



# INNOVATION

Channel 4 has a unique operating model – a publicly-owned organisation that is entirely self-funding, with a remit to experiment and take risks. That means that, for us, innovation is about pushing the boundaries both commercially and creatively. This drives our commissioning decisions, informs how we use technology to reach audiences, and encourages us to find new commercial approaches.

A record year for All 4

719m

programme views initiated on All 4 (+16%)

16.6m

registered users on All 4 (+11%)

190

new and one off programmes were shown (between 6pm and midnight) (+9%)

1.98bn

Channel 4 News video views on Facebook and YouTube

## 2018 ambitions

- All 4 will remain a standalone content destination and explore new curated channels that offer the very best must-watch content from our 35-year library of programmes alongside new handpicked acquisitions. We will also continue to showcase the best international drama via Walter Presents.
- Our News and Current Affairs team is exploring virtual reality technology that will offer fully immersive experiences for viewers, bringing the world to their fingertips.
- We will continue to experiment with innovative programmes, such as *Kiss Me First*, the first mainstream British TV drama to combine live action with state-of-the-art computer-generated virtual world sequences.

Innovation drives our creative strategy. We commission more programme titles than any other broadcaster, taking more risks with new programme ideas to find winning formats and programmes.

In 2017, we remained at the cutting edge of innovation in the media sector: experimenting with new programme formats in order to produce fresh, original and accessible content; forging new commercial partnerships to ensure we remain competitive within an increasingly crowded marketplace; and harnessing technology so that we continue to best serve and reach audiences.

## REMIT PERFORMANCE

### INNOVATION CONTINUED

## All 4

Since relaunching in 2015, our online channel All 4 has continued to grow strongly. With 16.6 million registered users by the end of 2017, viewing increased by 16% in 2017 on our All 4 apps and platforms, with a record 719 million video views over the year.



In 2017, we completed the roll-out of a new version of the platform, with personalisation at its heart. This personalised experience is based on viewing history, ensuring that recommended content is tailored to our users' viewing habits – it is based on what users watch and what people like them watch, rather than on who they are.

This new version of All 4 comes with mandatory sign-in, leading to an increase in the frequency of use and an increase in engagement, with log-ins reaching four million per month by the end of the year.

'Stunt' launches were a successful innovation for All 4 in 2017, whereby the first episode of a programme is aired on television to whet viewers' appetites, with the remainder of the series made available online. These were primarily used with Walter Presents, our curated channel dedicated to quality foreign language programming. Every month in 2017, a Walter Presents title was stunt-launched on Channel 4, before the box set was distributed through All 4.

We also did our first stunt launch for Channel 4 originated content last year, with *The End of the F\*\*\*ing World* (TEOTFW), an eight-part darkly comic road trip tale co-produced with Netflix.

The first episode of TEOTFW premiered on Channel 4 in October, after which the rest of the box set became immediately available on All 4. By stunt-launching the programme, we were able to introduce it to a wider audience than it would otherwise attract. This strategy proved very successful, with the series being

viewed by 3.1 million users within 100 days of the programme launching. It also became our most binge-watched series ever, with 69% of those who watched episode two on All 4 – following the stunt launch on E4 – finishing the whole series on the same day.

## Careful curation

All 4's popularity has been driven by a mixture of expert curation, catch-up programming and programmes available exclusively on the platform, such as the entire back catalogue of *Dawson's Creek*, *The Island USA with Bear Grylls* and *Comedy Blaps*. None of the other main PSBs offers such a varied mix of content on their on-demand services.

Research shows that 35% of TV viewers say they will only try a new show if they're confident that it is "great", so curation forms a key part of All 4's proposition.

This is exemplified by the popularity of Walter Presents, which combines Channel 4's creative, technical and commercial innovation. Handpicked by Walter Presents curator Walter Iuzzolino, these carefully selected world dramas are exclusively available free to UK viewers, with no subscription required. It is now the go-to destination for fans of world drama and those curious to discover more. Without Walter Presents, most – if not all – of these titles would not be available in any form to UK viewers.

The service now includes 61 titles from 17 countries and its library features around 643 hours of curated content, including Mexican thriller and International Emmy-winner *Mr Avila*, Czech historical drama and Czech Lion award-winner *Burning Bush* and the hit German drama *Deutschland 83*, which will return for a second series in 2018. In March 2017, Walter Presents also premiered in the US through a venture between Channel 4 and Global Series Network, with 34 series available to view from 12 countries.

Building on this success, All 4 will continue to develop this strategy in the future, anticipating the launch of new curated channels in addition to Walter Presents, mining Channel 4's 35-year library of programmes and featuring new handpicked acquisitions to create collections of the very best must-watch programmes.

“The series as a whole is a brilliant, concise and emotionally charged bit of British dramedy. It is an effing triumph.”

Radio Times  
(*The End of the F\*\*\*ing World*)

The full box set of *The End of the F\*\*\*ing World* became immediately available on All 4

3.1m

users watched the series within 100 days of the programme launching

69% finished the whole series in the same day



▲  
*The End of the F\*\*\*ing World*



Walter Presents ▶

## REMIT PERFORMANCE INNOVATION CONTINUED

### Innovative programme making

As well as constantly refreshing and updating much-loved programmes in the schedule, Channel 4 brought hundreds of new shows to the screen in 2017. On the main channel alone, in the evening period when most people are watching (between 6pm and midnight), 190 new and one-off programmes were shown this year. Innovative new shows covered a range of topics, including citizenship and social issues.

One example was *The Trial: A Murder in the Family*, a ground-breaking five-part series in which a fictional crime was subject to an authentic trial by a team including eminent practicing QCs, a genuine judge and a jury of 12 members of the public. The only actors were the accused – a man who was pleading not guilty to the murder of his wife – the deceased and some of the witnesses.

This drama-documentary hybrid, directed by BAFTA-winner Nick Holt, hooked viewers with the real twists and turns of a criminal murder trial and revealed the inner workings of the justice system as never seen before. This innovative concept was successful, particularly among 16-34-year-olds, with viewing share amongst this demographic 44% higher than the slot average. In total, the programme reached six million people (10.2% of the population).

Other programmes helped to bring British history to younger audiences through innovative formats, as with *Mutiny*.

230 years ago, British navy ship HMS Bounty was sailing from Tahiti to the West Indies when, during the 17-month voyage, a mutiny broke out and the ship's captain, Captain William Bligh, along with a handful of loyal men, were forced into a tiny open boat. Instead of dying as expected, Captain Bligh and his crew navigated 4,000 miles to safety, through some of the world's most remote and unforgiving seas.

*Mutiny* was a unique experiment that followed the ups and downs of nine modern men, who travelled across the Pacific Ocean in a replica 23-foot open wooden boat, with the same equipment and rations of food and water as Captain Bligh and his shipmates.

In addition to being an intense survival challenge, the programme was also an exciting new way of getting under the skin of one of history's great adventure stories.

The programme performed well, averaging two million viewers across the five episodes. *Mutiny* performed particularly well for older children (viewing amongst 10-14-year-olds was 26% above slot average) and 16-34-year-olds (viewing share was 18% above slot average), demonstrating how innovative approaches can engage younger audiences in genres such as history.

*Mutiny*

### Innovation in advertising

Innovation runs through the entire Channel 4 business – from experimental production techniques and programme formats, right through to ground-breaking advertising breaks and commercial firsts.

An example of this is our partnership with the Royal National Institute of Blind People ('RNIB') and five advertisers during National Eye Health Week in September, when we launched a unique campaign to raise awareness of the importance of eye care. Broadcast during *The Undateables*, the ads enabled viewers to 'see' an ad break through the eyes of those living with sight loss conditions.

The application of different visual filters across ads for O2, Paco Rabanne, Amazon Echo, Freeview and Specsavers illustrated the five most common eye conditions in the UK: macular degeneration (which affects the central part of a person's vision), cataracts (which cause sight to become cloudy), eye conditions caused by diabetes (which can affect the blood vessels at the back of the eye), hemianopia (in which people lose half of their vision) and glaucoma (a condition that damages the optic nerve).

The fully audio-described ad break was an industry first, developed through our creative arm PL4Y and produced by our award-winning in-house creative agency, 4Creative. Each brand – which took on significant risk to allow their own crafted adverts to be "distorted" by the visual filters – also donated 10% of their production fee to the RNIB, in support of National Eye Health Week.

Towards the end of the year, we also announced our investment in the European Broadcaster Exchange ('EBX'), becoming its unique UK partner. Expected to launch trading in early 2018, the EBX is a digital multi-territory ad sales joint venture between ProSiebenSat.1 (Germany), TF1 (France), Mediaset (Italy and Spain) and Channel 4.

Our investment allows us to cater for the exponential demand in the programmatic, on-demand video ad market, which grew at an annual rate of 45% in 2017 in Western Europe. It has the added benefit of forging closer strategic and commercially successful partnerships with key broadcasters in European markets which, in turn, will generate new digital revenues for Channel 4 to reinvest back into the UK creative sector.



Video content on social media in 2017

6.5bn



Views across Facebook, Instagram and YouTube

4.3bn



Facebook views across Channel 4's three top channel brands

## Leading the field in social media

*Channel 4 News* continues to be one of the UK's biggest video news brands on social media. In 2017, videos across the *Channel 4 News* portfolio received 1.98 billion views across Facebook and YouTube.

In addition, *Unreported World* now has its own YouTube channel, with new videos being uploaded every Wednesday and Sunday – from the current series plus re-publishing classics from its 20-year archive – with some videos garnering in excess of one million views.

Building on the success of *Channel 4 News'* video content in social media, Channel 4, E4 and All 4 have also experienced explosive growth on social media this year. This has resulted in Channel 4 being ranked 47th globally for social video at year end – higher than much bigger organisations such as Netflix, Amazon, ITV and Sky and higher also than key challenger brands such as Vice. This success is crucially important in showing that Channel 4 can engage with younger audiences in new ways.

It was a record-breaking year for our pages on social media, with our entire network's video content being viewed over 6.5 billion times across Facebook, Instagram and YouTube – this is more than double the number in 2016. The content also amassed 111.5 million engagements – such as likes, comments and sharing – in 2017, against 55.2 million in 2016.



**“Innovation runs through the entire Channel 4 business – from experimental production techniques and programme formats, right through to ground-breaking advertising breaks and commercial firsts.”**

Our approach to social video has been an iterative process to test, learn and roll out best practice. This strategy has paid dividends: on Facebook, with a combined 4.3 billion views, Channel 4's three top channel brands (Channel 4, E4 and All 4) together generated 83% more views than the BBC's top three (BBC One, BBC Two and BBC Three) combined in 2017.

Channel 4's reach on Twitter also continued to grow in 2017, showing that our programmes stimulate debate online, particularly among young people – indeed, more than half of Twitter users are aged 16-34. Our most tweeted programme of the year, *The Great British Bake Off*, was mentioned in close to one million tweets. This was followed by *May vs Corbyn Live: The Battle for Number 10* (with 862,000 tweets) and *Hollyoaks* (515,000 tweets).