

Tech Reimagined – Taking A Business Globally While Maintaining A Cohesive Strategy

[00:00:11]

BRADLEY HOWARD (BH): Hello everyone. I'm Bradley Howard and welcome back to a new episode of Tech Reimagined. We're now in Season Two and we're focusing on the big questions around technology and the industries that are impacting our lives. I'm excited today to sit down with Alex Hunter, the former head of digital for the Virgin Group. Hello, Alex, and welcome to our podcast. Would you like to introduce yourself?

[00:00:33]

ALEX HUNTER, BRANDING & CX EXPERT (AH): Sure. Thank you very much for having me. I'm excited about this. As you said, my name is Alex Hunter. I was part of the team that founded Virgin America, the airline in the U.S. and I ran digital strategy for the entire group for a few years, including Richard Branson's personal digital strategy. Now, I help businesses figure out how to be different, how to be better how to rise above the noise in an increasingly loud environment in which we all find ourselves. And I also have a travel show which keeps me busy when I'm not on the road for business.

[00:01:07]

BH: Well, thank you very much for joining us today. So the big question in today's episode is how to take a business global while maintaining a cohesive strategy. So let's start with how do you start, where do you define the strategy for a smaller or local business to look at going global?

[00:01:26]

AH: Well, the temptation, I think, is when you've had success in your own backyard is to just copy and paste what you've done to wherever it is you want to expand to. I mean, that makes that makes sense when you say it out loud. Why wouldn't we just keep doing what we're good at? Unfortunately, and the road to success is littered with those who have tried to do this in the past, it's not that easy - because that assumes that our audiences in these new countries are identical to the audiences and the region where we've already had success, that there are no logistical or cultural or language issues that we need to do. So unfortunately, it's a delicate calibration process, taking what we know is good about what we do, what is unique, packaging it slightly differently, understanding if it needs to be in any way rebuilt or re-communicated, if there's a particular component that we're dependent on that is either not available or perhaps exponentially more expensive, what do we do? Does it change the way the product in any way? And then how do we deliver on that, right, is there a customer service culture that's totally different? Are there expectations that we have perhaps haven't foreseen?

So in many instances, the best way to do it is to do nothing, is to go just to where you want your business to be and sit and listen, be a customer, be the person that is on the receiving end of these products and see if there's anything obviously different within and without your industry, then you immediately get a sense of, gosh, these things are totally different here. We can't get this product or there's five steps when there used to be two and we haven't thought about that. That investment of a couple of weeks, couple of months, however long it may be, will save so many headaches in the long run.

[00:03:20]

BH: How do you do the cultural onboarding for new employees in the new location?

[00:03:26]

AH: Well, I mean, they have a built in advantage in that they are from that location almost invariably, right, especially if we're talking about customer facing employees that you're hiring on the ground there. And I don't think we're talking about the difference necessarily between like London and Edinburgh, for example. I think we're talking about the difference between Boston and Bangkok, you know, where there are tangible cultural differences, and I think you're going to be hiring people on the ground who are experts in that, by definition, because they live there, they understand the culture both from a national level and also from a customer service and corporate level as well. So it's, I think there's a process of bringing on people who you can rally around whatever your mission is as a brand, but who also are very good at understanding the people that are going to be consuming your product in this new geography. I think that takes a little bit of time that also assumes that you've already done a really good job of codifying, if you will, who you are, what you do, what makes you different and what you're trying to achieve today, tomorrow and in 20 years. I don't think that you can translate that literally and figuratively to another region if you haven't written it down and it's already part of the DNA of the organization. So that would be, you know, step minus one before you go out into the world with whatever it is that makes you unique.

[00:04:59]

BH: So, as Head of Online for the Virgin Group, and you oversaw Virgin's global digital strategy in its entirety, as well as Sir Richard Branson's personal digital strategy. How do you define success in your work there?

[00:05:11]

AH: Well, I think Virgin is a very complicated beast. I think there was this, and remains, this assumption that all 300 businesses work in a giant red tower in the middle of London. And Richard Branson sits on a throne on the top floor, throwing money at people, where nothing could be further from the truth. You're talking about 300 independently run businesses across multiple verticals, multiple languages, multiple countries. And the ownership structure and operating structure of each of those businesses was unique. So there was very little copying and pasting done, even if the name on the tail of the airplane or the door of the bank or the record store, whatever was the same, operationally, the overlap was almost nil.

However, there was a global brand expectation, right, of a of a business associated with Virgin, that there would be certain values associated with that from a consumer's perspective. So you had to make sure that those translated, no matter where you were going, and I think where you had an incumbent and Virgin was going in, which is how it built itself here in the U.K., you know, going up against the British Airways of the world and the incumbent rail providers, for example, banks as well. It's a very easy argument to make, very easy to differentiate oneself. But when you're going into a market where the product or the vertical doesn't even exist yet in that country, and that that happened a lot in South Africa, for example, you had an opportunity to define the tone of the Virgin brand in that region. So there was a lot more room to play with.

So it was a – success really looked like have we made a difference? Have we given the consumer more choice, fundamentally? I think that was one of the tenets of the brand that Richard defined early on was, we need to go into markets where the customer is getting a raw deal. And at the birth of Virgin Atlantic, transatlantic travel was absolutely one of those markets. And Virgin Atlantic was born out of necessity. When Richard, I mean, the legend says that Richard was trying to come back from the Caribbean, a flight was cancelled. So he did a whip round and chartered a 747. Virgin Atlantic was born. I don't doubt the veracity of that story. I think it's rather beautiful,

and, you know, the brand was built on the back of that, “I’m very sure that with a little bit of effort, we can do better than this”.

Even Virgin America was born out of that. I mean, flying domestically in the U.S, when we decided to launch Virgin America was like slamming your hand in a car door over and over again, and people were paying a lot of money for that privilege. So we thought, “come on, we can do better than this”. Even though Virgin America is now dead, the legacy and the success of that endeavor was to drag the U.S. domestic travel industry kicking and screaming into the 21st century and into a passenger-centric industry that has, you know, the echoes of which you can still see to this day, you know, 20 years later. So that that from a personal success and satisfaction perspective, was really a big deal.

[00:08:37]

BH: And personally, did you prefer those greenfield markets like you talked about with South Africa or even Virgin America or what did you prefer going into a market with lots of competition already there?

[00:08:50]

AH: Aspirationally, it's fun to go into a market where there are heavily capitalized incumbents that are taking the consumer for a ride, no pun intended. Logistically and realistically, it's really difficult because they are entrenched in these markets, they defend their key cities, you know, to the death. The airline world is a very, very capital intensive market. I think it was Richard that said if you if you want to become a millionaire, start as a billionaire and then start an airline. It's a great way to lose money, but it's damn good fun. The greenfield stuff, you had a lot more opportunity for innovation and kind of definition of an industry. But then one might argue you have first mover advantage, but I don't actually think that's that much of an advantage because you're making the mistakes ahead of everybody else. They come in and clean up, and that actually did happen in a couple of the markets that we went into. But personally, I like the challenge of going head to head with the big boys.

[00:09:58]

BH: And can you share some of the stories which were successful in some of those markets?

[00:10:04]

AH: Yeah, I think, you know, Virgin Money in South Africa was, as many of the Virgin businesses are, they're joint ventures with incumbents who don't have the brand to be taken seriously when it comes to innovation. So when you work with, you know, big incumbents who want to provide better service but don't have the brand or even perhaps to be perfectly frank, the creative capacity, internally, partnering with them was the best case scenario, where we could we could go in without needing to wait years for a particular financial license, or operator's license, if it was a mobile phone company. But right out of the gate, you could give the consumer something that was sorely missing and that could have been, you know, credit products or something like that, or it could have been ancillary products like budgeting products, a lot more technology centric where these big organizations just couldn't do it.

You know, South Africa or sub-Saharan African market was, they were years ahead of the rest of the world in using mobile commerce. I mean, it just sort of skipped online banking, went straight to mobile. So taking that to a much more mature market in South Africa was a big win for Virgin, and that kind of, that allowed Virgin Money, and then Virgin Active, the gym company. Once you get one brand in there, the rest of it really came together quickly. Like I said, even if there weren't that many operational overlaps and you know, from an airline perspective, again, you look at what's

worked internationally, take the best of the customer service DNA and then replicate it. That's what we did with Virgin America. We brought in a lot of people from Atlantic and said, "the product physically is going to be different because we have the inside of an empty A320 with which we can craft something amazing and beautiful, but that - that's the last part of the consumer journey, right? What can we do from booking to check in to security to boarding before they get on the airplane to differentiate ourselves?" That total shift in the way we look at an experience versus a product I still talk about to these days. I think that was such a monumental success for Virgin as a brand and the airline industry as a whole, and frankly, just branding in general. Thinking of what you provide, irrespective of if it's a physical product like the inside of an airplane or service, as an experience, and making sure that the entirety of the experience is as good as the promise you're making with the brand or with the physical component of the product. That's such a massive success as far as I'm concerned, the legacy of Virgin America.

[00:12:49]

BH: And moving on from Virgin to McDonald's, can you tell us some of your stories about reimagining how McDonald's has changed in some of your successes there?

[00:12:59]

AH: I've worked with McDonald's around the world in one regard or another, and what I find fascinating about them and coming back to sort of portability and elasticity of brand, when you talk about taking a brand globally, they're the heavyweight champions of the world. Right? You can walk into a McDonald's anywhere in the world and you know what to do. Even if you don't speak the language, you walk to the back of the restaurant, you point at a picture of the food you want. You give them the money, they give you the food, you eat, it, done. Anywhere in the world. And you can go pretty much anywhere in the world, right, and order, I don't know, the staples, Big Mac, Quarter Pounder cheeseburger, they're there. They're always there. But in places like India, where a lot of the population don't eat beef, coming in with the Big Mac and it's two all-beef patties would probably not be great for the bottom line and also be hugely culturally insensitive. So they don't have that. They've got the Maharaja Mac, which is just a chicken Big Mac, I've had it, it's fine.

But this sensitivity and understanding and flexibility and balance of brand familiarity, and the product that you deliver. They've done it on an absolutely incredible level, 23000, I think, actually probably pushing 25000 stores around the world, 1.6 million front line staff. That understanding of the delicate nature of a globally familiar brand, I can count maybe on one hand the number of brands like them that have managed to achieve this. It's not talked about enough, irrespective of what you might think of their product or their food or whatever. I know there's a lot of people who like to throw them under the bus. But when we're looking at it purely as a customer experience and brand extension case study, you will find not a better one anywhere in history.

[00:14:59]

BH: So you also have extensive experience as an angel investor. So what kind of features are you looking for in companies that makes you decide to invest in?

[00:15:07]

AH: I'll be completely honest, I'm not the smartest person in the room, so I can't look at a piece of paper with numbers and a pitch on it and know if it's going to be successful or not. So my investment strategy has always been to invest in companies in a product or service area that I'm familiar with, or a fan of. If you're going into travel, travel I know, and I can probably look at a pitch and go, "I don't think that's going to work for the following reasons". More often than not, though, it's about the people. So if I can sit down with somebody who's looking for investment and get excited to be around them and, you know, we have a good conversation and there's a lot of

enthusiasm and energy, and, of course, you know, understanding they're, what they're bringing to the table as people with their experience. That, to me, is by far the most accurate barometer of success for investments. And so those two things, you know, me understanding the product or the industry, which is why I've invested in travel and burgers, and then the people, which is why I've invested like, you know, in people I know who have done well, who have left big corporate gigs and gone to do their own thing, or like I've invested in my brother because I know him reasonably well and he's much, much smarter than me. So I - you know, that to has been my - it hasn't always gone well. But for the most part at least, it brings me a sense of emotional investment alongside any financial investment. And it means I can also help at least, you know, tell you if it's a decent burger or not. Which is important, right?

[00:16:50]

BH: So you always try to look forward to enjoying some of your investments.

[00:16:57]

AH: Yeah, especially when it's a burger! But also, yeah, I think you can, if I can get my - roll my sleeves up and provide some, you know, some input or at least some excitement, then I think then I'm doing a little bit more than investing, you know, a couple of quid.

[00:17:13]

BH: So back to the first question, what do you think are the absolute must haves when a company wants to go global? I mean, you've worked with some very, very large brands from L'Oreal to Twitter, IKEA, Pepsi, etc.

[00:17:25]

AH: You have to be very clear about who you are and what you do, you are going to make, if you've done this properly, a promise at a global level to a global audience. How you deliver on that promise is reasonably irrelevant as long as you do it. FedEx are a great example right? Their promise to the world is the world on time. Now they're not going to copy and paste how they deliver, you know, packages in Australia with those three truck trains they take across the outback in somewhere like, I don't know, Bangkok or Venice, where they use the boats to go through the narrow waterways, that's just not going to work. But the promise remains the same, we're going to get you what you need and we're going to do it well and on time. So it's finding that balance and not getting too caught up on differentiation at a logistical or operational level and making sure you do what you always said you were going to do, whether it's, you know, it's today, tomorrow or whatever geography you're in, and I think at a fundamental level, if you get that right, you're going to be just fine.

[00:18:30]

BH: Well, thank you so much, Alex, for wrapping it up there. It was a pleasure to talk to you. Thanks for joining us on Tech Reimagined for such a great insightful conversation.

[00:18:39]

AH: My pleasure.

[00:18:40]

BH: To all of our listeners, thank you for joining us today. Please remember to hit that 'like' button. Please also subscribe so that you can hear the latest episodes that are coming out of Tech Remagined.