

МОСКОВСКИЙ ГОСУДАРСТВЕННЫЙ УНИВЕРСИТЕТ ИМЕНИ

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Работа по дисциплине «Маркетинг новых медиа»

iQIYI

iQIYI (iQiyi.com), formerly known as Qiyi, is China's leading advertising supported online television and movie portal that focuses on fully licensed, high-definition, professionally produced contents. The company was invested by Baidu, Inc. and Providence Equity Partners in early 2010. Baidu acquired the Providence Equity Partners stake in iQIYI in November 2012.

iQIYI is an online video platform in China launched on April 22, 2010. Chinese audiences view more than 1.28 billion hours of TV shows and movies per month on iQIYI¹. As of 2015, it is the largest online video site in China².

¹ <http://digi.163.com/14/0926/17/A73AHNMG001618JV.html>

² Jeff Sneider (July 8, 2015). "Paramount Signs Licensing Deal With China's Largest Online Video Platform iQIYI". The Wrap. Retrieved July 14, 2015. Paramount Pictures has signed a licensing agreement with iQIYI, the largest online video platform in China, that will give the company rights to offer 800 films from the studio's library to subscribers of its SVOD service, Paramount announced Wednesday.

iQIYI was founded on April 22, 2010 by Baidu, which is China's largest online search engine, and Providence Equity Partners³. On November 2, 2011, iQIYI purchased the online license for Transformers 3 in mainland China from Paramount.

In the subsequent year, on November 2, 2012, Baidu bought Providence's stake and took 100% ownership of the site⁴. On May 7, 2013, Baidu purchased the online video business of PPStream Inc. for \$370 million, which became a subsidiary of iQIYI.

On July 17, 2014, the site launched its film production division, iQIYI Motion Pictures, to expand existing cooperative projects with overseas peers, including purchasing releases and co-producing movies. On September 4, iQIYI cooperated with Venice Film Festival, streaming of the festival's movies online.

On September 17, iQIYI and Dolby launched a collaboration, allowing iQIYI to produce and deliver TV dramas in Dolby surround sound⁵. In October, iQIYI participated in the Busan Film Festival, signing exclusive rights to nearly 100 Korean titles⁶.

³ <http://ir.baidu.com/phoenix.zhtml?c=188488&p=irol-newsArticle&ID=1816090>

⁴ <http://www.prnewswire.com/news-releases/iqiyi-and-venice-film-festival-begin-a-brand-new-cooperation-from-2014-273411591.html>

⁵ <http://investor.dolby.com/releasedetail.cfm?releaseid=871222>

⁶ "Busan: China's iQiyi Signs Exclusive Rights to 90 South Korean Films". The Hollywood Reporter. <http://www.hollywoodreporter.com/news/busan-chinas-iqiyi-signs-rights-739457>

19th,Nov. Xiaomi, Shunwei to Invest \$300 Million in iQIYI for Video, iQIYI have two strategic investors Baidu and Xiaomi⁷.

8th,Dec ATF: China's iQIYI to Double Production Slate in 2015⁸

2015, iQIYI purchase the online copyright of 8 Top entertainment show in China and Taiwan Korea entertainment show such as Running Man⁹.

According to iResearch, a widely quoted third-party industry research firm, as of October 2014,iQIYI and PPS had a total of 202.18 million mobile viewers who watched content for 600.62 million hours on these platforms, with mobile videos reaching had a total of 308.17 million mobile viewers who watched content for a total of 1176.44 million hours on these platforms. Total video views reached 500 million¹⁰. Each viewer watched content for an average of 229.05 minutes in October¹¹.

iQIYI bought exclusive Chinese rights to the hit Korean show My Love from the Star, which to date has been viewed 2.7 billion times.

7 "Xiaomi Stake Said to Value IQiyi at Up to \$3 Billion". Bloomberg. November 19, 2014.
<http://www.bloomberg.com/news/articles/2014-11-19/xiaomi-shunwei-to-invest-300-million-in-iqiyi-for-video>

8 Stein, Janine (December 9, 2014). "ATF: China's iQIYI to Double Production Slate in 2015". Variety.
<http://variety.com/2014/digital/news/atf-chinas-iqiyi-to-double-production-slate-in-2015-1201374591/>

9 http://news.xinhuanet.com/ent/2015-01/04/c_127357331.htm

10 <http://www.iresearch.cn/>

11 <http://www.iresearch.cn/>

In 2014 iQIYI co-produced and distributed the drama Mysterious Summer with major Japanese broadcaster Fuji TV. It was the first drama co-production between China and Japan and has been viewed more than 60 million times as of October 2014¹²¹³.

Following iQIYI announced an exclusive worldwide broadcast in 2015 CCTV Spring Festival Gala for Year of the Goat, Gong Yu, iQIYI founder and CEO, and Wang Gaofer, Weibo CEO, announced deep collaboration on this event on Weibo. Weibo users can comment and win Hongbao while watching Spring Festival Gala.

This year, China internet users can watch the live broadcasting of Spring Festival Gala and comment and interact with other Weibo users without switching the screens. Weibo will also give away 400 red envelopes to active users, each of which contains 4,999 yuan cash.

Their collaboration covers mobile. iQIYI has 500 million active users according to Gong Yu. Its accumulated users on mobile client has reached 860 million, contributing 63% of its total traffic. In contrast, the percentage of users who login Weibo on mobile exceeded 78%.

¹² <http://www.onscreenasia.com/article/fuji-tv-to-commence-internet-based-distribution-for-mysterious-summer/15426>

¹³ <https://www.yahoo.com/music/s/international-business-themes-dominate-tokyo-market-seminars-040046712.html>

While during the first 7 months in 2014, iQIYI/PPS remained the leader by total number of reached users on mobile, followed by Youku Tudou, and Tencent video.

In July 2014, iQIYI, owned by Baidu, ranked top among China online video providers with monthly browsing time of 786.45 million hours, followed by Youku and Letv according to data from iResearch. In July, total number of iQIYI's users on mobile device increased by 9.57% from June in 2014. It is estimated that the number of iQIYI's total users will likely double by the end of 2014. In August, with monthly browsing time of 775.515 million hours, Youku ranked top among China online video providers, followed by iQIYI and Letv.

Besides iQIYI's good performance in July and August 2014, Letv is also running on a good track as it is still in top 3 list by monthly browsing time whose CEO was awarded the Best CEO among China's public listed companies in 2014 on Forbes.

Youku Tudou's loss continued and Youku Tudou reached Over 500M Users in Q2 2014.

iQIYI, a video provider now owned by Baidu, jointly announced with China's biggest TV manufacturer TCL to launch 48 inch TV+, also known as internet TV.

According to iResearch, iQIYI and PPS (Baidu acquired PPS this May) monthly users reached 358 million, is the biggest video platform in China.

Data showed that TCL has 25.2% market share by volume in 2012, the largest TV manufacturers in China.

iQIYI CEO Gong Yu said, video watchers are transferring from PC, mobile devices to TV, traditional TV manufacturers are facing the challenge of living room transition. iQIYI and TCL combined their advantages, aiming at providing better user experience. TV+ is the first product of the cooperation.

China has about 400 million people who were born at 80s and 90s, who have strong need for videos; and it has not been satisfied yet, said by Li Dongsheng, CEO of TCL.

How to Compete With Other Internet TV Manufacturers?

iQIYI and TCL's TV+ is based on consumer experience, which is quite different from other internet TV manufacturers. They designed a real internet TV which would be loved by consumers. Gong said they were not afraid price war with others at all, because previous products were not good at consumer experience.

TCL first gave out 1,000 TV+ to different groups, including opinion leaders, normal consumers and its own staff to test. And TCL recorded all the feedback from test consumers. Besides, no other internet TV enterprises could reach 3000G cloud bandwidth.

iQIYI and TCL both expressed the plan to keep updating TV+, to make it a perfect internet TV product.

Baidu is to launch its HD video portal site QiYi.com in March. It announced its ambition in HD video in early January this year and hired former 12580 COO Gong Yu to be its CEO.

QiYi.com aims to provide FREE and legal high definition video to Internet netizens and try to duplicate Hulu's business model in China.