

FREE AD-SUPPORTED STREAMING TV

Why More Advertisers (and Consumers) are Going F.A.S.T.



Executive Summary: The F.A.S.T. Rundown

Today's consumer has more places to watch their favorite TV content than ever before. One of the newest ways they are watching is on free ad-supported streaming television, also known as F.A.S.T., a form of over-the-top (OTT.) Companies like XUMO, Tubi, Pluto and others are reaching consumers with news, entertainment, sports and more in an environment that mimics linear TV and is often built right into a TV manufacturer's interface.

2X
Growth

F.A.S.T. has **more than doubled** in one year, making it the fastest growing streaming tier.¹

In fact, **6 out of 10 households** who have a connected TV turn to this user-friendly, big-screen opportunity as one of the ways they watch their favorite shows without the cost or logins required for linear TV or paid streaming. As these viewers turn to F.A.S.T. services, advertisers should consider how F.A.S.T. can fit into their overall video strategy as a complement (though not a replacement) to traditional TV and other streaming strategies; our research suggests that streaming advertising (including F.A.S.T. and other forms) should make up about **20-30%** of the overall investment for multi-screen campaigns.

The Industry's Newest Form of Over-The-Top

In today's multiscreen video world, more TV viewers are relying on streaming services to discover and watch their favorite video content. US consumers are expected to spend close to 6 hours per day in 2022 with TV and digital video,² with much of that time devoted to streaming video services – both ad-supported and non ad-supported. Advertisers are taking notice and for good reason:

63%
OTT

According to [FreeWheel's Video Marketplace Report](#), CTV accounted for **63%** of total digital ad views in the second half of 2021.³

\$30B
Ad Spend

According to eMarketer, OTT ad spending is expected to reach **\$19.1B in 2022** and nearly **\$30B by 2024** – or 7.6% of all ad spend.⁴

Within this growth in viewership and spend, a new streaming format has emerged that is catching the eye of both consumers and advertisers: Free Ad-Supported Streaming TV, also known as F.A.S.T.

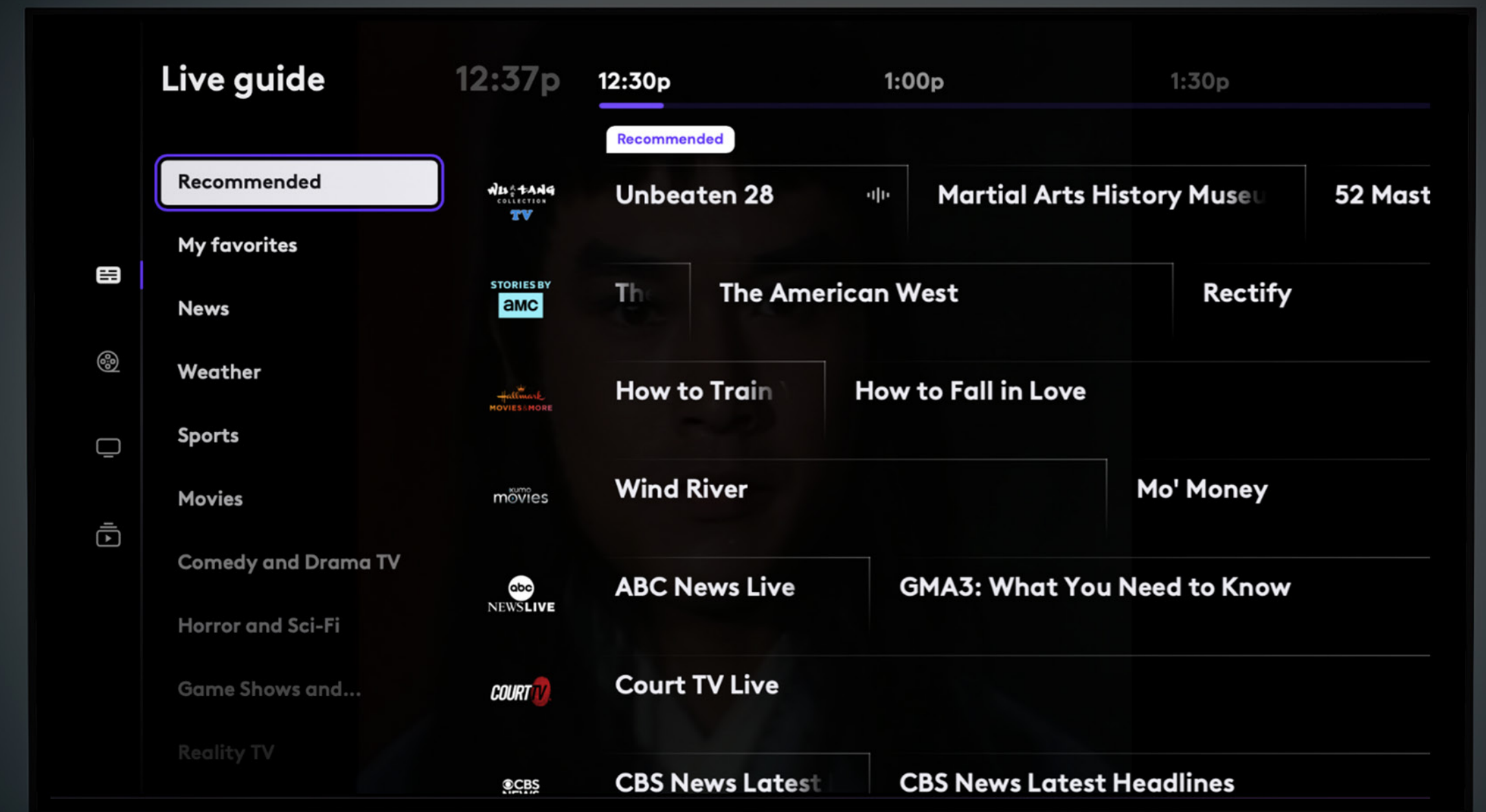
These services, from companies like XUMO, Pluto, Tubi, or Freevee, offer consumers streaming services that also feature linear-style channels – encouraging a lean-back experience that mimics traditional video or cable, but in a streaming video format. For advertisers, F.A.S.T. provides a unique opportunity to reach cord-cutters while they are “scrolling,” “channel surfing” and discovering new content – a prospect not possible through ad-free services like Netflix, or even from ad-supported on-demand services like Crackle.

SVOD vs. AVOD vs. F.A.S.T.

OTT streaming services include subscription video on demand (SVOD), ad-supported video on demand (AVOD) and free ad-supported streaming TV (F.A.S.T.)

All are forms of streaming, but the differences lie in the technology, access, price point and playout.

Similar to AVOD, F.A.S.T offers an ad-supported experience within the OTT environment. Although F.A.S.T. is technically an OTT option, what makes it unique is the ability to stream both linear channels and on demand content (linear streaming channels are created using specific technology that stitches video on demand together to create the linear playout.)



A Look at Different Types of OTT Services

(Representative sample only)

Free Ad-Supported Streaming Television (F.A.S.T.)

xumo

pluto tv

peacock

tubi

freevee

Ad-Supported Video on Demand (AVOD)

CRACKLE

pluto tv

peacock

FILMRISE

YouTube

Subscription Video on Demand (SVOD)

NETFLIX

hulu

peacock

Disney+

prime video

How Consumers are Going F.A.S.T.

Today's average consumer in the US currently has **4.2 streaming services**.⁵ How do F.A.S.T. services fit into this crowded space? The answer is that these services act as a free and easy alternative to supplement paid streaming – with no login required. Take for example the case of XUMO, a popular F.A.S.T. provider, where consumer usage overlaps with the leading services.

Of XUMO users:

77%

subscribe to Netflix⁶

80%

subscribe to Hulu⁶

65%

subscribe to Prime Video⁶

F.A.S.T. services can be accessed via a mobile or TV app, or through a TV manufacturer's built-in channel guide. Today, F.A.S.T. services are distributed across nearly all major devices, including smart TVs (like Samsung, LG, TCL, Roku, Sony and more), major OTT devices (like Apple TV, Amazon Fire, Roku, Tivo and more), and even multichannel video programming distributors (MVPDs) like Xfinity. But, despite the range of viewing options, more than **80%** of time spent with F.A.S.T. services is on the biggest screen in the house.⁷ This suggests that consumers still value the lean-back experience traditionally associated with linear TV.

Many consumers may be unaware that the channels they access through their TV are F.A.S.T. channels programmed directly into the channel guide by the manufacturer.

As a result, when a user is channel surfing on their connected device, it's easy for them to land on the F.A.S.T. channels without even knowing it — and then spend time engrossed in the content. This is especially true of cord-cutters, who do not have a cable program guide.

Understanding F.A.S.T. Channels

F.A.S.T. channels refer to a collection of videos that have been stitched together to create a linear-like payout. As stated earlier, this is what sets F.A.S.T. services apart from typical AVOD services – the linear experience of choosing and scrolling through channels, rather than simply choosing individual videos on-demand.

News Channels:

News outlets provide dedicated F.A.S.T. channels that allow users to watch live news, not unlike a network TV live viewing experience; examples include ABC News Live and NBC News NOW.

Series-Based or Intellectual Property-Based Channels:

These channels are based on specific series or intellectual property with which viewers may already be familiar, such as Antiques Roadshow UK, BBC Doctors, or Forensic Files.

Aggregated F.A.S.T. Channels:

These channels pull in content under a particular theme, and may be movie or TV show-focused. They tend to feature programming from genres such as Action Movies, Comedy TV, Kids TV, Family Movies and more.



Growing F.A.S.T. & Gaining Momentum

Today, F.A.S.T. is experiencing incredible growth: overall F.A.S.T. penetration more than doubled year-over-year in 2021⁸ and today, 6 out of 10 households who have a connected TV turn to F.A.S.T. services as one of the ways they watch their favorite shows.⁹

What's more, F.A.S.T. services feature higher Net Promoter Scores (NPS) than other streaming services, a metric that suggests viewers are satisfied and loyal.¹⁰

More F.A.S.T. Choices for Consumers

As a result of this growth, more premium video publishers are seeing the advantage of creating F.A.S.T. channel options to reach and engage with audiences that are not watching “traditional” television.

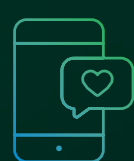
For example, ABC, Fox, NBC and CBS now offer F.A.S.T. news channels and cable networks like Hallmark Movies, A&E, History and BBC, are using F.A.S.T. channels to reach their audiences. While consumers may land in the F.A.S.T. sphere without even knowing it, XUMO data shows viewers will then spend an average of **over 100 minutes** with F.A.S.T. video content.¹¹

Whether viewers are consuming their content on a TV screen, computer, or mobile device, F.A.S.T. provides them with the convenience of varied content with the nostalgic feeling of surfing through a wide array of personalized channels. Consumers also appreciate that F.A.S.T. providers typically do not crowd their content with too much advertising.

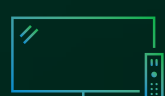
Deep Dive into F.A.S.T. Viewership

Courtesy of XUMO

While the industry does not yet track F.A.S.T. viewership in a broad and consistent way, certain trends and behaviors of the F.A.S.T. viewer can be uncovered by looking at one specific provider. XUMO is an example of a free ad-supported streaming service with **over 200 channels**; insights into XUMO viewership provides a good foundation for understanding the F.A.S.T. space.



Thanks to a lack of excessive branding and a focus on openness, the XUMO platform is very popular among millennials – a generation known for valuing affordability, accessibility and nostalgic experiences related to technology.¹³



The average XUMO user spends about **104 minutes** within the platform once they have entered.¹⁵

70%
Cord Cutters

70% of XUMO users are cord cutters, relying on XUMO as a complement to subscription video-on-demand (SVOD) services.¹²



As of May 2022, the top five most popular content categories, based on time watched, were News, Movies, Crime TV, Game Shows & Daytime TV, and Humor.¹⁴



In terms of a gender breakdown, men typically stay for news while women tend to watch more comedy and entertainment.¹⁶

What Advertisers are Saying About F.A.S.T.



As customers find more ways to watch the content they love across a mix of services, F.A.S.T. channels have become a key part of our media mix for acquisition and awareness, as well as targeted campaigns to super-serve key audiences.

Paramount+

The F.A.S.T. industry has grown exponentially and overlaps quite a bit now with what traditional TV has to offer in terms of both content and audience. Advertising on F.A.S.T. allows us to reach our targeted audience and is a valuable complement to our TV budget.



Why Advertisers are Choosing to Go F.A.S.T.

For advertisers, F.A.S.T. is a new and exciting space to reach consumers with targeted messaging. They are able to reach engaged viewers across multiple formats, platforms and iterations without the barriers of a login or monthly fee. In a single implementation, they are finding their target audiences – for example, people who recently visited a restaurant or are in-market to buy a car. And research shows that consumers don't mind the short commercial breaks.

75%
Don't
Mind Ads

According to a recent survey, **75%** of respondents thought ads on streaming services were fine as long as the content was free.¹⁷

69%
of Consumers

69% of consumers already use, would use or would consider replacing paid streaming services with ad-supported streaming services.¹⁸

So, should advertisers shift all of their media budget to free ad-supported TV? Not so fast...

F.A.S.T. Viewers vs. TV Viewers: The Same, But Different

By considering the differences and similarities between traditional TV and F.A.S.T. channels, a portrait emerges of a consumer who is similar and yet different.

Traditional TV

(i.e. Broadcast or Cable)

Watched by people who:

- Value great programming
- Prefer watching on the big screen
- Fall into all age groups
- Enjoy traditional content like news and movies
- Like content grouped into channels
- Are willing to watch ads to see content

Is a good fit for advertisers who:

- Want to reach consumers in an engaged, lean-back environment with sight, sound and motion
- Prefer nationally recognized network brands
- Want to primarily target like audiences via high indexing networks

Free Ad-Supported Streaming Television

Watched by people who:

- Value great programming
- Prefer watching on the big screen
- Are more likely under 40
- May prefer niche content vs. thousands of channels
- Prefer to access content via devices and platforms
- Expect ad breaks to be shorter

Is a good fit for advertisers who:

- Want to reach consumers in an engaged, lean-back environment with sight, sound and motion
- Are open to hard-to-find niche programming
- Are looking to target audiences on a 1:1 basis

F.A.S.T. as a Complement to Traditional TV

TV has long been seen as the gold standard in advertising and for good reason:

89%
Live TV

Households spend an average of **6+ hours** per day watching TV, with **89%** of that time spent with live TV.¹⁹

Research shows that media plans are strongest when TV is also combined with streaming, including F.A.S.T. In fact, in a recent case study analyzing 20,000 multi-screen campaigns, Comcast Advertising found that reach was highest when **20–30%** of an advertiser's investment was allocated to streaming.²⁰ Today, F.A.S.T. is an increasingly important piece of that streaming allotment, playing an important – but complementary – role in media plans.

Are you ready to go F.A.S.T.? Ask your media planner if it's time to add free ad-supported TV to your next plan.

Sourcing: 1- 85% of US Households have a video subscription service", Kantar (January 2022) 2- eMarketer, Jan 2022, 3- FreeWheel Video Marketplace Report, 2H 2021, 4- eMarketer, Oct 2021, 5- TDG Research, 6- Kantar/XUMO Brand Awareness Study, Q2 2021, 7- eMarketer, Sept 2021, 8- Technavio, 2021, 9- 85% of US Households have a video subscription service", Kantar (January 2022), 10- Yahoo, Dec 2021, 11- XUMO Internal Data Base (Periscope), 2022, 12- Oracle via TruAudience platform, 2022, 13- Nielsen Content Rating Database, 2022, 14- XUMO Internal Data Base (Periscope), Jan 2022, 15- XUMO Internal Data Base (Periscope), Jan 2022, 16- Nielsen Content Rating Database, 2022, 17- Effectv CTV Study, Happydemics, 2021, n=2,172, 18- Comcast Advertising, A Powerful Duo: The Linear + Streaming Revolution, 2021, 19- Comcast Internal Viewing -2H 2022, 20- The Comcast Advertising Report, June 2022



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