



Rakuten TV Enterprise

Connecting **Advertisers, Content & Audiences**

FAST track to success: why free ad-funded streaming is changing the face of CTV

In a fragmented televisual landscape, the challenge for brands is to combine the scale they desire with the precision they require



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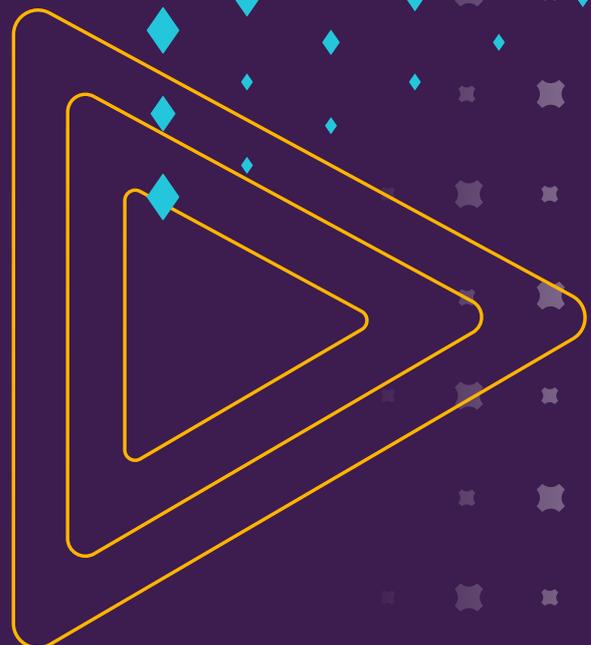
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Introduction

The way we consume visual content has rapidly shifted in the past decade as smart TVs and streaming platforms have replaced traditional broadcast and viewership models. The next step change is already well advanced as free ad-funded streaming (FAST) becomes an increasingly significant part of the connected TV (CTV) ecosystem.

Rakuten Advertising has produced in-depth research that reveals the scale of FAST usage across Europe and the opportunities for advertisers, through Rakuten Advertising's CTVision+ offering, which was launched in October 2023.

Edouard Lauwick, Rakuten Advertising's media SVP for the EMEA region, explains: "The remarkable rise of FAST is the result of several factors, including the increased adoption of smart or connected TVs, a greater willingness among content owners to deploy high-quality IP to FAST, and advertisers' growing recognition of the market's potential to provide viewers with a better experience with relevant content."

"Brands are realising the potential of CTV more now than ever, and being more strategic with allocating media spend to where their target audience spends their time," he says.

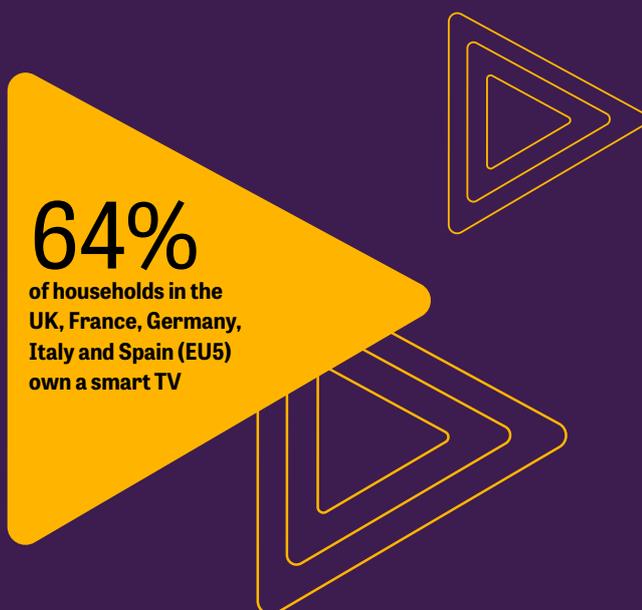
Sam Wilson, Magnite's managing director of CTV in EMEA, adds that in financially straitened times viewers were "seeking out free alternatives to costly pay-TV subscriptions. FAST mimics the traditional, lean-back TV experience that helps release viewers from decision fatigue."

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Edouard Lauwick, Rakuten Advertising

Lauwick adds: "Around 64% of EU5 households now own a smart TV, offering easy access to CTV in the home through apps and in-built services. Audiences have more choice in how they consume content, combined with the tightening of budgets, the shift to ad-supported content is driving down paid and subscription-based consumption."

The research, which was commissioned in August 2024, surveyed consumers (500 from each market) between the ages of 18 and 70 from the UK, France, Germany, Spain and Italy. This report aims to distil the key messages and learnings from that research accompanied by analysis from Rakuten Advertising and Magnite, to help brands and agencies better optimise CTV strategies.



Cutting through the chaos: challenges and opportunities for advertisers

“It can be a confusing process,” says Lauwick of ad buying in the fragmented TV landscape. Brands want scale but the decline of linear TV viewing makes that hard to achieve with multiple streaming providers. “The lack of visibility on ad placements across platforms makes it difficult to attribute measurement of value effectively,” he adds.

“Additionally, there is a need to standardise post-campaign measurement within the FAST ecosystem to truly justify and verify it as a mass media buy. Until FAST channels and CTV overcome the challenge of faster measurement, it will be difficult for advertisers to truly make the most of these opportunities.”

But, FAST offers significant advantages for advertisers, combining the mass reach of traditional TV with the precision of targeting. “Moreover, the lower cost of entry compared to linear TV makes it a cost-effective option for brands looking to expand their presence on the big screen,” says Wilson.

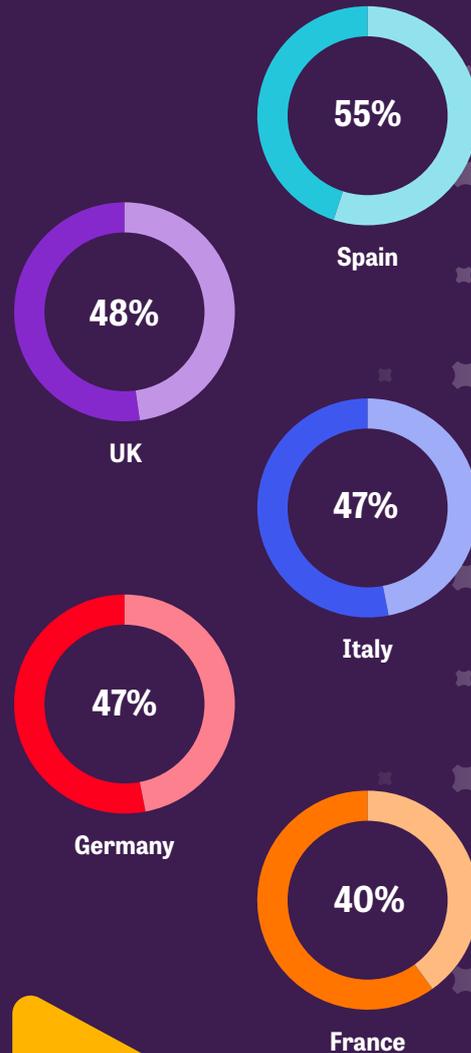
Lauwick adds: “FAST provides advertisers access to unprecedentedly large, highly engaged audiences, with non-skippable and audio-activated ad formats that engage audiences with a brand’s entire message.”

Spain leads the way in EU5 for FAST usage with 55% of respondents saying they use free ad-supported streaming on a daily basis. When asked whether they favoured FAST over paid subscriptions, the vast majority of viewers in all territories (80-90%) said they were ‘very likely’ or ‘somewhat likely’ to choose FAST.

“The lower cost of entry compared to linear TV makes FAST a cost-effective option for brands looking to expand their presence on the big screen.”

Sam Wilson, Magnite

Daily FAST usage



61%
of 25-34-year-olds in Spain say they watch FAST services on a daily basis. Italy (58%) and the UK (57%) are not far behind, with France on 42%

Synchronise and supplement: the trend of multi-device usage

The habit of second-screening, where a significant number of viewers use a second device (such as a smartphone or tablet) while watching TV, is increasingly common.

Almost half of UK respondents said they always or often used a second device while watching TV. Women are more likely than men to be second-screeners and in both France and Italy more than half of women surveyed say they're 'always' or 'often' on their phones or tablets while watching TV.

While social media is the single biggest second-screen activity across all five of the territories surveyed, online shopping scores highly too.

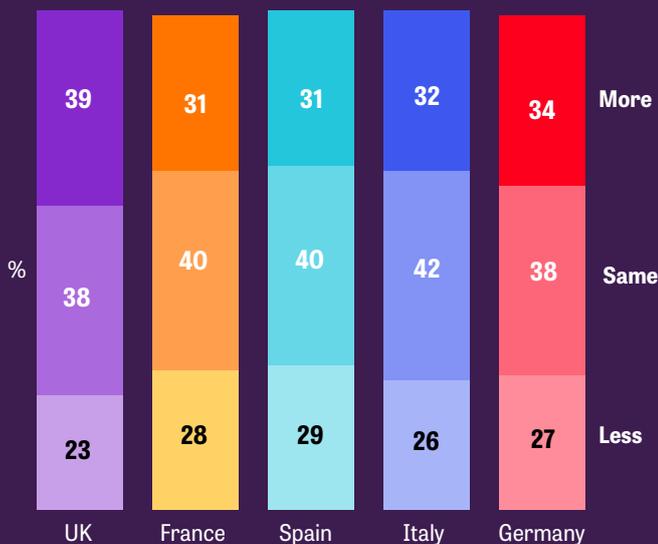
“With viewers claiming this doesn't detract from their viewing experience,” says Lauwick, “it presents an opportunity for advertisers. Those who capitalise on unique ad formats such as the inclusion of QR codes can take advantage of hybrid viewing. To better reach

and engage target audiences, advertisers and media agencies should develop integrated multi-screen advertising campaigns. Synchronising content across devices will help capture the attention of the multitasking viewer,” he says.

Viewers across the EU5 pay more or at least the same attention to watching content on TV compared to that on a smartphone or tablet. Advertisers should consider the primary screen (TV) as the main focus for high-impact ads, while using secondary screens for supplementary content.

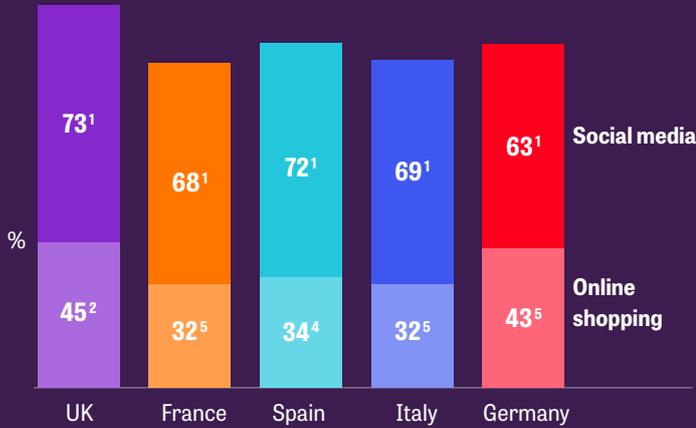


Attention to TVs vs smartphone or tablet

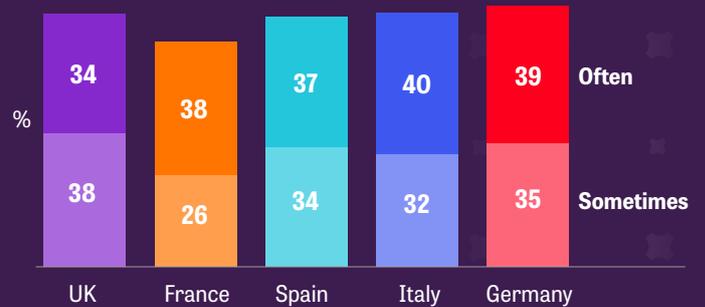


45%
of UK second-screeners surveyed say they shop online while watching TV. Germany follows closely on 43%.

Content consumed on second-screen devices

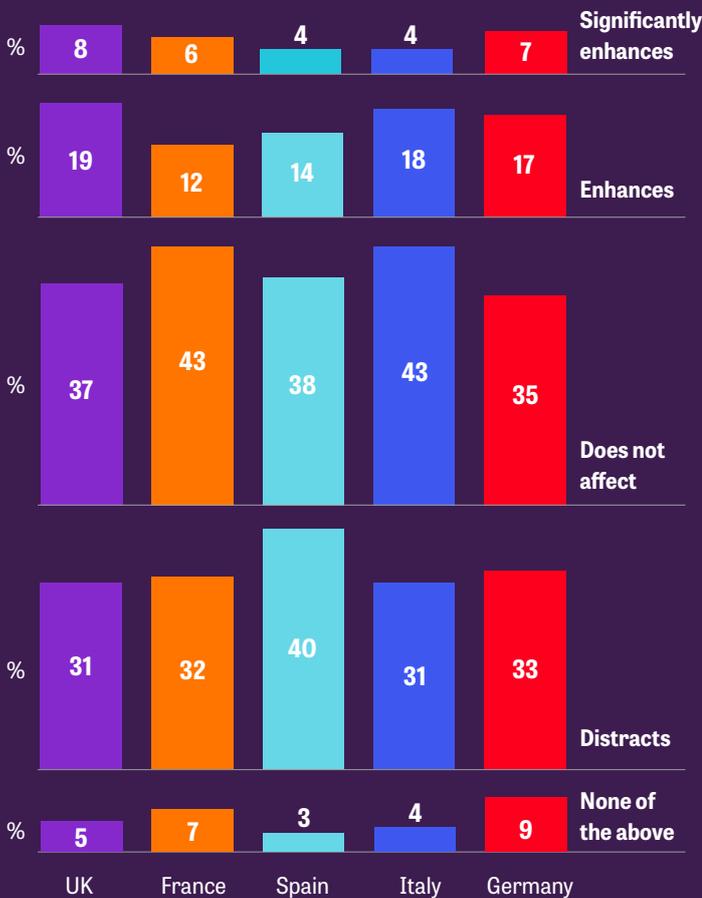


Percentage using a second device while watching content on TV



1-5 - Where the second screen activity ranks alongside email, news and games

How does second-screening affect your experience?



Age of engagement: who watches what and when

While the younger demographics (18-24 and 25-34) are the most inclined towards FAST services over paid subscription services with advertising, it's worth noting that the older demographics tend to pay more attention to TV adverts in most territories.

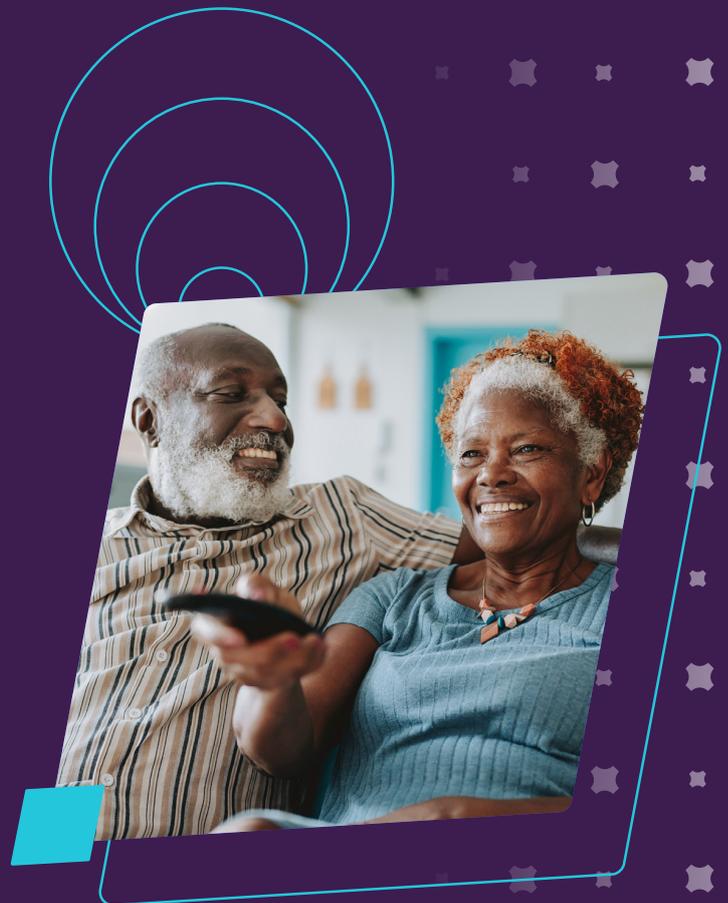
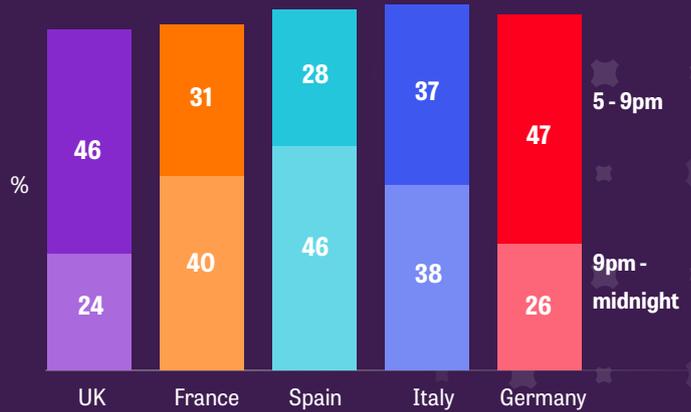
“The prevalence of consumers aged 50+ paying more attention to advertising, coupled with the buying power of shoppers in this demographic represents a huge opportunity for advertisers and agencies to leverage the advanced targeting strategies available through FAST.”

Edouard Lauwick, Rakuten Advertising

In Italy, 50% of 65+ people say they watch the ads when they come on, rather than do something else. In France, it's 32% of 50-64-year-olds but in the UK the group who watch ads the most are 35-49 while in Germany it's the younger generation with 28% of 18-24-year-olds watching ads. In Spain, the over-65s are the highest ad-watching cohort at only 20% but there is always a balance between scale and precision. That level of engagement still provides brands the opportunity to enhance the viewing experience with relevant, targeted ads on FAST.

“The prevalence of consumers aged 50+ paying more attention to advertising, coupled with the buying power of shoppers in this demographic represents a huge opportunity for advertisers and agencies to leverage the advanced targeting strategies available through FAST,” says Lauwick.

When do you watch FAST?



Movies are the most commonly watched content format on free ad-supported platforms across Europe, followed by TV series, which suggests advertisers should prioritise placing ads in movie content to maximise reach and engagement.

Evening hours (5–9pm) are the most popular time for watching FAST in northern Europe (UK and Germany) while in France, Spain and Italy, more consumers favour later viewing. The highest concentration of viewership in the UK is the over-65s with 53% saying they watch in the evening; in France, it's the 50-64 age range (56%) favouring the late session; in Spain, 58% of 35-48-year-olds are watching late at night while it's 51% of the same demographic and time frame in Italy; in Germany, 59% of 50-64-year-olds are watching FAST in the evening.



42%
of 18-24-year-olds and over-65s in the UK watch movies most often.

In France, the biggest movie-watching demographics are 50-64 (39%) and 65+ (39%), followed closely by 25-34-year-olds (37%).

44%
of respondents in Spain watch movies most often when using FAST. In Germany, it's 39%, 36% in Italy and 35% in France and the UK.

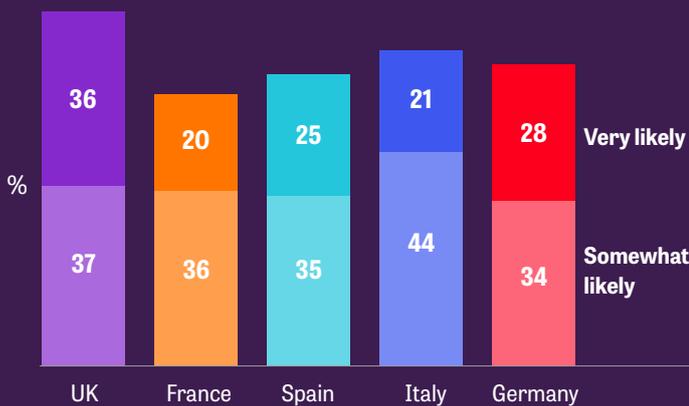
Growth mindset: how FAST is expanding in Europe

“The US has dominated FAST revenues to date,” explains Lauwick, “but international markets are gaining traction. The UK and Germany have been identified as high-potential markets, with France, Italy and Spain also seeing new channel launches.”

Wilson adds: “In the next decade, FAST will continue to expand. Europe’s market share is expected to grow from 17% to 22% by 2029 [according to the **FAST in Europe white paper**], driven by the rise of premium, localised, and niche content catering to specific cultures and interests.”

In all of the EU5 territories, respondents expressed a high likelihood of choosing a free ad-funded streaming service, such as Rakuten TV or Pluto, over an ad-supported subscription streamer such as Amazon Prime or Disney+.

How likely are viewers to use a FAST service if they had to watch 1-3 ads?



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Key takeaways from Rakuten Advertising's research

FAST work

The majority of respondents across the EU5 were 'somewhat' or 'very likely' to choose FAST or AVOD over SVOD. These channels are experiencing rapid growth and provide agencies and brands with access to a vast, highly engaged audience.

Synchronise campaigns

Of those second-screening, almost half are online shopping while watching TV. This supports the view that hybrid viewing is beneficial to advertisers who can capitalise on the immediate action taken by viewers. Synchronising content across devices will help capture the attention of multitasking viewers better.

Second-screening

Many viewers are using a second device and they say it doesn't detract from their viewing experience, so this is a great opportunity for advertisers.

Dynamic and scalable: the one-stop shop that can deliver for brands

CTVision+ is a portfolio of inventory spanning 42 EU markets, aiming to help brands conquer the complex, nuanced and fragmented CTV market. It was **described on launch last year** by Nick Stamos, Rakuten Advertising's CEO, as a "complete revamp for how we approach Connected TV advertising".

The portfolio spans studios and content creators, CTV vendors, network operators, mobile and console vendors and OTT platforms.

Media buyers have access to premium content, with the flexibility to target specific channels, genres, devices and territories. Buyers receive a comprehensive list of publishers and bundle IDs, enabling them to navigate the fragmented CTV landscape in a much simpler, more seamless way.

Three key benefits of CTVision+

1

Immediate scale without the complexity of dealing with multiple entities.

2

Impactful brand placements to a captive target audience.

3

Contextual and behavioural targeting with our data-driven audiences solution.

Don't miss out on the advertising opportunities provided by growing trends such as hybrid viewing and second-screening. Get the best out of free ad-funded streaming (FAST) and optimise your organisation's use of CTV.



**To try CTVision+
speak to Rakuten
Advertising**