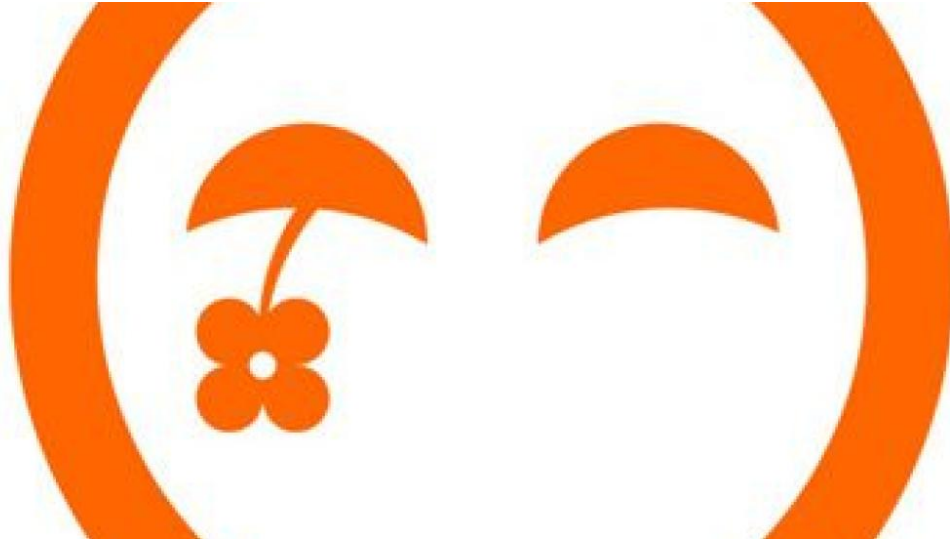


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# CEO view: Gary Wang (MBA '02J), founder of Tudou.com



By Andrew Wood

**Tudou.com, China's answer to YouTube with user-generated plus paid content, is one of the country's fastest-growing companies. Founder and INSEAD alumnus Gary Wang discusses strategy and what it takes to start and grow a media company in China.**

**Tudou.com** is one of those mainland Chinese companies that is growing quickly and has enormous potential, but that you may not have heard of, if you live outside China. It runs an online video website. The name, Tudou, means “potato” – a playful reference to couch potatoes who like to do nothing but watch TV. It hosts more than 40 million videos, many uploaded by users, and has more than 200 million visitors per month. It reportedly streams a petabyte (1,000 terabytes) of video a day. One of its internal slogans is “today’s TV network, tomorrow’s Tudou.”

“TV is naturally relatively tightly regulated in China,” says **Gary Wang**, the INSEAD-educated founder and chief executive officer. “I started in January 2005 to try to bridge the huge gap between those people who have creative ideas and talent, but cannot get their work to the audience.”

So a bit like a Chinese YouTube? Yes and no. “We do a lot more than what YouTube does,” he says. Tudou is more like YouTube plus Hulu, a US online

site that shows network shows, plus the subscription cable channel HBO, which is renowned for its original productions.

“About half our traffic comes from UGC – user-generated content,” Wang says. “The other half comes from premium content. We buy quite a lot -- Taiwanese, mainland Chinese, Korean, Japanese (productions) and a little bit of American.”

Plus Tudou also makes its own programmes. Its first drama serial, *That Love Comes*, got 34 million views in the first two weeks after it premiered in October 2010. The twelve-part romantic story of Ye-zi, an assistant in a convenience store and her relationship with Summer, a big city fashion photographer, was also sold to more than ten overseas distributors.

Wang, who's from China, has a master's degree in computer science from a top US university. After graduation, he worked for the communication satellite company Hughes. He finished his INSEAD MBA in July 2002 and then started with the media conglomerate Bertelsmann, “a typical corporate strategy job that you get after business school,” he says. “I was sent to China to look at the market there.”

And he found that rather frustrating. “Foreign media companies really cannot do much in China,” he says. “[They] have a much higher profile, so sometimes you draw a lot more attention, and you don't want that sort of attention, perhaps.”

Starting Tudou had its challenges. “When we started, the uncertainty was huge. We only got properly licensed in 2008. So imagine, for about three years we operated without a clear picture of where it might go.”

And there are risks with user-generated content. The Chinese media are tightly regulated. There are many sensitive subjects. What if a user uploads a video about the Tiananmen Square protests of 1989? “When you are a company operating inside China, you follow the rules and regulations,” he told INSEAD Knowledge in an interview. And in that respect, being a Chinese business run by a private Chinese citizen has few advantages over being a foreign company operating in China. “There are clear rules that define what you can and can't do, similar for any company operating in China today that has to follow those rules.”

Tudou, Wang says, is also already “semi-global” as Chinese-speaking communities around the world and in Asia in particular are already big

consumers of the website. But with China's economy expected to grow at around seven per cent a year, Wang thinks Tudou has plenty of opportunities to grow at home. Consumer spending will increase at double the rate of broader economic expansion, he thinks.

“On the other hand, it's a rough sea. To ride those kind of waves, it's very very tough work.”

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