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Google in China (A)

The lead headline in the Wall Street Journal of January 13, 2010, read: "Google Warns of China Exit Over Hacking."¹ The previous day, Google had posted an online memo stating that the company had detected highly sophisticated attacks originating from China on its computer systems and those of other companies. Evidence suggested that the primary goal of the hackers was accessing e-mail accounts of Chinese human rights activists, though the attacks on Google Gmail accounts were unsuccessful. The memo also stated that, since the launch of operations in China, company policy had been to weigh the benefits of increased access to information for the Chinese people against censorship of search results and other legal restrictions. Prompted by the attacks, as well as by China's moves during 2009 to further limit free speech on the Web, Google had concluded that it was no longer willing to censor search results and would initiate discussion with the Chinese government to operate Google.cn without censorship; it would exit China if its conditions were not met. (See **Exhibit 1** for the full text of Google's statement.)

Western media included a wide variety of opinion about whether Google had been right to make this public threat. Some praised Google for standing up to an authoritarian government. Others felt that Google's public statement was foolhardy and not in the best interests of its employees, its shareholders, or its loyal Chinese users.

The Chinese media minimally reported the Google statement. Initial reports were short and quickly modified to delete references to free speech or surveillance issues. Xinhua, China's official news agency, carried only a brief statement saying that the government was seeking more information on the matter. Meanwhile, some Google users lit candles and laid bouquets of flowers outside the company's offices in Beijing.

Company Background

Google was founded in 1998 by Larry Page and Sergey Brin, two Stanford University graduate students who had developed a superior search-engine technology to find and organize information on the Web. The two embraced an ambitious mission: "to organize the world's information and make it universally accessible and useful." The company attracted users quickly through making Internet searches simple, quick, effective, and unbiased. Consistent with its core principle of "Do no evil," Google displayed search results in order of calculated relevance to users rather than in order of advertising payments, unlike some competing search providers. Google clearly identified all paid-

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advertising links as sponsored, separated them from regular search results, and limited them to simple text ads relevant to search results; it did not allow pop-up ads. (See **Exhibit 2** for the 10 points of Google's philosophy.)

A 2000 partnership with the Yahoo! portal site to become its default search provider helped catapult Google to the status of world's leading search engine. Also in 2000, the company started offering search options in Chinese, Japanese, and Korean. In 2001, the company opened its first foreign office, in Tokyo. Google's peak worldwide market share for online search requests reached nearly 85% in early 2004. By 2009, Google offered search options in more than 110 languages and maintained offices in dozens of countries.

In August 2004, Google's initial public offering (IPO) raised \$1.6 billion. By 2008, Google's revenues reached \$21.8 billion. Nearly all of Google revenues came from two advertising products: AdWords and AdSense. Customers of AdWords bid in auctions for rights to keywords, which allowed their ads to appear as "sponsored links" alongside search results for the particular keyword. Advertisers could specify that their ads appear in specific geographic locations and at specific times of the day. The AdSense product delivered relevant keyword ads to a network of third-party publishers, including many small Web sites and also major sites such as AOL and Ask.com; publishers shared in the advertising revenues generated when users clicked on an ad. In 2008, AdWords generated \$14.4 billion of revenue and AdSense generated \$6.7 billion; licensing and other services accounted for \$667 million.

Google was dominant in search but offered a variety of other products. Some were profitable, some not. Consumer-oriented Internet tools included applications such as Gmail (Web-based e-mail), Picasa (photo sharing), Google Calendar, Blogger, Google Docs, and Google Chrome (a Web browser). Online search and content services included Google Images, YouTube, Google News, Google Finance, Google Scholar, Google Maps, Google Earth, and Google Product Search. As more and more people started accessing the Internet from mobile phones, Google focused on the mobile computing market. It introduced Android, an open-source platform for mobile phones, in 2005. In 2010, it offered its first hardware product, the Nexus One smart phone, which was designed to compete with the Apple iPhone, the BlackBerry from Research in Motion, and the Palm Pre. On the commercial side, Google bought a business for brokering radio ads in 2006 but exited two years later. It also introduced a service for selling newspaper ads. In 2008, it launched a service for selling TV ads, and in 2009 acquired AdMob, a network for selling advertising on mobile devices.

A widely publicized Google goal was to put all the world's books online. In December 2004, Google announced a partnership with several universities (including Michigan, Harvard, Stanford, Oxford) and the New York Public Library to digitize and make available online approximately 15 million volumes within a decade. U.S., French, and German publishers' and authors' groups soon filed lawsuits alleging that the plan disregarded the intellectual property rights of authors and publishers because it would allow digitizing and storing books still under copyright. After prolonged negotiations, a settlement was reached in late 2009, wherein Google agreed to compensate U.S. authors and publishers. By then, Google had scanned more than 10 million books. However, in December 2009, a French court stopped the scanning of books published in France. Also that month, Chinese author Mian Mian sued Google for copyright infringement. In October, the China Written Works Copyright Society had accused Google of failing to inform or pay authors of books it was digitizing. On January 12, 2010, the head of Google Books in Asia issued an apology to the 8,000 members of the Chinese Writers Association, acknowledging that it had communicated poorly with the authors regarding permissions and opting out of online publication of book extracts. Google also agreed to turn over to the association a list of books it had scanned.

Google in China

As of 2000, Google maintained a presence in China through a Chinese-language version of Google.com but had no locally based operations or employees. Content on Google.com was subject to filtering by Chinese Internet service providers, and access to the site was slow; about 10% of the time the site was unavailable to Chinese users. In 2005, Google set up a research and development center in China staffed by highly skilled and well-compensated software engineers, marking "a strong commitment to attracting and developing Chinese talent, as well as partnering with local universities and institutes."² Google proceeded to launch its China-based Web site, Google.cn, in 2006. In January 2007, Google announced a revenue-sharing "cooperation" agreement with China Mobile, the world's largest mobile carrier, to provide high-quality mobile search products and services.

By 2009, Google's workforce in China had grown to some 700 people. Revenues in 2009 were an estimated \$300 million, around 1% of corporate revenues. About one-third of these revenues came from Chinese companies placing ads on the Chinese version of Google.com rather than on Google.cn. In the third quarter of 2009, Google held a market share in searches of about 31%, compared with 64% for Baidu, the leading search engine, and less than 1% apiece for remaining competitors.³ Baidu was a Chinese-owned search-engine company, incorporated in January 2000, which, like Google, derived its revenues primarily from keyword advertising. Google had reportedly invested in but failed to acquire Baidu and subsequently sold its stake. Baidu's revenues reached \$468 million in 2008, nearly double the previous year's results. In December 2007, the company was included in the NASDAQ 100 index. Baidu had close ties to the Chinese government and was reputed to cooperate in blocking Web sites and censoring searches on sensitive topics. Unlike Google, Baidu provided consumers with free links to download pirated music and entertainment from Chinese Web sites.

As of June 2009, China had approximately 338 million Internet users, of whom about 80 million, or 24%, were Google users. The total number of Internet users in China was up from an estimated 105 million in 2005.⁴ Three-quarters of Chinese Internet users went online every day.

China was the second-biggest retail market in the world. Although only 1% of retail sales were made online in 2009, the sector was growing rapidly as the number of online shoppers surpassed 100 million. Out of a population of 1.3 billion, there were more than 730 million mobile phone users. About 7 million people per month were expected to gain Internet access for the first time in 2010, mostly on mobile devices.

Google's January 12, 2010, statement regarding the company's unwillingness to tolerate censorship had threatened to disrupt ongoing business relationships in China. Analysts speculated that Google would postpone or cancel the launches of two new phones, made by Motorola and Samsung, through China Unicom. These mobile phones were to use Google's Android operating system, designed to facilitate easy access to the Google search engine and e-mail. Another partnership at risk was rumored to be Google's stake in Orca Digital, a Chinese company that distributed music free online but generated advertising revenues that were shared with the major record companies like Warner Music and EMI. These companies had long complained about the willingness of Baidu to offer unlicensed music downloads for free.

Do No Evil?

Ever since it entered China, Google had had concerns. The Chinese government was determined to control the flow of information on the Internet and insisted on removing information from search results that it considered politically objectionable. A search for "Tiananmen Square," for example, would generate no reference to the massacre of 1989. Top Google executives had debated whether, in

consenting to such censorship, Google was compromising its principles. Sergey Brin, for example, was thought to be more hawkish on the issue than Google CEO Eric Schmidt.

Google had tried to navigate, perhaps rationalize, these difficulties. Before launching Google.cn, the company stated in 2004, "Google is committed to providing easy access to as much information as possible. Google remains the only major search engine that does not censor any web pages. However, it's clear that search results deemed to be sensitive for political reasons are inaccessible within China. There is nothing Google can do about this."⁵ Two years later, in 2006, it stated, "By launching Google.cn and making a major ongoing investment in people, infrastructure, and innovation within China, we intend to provide the greatest access to the greatest amount of information to the greatest number of Chinese Internet users."⁶

Looking back in 2007, CEO Eric Schmidt said, "The one thing we did not put in front of principle is profit, because we don't make profits out of China. . . . We had a huge debate here at Google—as you can imagine, probably the biggest debate and hardest decision made in the company—and we ultimately decided to bet on the Chinese citizen. We decided that engagement was better than estrangement. We did one other thing that's important to note. If we omit a result, we say the result was omitted. . . . You'll actually see in Chinese a statement that the information was suppressed, and that's code for the Google user to go find that information elsewhere."⁷

Among Internet-based companies foreign to China, Google faced difficulties that were not unique. In 2004, Doctors Without Borders claimed that Yahoo! had released to the national government the e-mails of certain Chinese dissidents. Yahoo! subsequently paid \$1 billion for a 40% stake in Alibaba, a Chinese Internet portal that took over Yahoo!'s business. Yahoo! profited when Alibaba's stock soared on its IPO in 2007, just as Google profited handsomely from the IPO of Baidu.⁸

Among other U.S. Internet companies, eBay exited China in 2006, leaving the online auction market to Alibaba's Taobao. The social networking site MySpace was surpassed by Chinese social networking sites such as Tencent's QQ.com. Meanwhile, access to Facebook and Twitter were blocked regularly by the Chinese government.

Reactions

Google's stock price had increased from \$85.00 on the day of its IPO to a high of \$714.87 in December 2007. The stock closed at \$590.48 on January 12, 2010, and at \$587.09 on January 13, after falling as low as \$576.46. Baidu's NASDAQ stock rose 11% on January 13, from \$386.49 to \$428.19.

Google's January 12 statement regarding censorship spawned a rash of comments in the media and the blogosphere. Opinions differed widely regarding Google's motives and the likely long-term impacts on Google's future business performance and stockholder returns. Here is a sampling of opinion:

- "If it goes south and China doesn't capitulate, then they're basically cutting themselves off from one of the fastest-growing economies in the world." —Rob Enderle, Enderle Group⁹
- "Drawing a line is both the right move and a brilliant one. It helps realign Google's business with its ethos, and masterfully recasts the firm in a place it will feel more comfortable: supporting the free and open dissemination of information rather than metering it out according to undesirable (and capricious) government standards." —Jonathan Zittrain, Harvard University Berkman Center for Internet and Society¹⁰

- “Losing the Chinese market will be a major blow to Google’s global strategy and will also affect its future strategic layout. . . . In the long run, its mobile phone [Nexus One], mobile operating system [Android] and other related services will face a big problem.”—Xiang Ligang, blogger on Sina¹¹
- “Google has taken an audacious and difficult step for Internet freedom in support of fundamental human rights. Doing business in a global market is complicated enough without the added pressure of individual governments tearing apart the fabric of a corporation’s core values and directly threatening its customers’ privacy and security. Google deserves the support it gets for drawing a line in the sand and being willing to engage in a very difficult process.”—Leslie Harris, Center for Democracy and Technology¹²
- “Would Google top executives still proclaim that they would ‘do no evil’ and quit China if they had taken 80% of China’s search market?”—Sun Yunfeng, Baidu executive¹³

American corporate leaders were restrained in their support for Google. Although 30 other companies based in the United States were, like Google, thought to have been subject to the same computer hacking attacks, few were willing to confirm the attacks publicly. For example, a Motorola spokesperson said simply: “Motorola is committed to offering the most innovative mobile products and experience in China.”¹⁴ Steve Ballmer, CEO of Microsoft, described the affair as “the Google problem” and said: “Every large institution is being hacked. I don’t think it’s a fundamental change in the security environment on the Internet.” He refused to comment on whether Microsoft would stop censoring results on its Bing search service in China, but he did say that the software company saw a big business opportunity in China in trying to persuade more of the people who use pirated copies of its software to pay for it.¹⁵

Other corporate executives were equally lukewarm:

- “The cyber attacks are not an issue and they are not on our priority list. We understand the rules of China. We make a lot of effort to try and understand the rules so we may get along with the government more easily than others.”—Kevin Wale, China Group President, General Motors¹⁶
- “China is such a huge growth opportunity that few U.S. companies will want to shut that door completely when there’s money to be made. There has already been a lot of negative publicity about China. Censorship there is well-known. None of these things are secret. This is how the world works—China is playing hardball.”—Hal Sirkin, Boston Consulting Group¹⁷

Political commentators viewed the Google–China spat in the broader context of the overall U.S.–China relationship:

- “The Google decision also feeds into a broader sense of China as spoiler especially after [the global climate conference in] Copenhagen, and China at least is more assertive on a range of issues. I would suspect the next six months [in the U.S.–China relationship] is going to be very bumpy.”—Adam Segal, Council on Foreign Relations¹⁸
- “Times are changing, and perhaps Beijing is reflecting these changes. Over the past decade, China’s own internal market has grown: its exports to non-Western countries are now significant; it has vast capital surpluses of its own. All this might be making China less willing to accommodate itself to Western ideas, companies, and governments. Western business leaders report that the Chinese government now frankly admits it wants to develop

local champions and will not give Western companies unfettered access to the Chinese market." —Fareed Zakaria, author, *The Post-American World*¹⁹

Perhaps mindful of the fragility and importance of the U.S.-China relationship, U.S. secretary of state Hillary Rodham Clinton issued the following statement:

We have been briefed by Google on these allegations, which raise very serious concerns and questions. We look to the Chinese government for an explanation. The ability to operate with confidence in cyberspace is critical in a modern society and economy. I will be giving an address next week on the centrality of internet freedom in the 21st century, and we will have further comment on this matter as the facts become clear.²⁰

Meanwhile, Chinese Foreign Ministry spokesman Ma Zhaoxu commented:

Foreign firms in China should respect China's laws and regulations, and respect China's public customs and traditions, and assume the corresponding social responsibilities, and of course Google is no exception.²¹

Who would win or lose the battle of wills remained unclear:

- "I don't see the Chinese government today, as the most powerful authoritarian regime, will compromise what they perceive is a regime security with a company like a Google. But, in the long run, I do think Google represents the force of Internet and the future of Internet. The Chinese government can run what the Chinese now today call Chinternet. Chinternet vs. Internet, I think, ultimately, Chinternet will lose." —Xia Qiang, editor in chief, *China Digital Times*²²
- "There are actually two Chinese economies today. There is the Communist Party and its affiliates; let's call them Command China. These are the very traditional state-owned enterprises. Alongside them, there is a second China. . . . This is a highly entrepreneurial sector that has developed sophisticated techniques to generate and participate in diverse, high value flows of business knowledge. I call that Network China. . . . Command China, which wants to censor Google, is working against Network China, which thrives on Google. For now, it looks as if Command China will have its way. If that turns out to be the case, I'd like to short the Communist Party." —Thomas L. Friedman, *New York Times*²³

Exhibit 1 Google's Memo, January 12, 2010**A new approach to China**

1/12/2010 03:00:00 PM

Like many other well-known organizations, we face cyber attacks of varying degrees on a regular basis. In mid-December, we detected a highly sophisticated and targeted attack on our corporate infrastructure originating from China that resulted in the theft of intellectual property from Google. However, it soon became clear that what at first appeared to be solely a security incident—albeit a significant one—was something quite different.

First, this attack was not just on Google. As part of our investigation we have discovered that at least twenty other large companies from a wide range of businesses—including the Internet, finance, technology, media and chemical sectors—have been similarly targeted. We are currently in the process of notifying those companies, and we are also working with the relevant U.S. authorities.

Second, we have evidence to suggest that a primary goal of the attackers was accessing the Gmail accounts of Chinese human rights activists. Based on our investigation to date we believe their attack did not achieve that objective. Only two Gmail accounts appear to have been accessed, and that activity was limited to account information (such as the date the account was created) and subject line, rather than the content of emails themselves.

Third, as part of this investigation but independent of the attack on Google, we have discovered that the accounts of dozens of U.S., China- and Europe-based Gmail users who are advocates of human rights in China appear to have been routinely accessed by third parties. These accounts have not been accessed through any security breach at Google, but most likely via phishing scams or malware placed on the users' computers.

We have already used information gained from this attack to make infrastructure and architectural improvements that enhance security for Google and for our users. In terms of individual users, we would advise people to deploy reputable anti-virus and anti-spyware programs on their computers, to install patches for their operating systems and to update their web browsers. Always be cautious when clicking on links appearing in instant messages and emails, or when asked to share personal information like passwords online. You can read more here about our cyber-security recommendations. People wanting to learn more about these kinds of attacks can read this Report to Congress (PDF) by the U.S.-China Economic and Security Review Commission (see p. 163), as well as a related analysis (PDF) prepared for the Commission, Nart Villeneuve's blog and this presentation on the GhostNet spying incident.

We have taken the unusual step of sharing information about these attacks with a broad audience not just because of the security and human rights implications of what we have unearthed, but also because this information goes to the heart of a much bigger global debate about freedom of speech. In the last two decades, China's economic reform programs and its citizens' entrepreneurial flair have lifted hundreds of millions of Chinese people out of poverty. Indeed, this great nation is at the heart of much economic progress and development in the world today.

We launched Google.cn in January 2006 in the belief that the benefits of increased access to information for people in China and a more open Internet outweighed our discomfort in agreeing to censor some results. At the time we made clear that "we will carefully monitor conditions in China, including new laws and other restrictions on our services. If we determine that we are unable to achieve the objectives outlined we will not hesitate to reconsider our approach to China."

These attacks and the surveillance they have uncovered—combined with the attempts over the past year to further limit free speech on the web—have led us to conclude that we should review the feasibility of our business operations in China. We have decided we are no longer willing to continue censoring our results on Google.cn, and so over the next few weeks we will be discussing with the Chinese government the basis on which we could operate an unfiltered search engine within the law, if at all. We recognize that this may well mean having to shut down Google.cn, and potentially our offices in China.

The decision to review our business operations in China has been incredibly hard, and we know that it will have potentially far-reaching consequences. We want to make clear that this move was driven by our executives in the United States, without the knowledge or involvement of our employees in China who have worked incredibly hard to make Google.cn the success it is today. We are committed to working responsibly to resolve the very difficult issues raised.

Update: Added a link to another referenced report in paragraph 5.

Posted by David Drummond, SVP, Corporate Development and Chief Legal Officer

Source: The Official Google Blog, <http://www.googleblog.blogspot.com/2010/01/new-approach-to-china.html>, accessed January 15, 2010.

Exhibit 2 Google's Principles

Our Philosophy

Ten things we know to be true

"The perfect search engine," says co-founder Larry Page, "would understand exactly what you mean and give back exactly what you want." When Google began, you would have been pleasantly surprised to enter a search query and immediately find the right answer. Google became successful precisely because we were better and faster at finding the right answer than other search engines at the time.

But technology has come a long way since then, and the face of the web has changed. Recognizing that search is a problem that will never be solved, we continue to push the limits of existing technology to provide a fast, accurate and easy-to-use service that anyone seeking information can access, whether they're at a desk in Boston or on a phone in Bangkok. We've also taken the lessons we've learned from search to tackle even more challenges.

As we keep looking towards the future, these core principles guide our actions.

1. Focus on the user and all else will follow.

Since the beginning, we've focused on providing the best user experience possible. Whether we're designing a new Internet browser or a new tweak to the look of the homepage, we take great care to ensure that they will ultimately serve you, rather than our own internal goal or bottom line. Our homepage interface is clear and simple, and pages load instantly. Placement in search results is never sold to anyone, and advertising is not only clearly marked as such, it offers relevant content and is not distracting. And when we build new tools and applications, we believe they should work so well you don't have to consider how they might have been designed differently.

2. It's best to do one thing really, really well.

We do search. With one of the world's largest research groups focused exclusively on solving search problems, we know what we do well, and how we could do it better. Through continued iteration on difficult problems, we've been able to solve complex issues and provide continuous improvements to a service that already makes finding information a fast and seamless experience for millions of people. Our dedication to improving search helps us apply what we've learned to new products, like Gmail and Google Maps. Our hope is to bring the power of search to previously unexplored areas, and to help people access and use even more of the ever-expanding information in their lives.

3. Fast is better than slow.

We know your time is valuable, so when you're seeking an answer on the web you want it right away—and we aim to please. We may be the only people in the world who can say our goal is to have people leave our homepage as quickly as possible. By shaving excess bits and bytes from our pages and increasing the efficiency of our serving environment, we've broken our own speed records many times over, so that the average response time on a search result is a fraction of a second. We keep speed in mind with each new product we release, whether it's a mobile application or Google Chrome, a browser designed to be fast enough for the modern web. And we continue to work on making it all go even faster.

4. Democracy on the web works.

Google search works because it relies on the millions of individuals posting links on websites to help determine which other sites offer content of value. We assess the importance of every web page using more than 200 signals and a variety of techniques, including our patented PageRank™ algorithm, which analyzes which sites have been “voted” to be the best sources of information by other pages across the web. As the web gets bigger, this approach actually improves, as each new site is another point of information and another vote to be counted. In the same vein, we are active in open source software development, where innovation takes place through the collective effort of many programmers.

5. You don't need to be at your desk to need an answer.

The world is increasingly mobile: people want access to information wherever they are, whenever they need it. We're pioneering new technologies and offering new solutions for mobile services that help people all over the globe to do any number of tasks on their phone, from checking email and calendar events to watching videos, not to mention the several different ways to access Google search on a phone. In addition, we're hoping to fuel greater innovation for mobile users everywhere with Android, a free, open source mobile platform. Android brings the openness that shaped the Internet to the mobile world. Not only does Android benefit consumers, who have more choice and innovative new mobile experiences, but it opens up revenue opportunities for carriers, manufacturers and developers.

6. You can make money without doing evil.

Google is a business. The revenue we generate is derived from offering search technology to companies and from the sale of advertising displayed on our site and on other sites across the web. Hundreds of thousands of advertisers worldwide use AdWords to promote their products; hundreds of thousands of publishers take advantage of our AdSense program to deliver ads relevant to their site content. To ensure that we're ultimately serving all our users (whether they are advertisers or not), we have a set of guiding principles for our advertising programs and practices:

- We don't allow ads to be displayed on our results pages unless they are relevant where they are shown. And we firmly believe that ads can provide useful information if, and only if, they are relevant to what you wish to find—so it's possible that certain searches won't lead to any ads at all.
- We believe that advertising can be effective without being flashy. We don't accept pop-up advertising, which interferes with your ability to see the content you've requested. We've found that text ads that are relevant to the person reading them draw much higher clickthrough rates than ads appearing randomly. Any advertiser, whether small or large, can take advantage of this highly targeted medium.
- Advertising on Google is always clearly identified as a “Sponsored Link,” so it does not compromise the integrity of our search results. We never manipulate rankings to put our partners higher in our search results and no one can buy better PageRank. Our users trust our objectivity and no short-term gain could ever justify breaching that trust.

7. There's always more information out there.

Once we'd indexed more of the HTML pages on the Internet than any other search service, our engineers turned their attention to information that was not as readily accessible. Sometimes it was

just a matter of integrating new databases into search, such as adding a phone number and address lookup and a business directory. Other efforts required a bit more creativity, like adding the ability to search news archives, patents, academic journals, billions of images and millions of books. And our researchers continue looking into ways to bring all the world's information to people seeking answers.

8. The need for information crosses all borders.

Our company was founded in California, but our mission is to facilitate access to information for the entire world, and in every language. To that end, we have offices in dozens of countries, maintain more than 150 Internet domains, and serve more than half of our results to people living outside the United States. We offer Google's search interface in more than 110 languages, offer people the ability to restrict results to content written in their own language, and aim to provide the rest of our applications and products in as many languages as possible. Using our translation tools, people can discover content written on the other side of the world in languages they don't speak. With these tools and the help of volunteer translators, we have been able to greatly improve both the variety and quality of services we can offer in even the most far-flung corners of the globe.

9. You can be serious without a suit.

Our founders built Google around the idea that work should be challenging, and the challenge should be fun. We believe that great, creative things are more likely to happen with the right company culture—and that doesn't just mean lava lamps and rubber balls. There is an emphasis on team achievements and pride in individual accomplishments that contribute to our overall success. We put great stock in our employees—energetic, passionate people from diverse backgrounds with creative approaches to work, play and life. Our atmosphere may be casual, but as new ideas emerge in a café line, at a team meeting or at the gym, they are traded, tested and put into practice with dizzying speed—and they may be the launch pad for a new project destined for worldwide use.

10. Great just isn't good enough.

We see being great at something as a starting point, not an endpoint. We set ourselves goals we know we can't reach yet, because we know that by stretching to meet them we can get further than we expected. Through innovation and iteration, we aim to take things that work well and improve upon them in unexpected ways. For example, when one of our engineers saw that search worked well for properly spelled words, he wondered about how it handled typos. That led him to create an intuitive and more helpful spell checker.

Even if you don't know exactly what you're looking for, finding an answer on the web is our problem, not yours. We try to anticipate needs not yet articulated by our global audience, and meet them with products and services that set new standards. When we launched Gmail, it had more storage space than any email service available. In retrospect offering that seems obvious—but that's because now we have new standards for email storage. Those are the kinds of changes we seek to make, and we're always looking for new places where we can make a difference. Ultimately, our constant dissatisfaction with the way things are becomes the driving force behind everything we do.

Update: We first wrote these "10 things" several years ago. From time to time we revisit this list to see if it still holds true. We hope it does—and you can hold us to that. (September 2009)

Source: Google, <http://www.google.com/corporate/tenthings.html>, accessed January 18, 2010.

Endnotes

¹ Jessica E. Vascellaro, Jason Dean, and Siobhan Gorman, "Google Warns of China Exit Over Hacking: Cyber Attack Targeted as Many as 34 Firms, Email of Human-Rights Activists; Investigators Probe Link to Chinese Government," *Wall Street Journal*, January 13, 2010, p. 1.

² "Google to Open Research and Development Center in China," Google press release, July 19, 2005, <http://www.google.com/press/pressrel/rd-china.html>, accessed January 15, 2010.

³ One market research firm estimated share of search queries at about 24% for Google and 61% for Baidu, while another firm estimated 20% for Google and 75% for Baidu. Michael Learmonth, "Google Done with Censorship, Cyber Attacks in China," *Advertising Age*, January 12, 2010.

⁴ China Internet Network Information Center, "Statistical Reports on the Internet Development in China," <http://www.cnnic.net.cn/en/index/0O/index.htm>, accessed January 18, 2010.

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