



## China's Babytree.com: how it achieved its growth spurt

**Just three years after starting up, Babytree.com, a social networking site for parents in China already boasts some 12 million visitors, a mammoth feat by any standards.**



Co-founded by **Allen Wang** who is also the chief executive officer, and backed by Matrix, a venture capital firm in Boston, Babytree.com has been hailed the Chinese equivalent of Facebook for kids and parents.

But Wang is modest about his company's success. "We don't actually have a secret ingredient as to why we're growing so quickly and to such a scale." He does however allude to two things that may have contributed to the site's stickiness.

First, he says, is the site's attention to product detail to make the customer experience as seamless and as pleasant as possible. For example, Babytree's uploading feature allows parents to upload not just one, but numerous photos at a time. This has proven to be so popular that the site is the largest photo deposit site in China for young parents, with the total number of pictures stored today standing at

around 100 million.



Wang reveals he's come up with an optimum number of 50 photos because he believes that if you "turn up the volume too much" and enable parents to upload photos by the hundreds, then the idea becomes in their mind unmanageable, even though it is still relatively easy.

Word of mouth also helped to boost traffic to the site as Wang says he has not really been spending marketing dollars at all. He reveals that the average monthly spend was "less than US\$10,000" and that "it's probably a fraction of that right now." Instead, he focuses on getting people to talk about Babytree in places where they congregate, for example in online chat rooms online as well as offline events.

But perhaps it is Wang's Google background and his philosophy of "launch many, launch early" which he

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picked up from the internet search giant that has really put Babytree on this trajectory. Since its inception, Babytree has launched more than 40 products ranging from the picture uploading mentioned earlier, to blogs and online sales of baby products.

His prior experiences at Yahoo! and Procter & Gamble (P&G) may also have served as inspiration. “To some degree, I do agree that my experiences at P&G, at Yahoo! - and my last professional large scale-experience was with Google in Asia - they all have taught me many things, among which is paying attention to your users, which is P&G’s mantra of consumer advertising. They’re launching many products and launch them early and test them against (their) users.”

That approach however does not seem suited for China. “I have to say all of those combined are not adequate to win in China, and I’m still learning this part which is to act very fast, learn the local ways and compete effectively with a low budget, against ‘scrappy’ entrepreneurs who are just ready to do anything ... to take over the leadership position from your side.”

This, he explains, accounts for why multinationals like Google have a hard time in China, and why competition especially in the internet domain, is fierce. He reasons that though MNCs bring with them unsurpassable talent, it is not the right kind of talent that can “fight and win in the local environment”.

A plausible solution is for MNCs to recruit local Chinese. “I think actually that what kind of people you use, you have the courage to open up the floodgates and say ‘let me actually recruit people that I may not know very well, but they have proven themselves as successful people running local businesses’, versus people who are educated in the West, who have relatively very low local knowledge - that’s a key part.”

Though Wang has clearly mastered the art of going local with Babytree, he has attracted international attention from P&G and Kimberly-Clark, whose adverts along with other MNCs, account for 60 per cent of Babytree’s revenue.

And he is not showing any signs of slowing down, though he says he is not quite ready to pursue the IPO route. “We are profitable ... Going IPO is, frankly speaking, not our top (priority). Our first and foremost agenda is to push it even bigger in terms of the reach and our coverage. There are after all 15 million babies born each year in China, (multiply by) six, we’re actually talking about 100 million families with a kid every year following into our age range, and many of them in the coming years will

get online. So the total population following in this age range will quickly exceed 70, 80, 90 million, and we’re still just reaching just a small fraction of that population.”

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