

China's Subscription OTT Video Market Is Booming

Nearly 229 million people will watch regularly in 2018

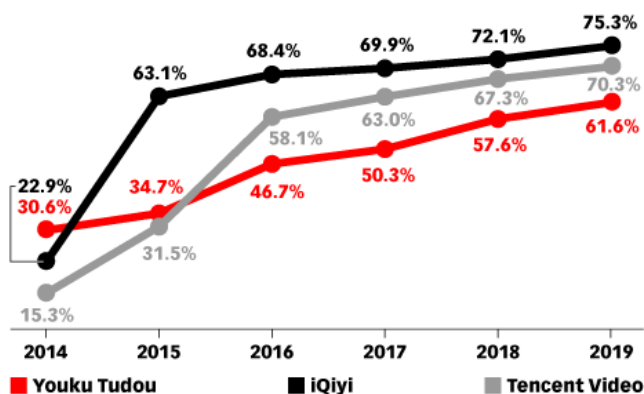
ARTICLE | JANUARY 17, 2018

eMarketer Editors

In 2018, close to 229 million people in China will watch video via a subscription streaming service that bypasses traditional distribution, according to eMarketer's first-ever forecast of subscription over-the-top (OTT) video viewership in the country.

Subscription Over-The-Top (OTT) Video Service User Penetration in China, by Provider, 2014-2019

% of subscription OTT users



Note: individuals of any age who watch video via each provider mentioned using a paid subscription via app or website at least once per month; OTT video services are not mutually exclusive; there is overlap between groups; excludes Hong Kong

Source: eMarketer, Jan 2018

234330

www.eMarketer.com

eMarketer expects 37% of digital video viewers in China will watch online content using a subscription OTT video service this year, such as iQiyi, Youku Tudou or Tencent Video.

However, the subscription OTT market is starting to heat up in the country, and eMarketer predicts steady growth in the coming years thanks to investment in homegrown content that has driven up subscriptions.

eMarketer estimates the subscription OTT market in China grew by more than 80% in 2017. By 2019, more than two-fifths of digital video viewers in China will use an OTT service.

"Apart from a constant stream of new and appealing content, factors driving the adoption of subscription OTT include growing internet penetration, faster connection speeds, affordable prices and an increasing willingness to pay for entertainment," said Shelleen Shum, senior forecasting analyst at eMarketer.

"The market is currently dominated by platforms operated by BAT — Baidu's iQiyi, Alibaba's Youku and Tencent's Tencent Video. Though iQiyi currently leads the market, we expect the gap between the three platforms to narrow as investment continues and content strategies evolve," she added.