

**Channel 4 Response to:**

**‘A Review of Government Advertising in Northern Ireland’**

Having attended the initial briefing for this review back in June '05 and having read the Draft Consultation Report, we welcome this opportunity to offer our views, opinions and advice on the report where appropriate and to help and assist Government departments and their media buying agencies wherever possible.

As a television broadcaster / contractor, it is not within our sphere of expertise to comment on other media costs, opportunities or buying policies at this stage although we would be delighted to discuss Government media planning strategies at a later date following completion of the review.

Primarily, our concern relates to the cost, delivery and performance levels of Government campaigns on television, particularly with Channel 4's Ulster macro region and especially in relation to chapter 3, paragraph 3.12 of the review document. This addresses the television cost issue. We are also happy to address issues raised in Chapter 4 that deals with television as a pure medium.

## **1/ MEDIA AUDIT**

It is our view that Channel 4 has provided excellent value to Government over many years and has consistently provided quality programming and audience delivery to wide and varied television campaigns bought by Government. There are, however, a number of points raised in paragraph 3.12 that appear to be at best, ambivalent and do not allow us to fully address any apparent or implied criticisms contained therein.

As detailed in Chapter 3, the media auditors, Billetts Media Consulting, have carried out an analysis of six government based television advertising campaigns, the main conclusion of which appears to be:

**‘The target in the medium term should be to match Billetts’ pool price’**

Unfortunately, there is no accompanying or supporting documentation to indicate exactly what that pool price is, has been or is likely to be. We have not been given any idea of the types of advertisers who comprise Billetts’ pool, the audiences they target, if their brands are time restricted in any way, nor, crucially, have we been given access to Billetts’ actual pool price.

Numerous questions are raised.

Firstly, we must question the make up of those campaigns that provide the database for Billetts’ pool. Do these campaigns fully reflect the buying strategy and restrictions of Government activity in Northern Ireland?

For example, have they compared advertisers that buy solely into this region or those for whom the Ulster region is only a small part of their marketing strategy?

Have daypart restrictions due to creative content been fully taken into account?

Has account been taken of those campaigns that have been subject to late booking, frequent changes in dates, timelength or daypart restriction?

Do those advertisers that are part of Billetts' pool enter into a volume commitment with their broadcasters?

Has the audit revealed a difference in costs or delivery between comparable broadcasters?

In effect, has the audit compared like for like? We strongly suspect that it has not, simply because in our view, it is virtually impossible to do so.

As addressed earlier, Channel 4 has provided excellent value to Government campaigns over many years. We have chosen to offer the same airtime price to **all** departments and campaigns that are booked with us by our Advance Booking deadlines, (and for many of those that are not!) Over the years we have sought to deal with frequent amendments to numerous campaigns in terms of date changes, daypart restrictions, timelength amendments and even campaign cancellations without resorting to the issuing of cost penalties as we would be fully entitled to do. This has largely been achieved by developing close working relationships with those buying points appointed by Government departments and in our wish to encourage Government activity on television. At no stage has Government ever entered into or expressed any interest in an annual volume commitment with Channel 4 in Northern Ireland as other advertisers who enjoy airtime discounts do.

In fact, Government Campaign Expenditure figures for 2003/2004 as illustrated in Table 3 of the review document clearly shows that Channel 4 has not been adequately

utilised in terms of monetary commitment from Government departments for television advertising campaigns. Channel 4 in Northern Ireland delivers approximately 27% of commercial television audience impacts, yet expenditure levels that have been committed to date are closer to 15%! In essence, this failure to target your campaign delivery in line with each stations particular audience profile has the effect of artificially and unnecessarily inflating your television costs. Again, this is an important issue for discussion at the reviews conclusion.

## **2/ THE TELEVISION MARKET IN NORTHERN IRELAND**

Chapter 4 of the review deals with the ‘make up’ of television availability in Northern Ireland and provides a largely accurate reflection of the marketplace. We do, however refute the conclusion reached in paragraph 4.7 of Chapter 4 with reference to inflation levels and reduction in audience within the Northern Ireland television market.

Contrary to those conclusions and contrary to the experience of other broadcasters, audiences on Channel 4 have **not** fallen and in some categories have actually grown. Inflation on Channel 4 has also been maintained within acceptable levels that have been driven solely by advertiser demand – not by declining audiences.

As detailed within the review document, advertisers targeting audiences in Northern

Ireland are somewhat limited in the number of television broadcasters that actually permit their airtime to be accessed by local brands.

Obviously, the BBC is not a commercial organisation and is not available to accept advertising from any region, but Channel 5 and the myriad of Satellite and Cable broadcasters have adopted a policy that the N.I. market is much too restrictive to adequately establish viable revenue streams and have refused to make airtime available to local advertisers. These policies leave Ulster Television, Channel 4 and restricted access to breakfast broadcaster GMTV as the only realistic television broadcasting outlets available.

We at Channel 4 also provide 'sister' channels available via satellite, cable and Freeview, namely E4, aimed at a more clearly defined 'Youth' audience and the recently launched More 4 that targets a slightly more mature and affluent viewership. Both channels are proving to be highly successful in attracting smaller but highly desirable audiences and provide additional advertising platforms to advertisers.

Unfortunately, at present there is no regional opt out for local advertisers, largely due to cost issues and concerns that establishing viable revenue streams would be problematical. However, in light of comments contained in the review document with reference to limited choice of station availability to local advertisers, we would welcome the opportunity to meet with you to discuss the possibility of creating access to these channels.

Clearly, there would be significant cost and technical implications for Channel 4 as the parent broadcaster but we would be very interested in examining the potential market for these platforms with you.

It is our assertion that the following points be actively considered for better co-ordinated, strategically planned and more effective television airtime buying.

1/ Government or Government appointee should enter into transparent negotiations with media contractors with a view to establishing a properly structured airtime buying policy. Ideally this would include anticipated campaign breakdown by department and a realistic annual spend commitment by Government in its entirety. In turn, this approach will enable broadcasters to proffer advantageous pricing based on agreed policies and to 'ring fence' the required airtime that has been booked in advance.

2/ Once negotiated and agreed, said policy to be adhered to by Government and its Departments, its appointed media buying points and media contractors.

3/ Ideally, Government should consider appointing an internal co-ordinator who will be responsible for media negotiation, structural planning of each departments advertising activity and release of budget within Advance Booking Deadlines.

4/ All Government departments should be made aware of forthcoming media activity, primarily to avoid clashes of advertising material or potentially confusing imagery in the marketplace.

5/ Regular and ongoing contact should be established between Governments

appointee and media contractors. This would actively encourage enhanced working relationships and create a greater awareness of requirements or concerns from all parties.

6/ Channel 4 will be pleased to offer advice and assistance in helping create a more cost effective solution to Governments television airtime buying.

7/ As a provider of E4 and More 4 channels that are available only on digital platforms, Channel 4 will be prepared to discuss with Government the possibility of facilitating local, regional advertising airtime on these channels as a means of providing wider access to stations for Northern Ireland advertisers.

We would welcome the opportunity to discuss these views and proposals in greater detail and in person once the review is complete or before then if you have any queries concerning this submission.

Please contact:

Colin Audley  
Regional Sales Manager

Channel 4 Television  
100 Enterprise House  
2-4 Balloo Avenue  
Bangor  
Co. Down

BT19 6XN

Tel: 028 91857555  
Email: [caudley@channel4.co.uk](mailto:caudley@channel4.co.uk)