

## the press conference with NIKESH ARORA

by Rob McGibbon

The sense of prosperity is overwhelming when you arrive at the cavernous, glass and limestone reception of the "serviced" offices in London's Victoria that house Google's UK and Europe operations. Google has two floors here, the fourth and fifth, totalling 50,000 sq ft. If you needed any proof this company is doing OK, look on the fourth floor: just beyond the chill-out zone and massage chair, there's a vast unclaimed office, fully stocked and awaiting new Googlers. And the company may soon take an option on the third floor, too. Dream on, newspaper people.

The main office is on the fifth floor, an open-plan expanse that generates a sense of almost transcendental peace. Bright coloured furniture, pilates balls and lava lamps all add to an easy atmosphere. It is almost "other worldly" when you consider this set-up to other giant corporates, which is indeed what Google has become. There's a restaurant on one wing — free breakfast, lunch and limitless snacks for all. The search-engine company keeps its staff happy.

Nikesh Arora is Google's vice president in Europe. Born in Delhi, he left for America when he was 21 with two suitcases and a \$3,000 loan from his father. He studied business in New England and later rose through the ranks in finance and telecoms before the Google founders, Larry Page and Sergey Brin, poached him from T-Mobile in 2004.

Married with a young daughter, Arora lives in Chelsea, walks to work, loves his cricket and plays golf, badly, at his club, Wentworth. Only 38, he exudes a sense of mild-mannered assurance, but is clearly highly focused and switched on. His passion for all things Google and the internet come at you at broadband speed.

**A simple start. Nikesh: Is the internet the death of newspapers?**  
No. But newspapers have to accept the fact that in the next five to eight years, the internet is going to be the place where 20 to 40 per cent of the consumers are going to get their information. The internet is clearly a new way people access information, conduct transactions or communicate. Everything reaches a tipping point and the definition of the internet tipping point is when people say, "I need broadband access in my home. It has now gone from geek land to mainstream. So, newspapers have to re-think what is still relevant."

A newspaper is a package, right? So, what will still be relevant in the package? They have to pay attention to what I call the unbundling of the



package. If you look at a newspaper, it has got everything — international news, local news, TV listings, opinion pieces. For example, it used to have breaking news — in the morning you would rush out and read what happened around the world. Now, breaking news is shifting to the internet. The internet is forcing a re-thinking of what is the package for a newspaper. Do you want to provide TV listings? Well, there are thousands of sites I can access for that. The weather? I can get that everywhere. So the question is: What elements in the bundle are going to survive?

**What would you say a newspaper needs to do better to adapt successfully to the internet dynamic?**  
There are fantastic assets newspapers could leverage more. One is, they have huge teams of really smart people who can provide a balanced view on events. The journalist who can write comment pieces and editorial stuff is highly valuable. Those same people

**"We need more time educating journalists, and they need to be able to understand the phenomenon that is happening around us"**

have access to opinion leaders around the world, which is something that cannot just be picked up by anyone off the street. It is their ability to write objectively and in line with the brand of the newspaper. I can get 20 different items on the internet, but do I trust what I am getting? That element of trust is important. There is an under-leveraged asset base in the fantastic journalists that people want to hear from and read. What is not fully embraced is the element of interactivity with them that consumers want.

Also, the thing that newspapers don't leverage enough is the archives. If I missed something in a newspaper today, I don't know where to find it tomorrow. Because it is gone, it doesn't make it stale, bad writing. Why can't I get access to this information? There is a hidden gold mine in the archives, and newspapers need to intelligently link their archives to their online presence. What you are forcing people to do now is save a piece of paper when it could be available on your website when I want it.

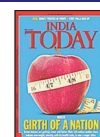
### NIKESH'S NEWS SCHEDULE

**Newspapers:** I get *The Times* and the *Financial Times* every day and go through them cover to cover. I spent five years managing money, so I still have that desire to follow companies and the stock markets. I travel two weeks in four, so when I am boarding a flight, I grab a host of papers. I get *The Sunday Times* at weekends.

**Web:** I read voraciously all the time and I am constantly in Google News looking at breaking news. I also spend a lot of time looking at what other people are doing on the web. There are some fascinating things going on. I have my Google Alerts list. On that is Google itself, my boss [CEO Eric Schmidt] and my name, too, so if someone is writing about me I am aware of it. I love cricket and [www.cricinfo.com](http://www.cricinfo.com) is the place to get all your cricketing information. It is too late to wait for a cricket magazine — I want to watch them get fired that day! (Happily referring to the recent sackings in the India Test side).

**Television:** I don't get time to watch too much TV, but I will watch CNBC to see what the US stock market is doing — it is part of my growing up. I will watch BBC News or Sky News. I was a huge fan of 24, but again, this is probably the changing face of society. I just can't wait a week to find out what happens next, so I wait and buy the whole DVD set.

**Radio:** I walk to work, so I am not in the car to listen to the radio. It is a 20-minute walk and I would much rather have the relaxing, calming walk before I get into the fray. I use the walk home to come back to a normal state before I get to my house.



**Magazines:** I get *The Economist*, *Time*, *Newsweek* and a few trashy Indian magazines, especially *India Today*. It's a weekly with everything that is going on in India from politics to showbiz. I spent 21 years of my life there and when I went to the US, I was starved of India.

No interview would be complete without some discreet product placement. We aim to be a bit more up front, so feel free to pull *The Blatant Plug...* We, Google, don't have a blatant plug. That is not who we are. We genuinely believe that our mission is to organise the world's information and do it in an unbiased fashion.

Google, because the consumers are driving it. If there is a role we can play in supporting businesses to make this transition successfully, it is good for us. We were just espousing the benefits. Also, we have a product — Google News — and we want to be sure that our priorities are understood by the industry leaders and where we stand in respect to that. Our view is we do not want to be in the ownership of content at all, or the development of content. We prefer to facilitate access to information and to help organize, rather than develop original content for ourselves.

**Do you agree that there is a perception — rightly or wrongly — that Google is set on world domination?**  
Yes I know, but no we are not! There is a flip-side. We are one of the only businesses in the world where our consumers can choose every day to not be with us and we have nothing holding them back. Most businesses force you to register, you give them a credit card. The mobile phone business, I sign a contract for 12 months. Our users can decide, I don't like Google, I am going somewhere else.

Effectively, people come to us because they like our product. We spend our lives trying to make the next Google product great, so people keep coming back to us. If that is the way to get world domination, I wish every company practised it. There are some things in my house I hate, but for some reason I do not have a choice. I have worked in many companies in my life and I have never seen such dedication to focus on first creating the raw product than at Google. To the extent where our founders don't want to have a commercial conversation about a product until it is reaching success. All other companies have a full business plan first — costings, profit projections, when to pull the plug — I have seen that all my life. Here, they never say how much is it going to cost. The commercial conversation happens after the consumer success.

Someone said to me, "When you have healthy market share in a category, then the best impact you can make is by growing the category." So, I spend more time trying to grow the category of the internet than trying to take market share from my competitors. I get more value if the internet doubles in its impact, because we have large market share, than if I try to take a few percentage points from somebody else.

**What is one of your key ambitions for Google in the short term?**  
We want to make sure people can distinguish Google from the internet itself. Sometimes we get challenged for what the internet is doing to industries because we are becoming synonymous with it. The internet is driving the phenomenon and Google happens to be a stimulant, if not a participant, in this internet ecosystem. We want to be able to work with various partners to help them adapt to the phenomenon.

**In closing, should journalists fear Google and its power?**  
No. Journalists should understand how to separate the internet phenomena and Google. The best piece of advice I can give journalists — and this applies to life not just Google — is don't fear the change, but understand how it can help. If journalists can find a way of understanding and embracing the internet, that is going to help them out of this quagmire much faster than worrying about it.  
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### Nikesh Arora's FANTASY FLIERS

**What would be the Fantasy Headline of the story you'd most like to read?**  
"Broadband Penetration Exceeds Mobile Penetration Globally". Once everybody who wants to be connected around the world can be, we will see a ripple through every industry.

**What would be the Fantasy Headline involving yourself?**  
"Nikesh Wins The Open". I would beat Tiger Woods in a play-off — except I am a very bad golfer!

**What would be the headline you dread?**  
"Not Enough Power To Support The Expansion Of The Internet". Imagine everyone wanting broadband, but the power source running thin. That would be scary.

**Who would you most like to interview and what question would you ask?**  
Mahatma Gandhi. A famous saying of his was "If someone slaps you on one cheek, turn the other cheek to that person." I would ask him, "What kind of personal courage do you need to constantly preach the principle of non-violence?"

**The question you'd never answer?**  
Whether I think Google's stock price is fairly valued or not.

**What would you like the headline to be on your obituary?**  
"Here lies a happy man who did everything he wanted to do in his life." I just want to be happy at the end and make sure I have a full life. I am having a fantastically full one right now. It is a blast every minute.

People are beginning to develop brands on the net around blogging. The risk you have is, if the established journalist brands don't come up with their own blogs, they will leave the door open. That's the risk, right? Why does Amazon exist? There were book companies which had everything sorted out before, but Amazon came along and took over part of a channel the book sellers had left open. If journalists leave the channel open for too long, they will find bloggers are going to sit there.

I don't think we understand the blogging phenomenon yet. Even though it is big — like 50 million or so blogging — it still hasn't made that transition from geek land to mainstream. But it is fascinating to see how many mainstream people are out there in the blogosphere. I was talking only this morning about whether I should start my own blog.

**There has been some negative press about Google since going public. Do you think there is a touch of envy or paranoia by the traditional media? Are you worried about bad press?**

On balance, I would not like negative publicity. We just spend our lives trying to reach out to people to explain and share with them what our view is. If it is a genuine mistake on our part, then we have to be adult enough to admit it. Everything that we do is magnified because of the success Google has had in the past two years. I can't hold it against the media for doing their job, they are doing what they think is right. We need to reach out more, to be able to explain what we are doing much better. Sometimes it is hard.

Let's not forget that we are an eight-year-old business. We have been resource rich for a year and half only, and in that time we have hired more than 3,000 people and deployed offices in 15 countries. I think we have done a reasonable job on our side in trying to reach out.

Is there an element of envy and paranoia? There is some degree of exaggeration of what is possible. Google does things with a few engineers and suddenly that gets taken as our attempt to dominate an industry, which is probably not fair. The onus is on both sides — we need to spend more time talking with journalists and educating them, and they need to be able to understand the phenomenon that is happening around us.

**You have recently been seen a number of national newspaper editors privately. (He won't say who.) Why did you do that?**  
Effectively, we shared with them what kind of consumer behaviour we are seeing on the web — such as consumers seeking to access breaking news. They go when things happen. We also shared with them what we are witnessing on the classified side. We shared some ideas about how they can build an online and off-line presence. This revolution will happen irrespective of