



innovation

creating change

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Reinvent entertainment

Channel 4's remit encourages us to push boundaries, take risks and experiment through our programming and across our business in ways that other broadcasters do not. In 2021, we worked on continuously refreshing what we did creatively, finding new ways to engage audiences, new ways of delivering our content, and new ways of supporting the creative industries.

innovation

Four areas of focus:

-  British creativity
-  Digital excellence
-  Nations and Regions
-  Young and diverse

Grayson's Art Club



As Covid-19 has transformed how and where people spend their working and leisure hours, changes relating to the consumption of media have greatly accelerated – in particular, trends such as viewers spending less time with linear TV channels and more with streaming services and social media on a multitude of personal devices. In this context, Channel 4's strategic initiatives around All 4, 4Studio and scaling via partnerships are critical to our future success.



In the first full year of our Future4 strategy (see page 20), Channel 4 has devoted considerable efforts to encouraging everyone in the organisation to adopt a truly digital-first approach.

This is a big challenge in an organisation that for decades has been laser-focused on the intricacies of linear TV schedules; it has required changes both in organisational structures and in personal mindsets. To this end, we have set ourselves ambitious targets for All 4 and are redoubling our efforts to find new ways to reinvent entertainment across all of our genres.



The Dog House



Engaging viewers with innovative content

In a world of abundant choice, Channel 4 continued to offer something unique, valuable and sought after in 2021. We created and invested in new British-produced formats and shows that offered a distinctive flavour to viewers, finding new ways to tell stories and to reach audiences through highly distinctive commissions.

Innovative new shows, such as the genre-bending immersive competition format *Murder Island* (see page 68), the irreverent quiz show *I Literally Just Told You*, woodworking competition *Good With Wood*, or daytime restoration show *Mend It for Money* delighted audiences with their new approaches and formats. Through the Global Format Fund, we invested in innovative new British-created and produced content formats with UK audience appeal and global potential, such as *Moneybags* and *The Love Trap* (see page 71).

We also continued to delight viewers with returning hits such as *Grayson's Art Club* and *The Circle*, expanded franchises such as *First Dates* with *Teen First Dates*, and continued to drive digital growth with instant box-sets for key titles – including *It's A Sin*, new comedy *Frank of Ireland*, and returning shows such as *The Dog House*, *Back* and *Dead Pixels* among others.

2021 saw us continue to invest in All 4's platforms and technology in order to enhance functionality and usability, acquire wider video-on-demand ('VoD') content rights and ensured that our content could be played across all of our platforms (see All 4 case study, page 76). We also expanded our reach on social media platforms through key partnerships with Snap and TikTok, giving audiences what they want, where they want (see 4Studio case study, page 74) – this is what reinventing entertainment looks like.

The Love Trap





One thing is for sure – original concepts are rare in TV right now. For that reason alone, it is worth tuning in again.

The Sun

Murder Island



Murder Island

Innovation has been at the heart of Channel 4 since its creation. It is a core part of our remit and our vision to reinvent entertainment. In 2021, we continued to explore new formats and ways of engaging our audience. *Murder Island* encapsulated this perfectly.

Filmed on the island of Hirta, off the west coast of Scotland, *Murder Island* was a six-part murder mystery series written by Ian Rankin, one of Britain's most successful crime writers. Eight ordinary members of the public, who believed they had what it takes to be a murder detective, worked in teams of two to try and unpick Rankin's plot and solve the crime.

Overseen by some of the country's finest real detectives, the teams had eight days to catch the killer, sifting through evidence, examining pathology and forensic reports and interviewing witnesses and subjects. With a £50,000 reward on the table for the winning team, they had to look beyond their own prejudices, learn new skills and gather evidence.

Murder Island had the authenticity of a real murder case, combined with the twists, turns and intrigue of the best detective fiction.





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Moneybags is a really innovative format that will be injecting quick-fire quizzing and edge-of-your-seat tension into the afternoon schedule.

Moneybags



Global Format Fund

As part of our Future4 strategy, we launched a new Global Format Fund in 2020. The fund, which will invest a total of £30 million over the coming years, comprises ringfenced spend designed to stimulate the creation of original new formats from UK-based indies for domestic and international audiences.

The fund, which invested £8 million in 2021, is focused on those genres with the greatest potential for global format success, including Daytime, Factual Entertainment, Features, Entertainment, Documentaries and Specialist Factual.

Using a research and development approach, the Global Format Fund guarantees minimum runs and recommissioning triggers upfront, as well as minimum levels of marketing support. It leverages Channel 4's creative, marketing and audience insights to support producers with their international exploitation of the format. With regard to the exploitation of content in the UK, content created by the Global Format Fund is subject to the current Terms of Trade.

The first two series that were commissioned from the fund were *The Love Trap*, a reality-gameshow hybrid which subverts familiar dating show tropes, and *Moneybags*, produced by Youngest North, Youngest Media's recently launched Leeds-based hub. Hosted by Craig Charles, this big-money afternoon quiz show was devised by the team who created *The Million Pound Drop* and *Pointless*. *Moneybags* has been recommissioned for a second series. Jo Street, Channel 4's Head of Daytime and Features, said that: "*Moneybags* is a really innovative format that will be injecting quick-fire quizzing and edge-of-your-seat tension into the afternoon schedule."

£30m
will be invested
through the Global
Format Fund



Channel 4 has pulled off a hat-trick of master strokes by securing the rights to the 2019 Cricket World Cup final, Emma Raducanu's US Open triumph and the climax of last season's Formula One world championship.

The Daily Telegraph

Formula 1 Abu Dhabi Grand Prix



The US Open



India vs England Test Series



Bringing major sporting moments to free-to-air

Reinventing entertainment also means finding new ways of engaging our viewers. In 2021, Channel 4 secured innovative commercial partnerships in order to bring major sporting events to free-to-air audiences. These created significant moments of shared national joy, which enthralled and entertained audiences across the UK.

In February, our ball-by-ball coverage of the India vs England Test Series on Channel 4 and All 4 was watched by over 9 million viewers, reaching 15% of the TV population and an impressive 40% of Indian viewers in the UK. It was the first time live Test cricket had been on free-to-air television since Channel 4 showed England's momentous Ashes win in 2005.

Over the summer, Lions fans were able to roar on their team on TV for the first time in almost 30 years with Channel 4's broadcast of the Vodafone Lions 1888 Cup against Japan, which was especially popular with young people, attracting a share of 20% for 16-34-year-olds.

And then came our live coverage of Emma Raducanu's amazing victory against Leylah Annie Fernandez in the US Open Women's Final, secured through an innovative and widely praised deal with Amazon Prime Video. An incredible peak of 9.6 million people watched as Emma became first British woman to win a grand slam title since Virginia Wade's Wimbledon victory in 1977, and the youngest grand slam champion since Maria Sharapova in 2004. The final delivered Channel 4's best daily share since the 2012 Paralympic Games Opening Ceremony, making it the most-watched single broadcast of the Year on Channel 4.

Our collaborations with other broadcasters bring benefits to all parties – to the broadcasters themselves, to sports rights holders and to viewers – and help create a win-win balance in the availability of coverage of live events on free-to-air vs subscription services. Thanks to a partnership with Sky, we ended 2021 with another huge sporting moment: the Abu Dhabi Grand Prix. We brought the nail-biting, controversial finale, which saw Max Verstappen overtaking Lewis Hamilton on the final lap after a dramatic late safety car intervention, to 7.5 million people in total – with the highest one-minute peak audience on Channel 4 to date for live F1. This was a fittingly dramatic end to an extraordinary year of sport on Channel 4.

4Studio: Innovating to reach new audiences

11.3bn

views of 4Studio social media content in 2021



Celebrity Gogglebox



The Circle



2021 saw our Leeds-based 4Studio business innovate its approaches to reaching audiences on social media platforms, reinventing how we use our content to appeal to young people and strengthening the Channel 4 brand as a digital PSB.

4Studio creates and publishes thousands of pieces of content across over 100 channels each month, reaching millions of people every day on the major digital and social media platforms – from Snapchat to YouTube, Facebook, Instagram, TikTok and Twitter.

Success is driven by smart use of data and creative excellence. 4Studio boasted over 11.3 billion global views in 2021, and scooped a number of awards – including Lovies, a Drum Online Media Award, multiple Broadcast Digital Awards and a Prolific North Marketing Award – across its three key business areas of social media marketing, branded entertainment and digital original series.

4Studio also became the biggest social media brand on YouTube and Facebook for UK 18-34-year-olds, reaching more of this group than any other global brand, and saw continued success with its social media branded content, regularly topping the leaderboard as the UK's most viewed social media branded content partner.

Creatively, the team continued to innovate ways to drive noise around our linear shows and to find new forms of branded content, as well as launching social-first content series to audiences.

4Studio developed and executive produced its first digital extension, with star-studded *It's A Sin* spin-off *After Hours*, featuring creator Russell T Davies and stars including Neil Patrick Harris and Olly Alexander taking fans behind the scenes of the award-winning 80s AIDS drama. This was one of a raft of spin-off commissions.

Hollyoaks IRL told the emotional stories of fans whose lives have been personally affected by the issues raised in the daily soap, including depression and suicide, gay conversion therapy, and eating disorders. *The Circle* podcast *Dishonest Fun* saw guest stars chat with series 1 winner Alex Hobern to talk all things catfishing. And *True Crime: Unravelling* partnered Yinka Bokinni with criminologist Honor Doro Townshend to explore the real-life cases behind All 4's gripping season of true crime documentaries.

Meanwhile, the team ensured that our biggest programming moments – the Black to Front Project, *Married at First Sight Australia*, *Tokyo 2020 Paralympic Games*, *The Great British Bake Off* – drove conversation online and engaged viewers on every platform, before, during and well after transmission.

A key area of innovation this year was 4Studio's sales team's collaborations with world-leading companies to commission brand-funded content projects. They partnered with Balmain on *Fracture*, the first-ever branded social media drama; with Instagram on *You Do You*, the world's first-ever real-time social media reality series told through social media; with VisitBritain on a second series of the award-winning Rosie Jones-fronted disability travelogue *Mission: Accessible*; and with Meta Quest for the iconic return of *GamesMaster*.

It continued to evolve the way it worked with social media platforms, partnering with TikTok to launch Channel 4 and E4-branded accounts, create a dedicated Paralympics content hub, and to create and publish content which is now engaging young audiences in their millions on the platform.

2021 saw 4Studio's team grow to over 80 employees, almost all based in Leeds – reflecting its modus operandi to invest in diverse talent from the Nations and Regions. The team partnered with SharpFutures to launch a scheme as part of 4Skills, targeting young people in Leeds from disadvantaged backgrounds via virtual workshops, outreach and engagement. The department was delighted to introduce one of the trainees to the team in a full-time capacity once the scheme had finished.

All 4: The UK's digital PSB

Help



2021 was another transformative year for All 4. With over 14,500 hours of content, the UK's biggest free streaming service saw viewing grow by 21% across the year, exceeding our annual target and achieving in excess of 1.5 billion views for the first time.

Channel 4 has a long history of being a channel for young people, and in 2021 we leaned into this further, leveraging our progress in technology and exploiting our platforms further to bind young British viewers to strong, valuable and trustworthy public service media. We have seen our position with young people solidify and grow, with All 4 demonstrating our digital viewing success.

In November 2020, as part of our Future4 strategy, we announced our ambition to be the young people's PSB streamer, giving them the content they want, where they want it – and we are well on our way. And in 2021, we announced that we were further prioritising streaming in all of our commissioning and scheduling decisions: every piece of our scripted content will now be primarily commissioned for All 4, with linear a secondary consideration.

All 4 made up 13% of total Channel 4 viewing in 2021, up from 9.2% in 2020.



It's A Sin

Married at First Sight UK



Doubled

the number of subscribers to All 4+ in 2021

Doubling down on digital growth

A central goal of the Future4 strategy is to double All 4 viewing by 2025 to 2 billion views. To achieve this, we are dialling up our ambitions for All 4 and doubling down on the types of programmes that we know people love to binge on demand. At the end of 2021, we achieved over 1.5 billion views on All 4 – well ahead of our annual target.

We have continued to invest in our ever-expanding All 4 content library – the largest of the UK PSBs. This year, we supercharged our box-set strategy whereby new series on the linear channels were made available in full on All 4, with over five times more titles than in 2020, including *It's A Sin*, *First Dates* and *24 Hours in Police Custody*.

During the year, we also started to experiment with scheduling, such as the pre-transmission release of *Help*, which contributed to it becoming the best single episode drama launch to date on All 4, based on viewing in the first week.

Content that performed strongly on linear performed strongly on All 4, particularly among young people, and we have adapted our strategy throughout the year to capitalise on this. Most notably, at the start of the year, Russell T Davies' impactful drama *It's A Sin* became Channel 4's biggest-ever commissioned new series, with over 26 million views on All 4 (see full case study, page 31), of which 22% of viewing was before the programme was transmitted on linear.

The *Married at First Sight* franchise, a major success on E4 in 2021, was equally successful on All 4: the sixth season of the Australian format became the biggest individual series of the year, achieving 79 million views across all platforms. Responding to this success, we reformatted and relaunched our own UK version of the format after the summer. *Married at First Sight UK* quickly became the highest-rating unscripted show in E4's history – making the channel the number one destination for 16-34-year-olds during its run – and has become our third-biggest individual title of the year on All 4. This example shows the positive feedback loop between performance on All 4, smart use of audience data and our core content commissioning strategies.

Tokyo 2020 Paralympic Games



>1.5bn
views on All 4 in 2021 (+21%)

13%
of total Channel 4 viewing in 2021 was made up by All 4

Focusing on the All 4 experience

Viewers' expectations are changing in a digital world. They expect Channel 4 to know how they watch, where they watch and why they watch. This is not just about demographics; they expect more content, communications and experiences based on their motivations for watching.

Our focus has therefore continued to be on All 4 being the UK's biggest free streaming service, positioning it as 'more than catch-up'. This has been effective, with 62% of 16-34-year-olds agreeing that All 4 is 'more than a catch-up service' across the year, putting the service ahead of iPlayer and ITV Hub.

Continually enhancing the viewer experience – through All 4's functionality and usability – is key to our success among young viewers and the All 4 product benefited from significant investment in 2021.

We rebuilt our 'Big Screen' All 4 application (for smart TVs), making it more effective to showcase Channel 4's programmes. We made progress in making All 4 a more personalised and smarter service, better meeting consumers' expectations.

Meanwhile, our paid-for service, All 4+, which allows viewers to watch TV shows without ads, nearly doubled the number of subscribers across the year, and we are continuing to build this product into 2022 and the future.

Driven by our continued innovations and unrivalled content library, All 4 was recognised by the industry in 2021, winning 'Best On Demand TV Service' at the Edinburgh TV Festival Awards for the second consecutive year, and 'Best Streaming Platform' at the Broadcast Tech Awards.

Best On Demand TV Service at Edinburgh TV Festival Awards for the second consecutive year



The Secret Life of Emily Brontë



We would not be here, making programmes in this part of Wales, without Channel 4.

Sioned Wyn, award-winning director and producer, Chwarel



Investing in innovative partners

Beyond content, Channel 4 also works with and invests in innovative creative partners. These funds – the Indie Growth Fund, Emerging Indie Fund and Channel 4 Ventures – help to grow early-stage production companies across the UK and are helping to change the production landscape of the UK. Another way that Channel 4 is reinventing entertainment.

The Indie Growth Fund ('IGF') has a remit to generate commercial returns for Channel 4 by investing in, and helping to grow, early-stage production companies, focusing on the Nations and Regions and diverse entrepreneurs. Profits from the fund's ventures are invested back into the delivery of Channel 4's public service remit.

Now seven years old, the IGF has invested in 25 companies to date, with nine exits so far and 16 companies remaining in the fund at the end of 2021.

This was a record year for the fund, which invested in six new companies: Uplands, Big Deal Films, Duck Soup, Paper Entertainment, Salamanda and Spirit Studios – all of which satisfy at least one of the IGF investment criteria of being Nations and Regions, diverse or digital. Of the 16 companies currently in the IGF portfolio, nine are based out of London, six are led by ethnically diverse founders, five have female founders and one is a digital-first company. There was one successful sale in 2021, of Lightbox, via a share buyback to its founders.

The Emerging Indie Fund, designed to help small, new or emerging indies outside of London break through with support at key stages of early growth, was launched in 2020. Feedback from the participating indies in the first round of the fund was extremely positive, with awardees hailing it as 'game-changing', and eight companies going on to receive commissions.

Building on this success, the second Emerging Indie Fund round launched in autumn 2021, and a diverse cohort of 20 companies was awarded, spanning the whole of the UK, including all four Nations. The awarded companies received development awards, and opportunities to work directly with the commissioning teams, as well as receiving expert business development support to help them to grow.

Channel 4 Ventures invests in high-growth digital consumer businesses, offering media airtime in exchange for equity. This fund has 22 active equity investments that had a balance sheet value of £30 million at 31 December 2021 (2020: £16 million).

Channel 4 Ventures made seven new investments this year. They included Boomin, a challenger property portal; Strike, an estate agent that sells houses for free; Clim8, an ethical investment app; and Maxwellia, a drug switching company that spearheaded the campaign to switch the progesterone-only contraceptive pill from prescription-only to available over the counter.

25

companies have been invested in by the Indie Growth Fund to date

Before We Die



The Battle for Britain's Heroes