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2022

Episode 4

## The FAST and the Curious

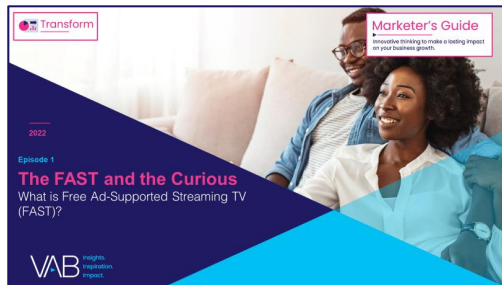
How can marketers harness the rapid growth of FAST?



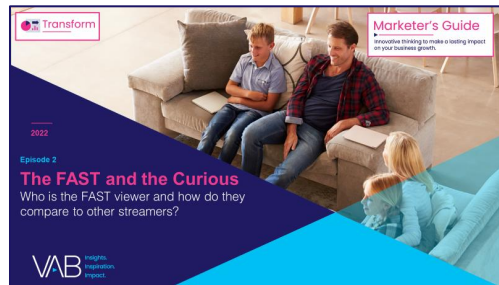
# Over the last few years, FAST (free ad-supported streaming TV) has emerged as a promising new video platform for audiences and advertisers.

Many consumers are increasingly feeling "maxed-out" with their number of paid subscriptions, yet they still crave video content. As a result, the ecosystem of ad-supported streaming options, including FASTs, is rapidly growing.

This **4-part** guide, **The FAST and the Curious**, equips you with what you need to know about the growing opportunity of FASTs.



What is Free Ad-Supported Streaming TV (FAST)?



Who is the FAST viewer and how do they compare to other streamers?



How do FASTs meet the 6 entertainment 'need states' for consumers?

## How can marketers harness the rapid growth of FAST?



# What is **FAST** (Free Ad-Supported Streaming TV)?



[Click here to learn more about FAST](#)



**Free ad-supported streaming TV (FAST) services** enable audiences to **stream video content via a broadband connection in a linear TV-like environment** without needing a subscription.

As the name implies, the content is free to watch because it is ad-supported.

FAST platforms' defining feature is an "unplanned channel surfing" viewing experience via **live scheduled programming delivered to viewers across designated channels**.

Note: The first documented use of the acronym 'free ad-supported streaming TV' is attributed to Alan Wolk at TVREV in 2019.

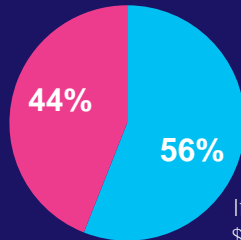
# Audiences' increasing acceptance of, and even preference for, ad-supported streaming services is likely contributing to growth of FAST platforms

## Examples of sources reporting on rising preferences for ad-supported services

### Hub Entertainment Research

Which statement comes closest to how you feel about ads?

If there is an **ad-free** option, I'll almost always choose it even if it costs \$4-\$5 more per month



If **watching ads** will cost \$4-\$5 less than watching ad-free, I'll almost always choose that option



**56% of Connected TV Viewers Would Watch Ads To Save Money**

### LG Ads Solutions\*

Ad Receptivity Among FAST Channel Viewers

**65%**

'Medium' to 'High' Ad Receptivity




■ High Receptivity ■ Medium Receptivity



**Nearly half of FAST channel viewers show high TV ad-receptivity**

Source: Hub Entertainment Research, *2022 TV Advertising: Fact vs. Fiction* (Q2 2022). Data based on interviews with 3,004 U.S. consumers age 14-74 who watch a minimum of 1 hour of TV per week. \*LG Ads Solutions, *FASTs Are The Next Big Thing For TV Viewers*, 8/2/2022.



“As advertisers look to efficiently maximize their reach in an increasingly fragmented viewing landscape, **FAST services are a valuable complement to traditional TV and other AVOD streaming options** as part of a holistic multi-screen media plan.”

**James Rooke**

President, Comcast Advertising

*How F.A.S.T. is Changing the TV Advertising Landscape, 7/21/2022*

# FAST services can deliver incremental reach for marketers by engaging new audiences within their convergent TV (linear + streaming) campaigns

**% of Audience Overlap by Video Platform**  
FAST vs. Other Platforms

Audience Duplication %	FAST
AVOD	59%
TV Everywhere	24%
vMVPD	18%
Traditional MVPD	44%
SVOD	87%

**\*How to read: 59% of FAST viewers also watch AVOD services**



Source: VAB analysis of MRI-Simmons August 2022 Cord Evolution Study, A18+ . Base = streamed in the past 12 months. FAST (41% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Peacock (free service w/ limited commercials), Roku Channel, Tubi TV, Freevee (formerly IMDb TV), Pluto, Samsung TV Plus, Xumo, Local Now. SVOD (83% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Apple TV+, Discovery+, Disney+, HBO Max (commercial free), Hulu (commercial free), Netflix, Paramount+ (commercial free), Amazon Prime Video. AVOD (44% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Hulu (limited commercial), Paramount+ (limited commercial), Peacock (limited commercial), HBO Max (limited commercial), Crackle, Vudu, Discovery+ (limited commercial). TVE (20% of A18+ streaming population) = used any of the following streaming services in the past 30 days: ESPN, Hallmark TV, History, Lifetime, CNN, A&E, MTV, Bravo. vMVPD (14% of a18+ streaming population) = used any of the following streaming services in the past 30 days: DirecTV Stream, Frndly TV, Fubo TV, Hulu + Live TV, Philo, Sling TV, Spectrum TV Choice, YouTube. Traditional MVPD (46% of A18+ streaming population) = household subscribes to cable, satellite or fiber optic TV.

# Especially as streaming audiences can often be **found across multiple platforms**, driven by their appetite for video content

**% of Audience Overlap by Video Platform**

Audience Duplication %	FAST	AVOD	TV Everywhere	vMVPD	Traditional MVPD	SVOD
FAST		55%	50%	52%	40%	43%
AVOD	59%		56%	59%	40%	49%
TV Everywhere	24%	25%		32%	24%	22%
vMVPD	18%	19%	23%		11%	16%
Traditional MVPD	44%	41%	55%	35%		45%
SVOD	87%	92%	90%	90%	82%	

**\*How to read: 59% of FAST viewers also watch AVOD services vs. 55% of AVOD viewers who also watch FAST services.**

**This means marketers can reach new audiences and achieve incremental reach across both ad-supported streaming models.**

Source: VAB analysis of MRI-Simmons August 2022 Cord Evolution Study, A18+. Base = streamed in the past 12 months. FAST (41% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Peacock (free service w/ limited commercials), Roku Channel, Tubi TV, Freevee (formerly IMDb TV), Pluto, Samsung TV Plus, Xumo, Local Now. SVOD (83% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Apple TV+, Discovery+, Disney+, HBO Max (commercial free), Hulu (commercial free), Netflix, Paramount+ (commercial free), Amazon Prime Video. AVOD (44% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Hulu (limited commercial), Paramount+ (limited commercial), Peacock (limited commercial), HBO Max (limited commercial), Crackle, Vudu, Discovery+ (limited commercial). TVE (20% of A18+ streaming population) = used any of the following streaming services in the past 30 days: ESPN, Hallmark TV, History, Lifetime, CNN, A&E, MTV, Bravo. vMVPD (14% of a18+ streaming population) = used any of the following streaming services in the past 30 days: DirecTV Stream, Frndly TV, Fubo TV, Hulu + Live TV, Philo, Sling TV, Spectrum TV Choice, YouTube. Traditional MVPD (46% of A18+ streaming population) = household subscribes to cable, satellite or fiber optic TV.

# Marketers can engage with FAST audiences via traditional TV ads, like :15s and :30s units, or sponsor channels to showcase their own branded content

- ▶ 62% of streamers prefer viewing standard video ads, making it the most preferred format within a streaming environment\*



## Traditional TV Ads

Comprised of :15s or :30s units

As FAST is a relatively new space, many advertisers appear to be **using the same :15 second or :30 second creative** on FAST services as they do for their linear TV campaigns.

For marketers, the ability to trial a new platform **without having to modify their existing ads** can make for an easy entry to FAST.



## Branded Channels

Channels sponsored by brands that host content which aligns with the brand's own messaging

Some **media brands** (e.g., Funny or Die) and **consumer brands** (e.g., Dove) sponsor channels on FAST services, where they **air their own branded content** or **related programming**. With a direct connection to viewers, brands can **engagement** and their **affinity** among consumers.

Currently, there are not many active consumer brand channels; however, it is expected that **opportunities will grow** as FAST channels look to expand their content libraries.

Source: \*Magid national AVOD & SVOD streamer study (n=2,000), commissioned on behalf of Tubi, Q3 2022; respondents must stream AVOD & SVOD. Preferred ad formats amongst AVOD & SVOD streamers: standard video ad (62%), split screen (43%), pause ad (41%), interactive (30%), QR ad (24%). Note: information above on 'traditional TV ads' and 'branded channels' based on review of a sampling of brand ads viewed across various FAST services with comparisons to the brands' linear TV creative, available via iSpot.TV.

# Similar to AVOD viewers, FAST audiences **accept and appreciate the value exchange** between content and ads

% of streamers who agree with the following statements, based on streaming service type

■ FAST Viewer

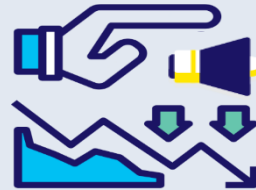
■ AVOD Viewer



**'I prefer streaming free video content with ads/commercials instead of paying for a subscription without ads / commercials'**

**71% / 68%**

vs. A18+ streamer: **63%**



**'I enjoy streaming TV shows that have ads/commercials'**

**42% / 40%**

vs. A18+ streamer: **36%**



**'The ads / commercials I see on streaming services I use are relevant to me'**

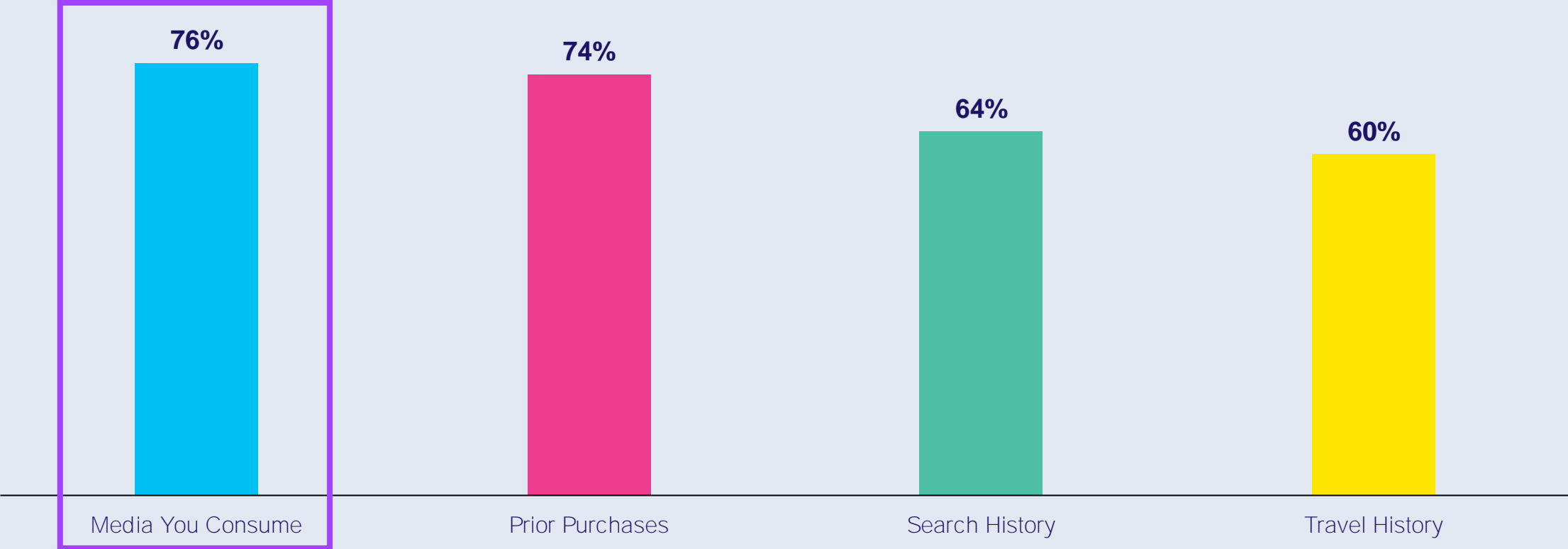
**42% / 43%**

vs. A18+ streamer: **38%**

Source: VAB analysis of MRI-Simmons August 2022 Cord Evolution Study, A18+. Base = streamed in the past 12 months. FAST Viewers (41% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Peacock (free service w/ limited commercials), Roku Channel, Tubi TV, Freevee (formerly IMDb TV), Pluto, Samsung TV Plus, Xumo, Local Now. AVOD Viewers (44% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Hulu (limited commercial), Paramount+ (limited commercial), Peacock (limited commercial), HBO Max (limited commercial), Crackle, Vudu, Discovery+ (limited commercial). Reflects respondents who answered 'somewhat agree' or 'strongly agree'.

# There is ripe opportunity for greater personalization of advertising on platforms like FAST as people are **more willing to exchange their viewing history** than any of their other information in order to get relevant ads

**% of A18+ Who Say it is Acceptable\* to Receive More Relevant Ads Based on Your Information**

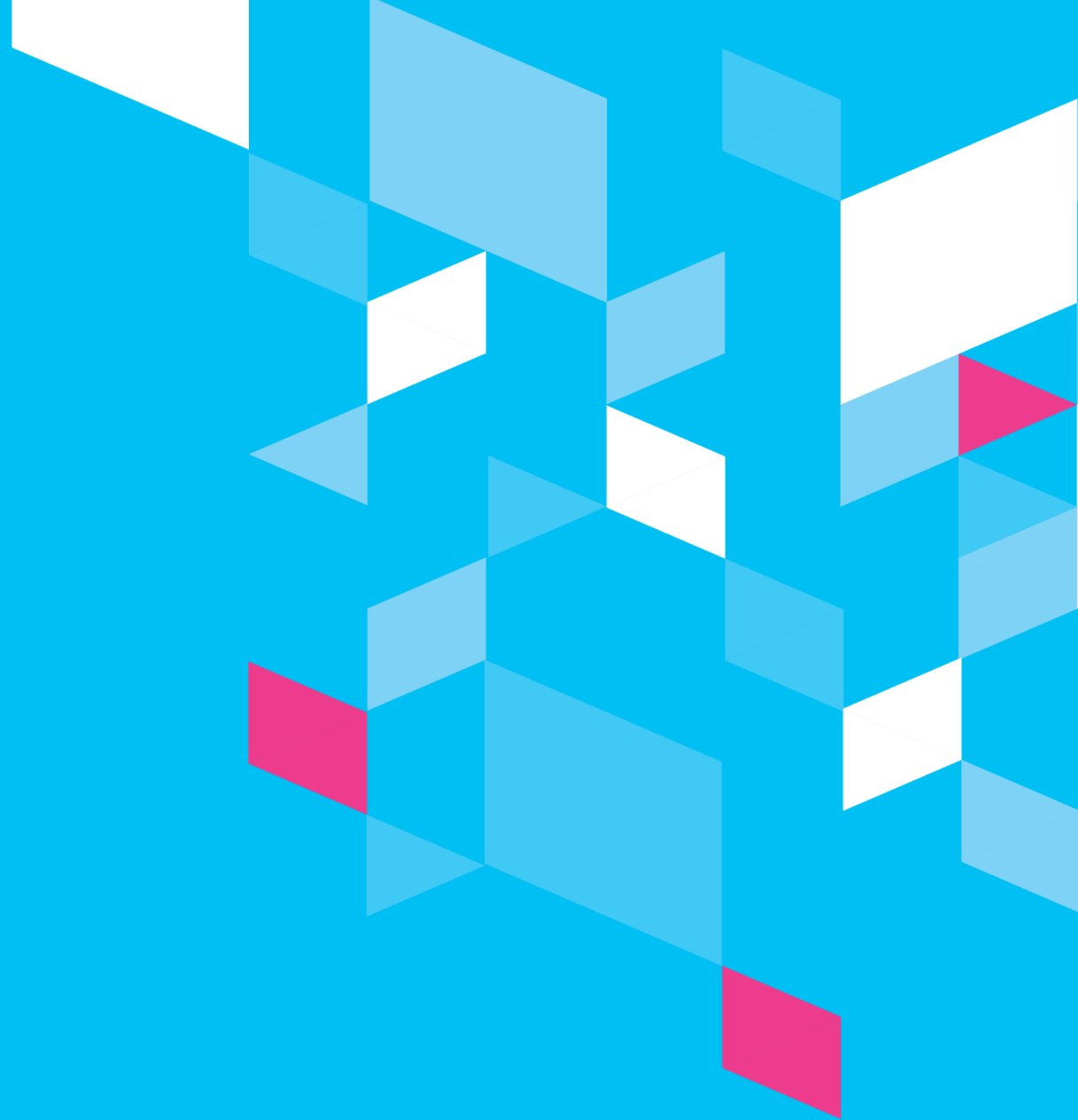


Source: The Advertising Research Foundation, *5th Annual Privacy Study*, September 2022. Based on survey of 1,273 American consumers, fielded 5/14/22 – 5/27/22. \*Based on respondents who answered 'somewhat acceptable' or 'acceptable'.

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# FAST Forward

What does the future of FAST hold?



# The channel expansion of FAST is fueling comparatively high audience growth, which **creates more opportunities for marketers** as services continue to increase and additional content agreements are formed

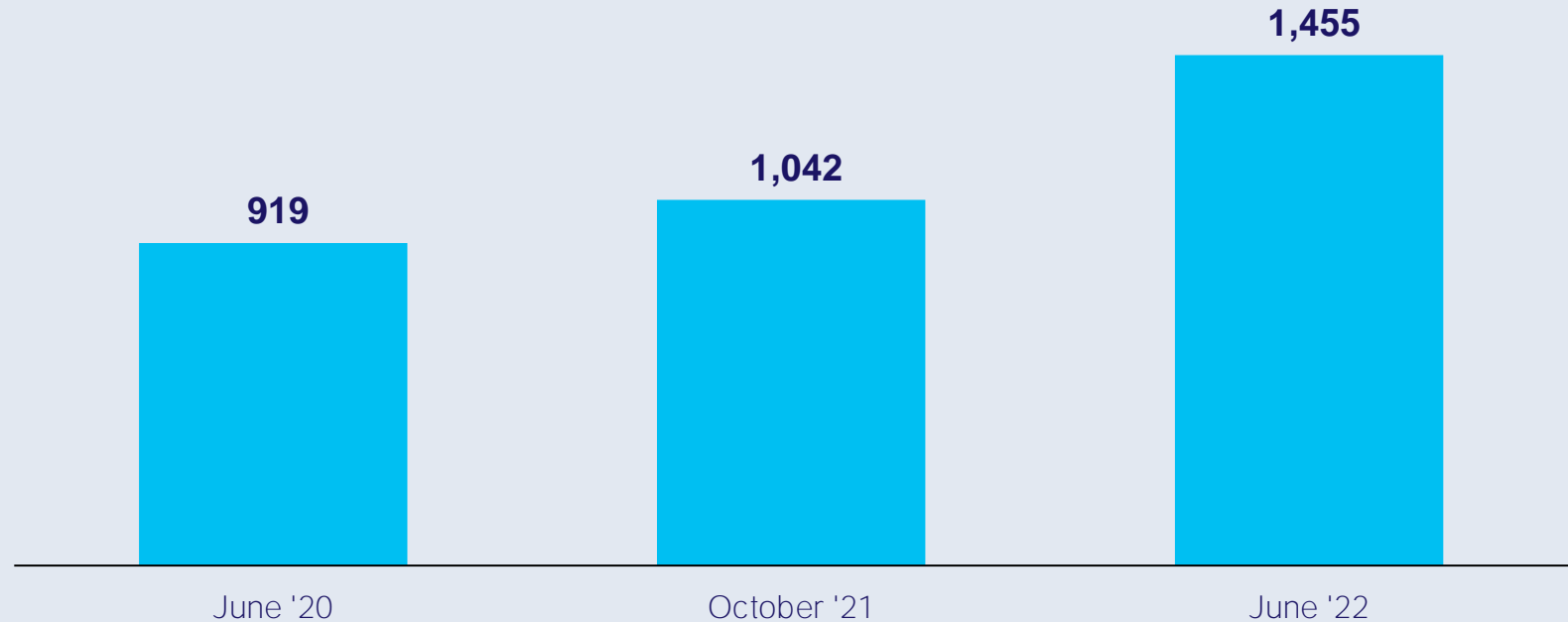
YoY FAST audience increased

**+73%**

From July 2020 to August 2022

Total number of FAST channels in the U.S.\*  
(Exclusive to & Shared Across Services)

**+58%**  
vs. June '20

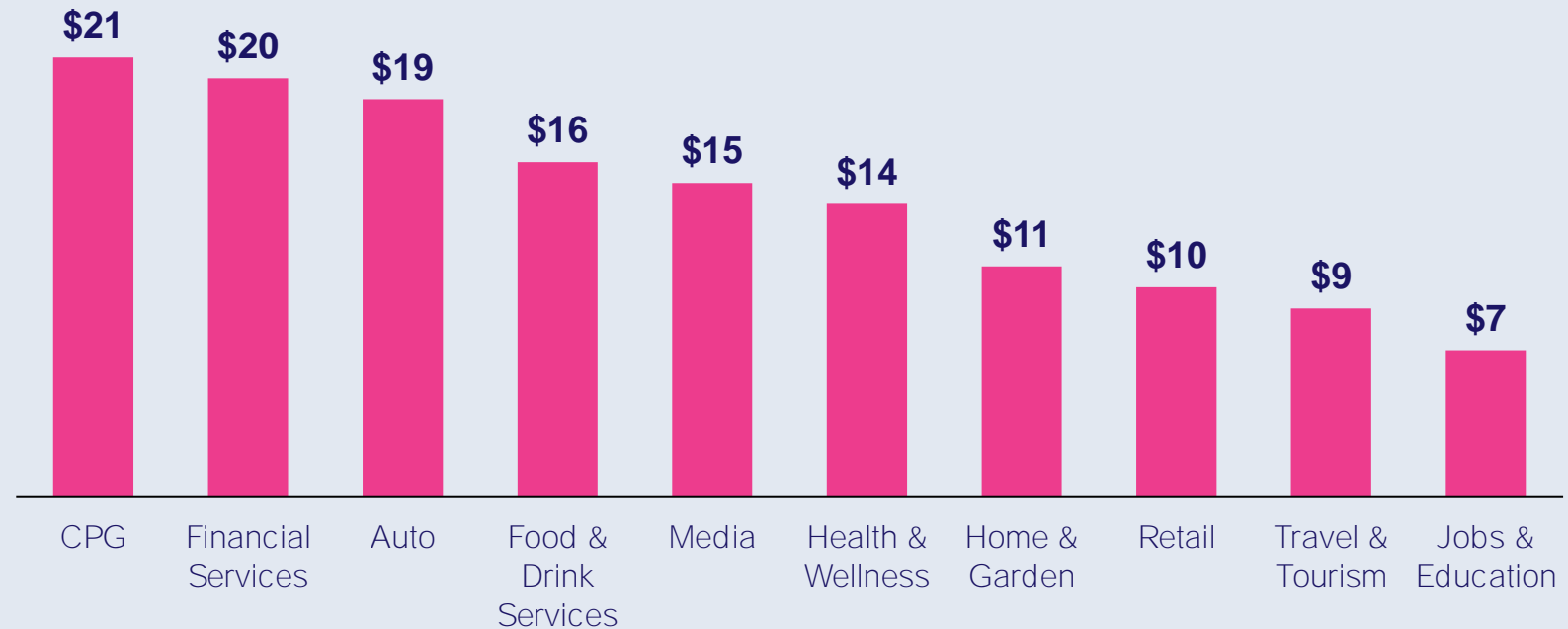


Source: VAB analysis of MRI-Simmons Cord Evolution Study, July 2020 vs. August 2022, A18+. Base = streamed in the past 12 months. FAST Viewers (41% of A18+ streaming population) = used any of the following streaming services in the past 30 days: Peacock (free service w/ limited commercials), Roku Channel, Tubi TV, Freevee (formerly IMDb TV), Pluto, Samsung TV Plus, Xumo, Local Now. \*VIP+ Variety Intelligence Platform, *Life in the FAST Lane*, July 2022. VIP+ analysis includes DistroTV, Freevee, Haystack News, LG Channels+, Local Now, News by Fire TV, Peacock, Plex, Pluto, Prime Video Channels, Redbox, Roku Channel, Samsung TV Plus, Sling Free, Sports.TV, STIRR, Tubi, Very Local, ViX, Vizio WatchFree+, Xumo.

# Advertisers across categories, many of which align with the FAST consumers' behaviors, are already investing significantly to build their brand's presence on these increasingly popular platforms



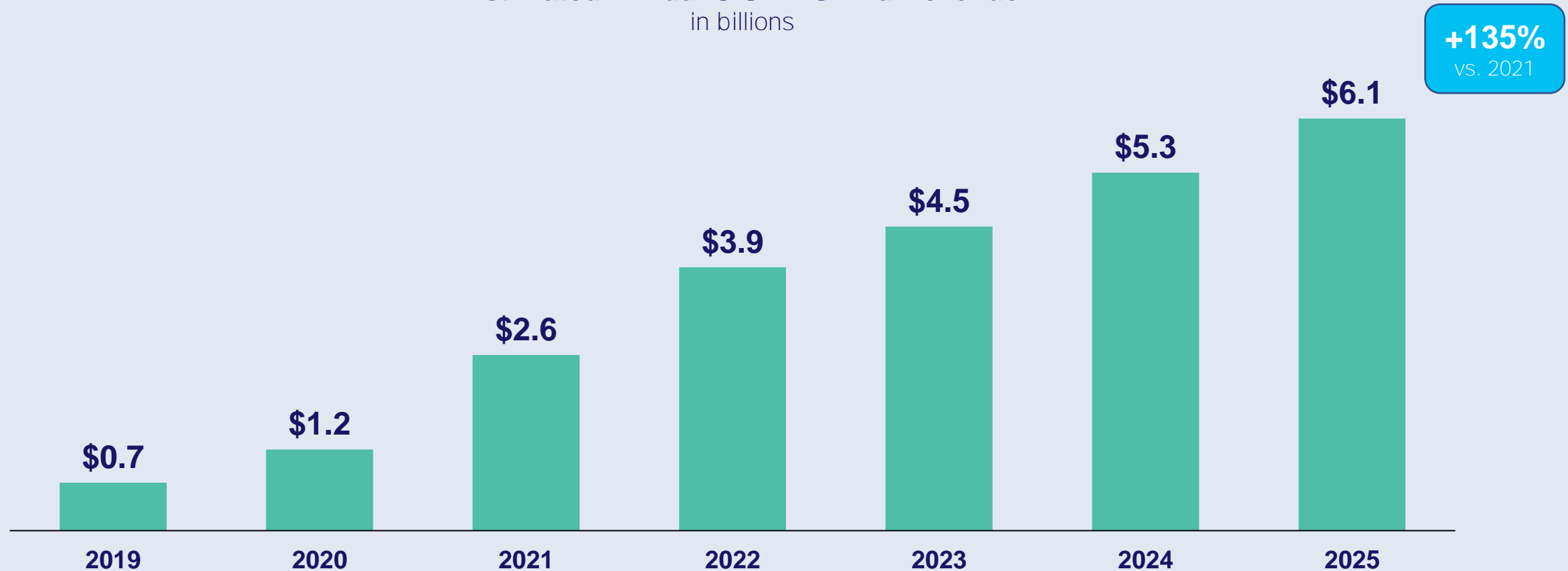
Top 10 Categories for U.S. Ad Spend on Pluto and Tubi Combined  
May 2022 (in millions)




Source: VIP+ Variety Intelligence Platform, *Life in the FAST Lane*, July 2022. Category data from SensorTower via VIP+.

# With the continued expansion of access points and viewership growth, FAST advertising spend is projected to more than double over a five-year span to \$6 billion annually in 2025

Estimated Annual U.S. FAST Ad Revenue  
in billions



Source: VIP+ Variety Intelligence Platform, *What to Expect Next in FAST*, 7/11/22. Based on Variety Intelligence Platform analysis.



“Right now, **the FAST ecosystem is still developing**. It’s early on and folks are trying to figure things out, but I think that **standards are developing over time as the market matures**. And I do think the industry is maturing in a positive way, and certainly has been doing so over the last **couple of years. So, things are on the right track.**”

**Sean Buckley**

Chief Revenue Officer, Magnite  
*TVREV, FASTs are the New Cable*

# Key Takeaways For Marketing Plans



## **FASTs offer an incremental reach and engagement opportunity**

**FAST, AVOD and linear TV combined can maximize reach and frequency opportunities within premium environments for brands within their holistic video campaigns**



## **FASTs provide a 'Share of Voice' opportunity**

**With ad spend on FASTs increasing, the platform can be an important component of holistic video campaigns for brands looking to defend or grow their SOV**



## **FASTs present opportunities for creativity**

**Brands can connect with FAST audiences via their existing :15s / :30s video creative, and as FAST continues to grow there will be more opportunities for branded content and creative ad experiences**

# Download all four releases of VAB's 'The FAST and the Curious' series to learn about FAST, their audience, the opportunities and the future

Download VAB's entire 'The FAST and the Curious' series to get up to speed on FAST and its audiences



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How do FASTs meet the 6 entertainment 'need states' for consumers?



How can marketers harness the rapid growth of FAST?

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**What is convergent TV and why is it happening?**



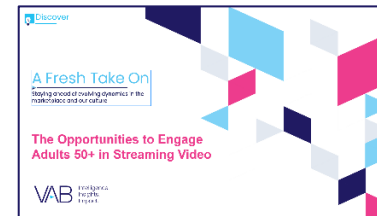
**How might customized, targeted video ads help me create stronger engagement?**



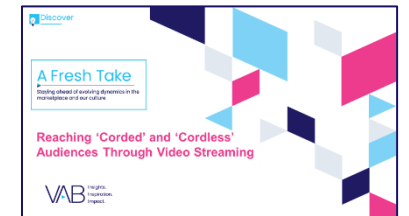
**How can streaming deliver incremental audiences in convergent TV?**



**How can a convergent TV strategy drive business results for my brand?**



**A Fresh Take On**  
The Opportunities to Engage  
Adults 50+ in Streaming Video



**Reaching 'Corded' and 'Cordless' Audiences Through Video Streaming**

# About VAB

VAB is an insights-driven organization that inspires marketers to reimagine their media strategies resulting in fully informed decisions.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.



We are committed to your business growth and proud to offer VAB members, brand marketers and agencies **complimentary access** to our continuously-growing Insights library. **Get immediate access at theVAB.com.**

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