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Advertisers turning to web rather than TV

Channel 4 to earn less through ad revenue than Google

by Amber Maitland published on 1 November 2006

As the media landscape changes, broadcast TV needs to evolve to keep viewers watching rather than turning to the internet for entertainment.

Google is making more money from advertising in the UK than Channel 4, which has led the TV station's CEO to warn that the TV industry has underestimated the pull of the internet. Speaking to Reuters, Andy Duncan said that "significant structural" changes were going on in the advertising sector.

"Some broadcasters have been very slow to realise this. The industry as a whole is frankly rather backward looking and is perhaps underestimating the scale of change that is going on and the pace of change."

Despite increasing its audience share by 10%, Channel 4 still made about £78 million less in advertising revenue in the UK than Google.

Duncan warns that the TV advertising market will most likely drop by at least 6% in 2007. However, the Internet Advertising Bureau has said that online ad spending in the UK had jumped 40% in the first half of 2006 compared with the same time period the previous year.

