



26th October 2021

Dear Lord Gilbert,

Thank you very much for the opportunity to give evidence to your Committee recently. We promised to provide some additional information as follow-up, which I have provided below. I would be delighted to assist with any further queries you have in the course of your inquiry.

1. Comparison with other PSBs

Charles told us: "This is a channel that is focused primarily on younger people—which is the most-watched PSB among younger audiences." Please could you provide evidence for this?

Channel 4 has the youngest audience of the PSBs. Based on BARB data, in 2020 15% of Channel 4's overall audience was made up of 16-34 year olds (vs. 7% for BBC1, 7% for BBC2, 9% for ITV & 10% for C5). This is even stronger in peak time – in 2020 17% of Channel 4's overall peak-time audience was made up of 16-34-year-olds (vs. 8% for BBC1, 8% for BBC2, 10% for ITV & 9% for C5).

2. Average viewing per day

Ofcom reports how many minutes a day the average person (and the average person in different age groups) watches Channel 4's linear service. Despite providing equivalent statistics for BBC iPlayer, Ofcom could not do so for All 4. Ofcom told us: "We do not have any such data from Channel 4 currently but are working with them to agree what All 4 data would be suitable for publication in the future."

Please could you tell us for how many minutes a day the average adult (including those who do not watch it) watches All 4, and the same figure for 16-24 and 25-34-year-olds? This would make clear whether the documented decline in linear viewing has been compensated for in digital viewing – a key measure of Channel 4's performance. Alex suggested in oral evidence that the latter figure would not be made public due to commercial sensitivities. If so, please could you explain the discrepancy between this and the availability of linear TV viewing data?

All 4 has been watched for an average of 76 million viewer-minutes per day by 16-34-year-olds in 2021 (year to date), an increase of 37% year on year and 150% since 2017. Average All 4 viewing per active 16-34 viewer is 10m 14s per day. For all adults, All 4 has been watched for an average of 168 million viewer-minutes per day in 2021, year to date.

All 4 is the youngest-skewing PSB streaming service, with 35% of its audience aged 16-34. This compares with 30% of the BBC's audience and 31% of ITV's.

In terms of the difference between the availability of All 4 (and other streaming data) and linear TV data - linear TV data is produced via BARB, using an agreed methodology which is consistent across the broadcasters. This contrasts with broadcaster player data like All 4, which is not currently within the published BARB data reporting. For All 4, like other broadcasters, we rely on 1st party device-centric reporting which focuses on view requests, not viewers or viewing. Converting this data into viewers uses additional proprietary transformations, and as such, is not standardised across the industry. This means our demographic viewing estimates for All 4 may not be comparable with other broadcasters and therefore remain largely for internal use.

BARB has committed to deliver this data in a standardised format across broadcasters, so that viewing to broadcast players can be directly comparable to the linear TV element and across each broadcaster. This is close to being delivered and the first data should be published within the next few months. We would be happy to keep you updated once this data is available.

3. Digital growth

Alex told us: "Last year, our digital business grew at 30 per cent". However, Channel 4's Annual Report for 2020 states: "Digital advertising revenues increased by 11 per cent on 2019". Please could you explain what the 30 per cent figure refers to?

This figure refers to digital viewing, rather than digital revenues. In 2020, All 4 views grew by 26% and in the first half of 2021, this grew further year on year by 30%. To provide market context – in 2020, Netflix had UK subscriber growth of 14%; whilst ITV's digital viewing declined by 5%. Over the first half of 2021, ITV had 6% growth in digital viewing in the same period, and BBC iPlayer grew 8%.

5. Tennis

The Chair would also like to ask if Channel 4 has any more information on who else was bidding for the US Open final.

Only Amazon will hold the full details of who else bid for the rights to air the US Open tennis final in the UK, and this information is likely to be confidential. Our understanding is that there were multiple bidders. We also note that Carolyn McCall, Chief Executive of ITV has said publicly at the Royal Television Society Convention in Cambridge in September 2020, that ITV had made an initial bid for the rights but that they could not make the commercial arrangements work for them, due to the inability to show advertising during the final. She said: 'we have to make a return. We really wanted it, [but] we had to make money, that's our model'.

4. 5 News

We also wish to clarify some comments made by Channel 4 in our session in reference to the recent changes proposed to 5 News. The suggestion that these changes are driven by profitability concerns does not reflect Viacom's intentions and we are happy to correct the record on this point.

5. EY report

We note comments by DCMS on 19 September querying the assumptions made in the independent report 'Assessing the impact of a change of ownership of Channel 4' from EY, which was commissioned by Channel 4 and submitted as part of our evidence to your inquiry. We would be happy to arrange for a verbal briefing on this report from EY directly, either with Committee members or the Clerk if this would be helpful to the Committee.

Thank you again and please do let us know if we can help with anything further.

Yours sincerely,

Alex Mahon



Chief Executive, Channel 4