

# Britain's Creative Greenhouse

Key facts about Channel 4



Channel Four Television Corporation

How do you drive growth, create jobs  
and support small businesses?

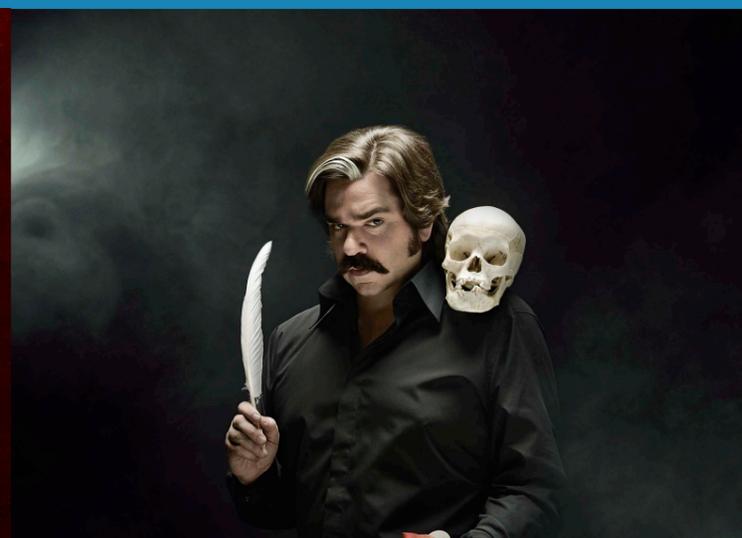
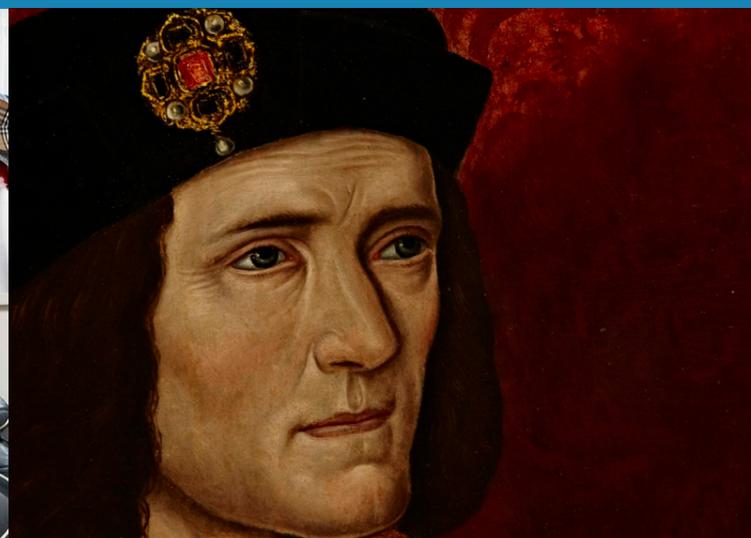
And sustain a pipeline of innovation  
to a world-class sector?

And inspire a nation?

**AT NO COST TO THE  
BRITISH TAXPAYER?**

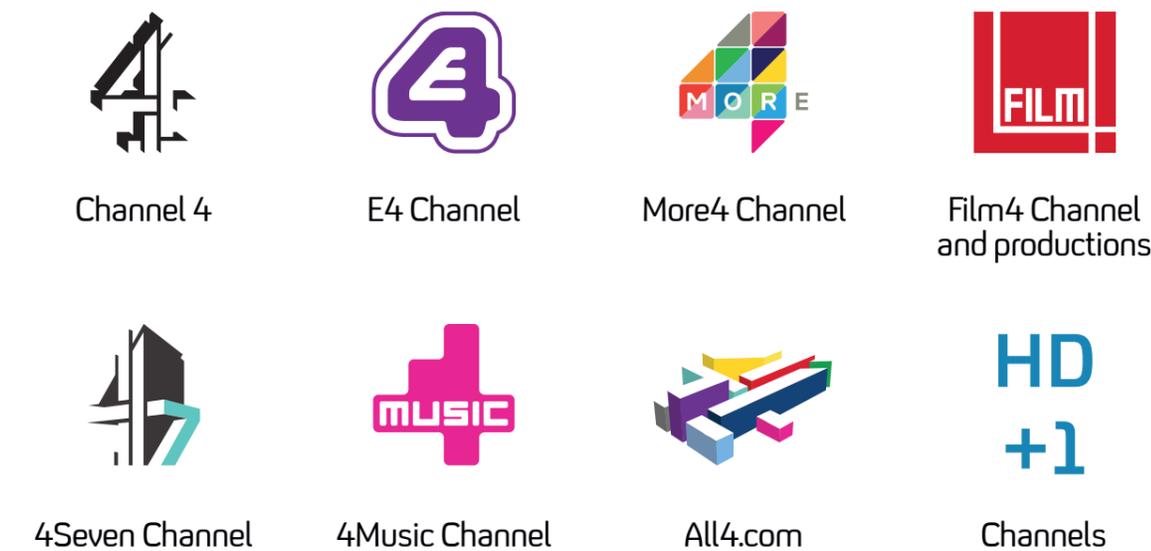
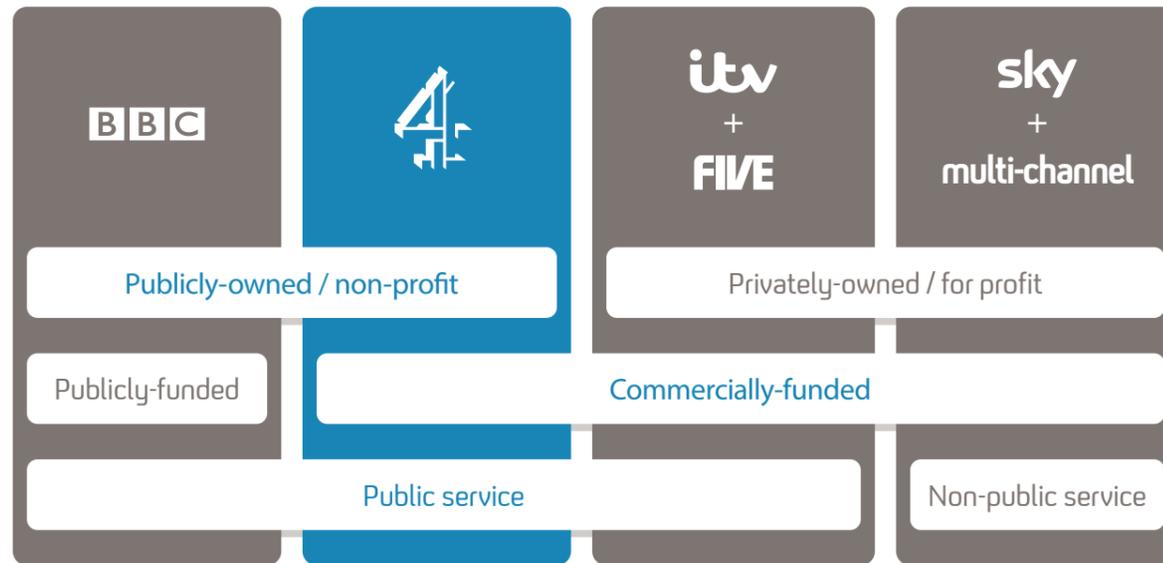


Reach for the remote



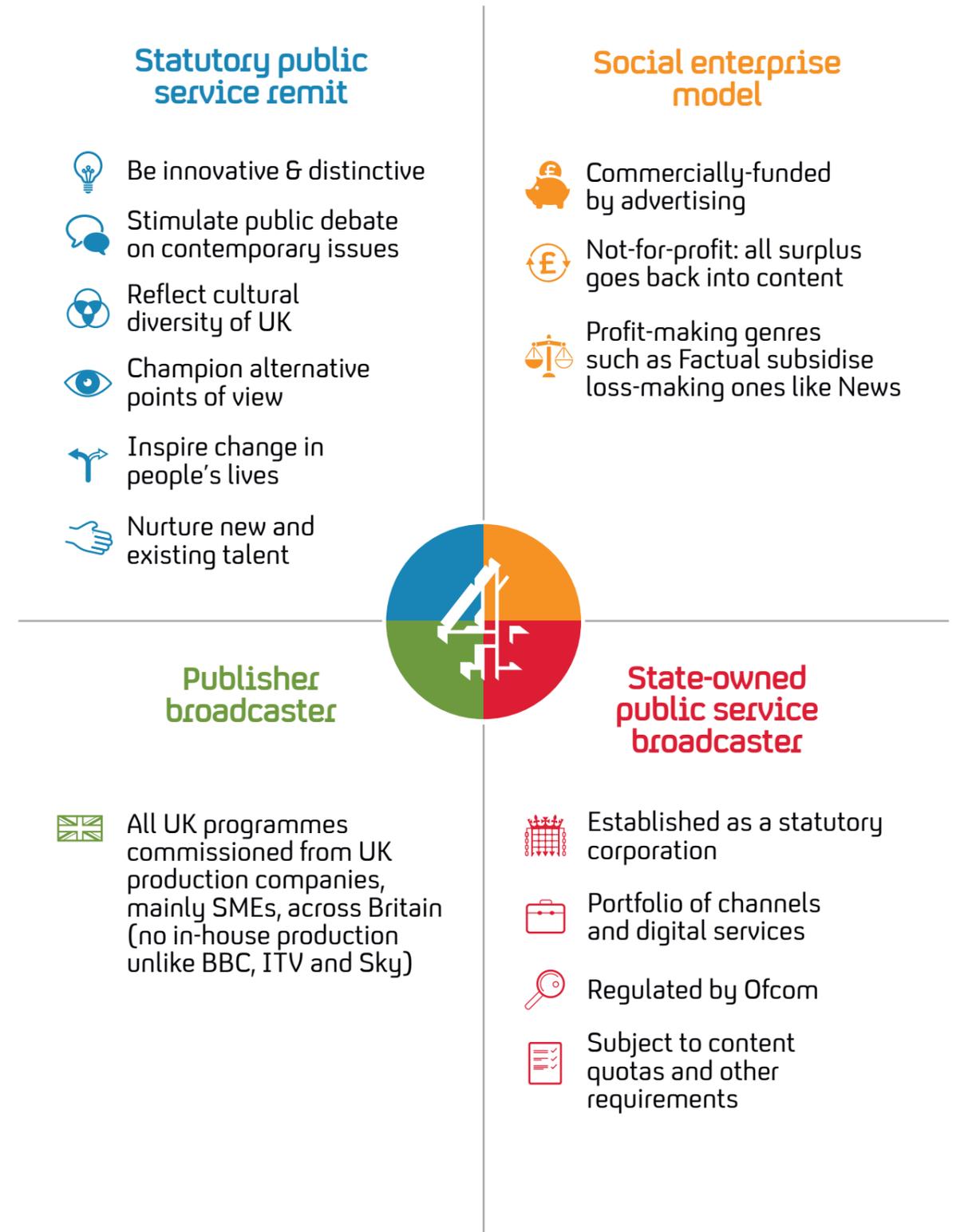
# PSB Ecology

The UK broadcasting ecology is the result of enlightened intervention by politicians and regulators. It's a carefully balanced mix of different organisations, with different missions, business models and governance structures that has made UK broadcasting a worldwide success.



# Channel 4 in a nutshell

Our twin goals are to fulfil our remit and to be commercially self-sufficient





# BROADCASTING'S CREATIVE GREENHOUSE

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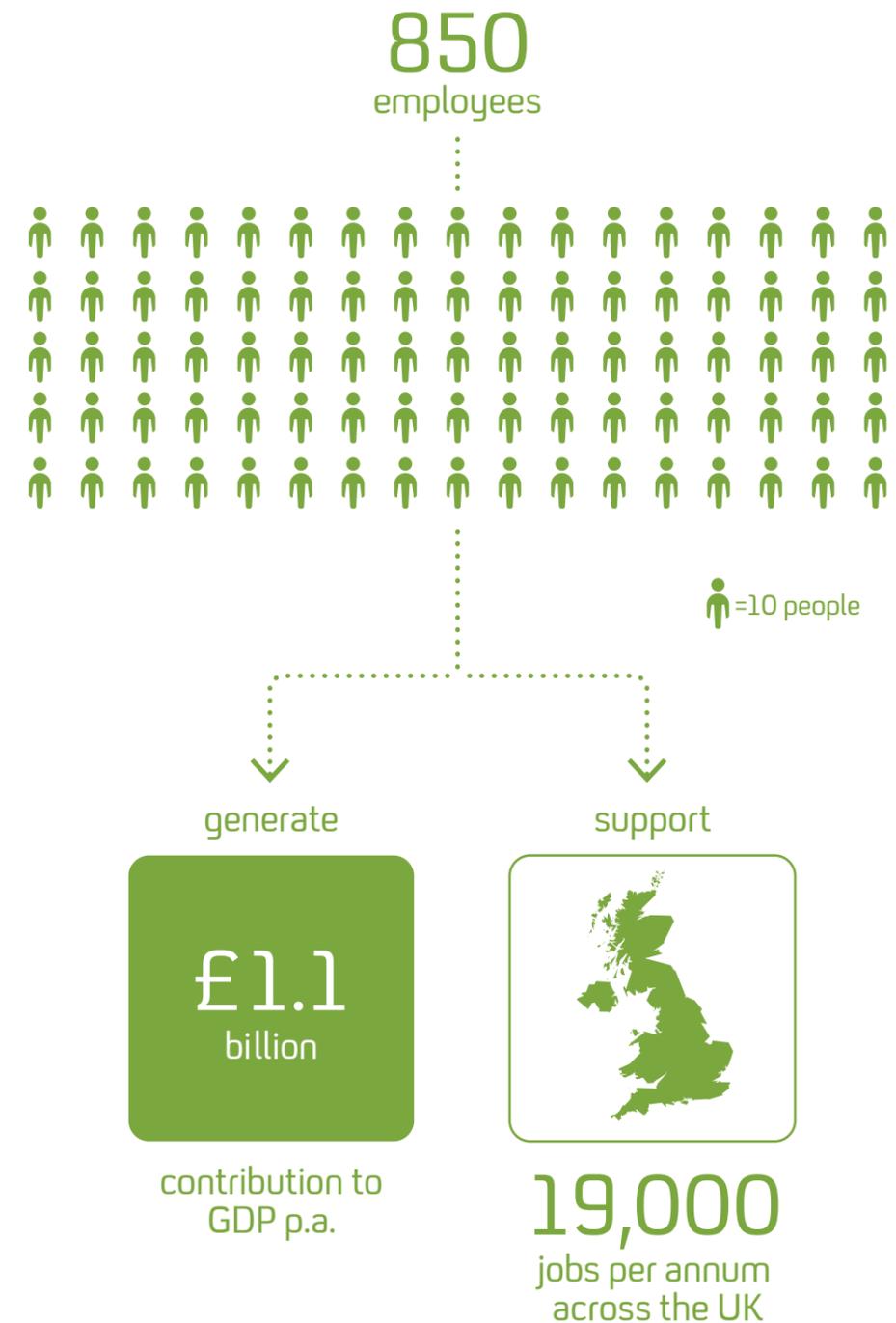
Channel 4 drives growth  
and creates jobs in the UK's  
creative industries, supporting  
hundreds of small businesses

## WE'RE A GREENHOUSE FOR NEW CREATIVE AND DIGITAL IDEAS OF SIGNIFICANT ECONOMIC IMPORTANCE

Our overall contribution to the UK's creative economy is disproportionate to our size.

We grow small businesses across the whole of the UK and our formats are successful around the world.

## We make a huge contribution to the UK's economy



## We grow businesses

**£10**  
billion

Total portfolio spend on content since launch

**£430**  
million

Our total portfolio spend with UK production companies p.a.

### The number of independent TV production companies we work with



We work with **338** production companies across TV, digital and film



We have set up a **£20m Growth Fund** to invest in small and medium sized UK independents to support the sector

## We support the independent production sector

### Spend on UK independent production companies by PSB channels

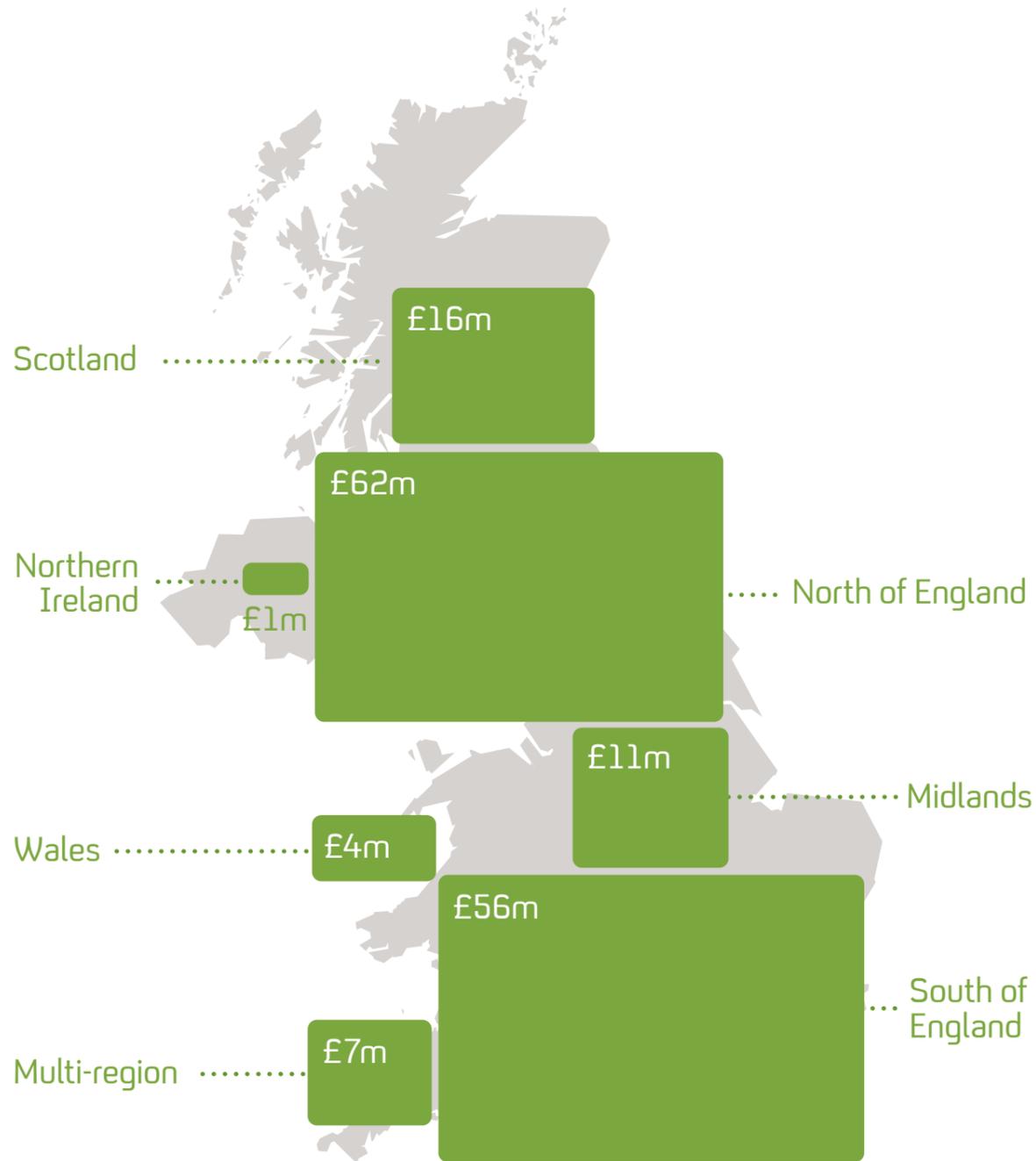


### Channel 4 proportion of spend on indies with a turnover of £25m or less



# Across the UK

Channel 4 portfolio spend with first-run programmes outside London



On our main channel, over 50% of programming hours are commissioned from outside London and we are increasing our spend in the Nations (Wales, Scotland, and Northern Ireland).

# And around the world

Gogglebox is exported to over 25 territories, from the USA to Mongolia



*"Channel 4 is the single richest source of IP in the world for TV"*  
 – Simon Andreae, Fox Broadcasting



**Over 1/4**  
 of the British programme formats in the Top 100 in Europe were commissioned by Channel 4 in 2013 alone

These formats grossed over  
**\$0.5 billion**  
 in estimated European broadcasting revenue



## PSB's CHALLENGER BRAND

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Channel 4 creates innovative and alternative content which is distributed for free and admired globally

# WE'RE A CHALLENGER BRAND IN BROADCASTING, ENCOURAGING HIGH STANDARDS ACROSS THE INDUSTRY

Our investment in UK-originated content is rising, set against declining investments in PSB elsewhere.

Our existence is critical to providing plurality in genres that deliver public good, such as News & Current Affairs.

We're at the forefront of innovation and harnessing new technologies.

And we're in the premier league of international creativity.

# We prioritise investment in innovative British programmes

2/3 of income spent on content

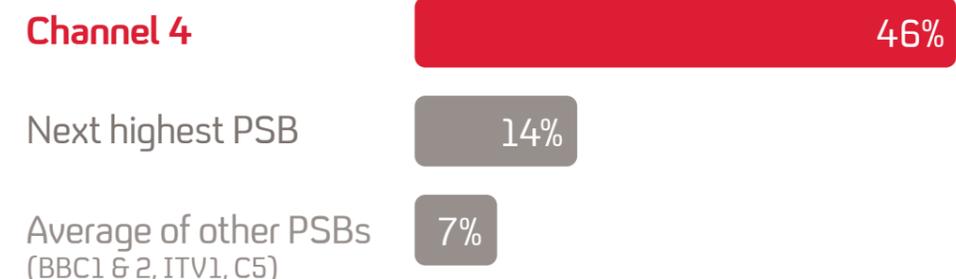
Content spend as a proportion of income



77%

of peak-time hours are UK-originated content vs. 70% Ofcom quota requirement

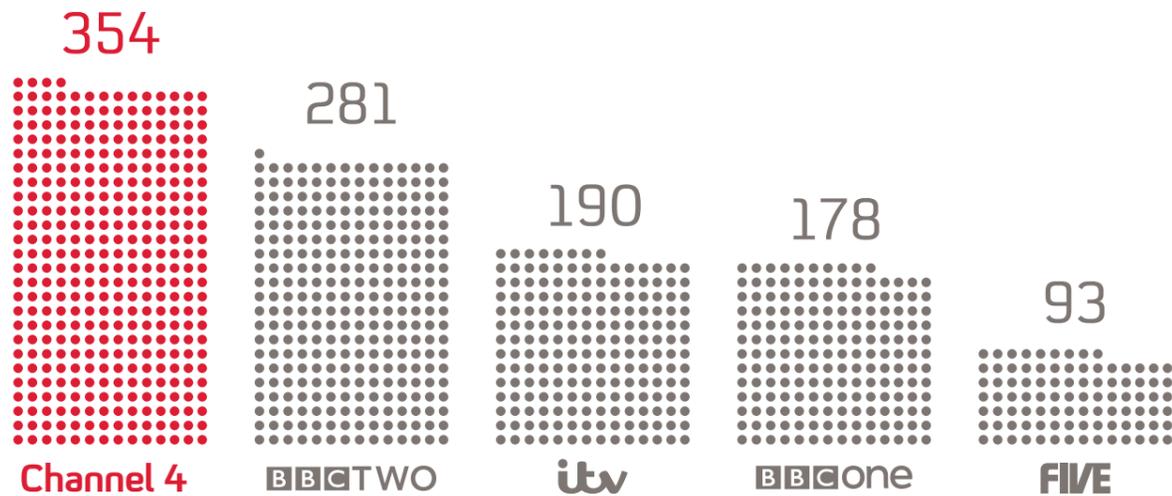
39%pt lead over average of other PSBs for taking risks



We survey our viewers on an annual basis to understand how effectively we are delivering against our remit. The results are published in the annual report.

# We're critical to providing plurality in genres that deliver public good

More new programme ideas tried each year (on average) than any other UK channel



67% of viewers said Channel 4's factual programmes inspired change in their lives

*"Channel 4 is prepared to approach news with attitude in a way no other public service broadcaster could do. I'm not entirely sure how they get away with it, but it enriches British broadcast journalism."*

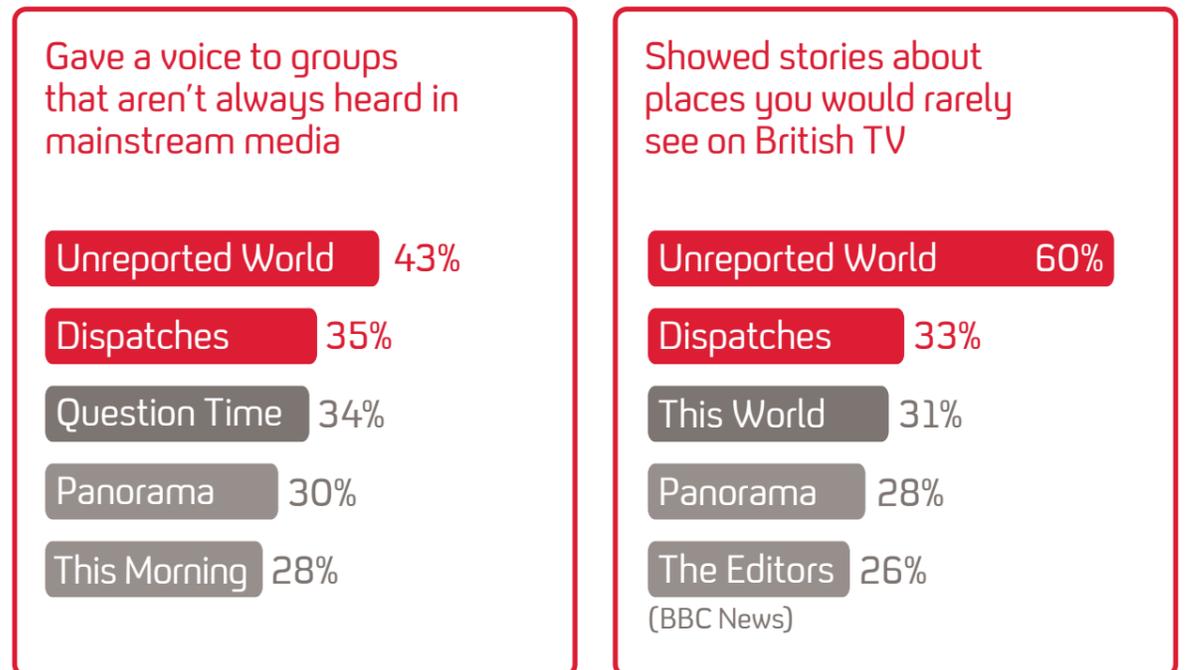
– Richard Sambrook, Professor of Journalism and Director of the Centre for Journalism at Cardiff University

More hours of long-form news and current affairs in peak-time than any other PSB



Ofcom defined peak: 6pm-10.30pm

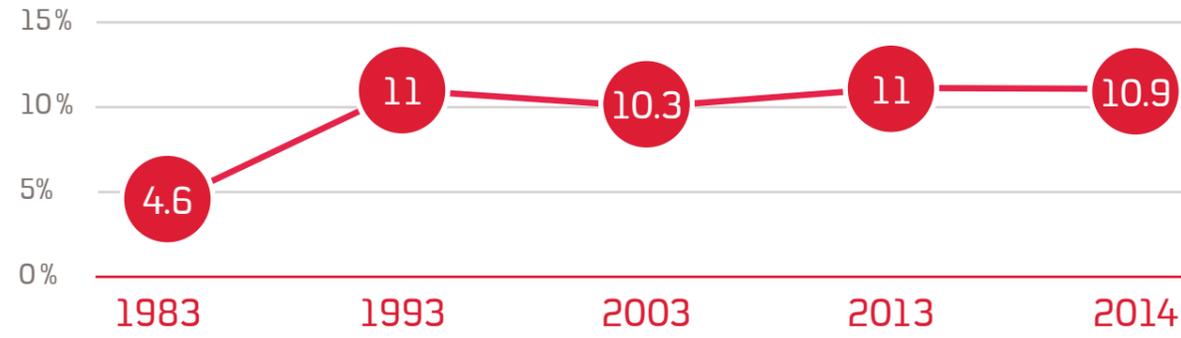
Viewers felt these programmes also:



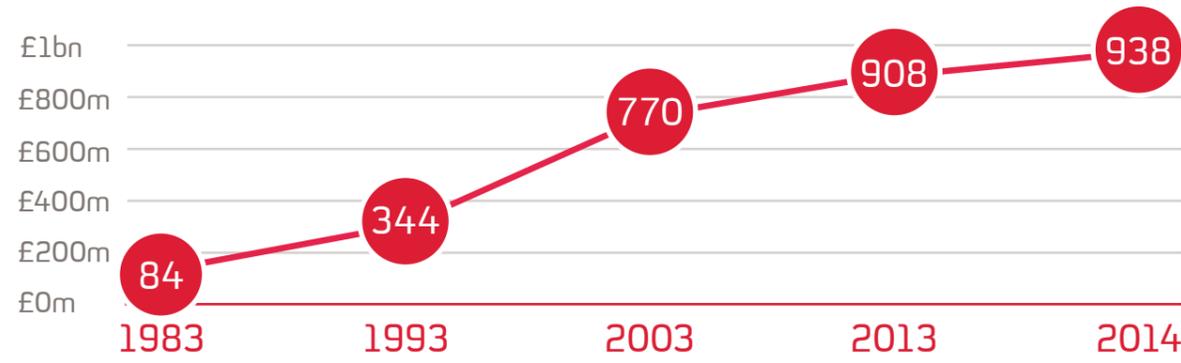
These and other key Current Affairs metrics achieved viewer scores than programmes on the other main PSBs for both of the last three years.

# Our viewing has remained stable in the multi-channel world and we punch above our weight in digital

Our portfolio market share has been stable over three decades



Meanwhile revenues have increased steadily and significantly



We are further innovating our commercial model through data collected from over 11m registered All4 viewers



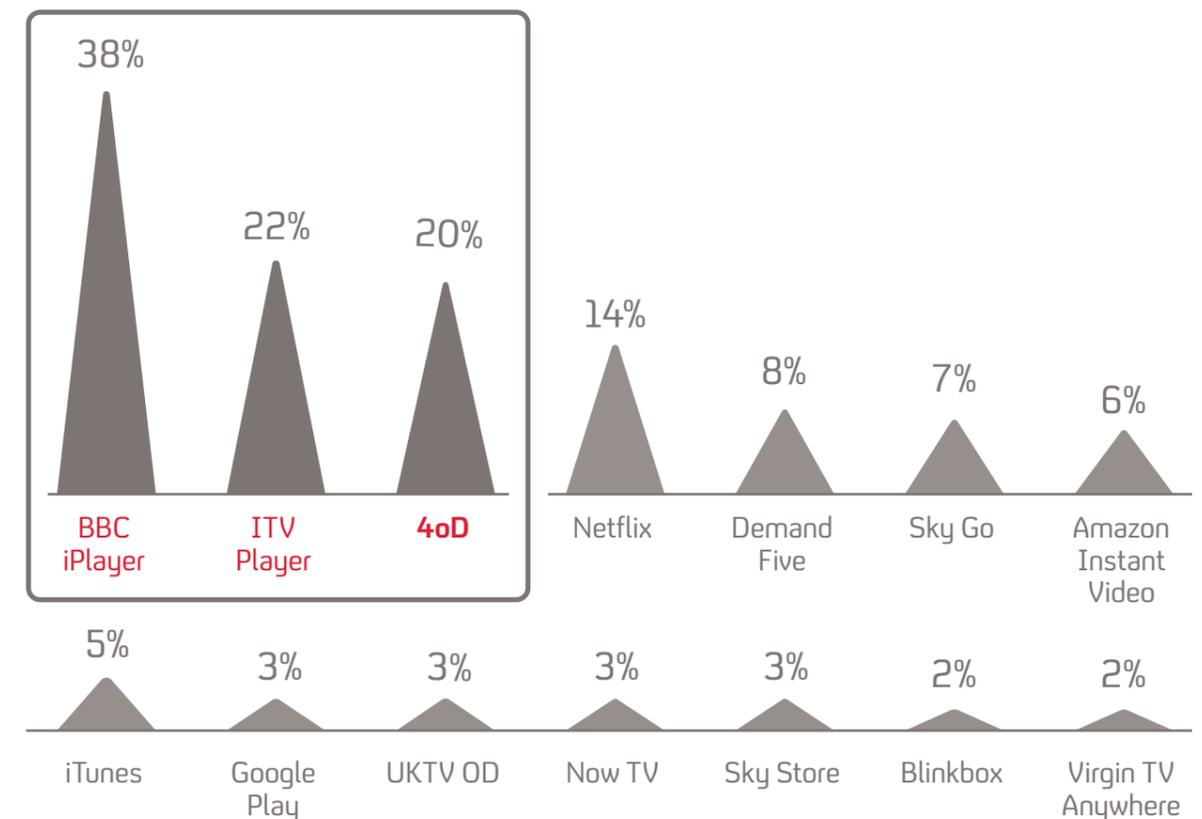
We have an award-winning viewer promise which gives viewers confidence in the way their data will be used

The vast majority of viewing is still via linear TV



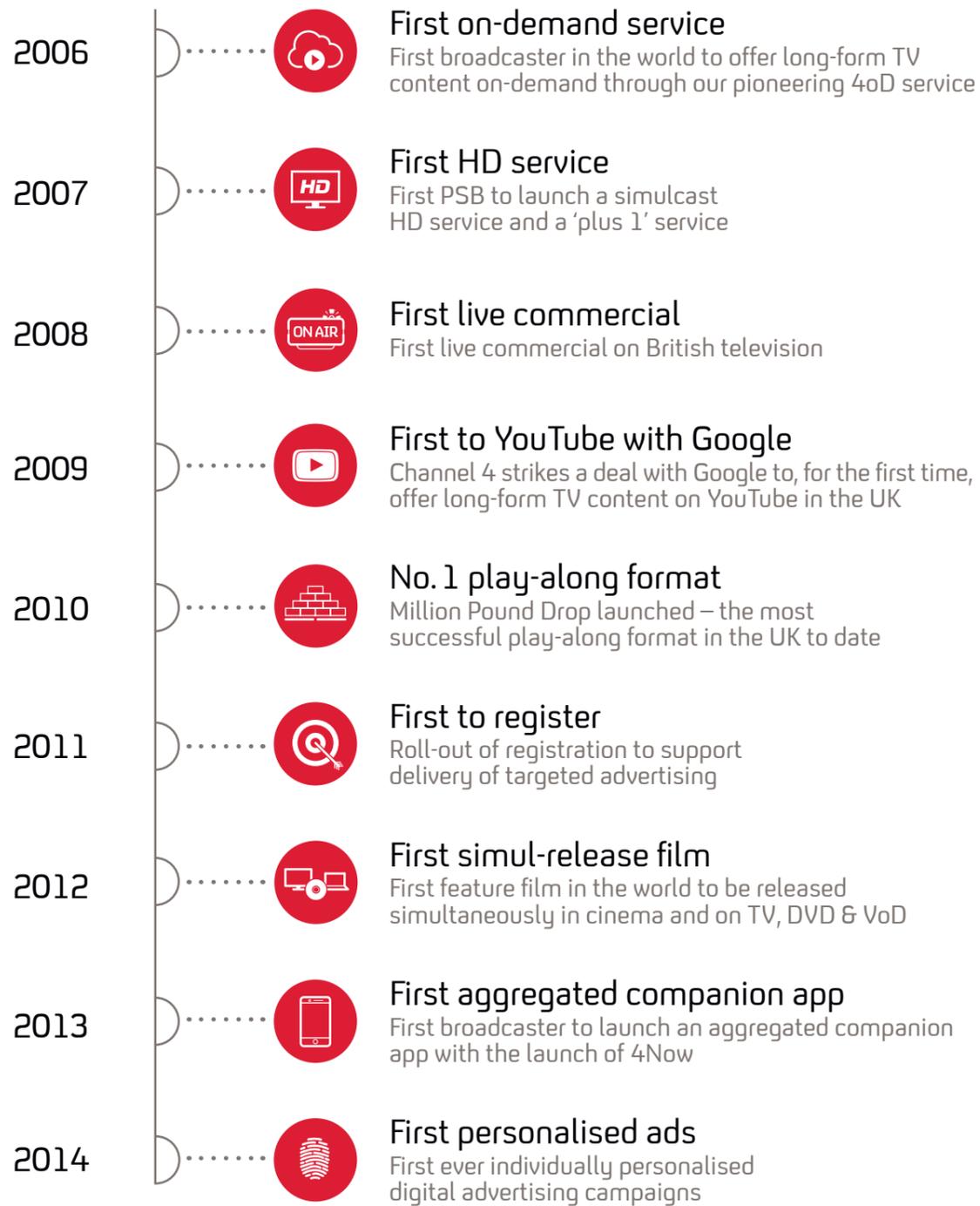
Non-linear includes: Broadcaster VoD, Other long-form, Other AV/short-form

And non-linear viewing is dominated by the main PSBs\*



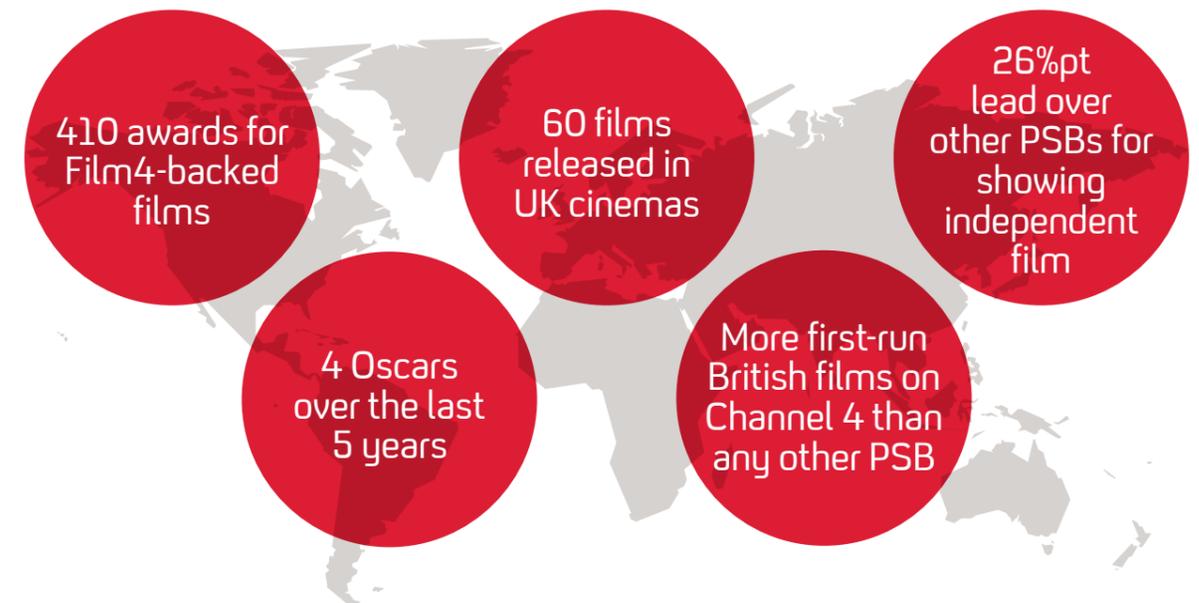
\*Ofcom figures showing claimed use of online VoD services

# We're at the forefront of innovation and technology



# We help put the UK in the premier league of international creativity

## Our recent film success includes:

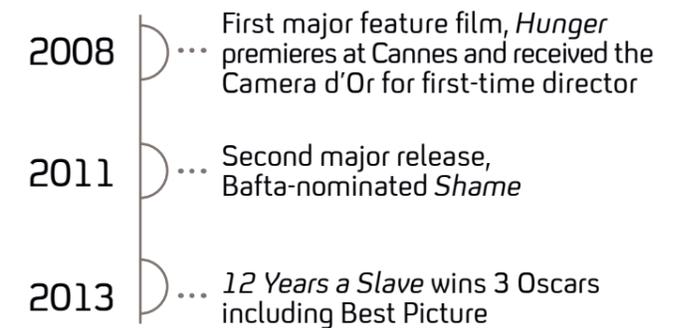


*"One of the reasons I won the best picture Oscar for that film is because of Channel 4's investment and belief in my work"*

– Steve McQueen

McQueen is one of the leading British directors in Hollywood.

**Talent grown by Channel 4 goes on to huge international success.**





# A CATALYST FOR SOCIAL CHANGE

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Channel 4 inspires  
citizenship, especially  
among hard-to-reach  
audiences

## WE INSPIRE CITIZENSHIP, ESPECIALLY AMONG HARD-TO-REACH AUDIENCES

We have a greater impact than any other UK broadcaster in making audiences think, giving diverse viewpoints and inspiring change in people's lives.

We have a stronger relationship with young people than any other PSB in the world.

And we're a world-leader in bringing diversity into the mainstream.



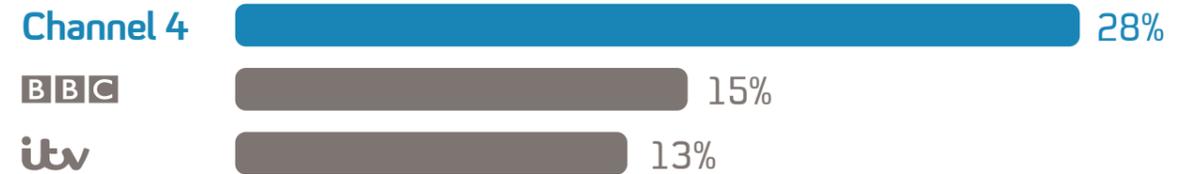
**More than 50%**

of all 16-34 year olds in the UK have registered with Channel 4

## We are the only PSB getting younger



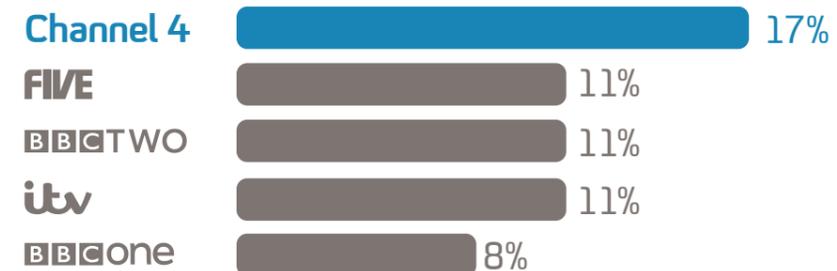
A significantly higher proportion of our audience is aged 16-34 compared to any other PSB channel in the world, including the BBC and ITV



Total 16-34 viewer minutes as a % of all individuals' viewer minutes



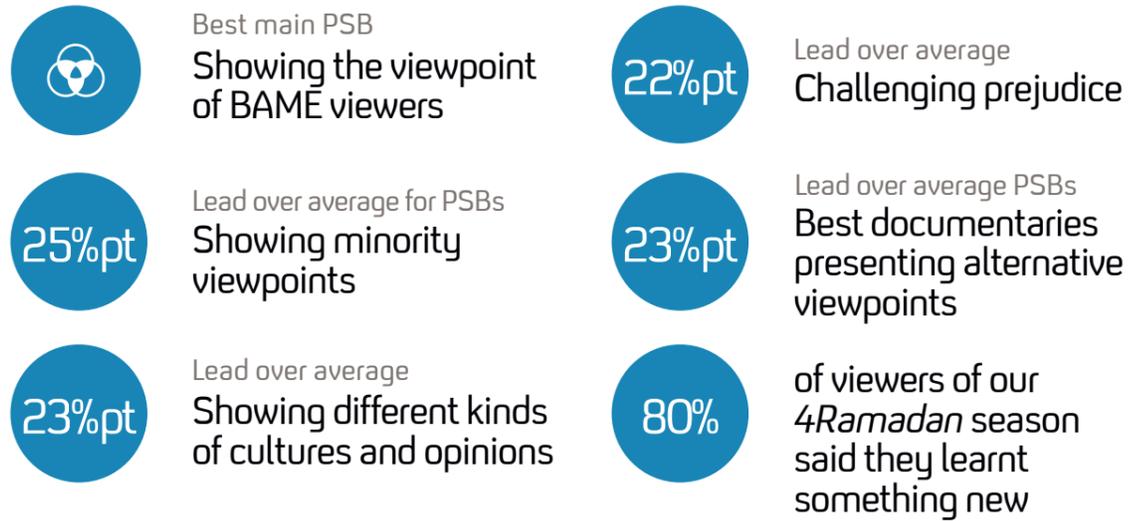
A significantly higher proportion of our news audience is aged 16-34 compared to any another PSB channel



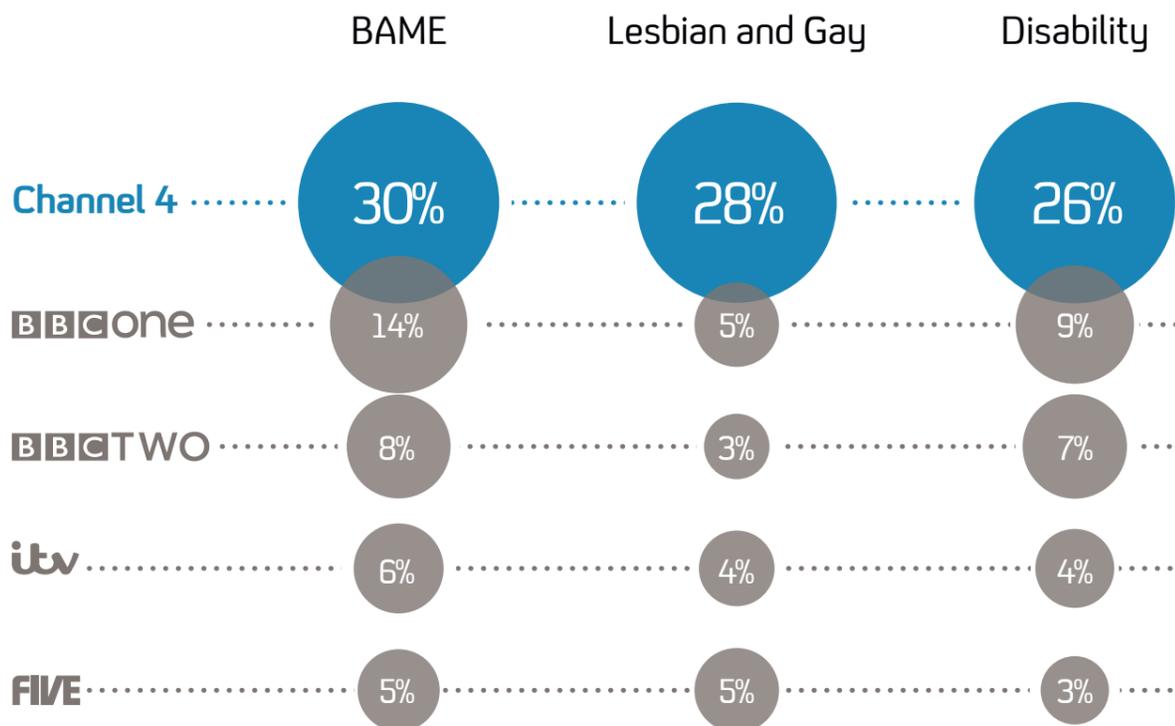
Percentage of viewers of national news programmes on main PSB channels accounted for by viewers aged 16 – 34 (2013)

E4 has a larger share of viewing among 16-34s than both Channel 5 and BBC2 despite being a digital channel.

# We provide diverse viewpoints, make people think and inspire change



## Best main PSB for showing the viewpoints of BAME, LGBT and people with disabilities



# We bring diversity to the mainstream

**83%** of viewers felt Paralympics TV coverage will improve perceptions of disabled people



**40m** people watched across the whole of the London 2012 Paralympic Games

**86%** of the UK population saw our marketing of London 2012 including the award-winning 'Meet The Super Humans' campaign

**70 Hours** of Winter Paralympics coverage during Sochi 2014 – the greatest ever commitment from a UK broadcaster

**£5m**

invested in a new *360° Diversity Charter* designed to significantly improve levels of diversity across the broadcasting industry and within Channel 4 itself.

Channel 4's unique model underpins it all

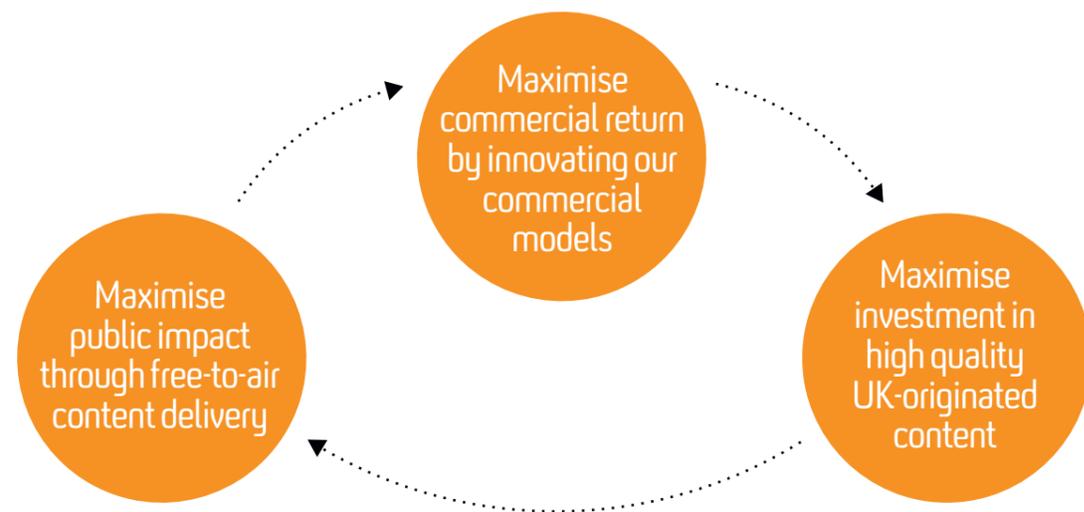
# Our social enterprise model makes us the only commercial PSB whose sole incentive is to invest in valued PSB programming

*“Social enterprise is the great institutional innovation of our times”*

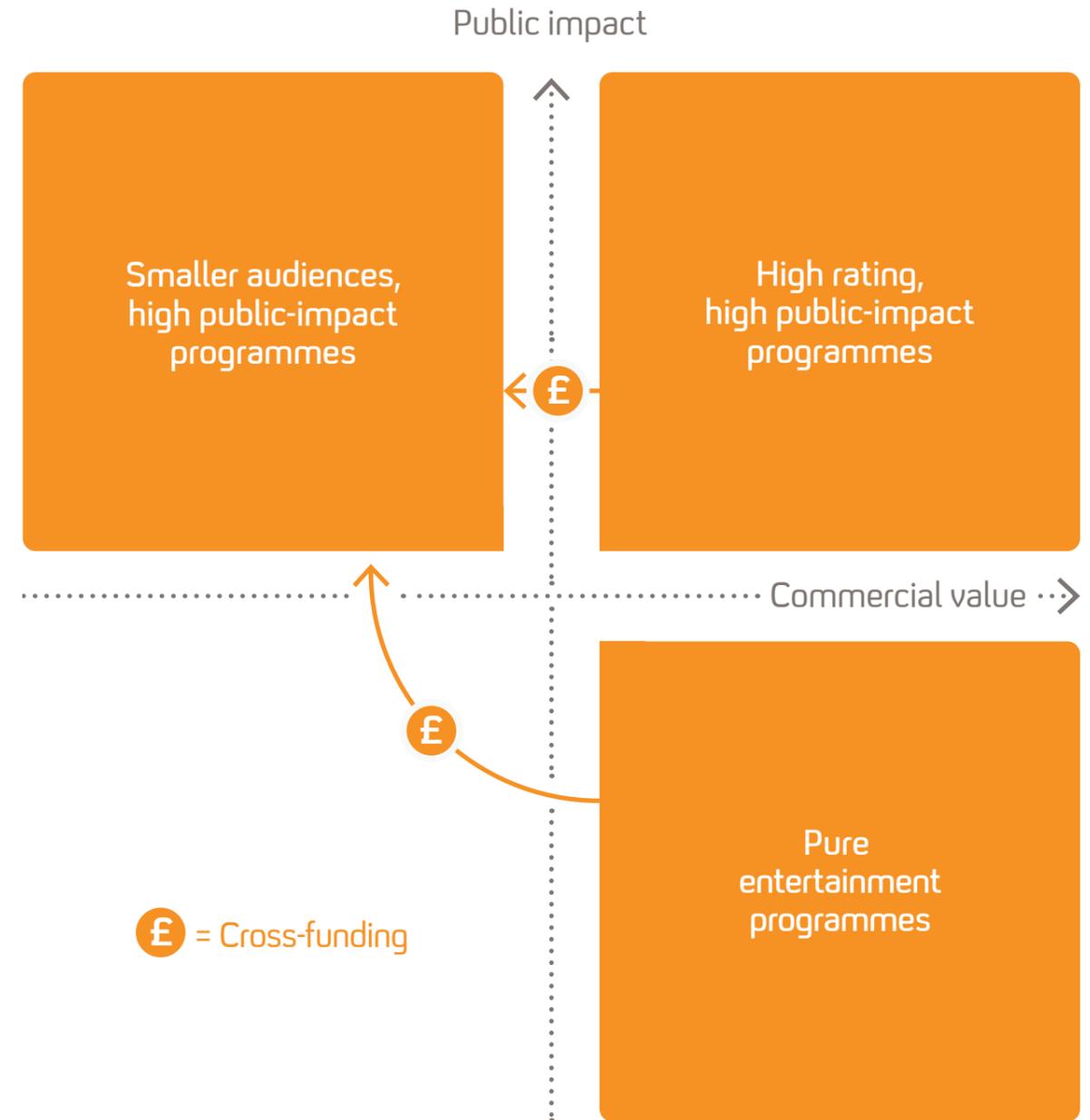
– David Cameron, Prime Minister

For over thirty years, Channel 4 has been successfully balancing the twin challenges of delivering to a public remit but being commercially self-sufficient. In a world where consumers are demanding that businesses deliver social good and organisations in the charitable and public sectors are raising more and more money from commercial activities, this has become a powerful business model.

Channel 4 is a self-sustaining social enterprise, raising commercial revenues from the market and reinvesting surpluses back into British public service content from UK independent producers.



We do this through a ‘Robin Hood’ model, crossfunding genres such as News, Current Affairs and Education (widely accepted as loss-making), with revenues from commercially ‘rich’ programming, like Factual Entertainment.



In contrast, ITV and Channel 5 are required to maximise returns to shareholders. They are incentivised to invest in new programmes only to the degree required for them to effectively compete for market share in higher-audience, commercially-attractive content.

**Channel 4’s unique model delivers public value that no other broadcaster can deliver.**

# And Channel 4 isn't just about broadcasting

## We create training & employment opportunities

Channel 4 led the bid to Government that secured £37m of match-funded investment in skills and training in the creative industries. Its own 4Talent initiative is a grassroots training scheme designed to find 16-25 year olds from all over the UK and enable them to pursue employment in broadcasting.

The scheme is aimed at diverse audiences and was awarded the Deputy Prime Minister's Award for its pioneering work in social mobility. We also provide paid apprenticeship and work placement opportunities within Channel 4 and at the production companies we support.

## We find innovative ways to engage young audiences in politics

A C4-hosted summit bringing together politicians and young people reached 3.5 million social media accounts, made 8.6 million page impressions and generated 2,288 tweets. We launched 4NewsWall, a brand new online news platform aimed at our key demographic of 16-34 year olds, which delivers the day's stories for the first time in bite-sized, shareable GIFs.

## We educate the British public on health issues

Using a range of formats from documentaries to entertainment, our health programmes – such as *Embarrassing Bodies*, *4GoesMad* and *Bedlam* – are hugely effective in advising and informing the public.

This programming is supported online, including apps like *My MindChecker*, which allows users to self-test on a range of mental health conditions and has been downloaded over 1 million times.

## We have impact on a global scale

Programming such as *Sri Lanka's Killing Fields* and recent documentaries on LGBT rights like *Hunted* and *Unreported World: Jamaica's Underground Gays* are examples of Channel 4 content that bring international pressure on governments responsible for injustice.

In the case of *Sri Lanka's Killing Fields*, our films were credited by the UN with playing a fundamental role in highlighting the atrocities.

## We reach young people on difficult subjects

We use our unique relationship with younger viewers to educate them on how to stay safe in an increasingly digital world (e.g. *Cyber Bully*, *Don't Blame Facebook*).

And through a range of programmes like *My Big Fat Diary* and *Hollyoaks*, we talk to them about difficult subjects like mental health, eating disorders and drug abuse, in a language they respect and listen to.

## We engage citizens in democracy

*Channel 4's Alternative Election Night* was the most watched election coverage on commercial TV, *The Vote* on More4 secured its largest audience of the year and 1.5 million people tuned into a broadcasting 'first' when E4 switched off its regular schedule to encourage its viewers to go out and vote.

Working in partnership with YouTube's Spotlight channel, *Channel 4 News* was able to reach 22 million subscribers with round the clock election coverage. We launched 'X', a campaign to boost the number of under-25s voting and streamed the first ever Youth Leaders' Debate in association with Shout Out UK. In the lead-up to the election, there were also special editions of *Gogglebox* and *The Last Leg* and dramas including *Coalition*.

Channel 4 helps fulfil the UK's innovation strategy at no cost to the taxpayer.



We are a 'public policy intervention,' driving innovation and growth by exploiting a publicly owned asset (the terrestrial broadcasting spectrum) to reach audiences and generate revenues.

Those revenues go back into funding independent production companies, who retain the rights to the programmes they create.

These rights are then exploited on a global scale, delivering revenues direct to the production companies, who return tax receipts to the UK government.

And on top of all of this, we provide invaluable knowledge and promotional support to help grow the UK's broadcasting sector and foster its entrepreneurialism.

The UK's innovation strategy focuses on support for small businesses to bring ideas to market, increase knowledge sharing and grow global businesses.

**This is what we do.**

If Channel 4 didn't exist,  
you'd have to invent it.

## Sources

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- 16** | Channel 4 Annual Report 2014, p.19  
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- 22** | Ofcom Third PSB Review 2010-13, Annex 3: Evidence assessing C4C's delivery of its media content duties, p.115, 131  
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Annual Report, go to:  
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