

Video Hosting in China



Online video is a massive and rapidly growing industry. Video streaming rose 72.4% between Q1 2018 and Q1 2019 alone. The video streaming market is predicted to be worth \$70.5 billion by 2021. And young people are driving that growth—a sure sign that this trend will continue.

Over the past decade, the number of people accessing the Internet in China has increased five-fold. However, it remains quite difficult for companies to deliver video in China. There are political and technical reasons for this challenge. But current barriers to China video delivery can also be overcome.

This eBook will explore the topic of video hosting in China. We'll start by examining the business-case for China video streaming. Next, we'll dive into the challenges and problems that face businesses that choose to deliver video in China. Finally, we'll present solutions and arrange of options to gain access to the China market.



The Opportunity: Why You Should Be Delivering Videos in China

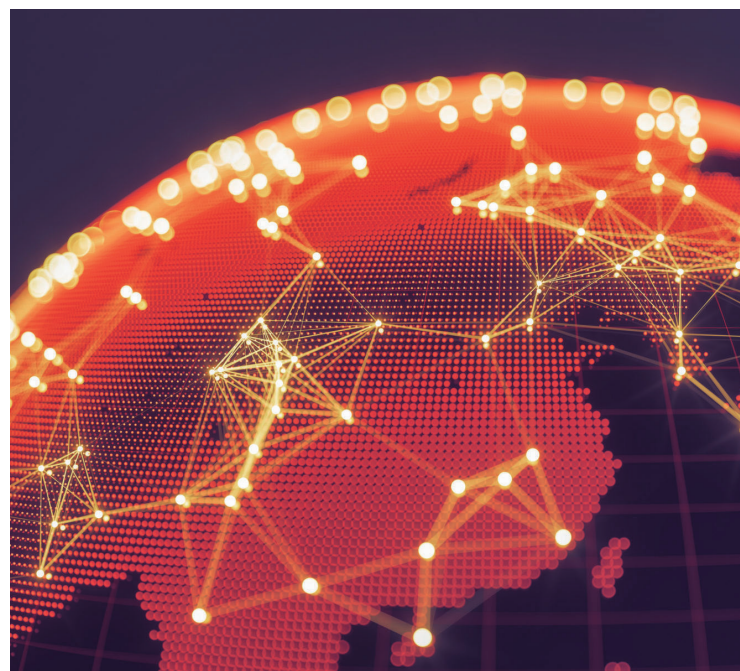
No matter what your industry, there may be a good reason to consider delivering your videos into China. Work in the entertainment or sports industries? China represents a massive untapped audience in both sectors. Involved in enterprise business? Chinese industry is an increasingly large part of the global economy. Let's take a look now at a few of the other reasons to consider video hosting in China.

Audience

The first reason to consider China as important for video delivery is due to its massive size. China is home to 1.42 billion people. In fact, China has the largest population of any country in the world. And about 900 million of these individuals are internet users.

These current numbers speak to the existing relevance of doing video hosting and streaming to viewers in China. The growth in internet access in China is explosive as well. A full 40 million Chinese people are coming online for the first time every year. That's the equivalent of nearly 15% of the entire population of the United States and more than 66% of the entire population of the UK.

Video viewing growth in China is similarly stunning, with an estimated 37% annual growth in the number of viewers. In 2007, a mere 160 million Chinese had watched videos online. By 2014, this figure had tripled to 433 million viewers. According to the CNNIC, more than half of online video viewers in China are in their teens and 20s. Given this youth-dominant viewer base, we can expect growth to continue to rise exponentially in coming years.



Revenue

Another reason to consider video hosting in China is revenue. With a large audience comes massive potential revenue opportunities. Online video revenue in China alone is expected to approach \$18.2 billion USD in 2019, with annual growth rates of more than 30 percent.

There are a variety of different ways to monetize video content online. Nearly half of current video revenue comes from advertising, which is expected to be worth more than \$10 billion USD by 2020. About a third of total revenue comes from paid content (e.g., subscriptions model, tip jar, and pay-per-view approaches).

Business 2 Business

Reaching the large Chinese population is tempting from a B2C (Business-to-Consumer) standpoint. However, many businesses are instead interested in serving the companies that exist in China. This B2B (Business-to-Business) approach can be lucrative, reliable, and a great business model. In fact, depending on the measure, China may now be the world's largest economy. We can see this born out in the massive and growing businesses—Alibaba, Huawei, Baidu, Foxconn, China Mobile—that lead the Chinese economy.

These companies need services and products of various sorts, including video hosting and streaming solutions.

Video can help to facilitate and enhance trainings, conferences, sales, product releases and demos, partnerships, and all sorts of other business outcomes. And in all of these cases, access to a reliable China video hosting service is essential.

Trade and Government

Larger institutions may also have a need for China video delivery. Foreign governments, international banks, trade associations, and other institutions all require modern video tools. Like businesses, these groups require training, outreach, internal meetings, and more. Video is often the preferred tool for this sector, which makes the challenges of a China video delivery a real factor. Therefore, native China video delivery is essential for many of these institutions. The Challenges with China Video Hosting Not many people outside of China, and more broadly east Asia, are sharing video content within China. There are many different reasons for this reality. In this section, we'll review four of the main challenges that companies face when seeking to deliver video to China.

1 Content Blocking and Regulations

The first type of barrier to delivering content inside China involves a variety of content blocking rules and regulations.

First, be aware that the central Communist government in China restricts access to foreign websites, apps, and services based on its conception of "internet sovereignty."



Essentially, the government maintains that China should be able to exclude content that could be damaging to the people and values of China.

This banned content includes media the Chinese government deems as immoral, anti-government, religious, military, and so on. In short, it blocks content that falls into these categories. China also blocks pornography, file sharing, and dark web sites, as well as VPN services and other methods of circumventing censorship. In addition, content relating to homosexuality, gambling, Tibet, and much more is blocked in China.

Most of these categories won't apply to businesses, but it is important to know which kinds of material the Chinese government deems anti-communist and will block.

Therefore, it's important for foreigners to understand and know how this policy works. To operate in China, foreign businesses have to adhere to these regulations.

2 The Great Firewall of China

Collectively, the regulations and content censorship of the internet in China is known as "The Great Firewall of China." Within China, this firewall is part of what is known as The Golden Shield Project.

The results of this blocking are significant for those of us who live outside China.

YouTube, Vimeo, IBM Cloud Video, Twitter, WhatsApp, Instagram, Pinterest, Tumblr, Google, Wikipedia, and Facebook are all blocked in China. Many other popular platforms, such as news sites, are banned sites as well.

The results of this blocking are significant for those of us who live outside China. YouTube, China has its own equivalents to all of these services. But using them from outside China can pose a challenge. And for companies and organizations using video to reach people in China, the Great Firewall represents an even large barrier.



3

Extremely Slow Video Loading Speeds

The Great Firewall has another ramification; it tends to slow down content that comes from outside main land China. In part, this is due to the fact that passing through the firewalls and other content filters takes time. Bouncing around a variety of servers and content delivery networks increases latency and adds to loading time.

The impact of the Great Firewall on content availability can be unpredictable. Sometimes content will simply go offline. In other cases, a service is available for a long while, and then suddenly it's blocked. Sometimes a site will be unblocked, blocked again, and then unblocked yet again—all in the span of a few days.



4

Mainland vs. Hong Kong and Server Locations

Another factor that impacts internet video viewing in China is that most video delivered there comes from as far away as Seattle, Australia, Singapore, Los Angeles, or New Zealand. This leads to slow video loading and response times. Servers located in these far-flung locations have more intermediary points through which to pass en route to China. Overall, this process can create an unreliable viewing experience.

Some companies try to bypass these issues by hosting from within Hong Kong. Under China's "one country, two systems" policy, Hong Kong has a greater degree of information freedom and video companies can function near-normally there. However, content delivered from Hong Kong still has to pass through the Great Firewall. This adds a significant delay to video streams and makes them just as unreliable.

To truly offer a quality, reliable viewing experience in China, it's necessary to deliver video content from servers on the Chinese mainland. In the next section of this eBook, we'll explain how you can do just that.



The Solution: Three Ways to Bypass These Challenges and Deliver Video to a Chinese Audience

With that context in mind, let's talk about solutions. As you can see, the barriers to China video hosting are significant.

Luckily, there are a variety of ways to work around these challenges.

1 Direct CDN Delivery

CDN points of presence (or PoPs) facilitate speedy video delivery by caching content at the closest available server to the viewer.

Wherever your viewers are in the world, PoPs help to deliver their videos from the server nearest to them. By adding PoPs on the Chinese mainland to your network, you can streamline deliver your videos in the usual speedy fashion to a whole new part of the globe.

The first way to reach a Chinese audience is via direct delivery from a Chinese server. In this approach, you purchase shared time on a China-based server and configure your own CDN network. The benefit of this approach, as long as you're following Chinese law, is to ensure your content will not be blocked.

The drawback of this approach, however, is that you'll need to setup your own DIY system. In essence, this entails building an online video platform from scratch. You'll need to configure and integrate a video player, as well as any other external software you need via API. You'll need to set up encoding and adaptive streaming. And you'll need to connect to your video storage. Security, analytics, management, and more—all of this will be up to you. That involves a major investment of time, money, and technical resources. Maintenance will also be an ongoing issue.

Legally, this approach also requires that you set up your own legal business entity within China. This will require travel to China and meetings to ensure that you meet the legal requirements. This process can take many months and a budget into the six figures. In short, it requires a significant investment of time and resources.



2 Local Video Sharing Sites

China does have its own local video sharing sites, similar to YouTube. The two most popular are [Tencent Video](#) and [Youku](#). These [video platforms](#) are widely used and free, and everyone in China is permitted to access these platforms. However, there are many reasons why we don't recommend using these platforms for business purposes.

Here are some of the major drawbacks. These free platforms are commonly blocked in workplaces, and they don't allow white label (ad-free) custom-branding. Security options are limited or non-existent. Control of content is difficult. API access and SDKs are limited or absent. Third-party advertising is included on all videos. There is no customer support and only limited customization options. [Monetization](#) is limited or non-existent. Finally, all content is branded with the site's logo, rather than your own.

Enterprise and business users have special needs that don't apply to the average consumer. They need a more powerful, flexible, customizable system than these free video platforms can offer. So, what's the best alternative to these local video sharing sites? The answer is easy: a professional-grade enterprise video hosting platform.

3 Video Hosting Platform

A professional [video hosting](#) platform is the third and likely best solution to the challenge of how to stream video into China.

These platforms provide a wide range of tools for hosting, organizing, and delivering video content. They also offer a wide range of functionality. Some offer tools for monetization, security, analytics, and more. Of course, these offerings vary widely from service to service, which means it's important to do your homework before committing to a streaming solution.

What to Look for in a Video Hosting Platform for China Video Delivery

Not all [video hosting solutions](#) offer native China delivery. Even if they do, some OVPs falsely advertise this feature as more powerful and reliable than it actually is. Therefore, we recommend asking questions and looking for the following specific features when choosing a video hosting platform for China video delivery.

1 Mainland Servers

Most video hosting platforms don't offer mainland China delivery. Instead, they may offer Hong Kong-based delivery or Taiwan delivery and refer to that as "China video delivery." But as we've covered above, Hong Kong is located outside the Great Firewall. Content delivered from Hong Kong still faces the same challenges as content delivered from another country.



2 ICP License

Acquiring the legal right to deliver video on the mainland is a challenge. To deliver video locally in China, you have to have an ICP (Internet Content Provider) license. The Chinese Ministry of Industry and Information Technology issues these permits and they are issued by the. They allow Chinese-based websites to operate legally. Foreign companies can partner with Chinese companies to use their ICP licenses. However, both options require extensive travel, meetings, and possible negotiation.

3 Multiple PoPs

Some video hosting platforms, however, have gone through this process. Ideally, these platforms should include multiple servers, or PoPs (Points of Presence) covering the entire Chinese mainland. Some platforms include only one or two servers on the mainland. That isn't sufficient for any significant bandwidth and audience size.

4 Scalability and Price

The cost of delivering video into China can be expensive for foreign companies. In fact, bandwidth costs can be many times higher than in the United States. However, video hosting platforms that do significant business in China can offer discounts based on their economies of scale.

Checklist for Video in China

We've covered a lot of details in this eBook, so let's recap the key points. Here's a simple checklist to get started with video delivery in China:

- Review China video opportunities and refine your business plan.
- Study Chinese content regulations to make sure you won't be blocked.
- Determine which deliver method is most suitable for your business.
- Select a video hosting platform with robust in-China delivery.
- Sign up for your chosen streaming service.
- Begin uploading and sharing your video content.

Conclusion

We hope this eBook has introduced you to the world of video hosting in China. We've covered some of the opportunities, challenges, and solutions for China video delivery. All of the solutions we've covered here are viable, but they do require the right partner. The ideal service makes China video delivery realistic, cost-effective, and easy. Our goal here was to provide a good overview of the topic to help you choose the right video hosting platform for your business.

If you're looking for an [online video platform](#) to get started with VOD (video on demand) hosting in China, we hope you'll consider DaCast. We've done the legwork of setting up local relationships with CDNs and local partners, and we have a 10-year track record of successful video delivery in China.

DaCast content streamed into China is delivered via a network of 1000s of servers across mainland China. This guarantees speed, availability, and quality. An entirely separate technology stack for China delivery ensures compliance with local regulations and seamless integration with the rest of our video hosting platform.

The ability to deliver VOD content in China is now available via our new [advanced video hosting platform](#). If you are interested in testing out this solution, you can sign up for a 30-day free trial. You can also contact our support team (available 24/7) to enable a test version of our advanced video hosting platform. This will allow you to test China delivery over DaCast.



Any Questions?

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