

**C4 ARCHIVE
PRESS OFFICE**



Notes on the performance of the
Channel Four Television Company Limited

The first year's audience, costs and efficiency

November 1983



Broadcasting Act 1981 CHAPTER 68

Purpose

In practice, the Act defined the main tasks of the Channel as:- (i) To win an audience additional to that of ITV; (ii) To meet audience requirements different from that of ITV; (iii) To develop and broadcast programmes of an educational nature as a significant proportion of total programming; (iv) To achieve this with programming which, both in terms of source and content, provides a distinctive character for the Channel.

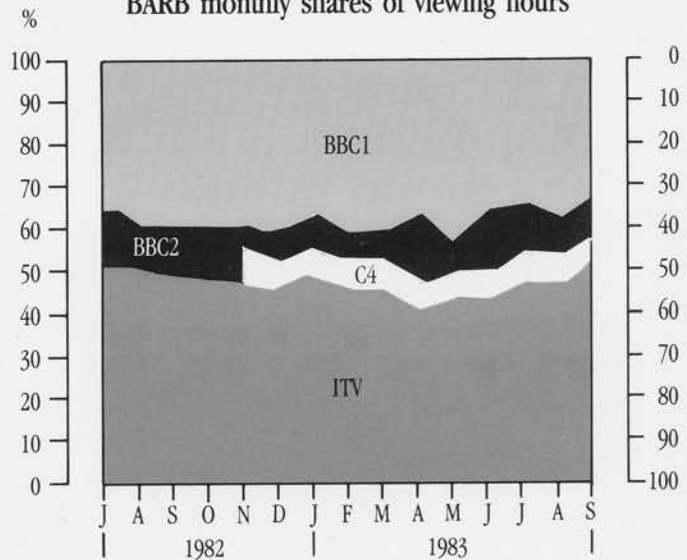
Achievement

Channel 4 has attracted large national audiences without significant loss to ITV.

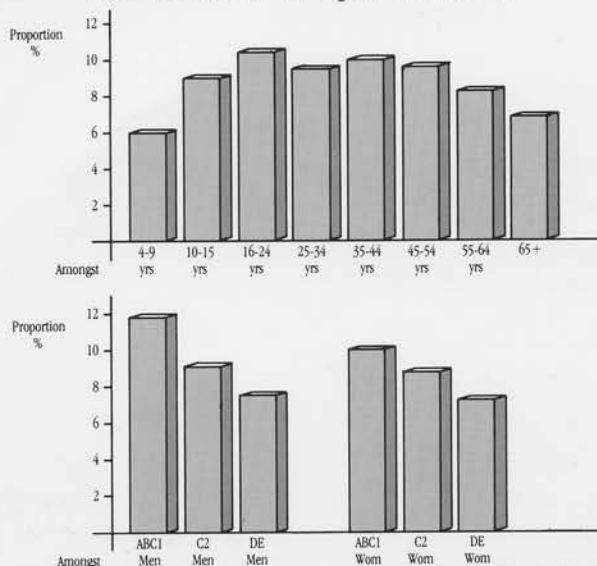
On average 43% of the population (22 million people) watch Channel 4 for around 2 hours each per week; 71% (36 million) watching over the period of a month. This has now given the Channel an average share of total UK television viewing of some 5%. Most of this viewing has now been won without loss to ITV; the total commercial share of all TV viewing being raised from 49% on average to 52% since the introduction of Channel 4.

On the average day over 1½ million people watch Channel 4 who do not view ITV at all during the same day*

BARB monthly shares of viewing hours



Channel 4 audience as a proportion of the total audience to commercial TV (ITV plus Channel 4)

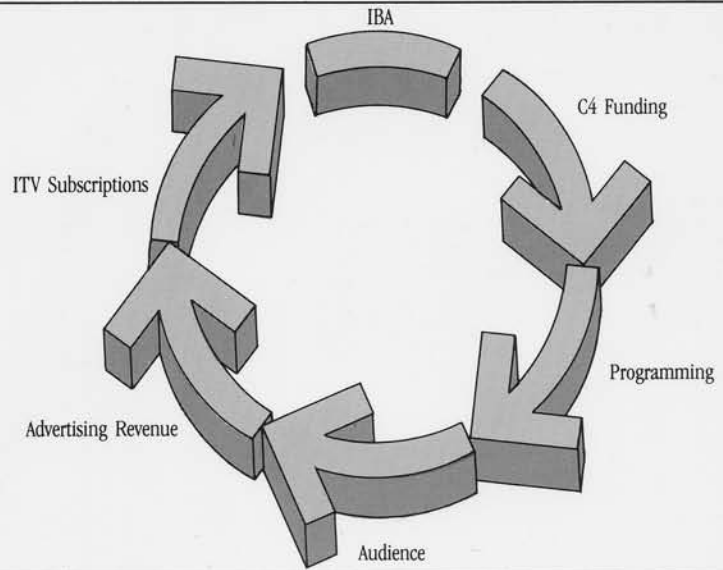


Channel 4 has a different as well as an additional audience.

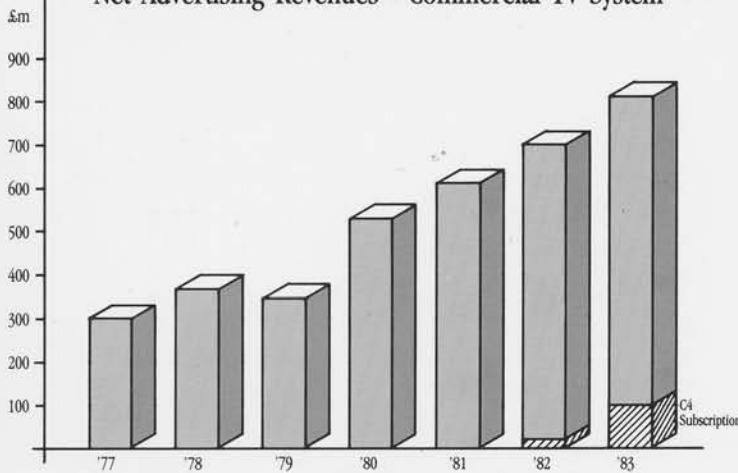
Channel 4's programme schedule has different emphases to that of ITV and as a result it attracts, in broad terms, a different type of viewer—one who is not often drawn to ITV's output. Significantly higher proportions of broadcasting hours devoted to news, current affairs, high quality films, adult education, arts and young people's interests lead to Channel 4 winning an audience significantly younger and more up-market than that drawn to ITV.

Funding

The Company's basic source of funding is by subscriptions paid to the IBA by the ITV contractors. These are in approximate proportion to their shares of total industry revenues obtained through the sale of advertising by those companies on both ITV and Channel 4.



Net Advertising Revenues - Commercial TV System



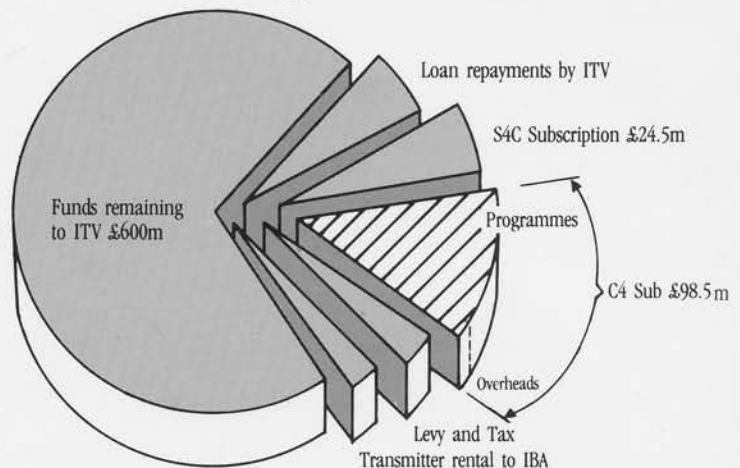
Finance

The income to Channel 4 is therefore broadly linked to the revenues of the entire independent television sector. These revenues, despite the effects of the IPA/Equity dispute, are showing continued growth of around 17% this year, giving total net revenues of £810m for the year 1983.

Efficiency

Less than 13% of the total sum of ITV and Channel 4 current net revenues go to funding Channel 4. Of this sum 89% goes to finance the making of programmes principally within the UK, while only 11% is spent on operating costs and all other overheads.

Where the net revenues from advertising go - in 1983, £810m



Conclusion

In its first year of operation, the second commercial television channel, with 9% of commercial television viewing, applied 13% of the commercial television revenues in providing 3,000 hours of additional programming to 46 million people, the majority of whom view the channel for a significant proportion of their television viewing time.



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