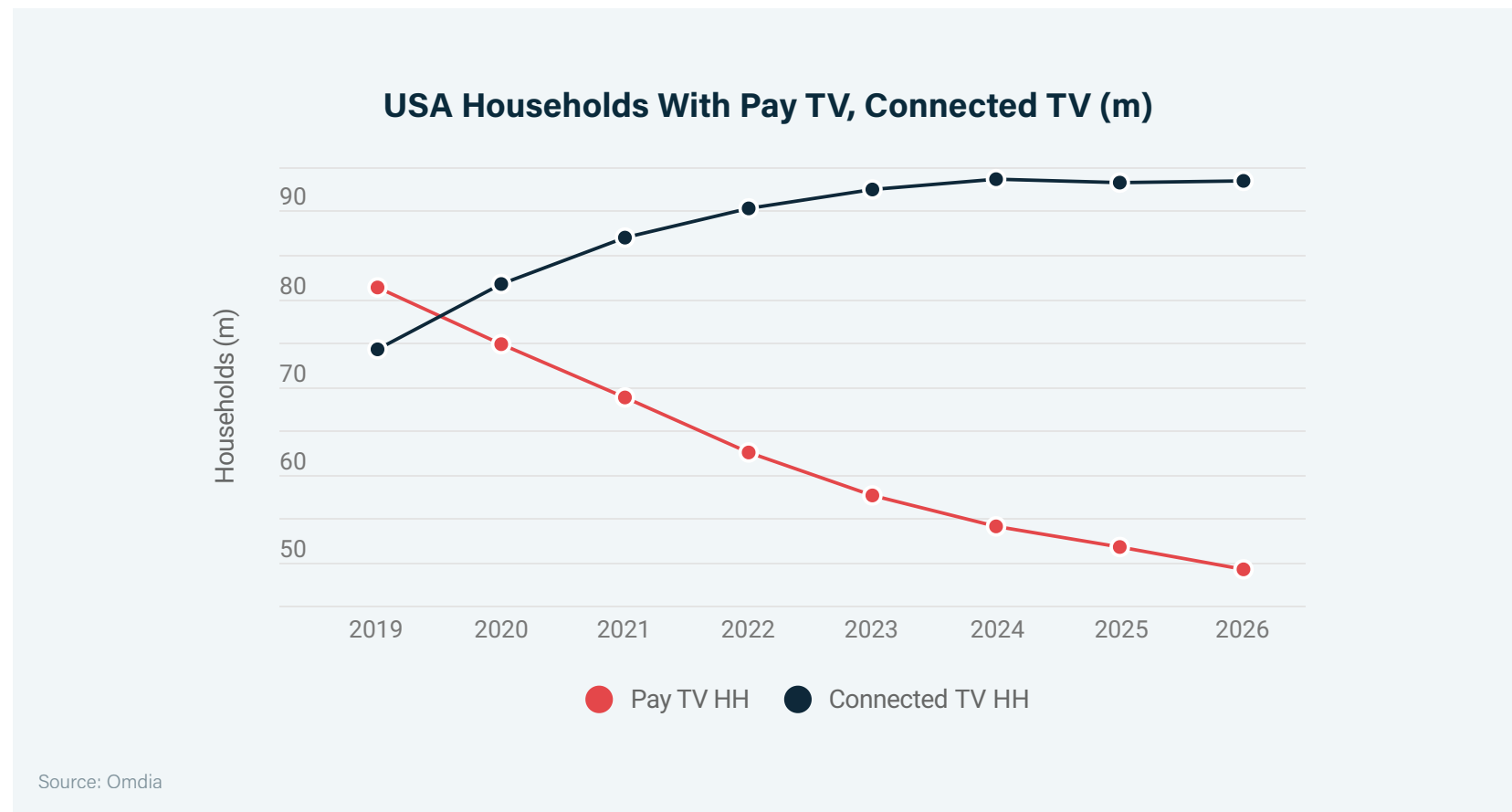
Source: Omdia. Reference Nielsen, BARB, Mediametrie, AGF, Auditel, Kantar, SKO, MMS, OzTAM, Sensor Tower

rather than local viewers. This is a trend that we are likely to see in other emerging markets. And, although other key markets, such as Brazil and Latin America, are showing promise, mature western markets, particularly the US, are where most of the money will come from in the FAST segment, at least in the near-to-medium term.

### How Do Content Owners Make Money From FAST?

The FAST ecosystem offers multiple routes to monetisation for content owners, but the viability of each option largely depends on the size of the company in question.

The biggest content owners have the potential to create – or acquire – their own FAST platforms and services. Paramount (then Viacom) exercised this option when it acquired Pluto TV in 2019, while multiple broadcasters and channel groups in the US, as well as ITV in the UK, have added FAST channels to their core direct-to-consumer video platforms. This option gives content owners full control over distribution and monetisation, but requires significant upfront investment and, should such players wish to offer more than just their own-branded FAST channels, involves entering carriage agreements with other channel owners and negotiating ad revenue/inventory shares with CTV platform operators which typically take a cut of advertising inventory from third-party apps distributed on their platforms. Content owners also have the option of programming their



own FAST channels and licensing them to FAST service providers. This is less capital intensive than creating a standalone app, but still gives content owners the ability to retain a decent amount of control over the content and advertising shown on their channels. However, this approach still brings complexities and requires a hands-on approach when it comes to striking commercial deals with FAST services. Business models for FAST channels typically fall into three main types: revenue share, inventory share, or flat fee.

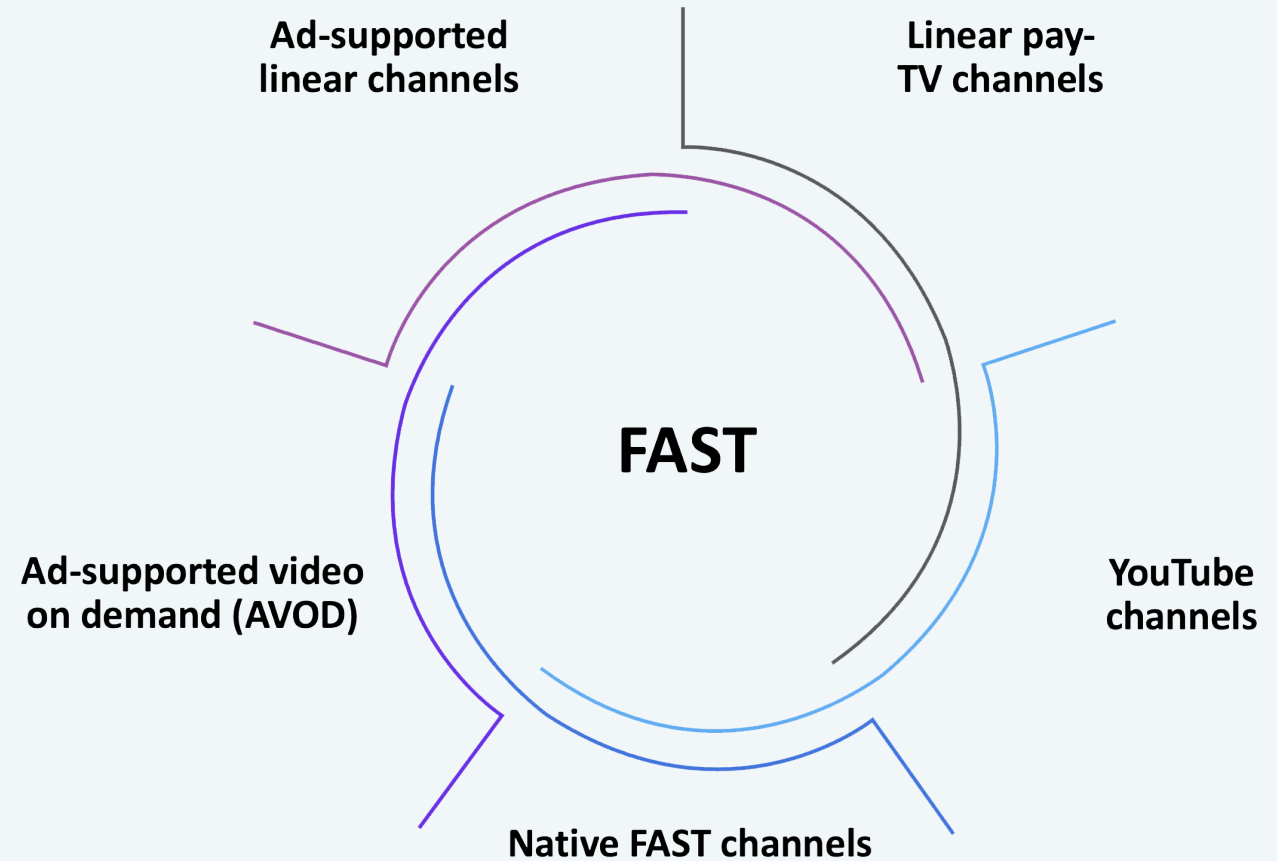
In a revenue-share model, the platform owner is responsible for selling advertising inventory and agrees to pay a share to the channel provider. This is usually split 60/40 in favour of the channel provider, although 55/45 or 50/50 splits are becoming more common.

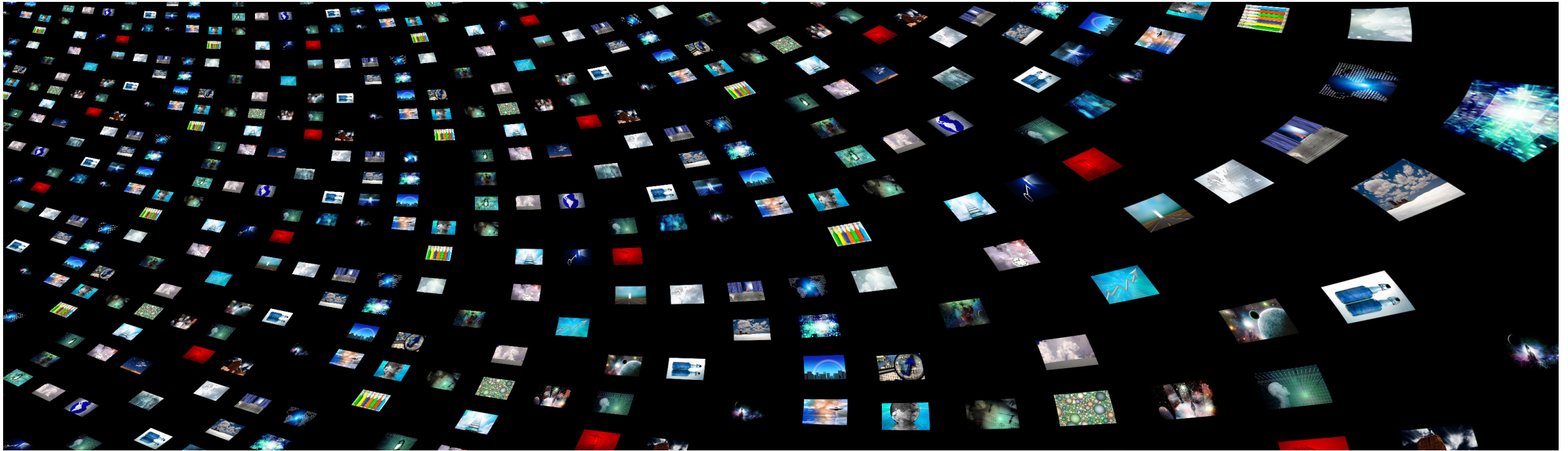
Inventory share is the dominant model in the US market. This is where the channel owner allocates some of the advertising spots to sell itself. In both inventory and revenue share models, part of the ad revenue will go to the technology partner.



Under a flat-fee model, the channel or content owner agrees to provide its content to the platform in return for an agreed annual fee. This is a less common model.

Content owners looking to take a more hands-off approach to monetising their (often legacy) intellectual property (IP) through FAST channels can, meanwhile, look to license their content to FAST operators and aggregators for use in their O&O FAST channels. Although CTV manufacturers are becoming increasingly selective in licensing content, there is a new emergent class of FAST channel operators, which will take content from smaller content owners, package it into channels, aggregate those channels with other FAST channels and then distribute said channels to FAST services and platforms. In these instances, the advertising element of FAST is also operated – or at least managed – by the aggregator, which then pays out a share of advertising revenue to the content owner after taking a cut itself, significantly reducing complexity for the content owner.





## Sizing the FAST Opportunity

### Advertising's Share of Total Video Revenue is Growing

Advertising is already a key component of TV and video monetisation: it already accounted for 51% of global revenues in 2022. But, its share is set to grow over the coming years as more subscription-based video platforms start to reach saturation point among increasingly cash-strapped consumer audiences and turn towards ad-based monetisation models to curb churn and maximise audience monetisation.

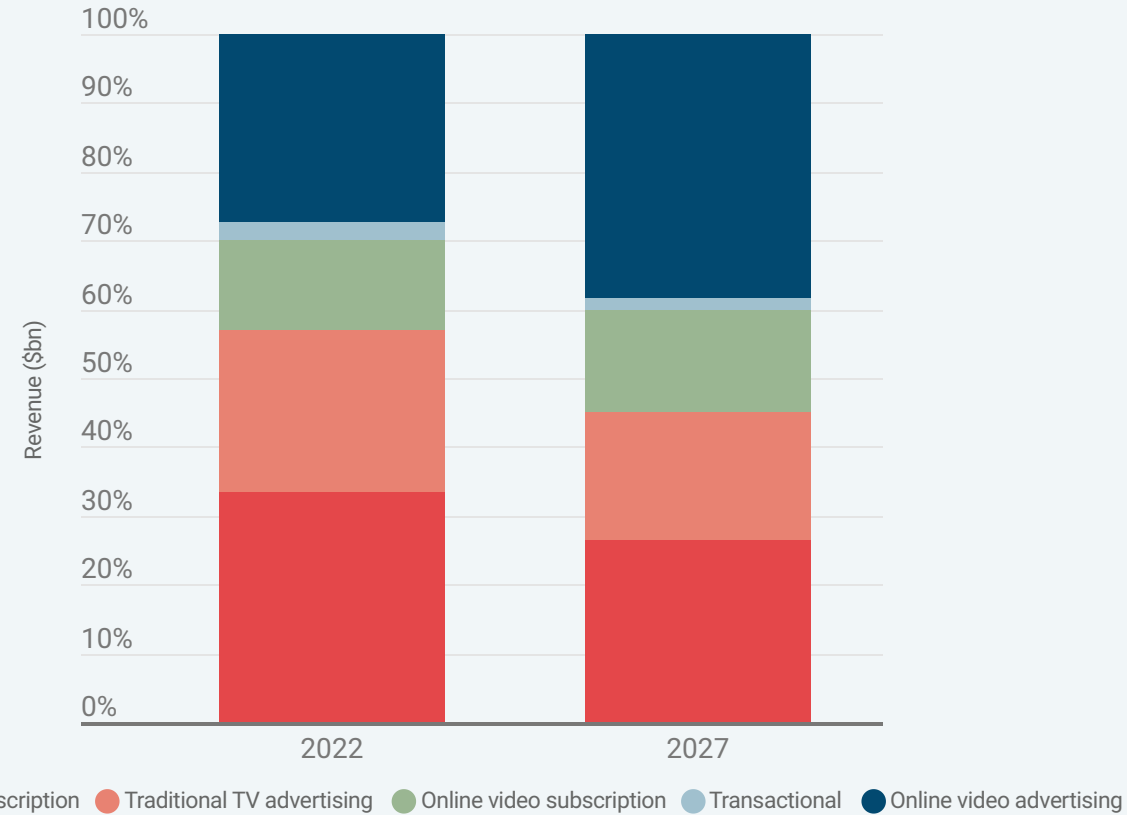
The general movement of consumers from free TV towards free online video is also a key driver of ad-based online video monetisation, as advertisers start to follow eyeballs from traditional TV and towards digital and CTV environments en masse.

Yet, the appeal of traditional linear TV still holds for many large advertisers, which continue to value the mass, simultaneous reach it can offer. Indeed, currently FAST channels account for just over 2.5% of total global linear TV and video ad revenue. This rises to just over 5% in the

much more mature US market, but clearly FAST has not yet replaced traditional linear TV in the minds of viewers or advertisers.

Nevertheless, the FAST environment – which sits at the intersection of linear TV and digital video – has the ability to offer both the addressability of digital and the premium content and audiences of traditional TV. This puts it in a great position to capitalise on this consumer and advertiser shift towards premium, ad-supported OTT video platforms.

**Total Global Video Revenue by Business Model, \$bn, 2022-2027**



Source: Omdia

**FAST Revenues Will Almost Triple to \$12bn Between 2022 and 2027**

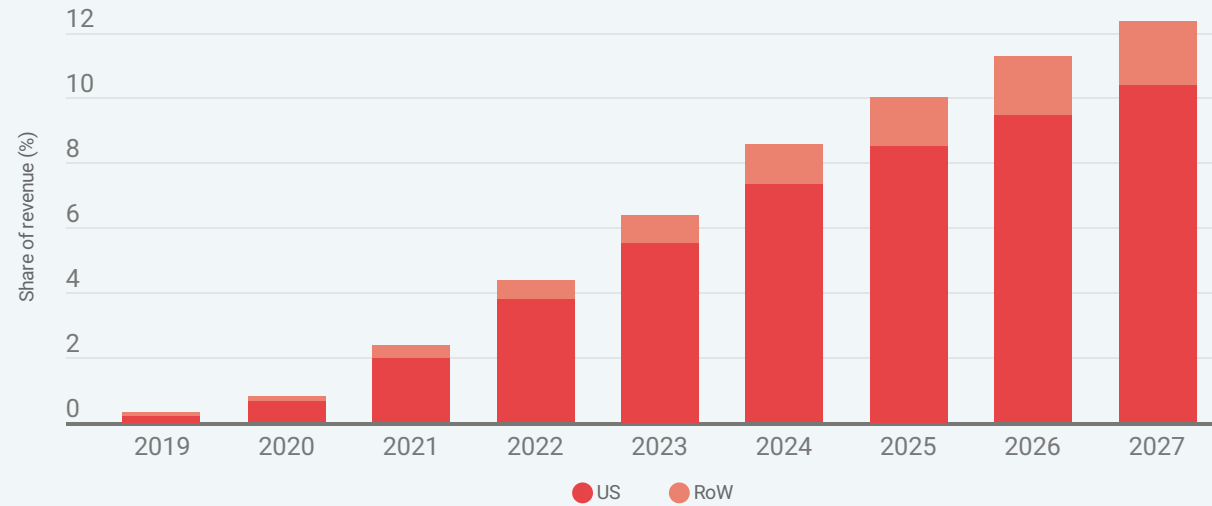
FAST channels have been around in some shape or form for at least the last five years, but they have only more recently become a mainstream revenue generation opportunity. On a global basis, FAST channel revenue grew almost 20X between 2019 and 2022 and will almost triple to reach a value of more than \$12bn by 2027.

Much of this growth will be driven by the US which accounted for almost 90% of the global FAST channel market with a value of just under \$4bn in 2022. By 2027, the US FAST channel market will exceed \$10bn in revenue, making it an attractive destination for global IP and content owners looking to broaden monetisation opportunities. Indeed, there is a significant opportunity to target diasporic audiences residing in the country. However, FAST channel

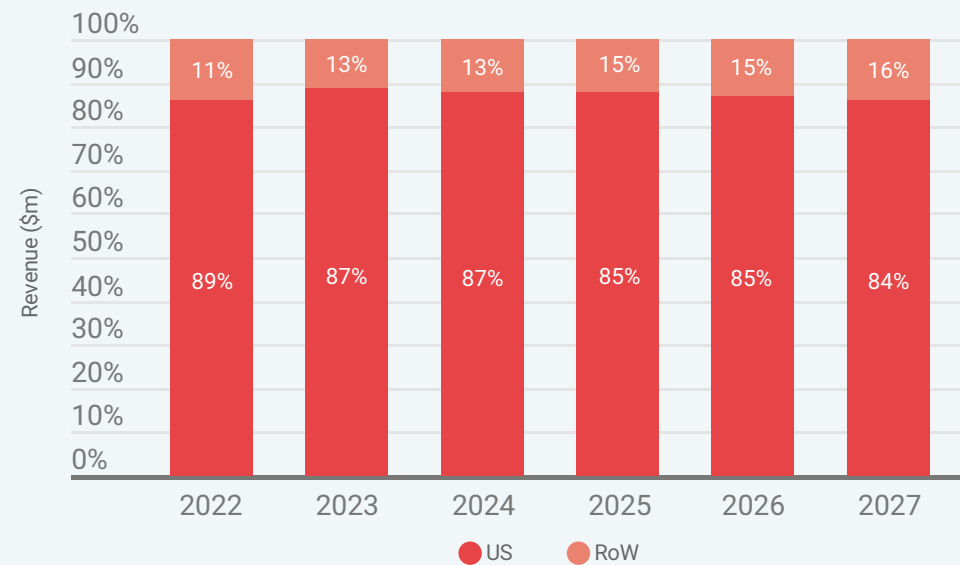
revenue growth will be quickest outside of the US over the coming years, driving its share of global revenue down to 84% by 2027.



**Global FAST Channel Revenue, US vs Rest of World (RoW), \$bn, 2019-2027**



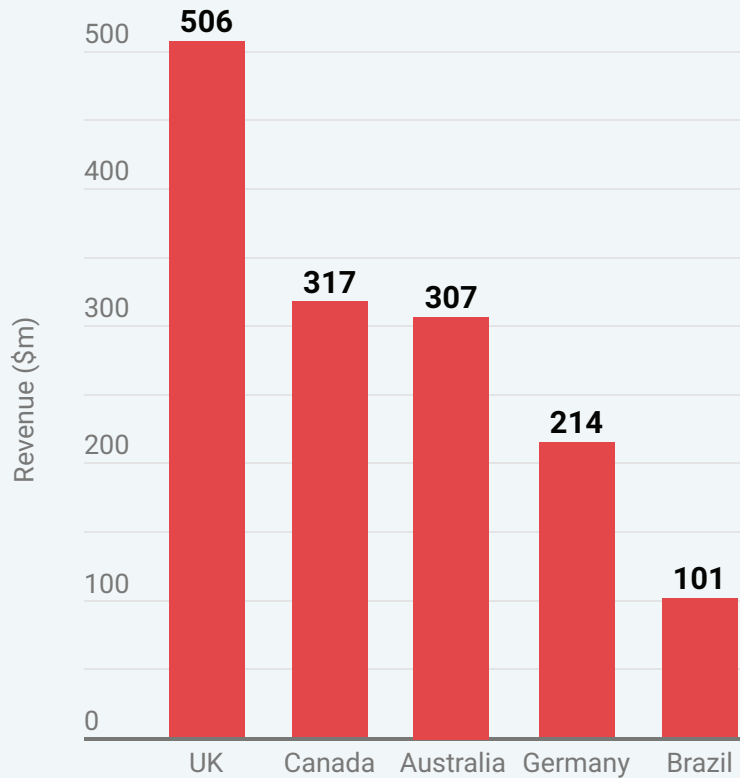
**Global Share of FAST Channel Revenue, US vs Rest of World (RoW), % , 2019-2027**



Note: Global total excludes China | Source: Omdia

**A \$2bn revenue opportunity will emerge for FAST channels outside of the US by 2027**

**Top-Five FAST Channel Market Revenue Outside of the US, \$m, 2027**



Source: Omdia

FAST revenue outside of the US grew by almost 50X between 2019 and 2022 and, as more FAST revenue is generated outside of the US, the role of non-English content is only set to grow in the FAST market. Canada,

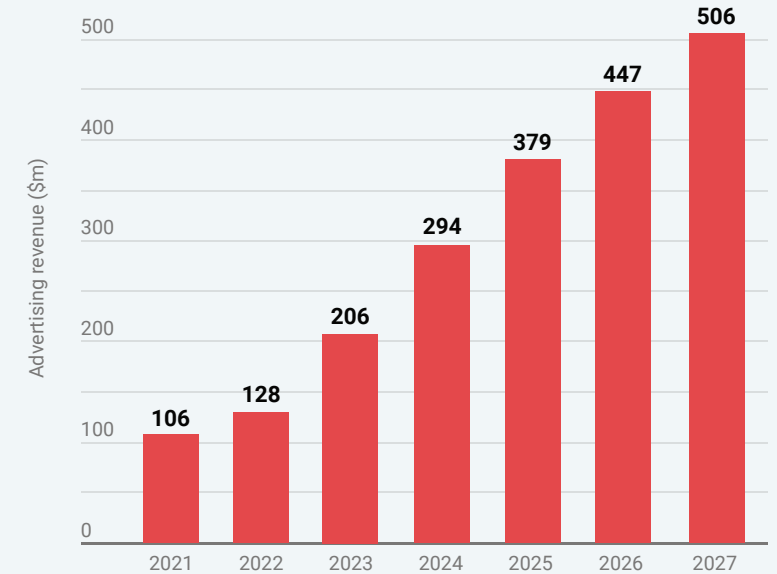
Germany and Brazil, which will be in third, fifth and sixth place respectively, in terms of market size, will offer mainstream FAST opportunities for French, German and Portuguese-language content. Spanish-language content will also be crucial in catering for Hispanic audiences in the US, and a growing base of viewers in Latin America, where FAST revenue will exceed \$200m by 2027. Indeed, Spanish-language FAST channels are already a fixture of many US FAST services. Meanwhile, Omdia forecasts that FAST channels in Germany will generate just over \$200m in 2027, when those in Brazil will hit revenues of \$100m – representing around half of the total Latin American FAST market. Even so, Europe will be the second-largest regional market behind North America in value terms, with FAST revenue expected to exceed \$1bn by 2027.

Yet, three of the five-largest individual FAST markets outside of the US in 2027 will be English-speaking nations – namely the US, UK, Canada, and Australia. The UK FAST market will be worth over \$500m by 2027. Meanwhile, the Canadian and Australian FAST markets will both exceed \$300m in value during the same year. Led by the UK, these three markets, which each enjoy a significant overspill of content from the US, will account for over half of non-US FAST revenue by 2027.

**FAST will account for nearly 20% of the UK’s \$3bn premium online ad-supported video market by 2027**

The FAST opportunity in the UK has grown rapidly in recent years, with UK FAST revenue having grown 180X between 2019 and 2022, and strong growth is expected over the next few years. The UK market’s leading position in FAST will come alongside robust expansion of its premium ad-supported online video segment, which will grow by \$1bn between 2022 and 2027 to reach a value of \$3bn. Despite its smaller scale, FAST will take 40% of this growth over the next five years as UK FAST revenues quadruple between 2022 and 2027 to top \$500m.

**UK FAST Advertising Revenue, 2021-27, \$m**



Source: Omdia

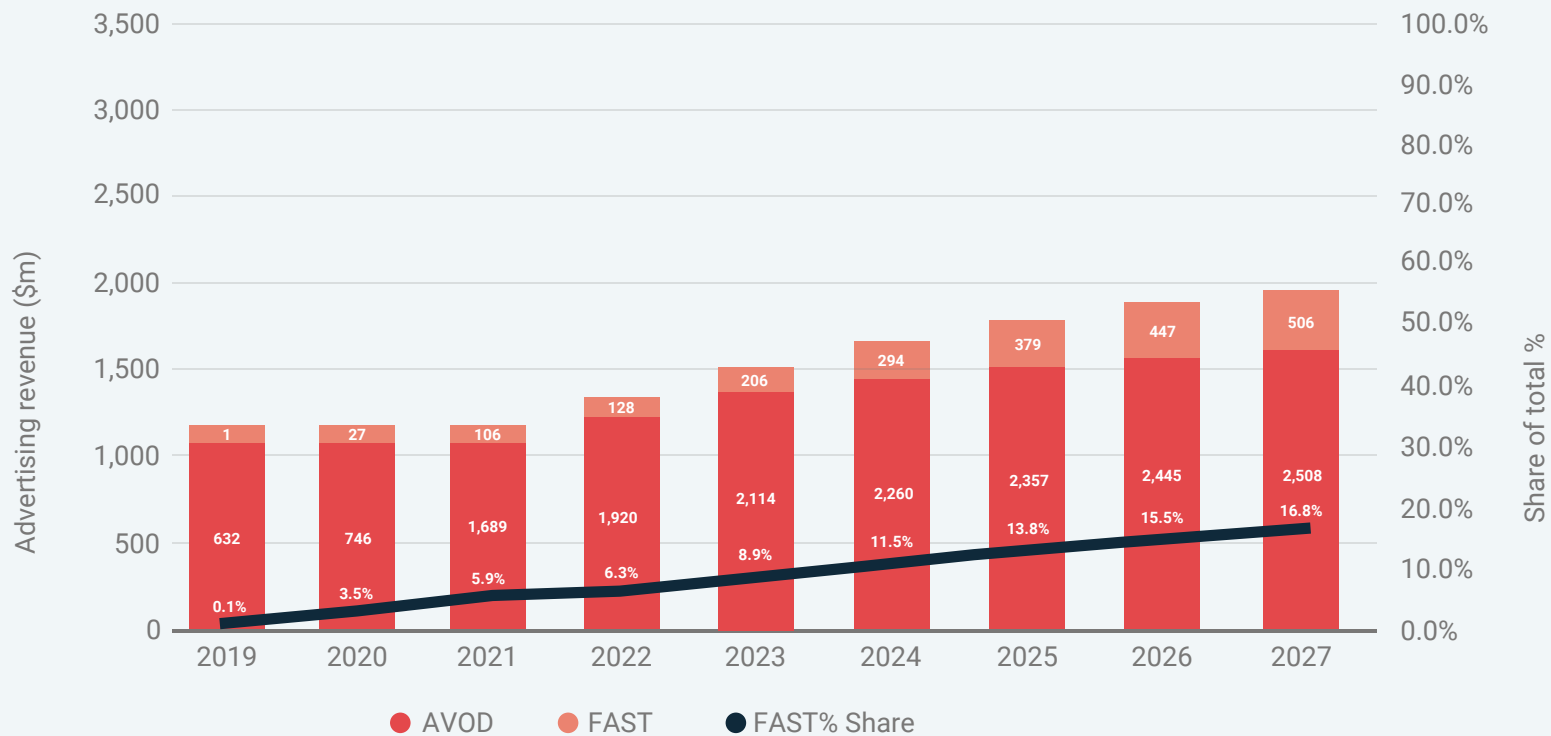
This will give FAST a 17% share of premium video advertising revenue in the UK by 2027, with AVOD accounting for the remaining 83%. This puts the UK in the same ballpark as the US, and far ahead of the 5% global figure outside China, when it comes to FAST's share of premium video advertising revenue in 2027.

Despite the continued popularity of traditional linear TV in the UK, local TV market leaders are already turning their attention to FAST. For instance, FAST channels became a core component of leading commercial broadcaster ITV's revamped streaming proposition, ITVX, sitting alongside simulcasts of its traditional linear TV channels upon

launch in December 2022. By 2027, Omdia estimates that FAST will account for almost 10% of revenues derived from advertising against linear TV and video channels – i.e., the combined total of linear TV advertising and FAST revenue.

Meanwhile, the UK's high levels of smart TV adoption, favourable CPM rates, and diverse audience base make it an ideal international expansion opportunity for global FAST service providers, channel operators and content owners. Indeed, many of the largest global FAST services – including Samsung TV Plus, LG Channels, Amazon Freevee, and Pluto TV – are already live in the UK and attracting viewers. Indeed, according to Omdia's consumer research, usage of each of these FAST-enabled services is a weekly habit for between 5 and 10% of UK online video viewers. On the whole, 15% of UK online video viewers used one or more FAST services on at least a weekly basis as of November 2022.

**UK AVOD and FAST Revenue, 2021-27, \$m**

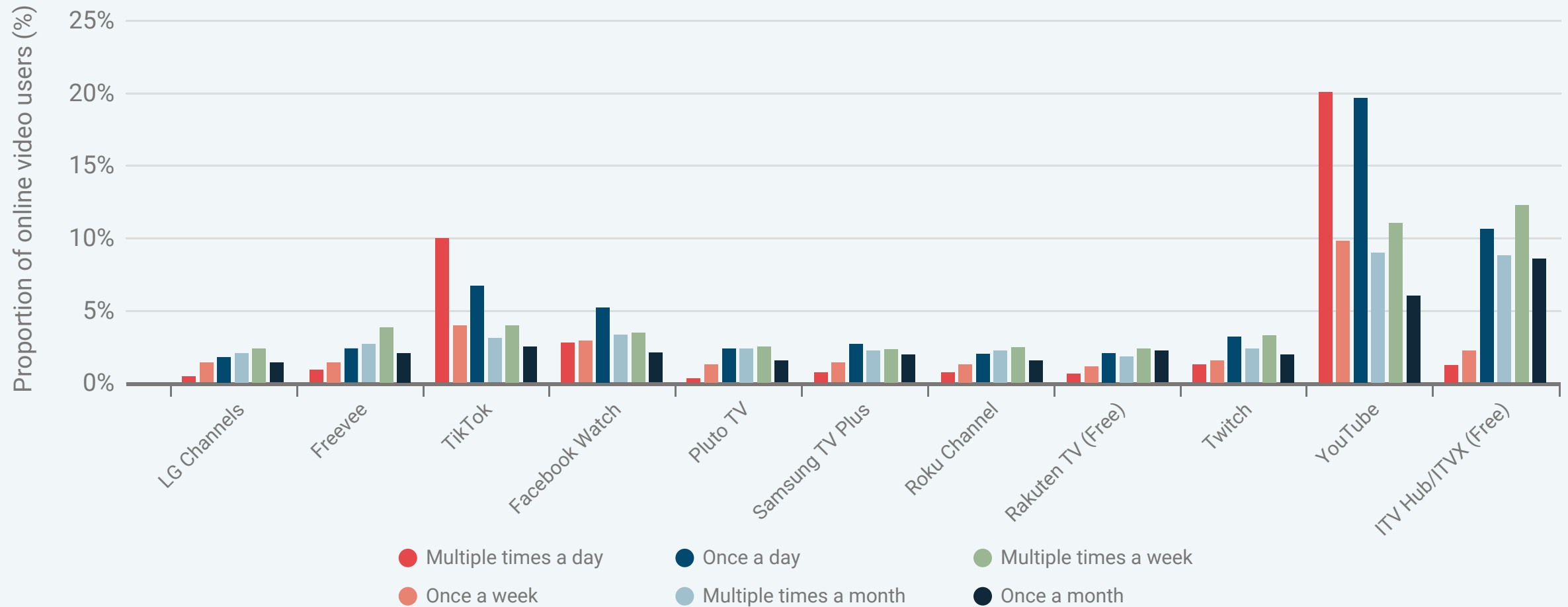


Notes: Premium online ad-supported video refers to services offering primarily long-form professionally produced content – such as ITVX, All4, Pluto TV, Freevee, Roku Channel, Samsung TV Plus, Rakuten TV and others.

Source: Omdia



### Monthly Usage of Selected Ad-Supported Online Video Services in the UK, by Frequency, November 2022



Note: Q: How often, if at all, do you use the following TV/video services? n = 2,319

Source: Omdia

## The Largest FAST Services Already Reach Tens of Millions of Viewers

The addressable audiences for FAST channels have exploded in recent years with the largest global FAST-focused services serving tens of millions of monthly active users (MAUs) across the globe. Although user growth starts to plateau over the forecast period – especially in the more mature US market – the number of FAST users will continue to grow for the foreseeable future.

By 2027, Omdia expects Paramount-owned Pluto TV – a key player since the FAST sector was first established – to be the largest FAST-focused service in terms of global

MAUs, buoyed by its broad geographical presence, already available in 30 countries.

Services operated by connected TV device manufacturers – namely Samsung TV Plus, Roku Channel, and LG Channels – will be key runners up over the forecast period, as they increasingly seek greater profitability through advertising and service revenue.

The US’s share of these total audiences is notably much lower than its share of revenue, which is driven by much higher ad spend per capita and higher costs-per-mille (CPMs), or ad prices, in the country. Indeed, for all of the top-five FAST-focused services except the Roku

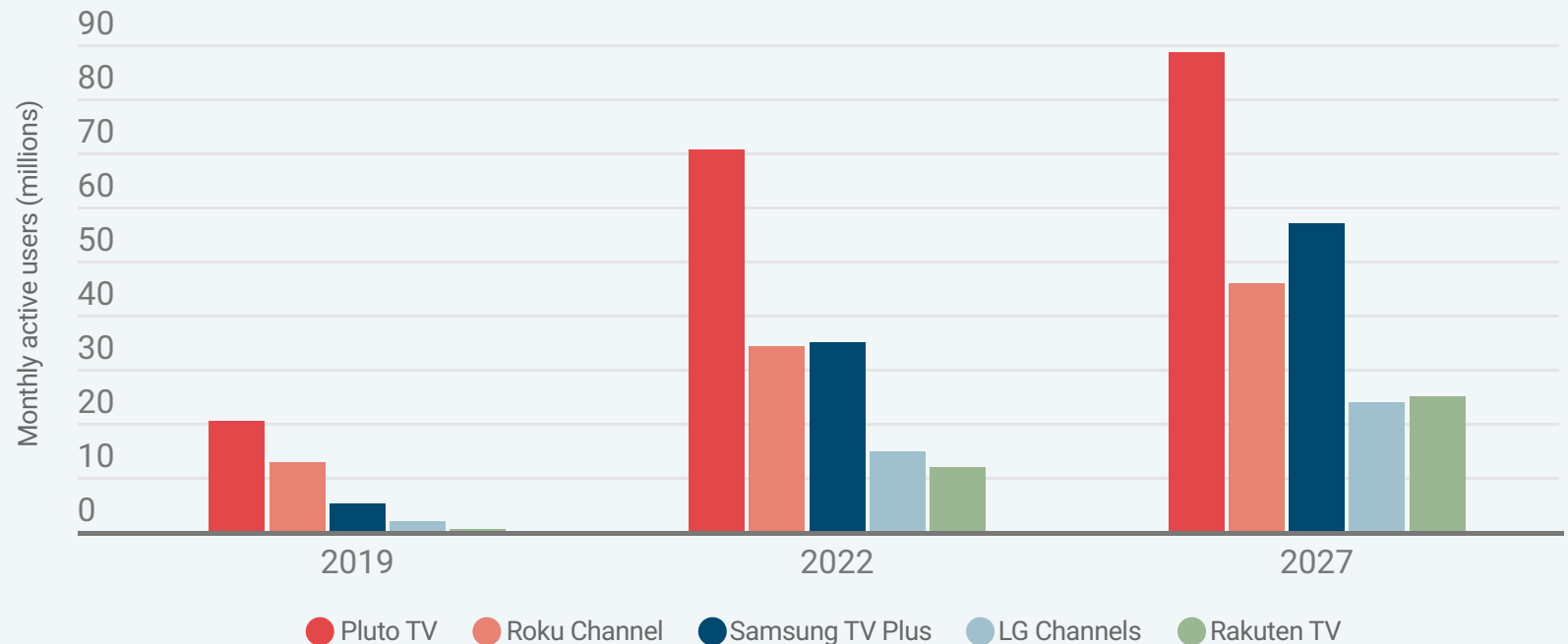
Channel, the US will account for under 50% of MAUs by 2027. While the US may dominate when it comes to monetisation potential, overall reach is clearly a very different matter.

We will therefore likely see the rise of regionally focused FAST services in the coming years, targeting more nascent FAST markets. Rakuten TV, for instance, is not yet available in the US, but is emerging as a key FAST service in Europe. The European market is a number of years behind the US when it comes to FAST uptake among both consumers and advertisers.

### Global Monthly Active Users of the Top-5 FAST-Focused Services, Millions, 2019-2027

Note: Omdia has only included services which it estimates generate at least 40% of their ad revenue from FAST channels in this analysis. Rakuten TV total represents users in Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, and the UK only.

Source: Omdia





## Working With FAST

### What Type of Content is Suitable for FAST?

Channels currently distributed on FAST channels have converged on this space from a variety of different places. Many have existed before on other platforms as ad-funded streaming channels available over the open internet or apps; YouTube channels; or channels which were previously mainly distributed on pay-TV platforms or terrestrial networks. For these channels, FAST is essentially a means of aggregating different services on a dedicated digital platform.

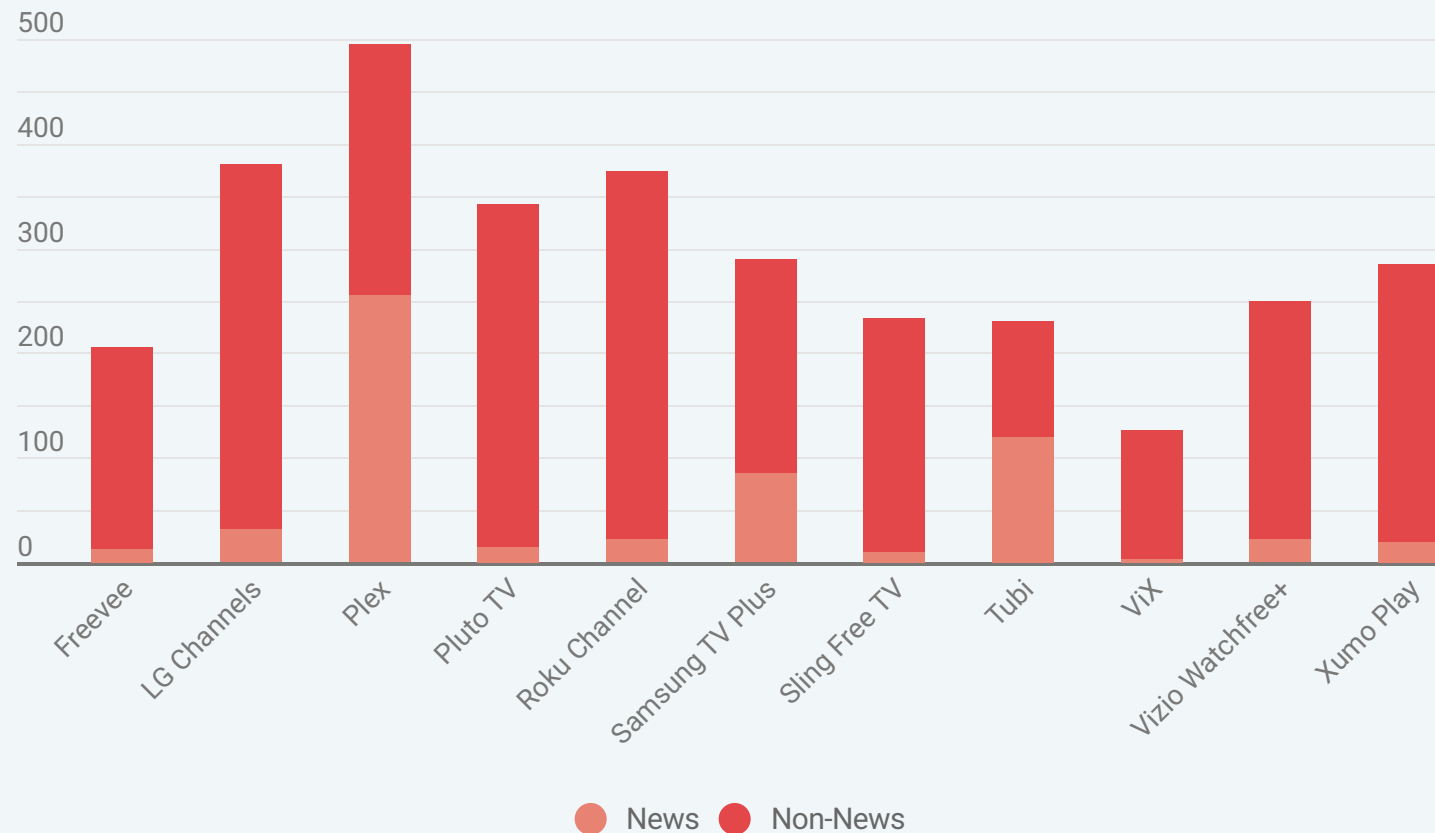
In the US, local news channels have carved out an important niche on FAST. News was the top FAST channel genre in the US according to Amagi, with 33% of hours of viewing ahead of 8% for movies and crime, 7% for entertainment and 3% for sport (Amagi Global FAST Report Edition #5). News is the leading genre in APAC (14%), but in Europe, documentary channels are number one (15%) and in Latin America, movie channels (21%), according to Amagi.

An increasing number of channels are FAST-native. These are typically focused around a niche programme

genre or target audience. A number of FAST channels are single-IP offering episodes of a single program. These could be scripted (Midsomer Murders, Heartland, Doctor Who) or unscripted (Deal or No Deal, Survivor, Project Runway). As a rule, programming has already been licensed, often through more than one cycle, although rights of course have to be free of holdbacks or exclusivity agreements. These programs must also have a strong brand recognition and an audience familiar with the content from previous airings.



### FAST Channels on US Services: News and Non-News



Source: Omdia

### How are FAST Channels Programmed?

FAST is often described as “lean-back” entertainment designed for people wanting to relax with minimal effort. Audiences will not research a channel, so its purpose needs to be clear through its branding. The name of the channel often highlights its genre or niche. This is a reason for the success of single-IP channels: audiences immediately

recognise them and know what to expect.

Channel owners say that 100–150 hours of content (per quarter) are required for a FAST channel. For multiseries channels, it is recommended that content is shown in two-to-three-hour blocks. Scheduling may be organised in-house by the content owner or by the software provider, but it is vital to ensure that audiences are not repeatedly

served the same program when they tune in.

Original programming is rare on FAST. The economics of FAST at present do not provide the model to make the investment cost-effective. However, programming is not necessarily confined to repeats: Fremantle’s UK American Idol channel, for example, features episodes of the show in their first UK TV window. Pluto TV has also aired episodes of shows like Yellowstone to promote airings on SVOD service Paramount+.

As FAST platforms roll out worldwide (Pluto TV is in 30+ countries while Samsung TV Plus is offered in 24), channel brands are appearing in multiple different languages and territories. It is essential for content to be localized with dubs or subtitles according to the preference of viewers in the country concerned. Channels are usually curated locally so scheduling will vary even for single-IP channels.

### What are the Options for Launching a FAST Channel?

While FAST channel operators have emerged from many different parts of the industry, the same can be said of the companies operating FAST channel platforms.

Pluto TV was created by Tom Ryan and Ilya Pozinn in 2013 with the initial idea of creating a “really good recommendation engine” for online video that was hard to find. At the time, a free, ad-supported linear product was diametrically opposed to the prevailing wisdom that the future would be about on-demand, ad-free content. PlutoTV is now owned by Paramount and is available in 30+ countries around the world.

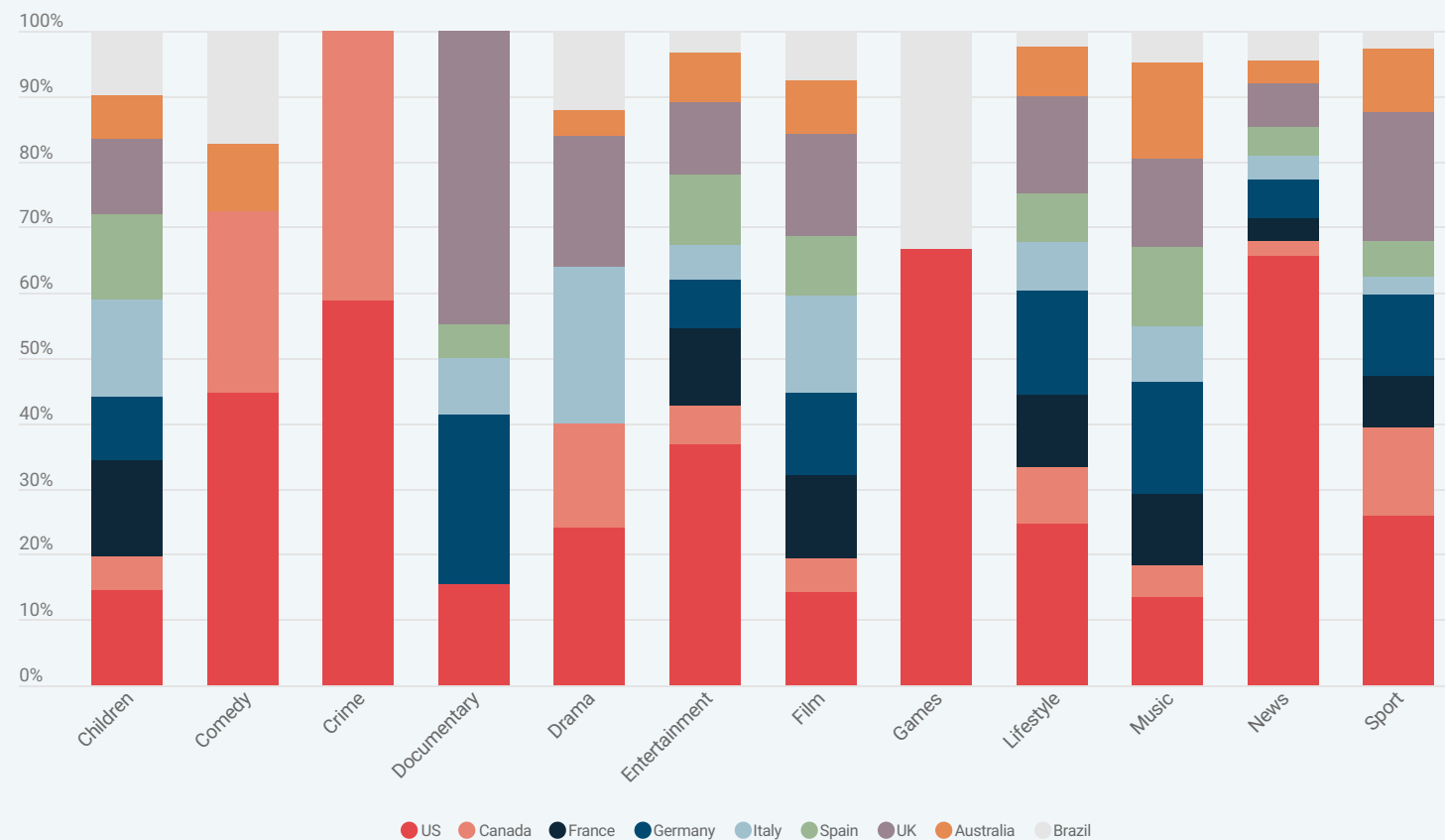
PlutoTV has in-house channel managers who program and schedule FAST channels on behalf of third parties and also handles ad sales. A similar approach is followed by other FAST channel platforms like Rakuten and Roku. Roku, for example, curates a FAST channel for the UK newspaper The Guardian, while Rakuten manages channels for multiple clients in several countries.

Korean TV set manufacturers Samsung and LG are also leading players in FAST. Samsung has been offering a package of FAST channels, branded as Samsung TV Plus, on its connected TV sets since 2015. While Samsung does not operate any channels itself, it does have exclusive FAST channels in some countries. In the UK, for example, it operates a TV channel with the TV chef Jamie Oliver and in Germany operates factual channels with public broadcaster ZDF.

LG has been in partnership with Xumo, the streaming joint venture between Comcast and Charter Communications, since 2016. Xumo provides channels to the Korean group under the LG Channels brand name and also operates via its app in the US.

As mentioned above, FAST channel providers have a range of options for FAST channel platforms. Most channels are distributed on multiple platforms, in the interest of securing the widest possible distribution. However, some platforms (such as Samsung TV Plus) are now offering exclusive channels. We also understand that platforms are becoming more selective and dropping channels that are not delivering the desired level of viewing.

Samsung Plus TV Channel Genres by Country

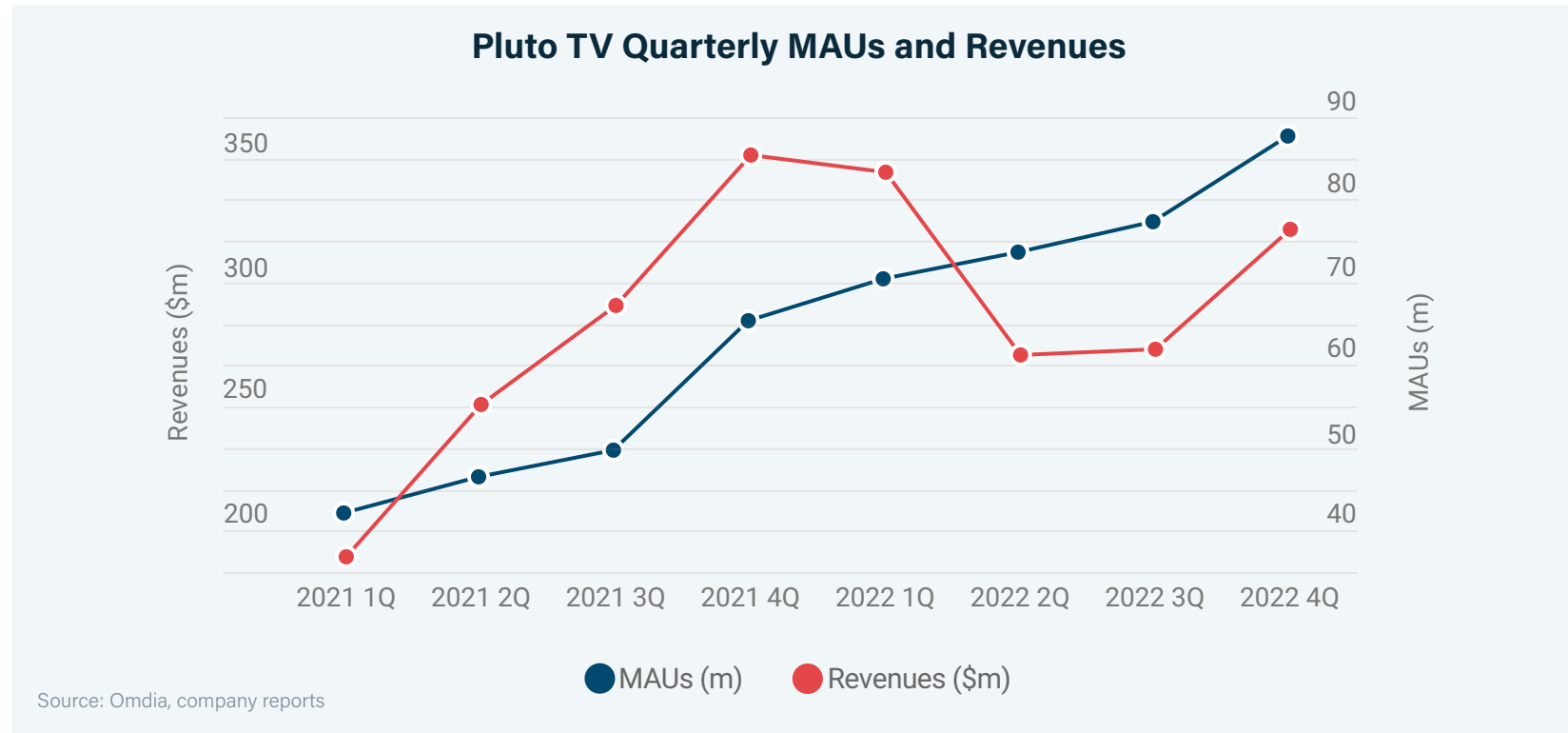


Source: Omdia

UK broadcaster ITV entered the FAST area in December with the launch of 20 channels on its ITVX platform. All were exclusive at launch and featured ITV programming such as Hell’s Kitchen, Inspector Morse and The Chase. NBC-owned Peacock in the US offers a package of free streaming channels – some wholly-owned and some third-party.

Omdia expects to see further moves into FAST from ad-

supported broadcasters, pay-TV operators and telcos in the coming months. As FAST evolves, platforms are looking to improve the quality of channels and providers. While there is nothing new about free channels, FAST channels offer the potential to add stickiness to on-demand propositions as well as optimising content catalogues by opening them up to more viewers.

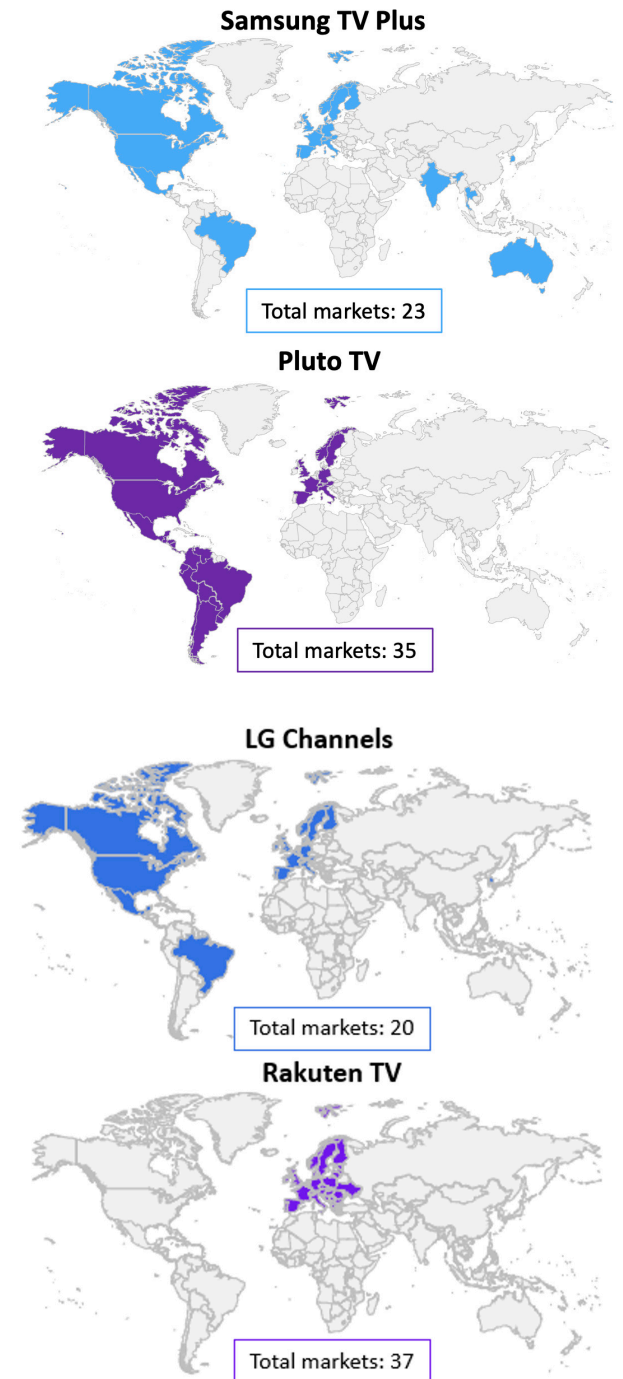


## How Does FAST Fit in Within Existing Revenue Streams?

FAST does not change the fundamental structure of the TV market. Premium content – especially high-end original productions and sports – will continue to drive audiences and subscription bases for mainstream free TV channels and subscription services. Mainstream terrestrial and pay-TV channels will be little affected by FAST channels which are likely to have a marginal impact on audiences and revenues. However, some of the weaker or more niche channels struggling to secure carriage pay-TV platforms will continue to migrate to FAST or AVOD.

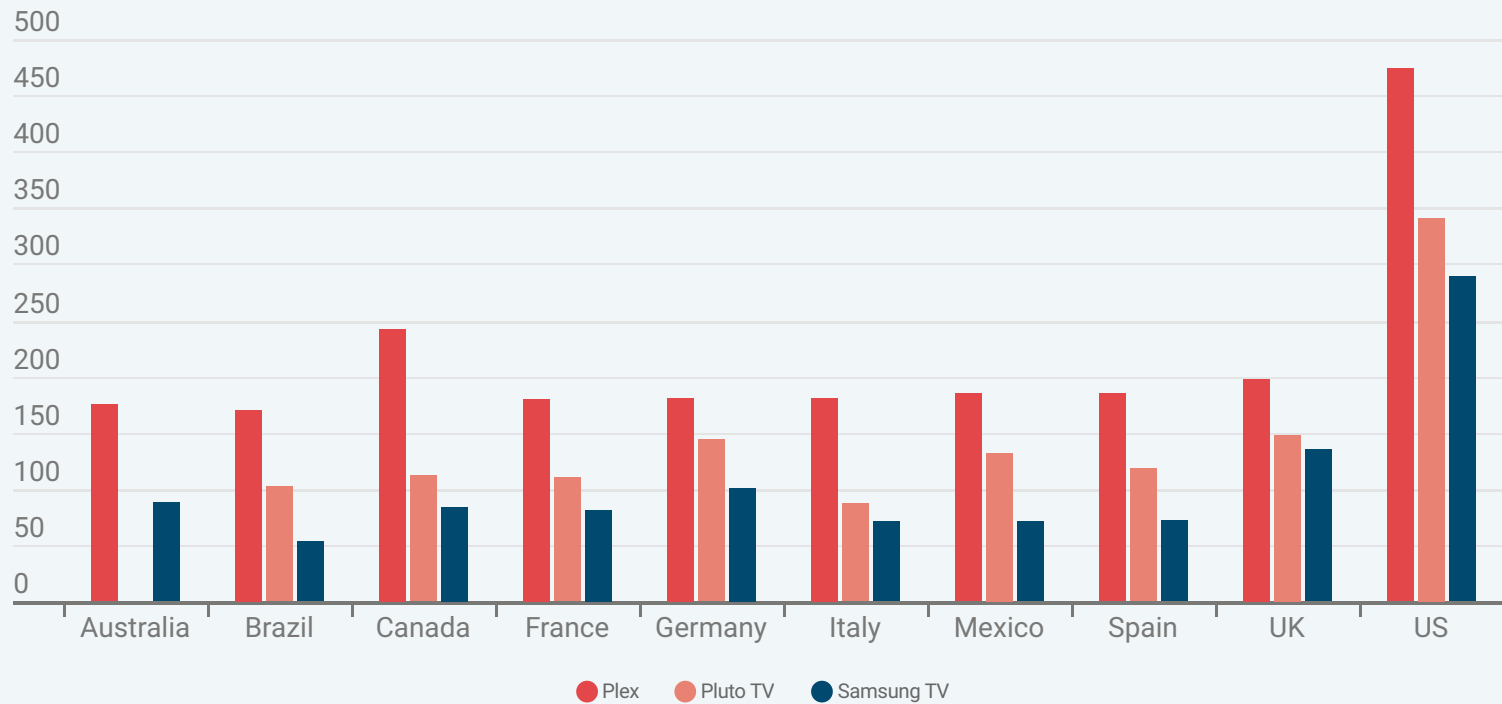
For consumers, FAST channels are a return to the habit of linear, scheduled TV. On the business side, they are an opportunity for IP owners to generate incremental revenue from their libraries of content. Production groups like Banijay now employ channel managers and editors alongside producers and program sellers.

The rise of FAST and AVOD has potentially increased the value of older content that has already been through two or more distribution cycles. FAST channels based on deep IP libraries will not fundamentally change the distribution business, but will create useful incremental revenue streams for IP owners.





### Number of Channels on FAST Services in Major TV Markets



Source: Omdia

Country	FAST Services
Australia	7Plus, 9Now, 10 Play, Plex, Fetch TV, Rlaxx, Samsung TV Plus
Brazil	LG Channels, Plex, Pluto TV, Rlaxx, Samsung TV Plus
Canada	Distro TV, LG Channels, Plex, Pluto TV, Roku Channel, Samsung TV
France	Distro TV, LG Channels, My TF1, Molotov, Plex, Pluto TV, Rakuten TV, Rlaxx, Samsung TV Plus, SportsTribal TV
Germany	Distro TV, Freevee, Joyn, LG Channels, Magenta TV, Plex, Pluto TV, Rakuten TV, Rlaxx, Samsung TV Plus, SportsTribal TV, Waipu.TV
Italy	Distro TV, LG Channels, Plex, Pluto TV, Rakuten, Rlaxx, Samsung TV Plus, SportsTribal TV
Mexico	Canela TV, Distro TV, Plex, Pluto TV, Rlaxx, Roku Channel, Samsung TV Plus, Tubi, ViX
Spain	Distro TV, LG Channels, Plex, Pluto TV, Rakuten TV, Rlaxx, Samsung TV
UK	Channelbox by Freeview, Distro TV, Freevee, ITVX, LG Channels, Plex, Pluto TV, Rakuten TV, Rlaxx, SportsTribalTV
US	Canela TV, Cineverse by Cinedigm, Distro TV, Estrella TV, Freevee, LG Channels, Local Now, Peacock, Plex, Pluto TV, Roku Channel, Stirr, TCL Channel, Tubi, ViX, Vizio Watchfree+, Xumo Play

## Q&A section



**Jamie Schouela**  
President, Global  
Channels and Media,  
Blue Ant Media

### **How has your FAST business grown over the last 12 months?**

We launched 6 brands in the US in the last year that are now available on multiple platforms - Haunt TV, Total Crime, Homeful, HistoryTime, Love Pets and Drag Race Universe - while also adding distribution for Love Nature. We also launched brands in Canada, the UK, Australia, parts of the EU and Latin America.

### **What type of content works best on FAST?**

We focus on genre-based channels - natural history, home, crime, paranormal, etc. - these genres are great for lean back viewing, which works well on FAST channels.

### **Is any of the content in FAST channels still under license elsewhere - to linear or on demand?**

Yes - some of our content is playing on other windows (linear TV, SVOD, etc). Much of it is library and it has had a first or second window elsewhere by the time it gets to our channels. We do ensure as much of it as possible is exclusive to our channels in the FAST environment to differentiate ourselves from our competitors.

### **What can you tell us about your business model - do you operate on a fee basis, revenue share, or inventory share?**

We operate either with revenue or inventory shares with the platforms.

### **How much content do you need (in hours) to operate a FAST channel? How often would you replace/refresh it?**

We like to launch with at least 200 hours and add an additional 100 each year to keep it refreshed.

### **Do you program and schedule the channels yourselves? If not, who does it?**

Yes - we fully operate the channels from acquisition/production to scheduling to marketing and operations.

### **Which platforms do you distribute FAST channels on?**

Blue Ant Media's FAST channels are broadly distributed on all of the major platforms in the US and are now starting to launch in many other territories. These include Roku, Samsung, Vizio, Tubi, Freevee, Sling, LG, etc.

### **Which territories do you believe have the biggest potential for growth of FAST?**

The US is still the most developed market and there's still lots of growth ahead as more audiences and advertisers migrate to FAST. Other markets are 12-24 months behind it, but we believe FAST will grow globally in the coming year.

### **Do you plan to launch more FAST channels in 2023, if so, in which territories and what kind of channels?**

At the start of 2023 we just launched a few more FAST channels in the US including our first channel focused on a single franchise - Drag Race Universe, which is programmed with international versions of one of the

biggest reality shows in the world. Additionally, we've launched a cousin of Love Nature called Love Pets, focused on domestic animals and their care.

### **What are the biggest challenges of entering the FAST channels business?**

The FAST business has become incredibly competitive, and the platforms are being much more selective in launching new channels. To breakthrough you need exclusive content and proven IP/series that audiences recognize.

**Natural history, home, crime, paranormal, etc. – these genres are great for lean back viewing.**



### **How has your FAST business grown over the last 12 months?**

Our FAST business has grown 100% y-o-y.

### **What type of content works best on FAST?**

News is a consistently high-performing content asset across regions. Old TV hits (episodic content) are also making successful reruns on FAST. Movies, entertainment, documentaries and sports are the other popular genres. On certain platforms we have seen single IP channels perform better compared to other platforms.

### **Is any of the content on FAST channels still under license elsewhere – to linear or on demand?**

Very few FAST channels are in this category.

### **What can you tell us about your business model – do you operate on a fee basis, revenue share, or inventory share?**

We offer all three models: SaaS fee-based, revenue share and inventory share.

### **How much content do you need (in hours) to operate a FAST channel? How often would you replace/refresh it?**

To start a channel, you need at least 50 hours of programming content. The programming wheel is typically refreshed every 30 days with a refresh rate of 10-15%.

### **Do you program and schedule the channels yourselves? If not, who does it?**

We provide the tools and software to help content owners program and schedule the channels on their own.

### **Which platforms do you distribute FAST channels on?**

To most of the FAST platforms including Samsung TV Plus, The Roku Channel, VIZIO, Plex, LG Channels, Sling TV and more.

### **Which territories do you believe have the biggest potential for growth of FAST?**

As CTV penetration is a major indicator of FAST adoption, the USA and the UK are currently the markets with the most potential for growth - CTV penetration is at 80% in the USA and 85% in the UK, as per the sixth edition of our Global FAST report. But the report also revealed that APAC and EMEA are quickly catching up. The Hours of Viewing (HOV) grew by 320% in APAC and 111% in EMEA in 2021-22, promising fresh opportunities for content brands looking to enter the ecosystem.

### **Do you plan to launch more FAST channels in 2023? If so, in which territories and what kind of channels?**

We are a technology provider for launching FAST channels. We do expect significant demand from content owners and platforms to launch FAST channels in 2023.

### **What are the biggest challenges of entering the FAST channels business?**

- a) Being on popular platforms such as Samsung TV Plus and The Roku Channel that guarantee access to audiences.

- b) Understanding the demographics well and getting more regional/vernacular content options. Based on our latest FAST report (Europe-focused), we saw non-English-language channels gaining ground faster than their English counterparts.
- c) Exhausting ad inventory, being able to manage the ad load well and keep it optimal for a better viewing experience.

### **What is the most common financial model for FAST channels - revenue share, inventory share, or fee?**

As of today, a significant portion follows the revenue share model, followed by inventory share. A very small percentage of customers have a fixed fee model.

### **Do you expect this to be different outside the US?**

No.

### **In a revenue share, what is the typical split?**

60%-70% of the revenues go to content owners and 40%-30% to the platforms.

**60%-70% of the revenues go to content owners and 40%-30% to the platforms.**





**Jeremy Strauss**  
Global Head of Business  
Development,  
Tastemade

### **How has your FAST business grown over the last 12 months?**

We continue to see strong growth, but that growth is getting harder and harder to unlock. It takes continued investment in programming and marketing, as well as partner editorial support. Two to three years ago, you could sit back and watch the channel grow organically; that's no longer the case.

### **What type of content works best on FAST?**

Our focus is on lifestyle. We find that quality matters as does recognizable shows and talent, and consumers tend to choose to tune into a brand that they recognize.

### **Is any of the content on FAST channels still**

### **under license elsewhere - to linear or on demand?**

We run mostly original content on our FAST channels; it creates differentiation and allows us to invest in growing the audience for a show without worrying if we will get the next season or if anyone else has it on the same platform. We do license a handful of shows and some of those deals are exclusive; it's decided on a show-by-show basis.

### **What can you tell us about your business model - do you operate on a fee basis, revenue share, or inventory share?**

We prefer to operate on an inventory share basis as we generally see that our fill rates and CPMs are significantly higher, resulting in higher yield across the board.

### **How much content do you need (in hours) to operate a FAST channel? How often would you replace/refresh it?**

We are producing hundreds of hours of new programming to run across our portfolio of channels each year. We program the channels like a traditional proper television network, paying attention to the different dayparts. Thus, each day's schedule feels fresh and new even with repeat

programming mixed in. We do not run programming on a loop as that strategy doesn't provide a great viewer experience. Repeated programming blocks; that strategy is not effective.

### **Do you program and schedule the channels yourselves? If not, who does it?**

Yes, we program all of our channels ourselves.

### **Which platforms do you distribute FAST channels on?**

We are available on almost all of the major platforms and continue to launch on new ones each month. We don't believe in necessarily being everywhere; we want to focus on those platforms that yield value.

### **Which territories do you believe have the biggest potential for growth of FAST?**

We are seeing massive audience growth in Latin America and now revenue growth is starting to take hold. We also expect Europe to start embracing FAST more aggressively from an audience perspective.

### **Do you plan to launch more FAST channels in 2023? If so, in which territories and what kind of channels?**

Our focus is on growing our current offering in 2023. We will continue to look out for opportunities that may make sense for us to see through, but the main focus is growth, not new channels.

### **What are the biggest challenges of entering the FAST channels business?**

There are several: creating and growing brand equity; standing out in a hyper-competitive environment; driving monetization.

### **What is the most common financial model for FAST channels – revenue share, inventory share, or fee?**

It varies, but platforms are increasingly looking to revenue share as everyone wants to sell ads; yet few are truly good at it.

### **Do you expect this to be different outside the US?**

Yes – sales teams on the ground in each market are key and

few channels have global sales teams. The platforms have more scale and can drive more value in smaller markets.

### **In a revenue share, what is the typical split?**



**Richard Young**  
Director of Syndication,  
Little Dot Studios

### **How has your FAST business grown over the last 12 months?**

We've achieved triple-digit % YoY growth in watch time and impressions across our network of 7 FAST channels: Real Crime, Real Stories, History Hit, Real Wild, Wonder, Real Life and Don't Tell the Bride (single series). We have also signed 3 new platform partnerships over the course of the last 12 months allowing us to reach additional audiences.

### **What type of content works best on FAST?**

Clearly targeted content that speaks to a particular audience performs best. As such, we have a strong focus on Factual, Reality and Lifestyle genres.

### **Is any of the content on FAST channels still under license elsewhere – to linear or on demand?**

We typically license non-exclusively. We believe (and have done analysis to prove this) that it's important to reach the consumer where they watch the content (i.e., multiple platforms and potentially channels).

### **What can you tell us about your business model – do you operate on a fee basis, revenue share, or inventory share?**

We license and aggregate thousands of hours of content across our owned network of over 35 channels and 7 FAST channels, and offer rev share or license fees terms to distributors and producers. With the platforms we have both revenue share and inventory share. To monetise our inventory share we manage our own ad stack with more than 10 demand partners which is key to drive fill rate and CPM.

### **How much content do you need (in hours) to**

**operate a FAST channel? How often would you replace/refresh it?**

We require a significant volume to be confident of launching a channel (c. 300- 400 hours) and we refresh the content regularly. Editorial and promotion is key.

**Do you program and schedule the channels yourselves? If not, who does it?**

We have an in-house scheduling team so do this ourselves.

**Which platforms do you distribute FAST channels on?**

We are on more than 12 platforms in 20 territories including Roku, Samsung TV Plus, Vizio, Amazon Freevee; we also have our own app, Veely.tv.

**Which territories do you believe have the biggest potential for growth of FAST?**

We think all markets will grow. The US is still the biggest but competition is increasing. Notably, we are seeing strong growth in the UK, Europe, Australia and India.

**Do you plan to launch more FAST channels in 2023, if so, in which territories and what**

**kind of channels?**

Yes. We are exploring all territories and we will predominantly be focussed on entertainment and factual. Watch this space.

**What are the biggest challenges of entering the FAST channels business?**

There are lots of challenges including securing distribution, management of tech and operations, ensuring the channels are constantly refreshed and ensuring promotion and then monetisation. We have launched our first channels more than 2 years ago so have worked hard to be successful and future proof our approach.

**What is the most common financial model for FAST channels – revenue share, inventory share or fee?**

It's mixed and varied.

**Do you expect this to be different outside the US?**

Yes, typically bigger platforms in the US mandate revenue share. Outside of the US, they are less advanced in monetisation.

**In a revenue share, what is the typical split?**

That's confidential! The challenge is there are lots of mouths to feed including ad sales commissions, platform share etc.

**Each day's schedule feels fresh and new even with repeat programming mixed in.**



**Greg Diefenbach**  
Managing Director,  
Alliant/Magellan TV

### **How has your FAST business grown over the last 12 months?**

Fast growth has been explosive. 48% increase in revenue in this space for us.

### **What type of content works best on FAST?**

FAST content success thus far looks much like successful content in the former cable space, with a bit more emphasis on niche programming. True crime continues to perform. But our new Space Science channel has really taken off.

### **What can you tell us about your business model - do you operate on a fee basis, revenue share, or inventory share?**

All of the above. The business landscape is so varied and so fractured that we have had to be very flexible and accommodating in our business models. This is the key to success.

### **How much content do you need (in hours) to operate a FAST channel? How often would you replace/refresh it?**

We are creating and/or licensing approximately 500 hours each year.

### **Do you program and schedule the channels yourselves? if not, who does it?**

Yes. Some channels — such as MagellanTV Now, are programmed directly by our team. Some channels on some platforms are programmed by our platform's partners. Again, flexibility has been key to success.

### **Which platforms do you distribute fast channels on?**

Samsung TV plus, Vizio, Pluto, Freevee and many others. Always a growing list.

### **Which territories do you believe have the**

### **biggest potential for growth of FAST?**

Latin America.

### **Do you plan to launch more FAST channels in 2023?**

Yes.

### **What are the biggest challenges of entering the FAST channels business?**

Platforms and gatekeepers are becoming more selective. and over time, it's quite possible that many platforms will create or strongly favor their own o&o channels and deprecate third party channels.

**Fast growth has been explosive.**



### **What is the most common financial model for fast channels – revenue share, inventory share or fee?**

Rev share by the platforms.



**Valerio Motti**  
VP of FAST Channels,  
Fremantle

### **How has your FAST business grown over the last 12 months?**

It is undeniable that FAST is attracting more and more users. Whether it is due to SVOD saturation, subscription fatigue, penetration of connected TVs, easy discoverability, reasonable ad-loads; FAST is here to stay. FAST is a progressive next step in the evolution of content distribution and is 100% compatible with our business model at Fremantle. It is a great opportunity

for us to directly reach global audiences and learn from them.

At Fremantle, we have a wealth of content, beloved brands and world-recognised IP and we also have local production capabilities in 20 countries around the world – we are in a great position to become a truly global player in the FAST industry.

### **What type of content works best on FAST?**

We know that FAST audiences appreciate niche and nostalgia content that does not necessarily find its own space on Free To Air or Pay TV. At the same time, there is also a strong appetite for recent shows. As platforms' EPGs are getting crowded with more and more channels, well known IP works best for us.

### **What can you tell us about your business model – do you operate on a fee basis, revenue share, or inventory share?**

We operate with multiple business models.

### **How much content do you need (in hours) to operate a FAST channel? How often**

### **would you replace/refresh it?**

There is not a magic number when it comes to the amount of content needed for a channel. Generally thematic channels require more hours than single title channels. At Fremantle, we're proud to have a huge wealth of content and IP of world-recognised and loved brands.

### **Do you program and schedule the channels yourselves? If not, who does it?**

Yes, we have a team based in the US who curate our channels. We are capturing data about content consumption and habits, and we feed that back to the teams involved in the channel creation and marketing, to form an efficient cycle of communication and powerful cross-collaboration.

### **Which platforms do you distribute FAST channels on?**

We work with all major platforms, and currently have channels running on Samsung, PlutoTV, Roku, Freevee and many others.

### **Which territories do you believe have the biggest potential for growth of FAST?**

Outside of the US, we believe UK, Germany, Italy, Spain, France as well as Canada and Australia and indeed many other countries hold a lot of potential.

**Do you plan to launch more FAST channels in 2023? If so, in which territories and what kind of channels?**

In addition to US, we believe that international growth is going to be a big opportunity for us in the coming year. We expect to launch additional great channels in the next 12 months both in the US and internationally namely UK, Germany, Australia, France, Italy, Spain, and others.

In addition to huge hits like Baywatch, BUZZR, The Price Is Right and Supermarket Sweep, we have recently launched:

- The Jamie Oliver Channel: Over 300 hours of renowned chef Jamie Oliver's programming. Combining Chop 'N Chat, Travelogues and seasonal specials.
- Places and Spaces: the best architecture, interiors, and home-related programming.
- Let's make a deal: Hosted by Wayne Brady, the updated version of the classic gameshow

We will be launching more genre and single title channels in 2023.

**What are the biggest challenges of entering the FAST channels business?**

FAST channels are real TV channels. In order to be successful, you need to invest in editorial curation, marketing, data analysis and technology.



**We know that FAST audiences appreciate niche and nostalgia content that does not necessarily find its own space on Free To Air or Pay TV.**



Matthew Bailey | Principal Analyst, Advertising, Omdia

Tim Westcott | Senior Principal Analyst, Digital Content & Channels, Omdia

Ed Ludlow | Senior Data Analyst, Digital Content & Channels, Omdia

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