

Channel 4 – Having Its Cake And Eating It With The Great British Bake Off

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As I write, we are mere hours away from the crowning of this year's Great British Bake Off champion following its inaugural run on Channel 4.

There was much wailing and gnashing of teeth from the general public (including a former conservative culture secretary) when the move was announced with many apoplectic at their favourite show being interrupted by adverts.

Channel 4 paid Love Productions, who produce the show, around £25 million per series (£75 million over a three-year deal) to carry the show. A large fee when you consider the BBC were paying over £7 million per series and had offered Love Productions over twice this to keep the show beyond 2016. Many predicted that the show would be a flop especially when it became clear that three quarters of the presenters would not be going

with the show.

So, how has the switch to C4 worked out for the show, the channel itself and the viewers after it lined up Prue Leith, Sandi Toksvig and Noel Fielding to join Paul Hollywood (the only presenter from the previous BBC line up more than happy to accept a contract paid for from advertising revenue)?

Much has been made in the media of the dip in viewing figures compared to how it performed on the BBC. The show was regularly pulling in over 13 million viewers per episode whilst on the BBC. A dip in viewing was probably no surprise to Channel 4, who would have been foolish not to have factored in depreciation in their forecasting, however comparisons to BBC viewing figures will have been less important to Channel 4. Their interest would have been on how the programme performed compared to their existing top performing commercial programmes.

Earlier this week, Channel 4 chief executive David Abraham told the UK parliament's digital, culture, media and sport select committee that the show had exceeded financial goals and audience feedback was that many viewers preferred the show in its new format.

The first run of The Great British Bake Off on Channel 4 has regularly delivered over 8 million viewers per episode. You have to go back to the Channel 4 of the mid noughties of Big Brother with Davina McCall to find viewing figures with similar. The next best performing programme on the channel's schedule is the advertisers' perennial favourite – Gogglebox, with around 3 million viewers. When you consider that advertisers love to acquire centre breaks of Gogglebox on their TV spot schedule, then we can start to understand why Channel 4 are very pleased at how their acquisition of TGBBO is playing out.

Channel 4's David Abraham also highlighted this week that the acquisition of TGBBO works 'brilliantly well' within the channel's cross-subsidy model and revenue generated from having a 'commercial hit' helps pay for more innovative programming such as Channel 4 News and the Paralympic Games.

Forecasts last year were predicting that Channel 4 could generate around £2.4 million of advertising revenue per show. Multiply that figure by 10 episodes and add in an estimated £4 million from the show's sponsorship deal with Lyle's golden syrup and Dr Oetker, and we can see that TGBBO will more than wash its sticky face for the channel.

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