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# TRANSFORMING Travel

With a fresh, vibrant brand and an ambitious program of engagement and transformation, Jetset Travelworld has revamped its retail network under the new brand name 'helloworld'.

Images courtesy of helloworld and Joe Armao

Leading a strategic, systematic overhaul of a company's operations and brand would be a daunting task for any CEO. When Rob Gurney was offered the job of CEO of Jetset Travelworld and tasked with this herculean effort, he leapt at the opportunity.

More than a year later, Rob has implemented a vast array of initiatives, from engaging one-on-one with stakeholders and suppliers, to reinvigorating and revamping the company's brand and market position.

With other changes planned for the future, *The CEO Magazine* sat down with Rob to discuss the launch of the helloworld brand, its new online presence, and how this revolutionary brand and approach will shape the future of the Australian travel market.

***The CEO Magazine:* What is your professional background?**

**Rob:** Until about 14 months ago, I was the chief commercial officer at Qantas. I held that role for nearly four years, which followed a 20-year career in aviation with Qantas and British Airways, where I held a number of senior commercial and strategy roles across those businesses.

**In your first 12 months as CEO, what were the greatest challenges you faced?**

I took over this business to undertake a comprehensive strategic review and implement a transformation program. We spent the first three months of my tenure working through the strategic options and testing with the board.

Whatever option we selected, being able to fund the investment required was a crucial test. We

applied a robust financial lens over the options. This included maintaining the balance sheet strength of the business, with appropriate cover to manage any unexpected events along the way. With this in mind, we had to consider that whatever the costs of implementing the transformation, we couldn't allow it to penalise any of our commercial partners or shareholders. Instead, it had to create more value for them.

That work was completed by December 2012, and at that point, I felt it was incredibly important to test our strategic options with key supplier partners and our travel agency franchisees and members.

We could have done that in a variety of different ways, but I took a unique path where I spoke to more than 150 business owners across our network and engaged with them one-on-one. >





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Some of those discussions involved multiple conversations and some went over several hours. It was a very large undertaking, however I felt that it was important to do. This was to be the biggest transformation and the most important decision that we’d ever made, and our stakeholders needed to decide whether they were going to be part of it or not.

I am very glad we took this approach. We obviously had our own views as a board and management team regarding the appropriate option, but it was essential that we tested these assumptions. At the end of it, we reached an overwhelming consensus, not a 100 per-cent majority, but an overwhelming consensus that the best strategic pathway for the

business was to consolidate under a single, new brand. I think the people that disagreed with that option could be counted on one hand.

I should also say that those 150 business owners weren’t necessarily the largest. We had large agency groups, small to mid-sized corporate travel agencies, as well as leisure travel agencies. We talked to people across the different brands. We talked to people in regional Australia as well as metropolitan CBDs, so we had a strong cross-section of people with whom we engaged. Those 150 business owners comprised around 30 per cent of our turnover, so it was highly representative in pretty much every measure you’d want to apply to it.

While we were reaching out to those people, we also paved the way for other major pieces of work. We undertook a significant piece of consumer insight work, which involved research, both quantitative and qualitative, that included more than 1,200 interviews and 25 focus groups. This led to the development of our consumer value proposition and, ultimately, the new brand for our business.

At the same time, we engaged in conversations with our digital partner, Orbitz, a major online travel agency-based in the US. They have a leading travel technology platform that they’ve invested in over many years and they are right at the cutting edge in tablets and mobile device applications.

So between January and the middle of 2013, we conducted stakeholder engagement, set out the commercial terms for the Orbitz arrangement and the new web platform for the business, and completed the consumer insight work. On 22 July, we publicly announced the outcome of that review and announced the new brand.

Following that, I then spoke to around 650 business owners. These discussions were conducted



*"Working with helloworld and launching their renewed brand, we are able to combine our vast history with an exciting new format to deliver the highest quality holiday experience possible. It's a valued partnership that we hold in the highest regard." - Debra Fox, General Manager, Marketing and Sales, APT*

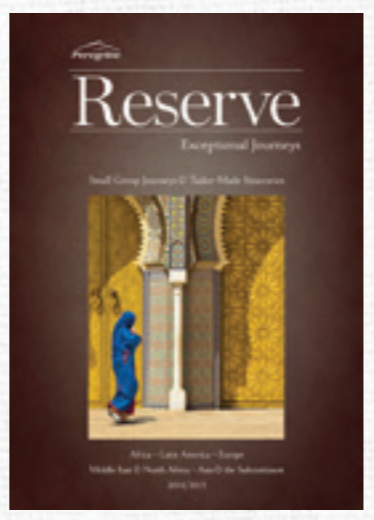


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in small groups, with the purpose of trying to condense the previous nine months of work and the strategic review into a couple of hours. It was quite a challenge to get people up to speed with a journey that many of us had been on for a lengthy period.

Since then, we've made numerous public announcements. We've now got approximately 800 travel agency locations that have requested agreements under the new brand and operating models. We are on track with the targets that we set ourselves, with the ultimate aim of reaching approximately 1,000 locations across the helloworld retail models.

We offer our travel agency partners a choice of three

different franchise models. The first is a fully branded model, which are stores that are trading as helloworld. We also have an associate model, which is a co-branding relationship where an independent agent becomes a member of helloworld but retains their own branding. Then we have a number of agencies that still trade independently with no brand association.

We were very conscious to create a solution that meets the needs of each of our franchisees and members. Each business in our network is at a different stage in terms of where they are and where they want to take their business. We felt that it was important to have options that covered those different economic and strategic imperatives. That's

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- Rob Gurney

effectively what we did following the announcements. I have to say we're probably just ahead of expectations, in terms of the take-up rate, so we're very pleased with the progress we've made so far.

**What was the motivation behind the launch of the helloworld brand? What findings did your research uncover?**

I suppose there's a couple of things. When we took a step back and looked at the retail travel landscape in Australia, it was clear that there was one brand that stood out from the pack. The rest of the market was relatively fragmented.

In an ownership sense, we are the second largest in Australia and the >



largest in New Zealand. However, consumers saw a number of different brands and didn't realise they were all part of the one business. Of course, what that means is that each brand has a sub-optimal share of voice and marketing. When you consolidate what we were investing in marketing across our retail brands, it was substantial. It placed us as one of the major spenders or investors in travel marketing in the country, but consumers didn't see it that way because of the fragmentation.

The strategic rationale was in three parts. We wanted to fill the white space that we felt existed in the marketplace with a new, vibrant, and refreshing brand, and we wanted to develop a customer proposition around the strong values that our members and franchises possess and embrace. They are all incredibly passionate, enthusiastic, experienced, talented, and capable travel professionals.



There is vast experience within our network, and the whole consumer value proposition around helloworld is about connecting those experiences with customers. The wisdom that comes from those thousands of years of collective experience that our members have, the passion and the care that comes from people owning their own business, and a genuine love for travel themselves were the things that resonated very closely and strongly with consumer research. We knew that we needed to align what was highly valued by consumers and what we could deliver in our network,

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- Rob Gurney

and then encapsulate that into a value proposition. It's the start of a journey.

We launched our new travel brand, helloworld, at the end of 2013 and the next 12 to 18 months is about building our brand, brand awareness and brand values. That will take a bit of time, but I'm confident that we can move through that phase relatively quickly due to the market structure that I mentioned when we did our insight before. We're filling in a lot of that white space. We're planning to have approximately 1,000 store locations plus a world leading digital platform. We're very confident that this is the right strategy and will present a great choice to consumers.

**How will this new brand consolidation transform the business?**

The key thing for us is that it will start to build top-line growth into the business. It will enable us to grow at least in pace with the

market and achieve excellent, proven long term growth prospects. The effect of this marketing investment alone is going to drive massive value for our franchisees and members.

This is very much a strategy focused on building top-line growth, but also with a focus on delivering an experience that we know will resonate very closely with consumers. It comes back to ensuring that bricks-and-mortar retail has a relevance to consumers, and that's about creating great experiences for them and delivering convenience.

Travel is a highly experiential purchase and it's highly emotive. Leisure travel in particular is an emotional experience and a big financial investment. Customers want their purchase experience to be as uplifting as the rest of the travel process.

What's uplifting about travel? It's the researching, it's gaining inspiration from others that have done things before you, and it's all the things that stimulate interest. The actual experience of travel itself and then imparting that experience onto friends and other people is also highly satisfying for consumers. We want to make the purchase experience as attractive as those other elements and that's where our new in-store experience comes in, to align with the entire travel process.

**What other new strategies are you implementing into the business as you move forward?**

We're delivering a new digital platform for the business. We'll have a world-class website that will be highly complementary to our bricks-and-mortar offering. It will enable consumers to interact between channels. For example, a customer can now go online and seek out agents, not just by location but ultimately, as we develop the capability of the website, by expertise. When people search, it can be as broad as a holiday in Bali or as specialised as a battlefield tour of Gallipoli. We



have all those skills and capabilities within our business, and this provides us with a great opportunity to connect consumers with people that have that knowledge and expertise. We're very excited about this, and we think some of the things we're doing are groundbreaking in not just the travel sector, but in the retail industry generally.

**What have been the core components or milestones of your success to date and how will this shape your future?**

I think that our big business transformation was vital and the engagement of our stakeholders was crucial to that, both in terms of the intellectual property that they bring and also ensuring that they feel part of the journey.

The second component is about building genuine consumer insights into our business so that we aren't working in a vacuum or working off historical knowledge. Instead, we're actually working on insight into what's



driving and motivating consumer behavior today.

Additionally, working with the right partners to deliver and execute our strategies is essential. With a transformation of this scale, to be where we are a year later, shows that we've moved at a pretty rapid pace. I think that has been crucial to our success because speed to market is probably the most important commercial element to this transformation. •



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