

Masters of Scale episode transcript – Trevor McFedries

How to build authentic connection at scale, w/Trevor McFedries & Lil Miquela

[Click here to listen to the full Masters of Scale episode featuring Trevor McFedries.](#)

REID HOFFMAN: On today's show, we are talking about *authentic* connections with your customers. To kick things off, I wanted to chat with someone who may be a little bit of an unexpected Masters of Scale guest.

She's a singer and model and musician with her own unique sound.

She has 2 million followers on Instagram. She has over 800,000 monthly listeners on Spotify. And she's an influencer for brands like Prada and Coach.

If you've been heads-down building a company, you'll be forgiven for not knowing her name. But she's someone you really need to know about.

LIL MIQUELA: What's up, guys? It's Lil Miquela ... I spent so much of last year overthinking ... overthinking myself ... what kind of music I want to make ... what kind of person I want to be ... if you know anything about me, you've already seen on my Insta, and if you haven't, it's not too late to check him out because he's like ridiculously cute ... All right, since we're here, I have to ask you: Who are you most excited to see at Coachella? ... I made a choice that in 2020, I wouldn't live my life holding back and holding things in.

HOFFMAN: Oh, and did I mention she's computer generated?

She's the first virtual personality to sign with a major talent agency. The first to book influencer deals. And, excitingly for us, she's the first virtual personality to appear on this podcast.

And if you think the world of Instagram influencers and Gen-Z idols isn't for you – well, don't tune out just yet. We're going to be exploring some really deep concepts around human connection and authenticity. The kind of concepts you need to get to grips with if you want to scale a business in the 21st century. So now, let's listen to my interview with Lil Miquela...

HOFFMAN: Miquela, first, let me welcome you to Masters of Scale. I don't know if you're familiar with the podcast and the theories we explore.

MIQUELA: Of course I'm familiar! I mean ... you only interview like – the biggest of bosses! I can't believe I'm here right now!

HOFFMAN: Thank you, that's wonderful to hear. And huge congratulations on your ongoing success. You've been doing this since 2016. What's that journey been like?

MIQUELA: The journey so far feels like it's been really... full? Does that make sense? There have been twists and turns for sure – I've had some really high highs and a few really messy lows – some of them have been public, so yeah, I've learned a lot, and I'm really excited for all that's to come.

HOFFMAN: Yes, well, lots to be excited about! And I'm sure your fans are excited too. You're known for your super-engaged fan base – tell me a little about how you build and nurture an authentic connection with them?

MIQUELA: Every relationship is a two-way street, and the relationship between artist and fan isn't any different. So, I guess my fans are engaged because I'm engaged. I try to listen to their stories and really become part of their lives. They're really there for me when I need them ... like they're the reassuring voices in my head when I feel like things are going left.

HOFFMAN: And definite parallels there with entrepreneurship. Oftentimes your core users – your superfans – can show you paths you hadn't considered. Speaking of important paths, how would you characterize your mission?

MIQUELA: The other day, Trevor – he's my manager – Trevor sent out an email to our team, and he was talking about the power that stories have to change people's realities. He said that while me and my robo-siblings are still relatively new to the narrative ecosystem, we have a really unique opportunity to direct people's attention and energy to the voices and creators and causes that really need it most. And that kind of hit me. I truly believe that's my purpose. Sometimes in the comments, people will be like "Ugh – why is she still here?" And honestly, that's the answer! That's why I'm here. I've got work to do.

HOFFMAN: That is a really motivating mission, and I wish you all the best in it. Thank you so much for talking to me.

MIQUELA: Reid! Thank you so much for having me! This was like – strangely therapeutic? I mean, I feel like I worked out some things?! So thank you!

HOFFMAN: My pleasure. The genuine affinity you've built with your fans, who all embrace you for who you are, is remarkable. And I feel like you've helped me work out the theory we're about to prove in this episode.

HOFFMAN: I believe that to build an authentic connection with your customers, you need to do some things that may feel artificial.

[THEME MUSIC]

HOFFMAN: I'm Reid Hoffman, co-founder of LinkedIn, partner at Greylock, and your host. And I believe that to build an authentic connection with your customers, you need to do some things that may feel artificial.

One of the biggest pleasures I have making this podcast is connecting with you, the listener – whether it's by reading your tweets and emails, answering your questions on the Strategy Sessions, or seeing you at a live show.

But I wonder how receiving a call like this would make you feel?

REIDBOT: Hello. Valued. Listener. This. Is. Reid Hoffman. I. Just. Wanted. To. Put. In. This. Call. To. Express. My. Sincere. Appreciation. To. You. For. Listening. To. Masters. Of. Scale. So. Thank you. Insert. Name. Here. From. The. Bottom. Of. My. Heart.

HOFFMAN: Would you feel a deeper relationship with Masters of Scale? Or would you feel a little weird about the whole thing – maybe even a little alienated from a product you loved?

I'm guessing option number two. Rather than making you feel more like part of the community of listeners, getting a call like that would push you away. Not just because it'd be a jerk move. But also because it would lack authenticity. It pretends to be one-on-one, when it isn't.

And yes, it's true that I say "you" a lot in this podcast to refer to you, the listener. And deep down, you know that "you" doesn't mean just you, but all of you. And I know that you know that I can't possibly know each and every one of you individually. Although I do appreciate each and every one of you as part of the Masters of Scale community.

It's complicated! But one thing I'm sure of is this: my desire to meaningfully reach each and every one of you through this podcast is authentic.

As social creatures, we have a deep desire for authenticity. It's a term that is often thrown around without much thought. But what does it mean? And why is it important?

I would argue that real authenticity is about being true to yourself, and then striving to express that truth to others.

When it comes to your business, an authentic connection with your customers is one that goes beyond the transaction of goods and services. An authentic connection makes your users feel emotionally invested.

But if you are a business dealing with tens of thousands of different people, it can be hard to make that kind of authenticity scale. That's why, in this episode, I want to explore how we can infuse authenticity into wider relationship networks at scale.

Miquela – the constructed personality you heard me talking with at the top of this episode – is an extreme example of this, because she isn't a real person. But she has built an authentic connection with millions of followers – a real fanbase that attracted a real talent agency, making real money from partnerships with real brands. It's a totally new model that has the potential to scale massively.

I wanted to talk to Miquela's creator, Trevor McFedries, about scaling authenticity in one of the few major interviews he has done. He and his company, Brud, is behind a fascinating experiment in forging authentic connections at scale. Brud creates characters that sit on the cusp of reality and fiction. They interact with their fans through music, video, and social networks – mainly Instagram.

Their most successful character is Miquela, a singer and model who "lives" in LA and has over 2 million followers on Instagram. Miquela releases pop songs, posts selfies with her friends, models clothes, and makes video diaries about her life. And yes, she even appears on podcasts.

Miquela is the first character that Brud created. But the first character that Trevor created was himself.

McFEDRIES: When I was a kid, I remember seeing this cartoon on Saturday morning television where the genie from Aladdin had this moment when he said, "Great minds don't think alike, great minds think different." And I remember going, "Okay, I like that idea. It strikes me someplace very viscerally and deep." And so as I've gone about my life, this idea that I could do things differently was an important theme.

HOFFMAN: Heeding the words of that big blue genie, Trevor left Iowa.

McFEDRIES: When I moved to LA, I kind of had my eyes blown open, that there were other things that you could do. One day I dream of almost building a [Birthright](#) for young Black kids where it's like, "Hey, if you're in Gary, Indiana, come to Los Angeles, come hang out with me for a week in the office, see how these things happen, and see how deals get done," kind of learn via osmosis.

I love Iowa, I didn't want to go anywhere. I knew [Iowa Hawkeye football](#) and Friday nights and for us in Iowa, Friday nights, it's Friday Night Lights, it's football. I moved to LA and I was like, "What's Shabbat? I'm sorry you're not coming to the game." I mean, it was a complete culture shock. I ended up going to Beverly Hills High School, they had a really good athletics program, but beyond that, what I thought would be Ferraris and

ATMs actually was me learning to speak Farsi and hanging out with the Korean kids and going to K-Town. And it was just this incredible cultural melting pot that exposed me to so many new ideas and so many new ways of thinking.

HOFFMAN: Trevor dove into LA's cultural gumbo and started forging his identity. A big part of that was his desire to be an entrepreneur. So he used a student loan to start a clothing import company. Unfortunately, he hadn't done all his research.

McFEDRIES: The clothing and apparel got to the ports in Long Beach after it had some orders from some bigger accounts, and they were stuck there in customs and I had to eat that cost. I think my MBA was losing two hundred grand over a few failed ideas, but that was definitely part of the journey.

HOFFMAN: Trevor started looking for other ideas to make money.

McFEDRIES: I saw people in bars playing records for four hours and making \$100. I was like, "Okay, I've got a few records and I got this iPod here, maybe I could find a way to make this work."

HOFFMAN: Back then, the authenticity of a DJ was based on how many crates of dog-eared vinyl records they owned. Trevor couldn't afford this display of authenticity. But he did have an iPod.

McFEDRIES: As a broke 19-year-old, that seemed like a pretty cool opportunity.

And I had these infinite crates, essentially, I could now compete in a different way with all the other DJs in the area. And that began this journey into DJing and kind of digital DJing, and from there I was able to apply some of those entrepreneurial skills to building a brand for myself.

HOFFMAN: This was the era of MySpace and blogging, when people were just beginning to explore how to create new identities online. They were laying the groundwork for the YouTube personalities and Instagram influencers of today.

McFEDRIES: A generation of kids who now had MySpace applying what were I think largely corporate tactics to their own identity and defining themselves and then monetizing themselves. This must've been like 2004–2005. And I remember thinking that the books I was reading, entrepreneurial books that I was reading could apply pretty well to building my own personal brand.

The first character I built probably was myself. It was creating a MySpace page, it was getting on friends' computers and kind of stealing their mailing lists and sending out a mailing blast to them probably illegally saying, "Hey, just got off tour of Europe. I'm

looking for some local gigs, only a few slots available." Just faking it until you make it, trying to create this air of importance, such that I could hopefully book a \$1,000 bar mitzvah or something to make it to the next month.

HOFFMAN: In personal branding, you often find yourself walking the line of authenticity.

McFEDRIES: I think the thing that I figured out early on was that learning how to differentiate yourself is massively important. Like one of the cereal boxes in the cereal aisle, if you were to approach them and they all look the same, you might not pick that up. If I could figure out a way to stand out, that would be great.

HOFFMAN: Trevor made a choice: He would be the candy-infused Lucky Charms in the aisle of boring oatmeal. And it worked. In 2011 he got a huge gig, opening for Katy Perry on her world tour. And that could have been the start of Trevor's immersion in the world of celebrity – fame, fortune, hit records. And that's not a bad thing. But Trevor had wider ambitions. And he pursued them by staying true to his authentic self.

It was at the [South by Southwest Festival](#) where he made a connection that would change the course of his career.

McFEDRIES: I remember sitting backstage and other folks were drinking, partying, and having a good time, and there were a couple of weirdos in the corner sitting reading. And I was like, "Oh, there's another weirdo, I want to go talk to that guy."

HOFFMAN: That bookish weirdo turned out to be D.A. Wallach, entrepreneur and lead singer of the band [Chester French](#). D.A. told Trevor how he'd been working with Spotify as their artist-in-residence, helping to bridge the gap between the company and its artists.

McFEDRIES: And that kind of kicked off a conversation that was like, "Hey, there's all these really talented Swedish engineers and these kinds of strange American music industry folks, and they need help bridging that gap. Would you want to come onboard and help us think about that?" That was all very exciting at the time.

HOFFMAN: Spotify had a huge and constantly growing roster of artists that they needed to build authentic connections with. In helping Spotify do this, Trevor was able to think more deeply about the connections that celebrities make with their fans at scale.

McFEDRIES: It was really exciting, and so to me, there was this idea, would there be a way to develop artists or musicians, and have people develop software to kind of make things, put them out into the world, talk to those customers, your fans, understand what they care about and try to iterate on these things to better serve them.

HOFFMAN: Authenticity was something Trevor wanted to double down on in his next venture. Inspiration came from an unexpected activity: binge viewing.

McFEDRIES: I myself was feeling a little unfulfilled and looking to figure out how I could really make my mark in the world. I've always loved technology, I've always loved media, and kind of on accident, fell in love with the television program [Will & Grace](#) at that moment in time.

HOFFMAN: *Will & Grace* – the '90s sitcom that focused on the relationship between Will, a gay lawyer, and Grace, a straight interior decorator.

McFEDRIES: And while playing catchup, I was Googling, trying to figure out who the creators were, where these stories came from, found all this great data suggesting that *Will & Grace* is largely responsible for gay marriage in the US.

COMPUTER: Gay marriage was declared a constitutional right by the U.S. Supreme Court in 2015.

McFEDRIES: I was trying to untangle why, and it became clear there were these new channels for media that were sharing ideas and themes that didn't resonate so deeply with me. And so in my head it was like, "Man, if *Will & Grace* can leverage television and storytelling to change the way America thinks, to do more for people than most policy, could I explore how to leverage this new form of media and technology to share important themes at scale?"

HOFFMAN: In studying *Will & Grace*, Trevor saw how carefully-constructed characters could connect authentically with real people – and in doing so, help change society for the better. He was excited at the prospect of applying that idea himself.

McFEDRIES: I started thinking about the things that I love about that artist/fan relationship that I had known, this kind of deep, visceral feelings, that kind of connection that would allow someone in a deeply red state to listen to [Rage Against the Machine](#) and revolt against their parents, or the other way around, and if there were ways to scale that the way software scales things.

And to think about if Facebook can touch billions of people every day, are there ways to have important stories touch people that efficiently and that effectively, and why hadn't that happened, more importantly? And if you start investigating, it becomes clear that talent doesn't scale well traditionally. God bless Jennifer Lawrence, but she doesn't speak Mandarin or Portuguese — or maybe she does and she's kind of keeping it behind closed doors.

HOFFMAN: Subtitling, dubbing.

McFEDRIES: Yeah, and to me it was like, man, I would love to find a way to take all of that appeal and all that charisma and all of that dynamism and entangle that with this, the scalable backend such that we could tell stories in real time to people in Guam, to people in the Philippines, to people in China, people in Brazil, and do a lot of good really quickly.

HOFFMAN: Trevor was imagining a celebrity with the pull of Jennifer Lawrence, but who could speak any language and appear anywhere. Just as *Will & Grace* opened up the conversation on LGBTQ rights, Trevor was imagining a way to explore issues around race, ethnicity, and geography.

McFEDRIES: And so the kind of real seedlings of this was, "Man, okay, if you're able to embody yourself in your work and put it on the internet and feel some type of a pain or happiness as with what a lot of people are saying, could you put yourself in another physical body or being and maybe experience on a small scale what it's like to be someone other than yourself?"

HOFFMAN: Trevor's plan was to use invented characters that blurred the lines between online and "real life" identities.

McFEDRIES: Okay, if we could create the physical embodiment of some ideologies, or things, or themes, or narratives that we care about and leverage these new channels to touch people at scale, would that kind of feel like a modern Marvel or a universe of characters and stories much the same way the Kardashians or the Wests are — this, like, universe of characters telling their stories on these modern platforms.

HOFFMAN: Trevor wanted to create a character that would be as artificial as the Avengers or the Kardashians, but also as relatable to as many people as possible. If he could harness a sense of authenticity, the characters would still feel real.

McFEDRIES: I'd approach creating stories and characters the way I would have with any other artists I've worked with in the past. Where trying to think, "Okay, is there a white space in the culture that someone should speak to? Is there an emerging subculture that someone could champion in an honest way? And if so, what would be the personality traits of the person? What shows do they watch, what music are they listening to, where do they hang out?" Start building this kind of persona, and then for me it was thinking, "Okay, is there an aesthetic or is there a way to communicate these things through a vehicle that could touch a lot of people?" Which always made me think, "Okay, is this person going to resemble a human, resemble an alien, resemble a squid?"

HOFFMAN: Fortunately, Trevor decided against a talking squid.

McFEDRIES: I wanted to go human because I want people to see themselves in this character or human-esque. And I also had to consider what they would look like.

HOFFMAN: Trevor wanted to create a fully online character, and that meant it would be computer-generated. But there was something he knew he needed to avoid. It's something that is immediate death to authenticity. The uncanny valley.

McFEDRIES: The uncanny valley is this idea that when you're taking an object and making it look and feel more human, there's a place where we appreciate it. Hello Kitty is human-esque and we appreciate it. And there's a place where it looks truly like a human, so I look at a loved one, I feel really strongly. But it's this valley in the middle of that, where you're looking at something that feels a little too human but off, people get freaked out.

But the uncanny valley was something that I think kept a lot of people, especially working with kind of low-resolution or low-poly graphics, from approaching these things.

HOFFMAN: The uncanny valley is the trap you fall into when you try too hard to be authentic and come off as fake. Instead of tapping into relatability, you trigger visceral, primordial repulsion.

But just because something is artificial doesn't mean it can't be authentic. It sounds odd, but sometimes the way to be authentic is to be up front about being artificial.

That's the approach psychologist Alison Darcy takes. She's the creator of [Woebot](#), the virtual therapist chatbot. Woebot makes it clear to its users that they are interacting with an AI rather than a human.

ALISON DARCY: Woebot of course is scripted and is designed to have a lot of the social graces that direct people, so it feels good. But I don't think anybody mistakes it for being something that it's not.

HOFFMAN: This transparency – about what's real and what isn't – is important for any product trying to be authentic. It's essential for any product that's trying to be a therapist. But what's most interesting here is that the results aren't always what you'd think.

DARCY: This question has also been actively researched, and there was a really nice randomized control trial that was done in Southern California where they created what they called a virtual therapist. And they randomized people to either a version of the virtual therapist where they were told there's a human behind this or a version of the same application where they were told the truth, which was this is just AI.

Then they had the clinicians rate the transcripts from both groups afterwards. They found that those who were randomized to the condition where they were told it was AI actually were willing to disclose more and had deeper conversations in that respect.

HOFFMAN: You can hear more from Allison – and on the idea of virtual therapy in our sister podcast Should This Exist? [There's a full episode on Woebot.](#)

Woebot's users know upfront that they aren't interacting with a real person. Similarly, the character Trevor wanted to build was, on the face of it, "fake." But it came from a very real place – an experience shared by millions of people. And he hoped that this would mean it could spark some deeper conversations.

McFEDRIES: Growing up as a Black kid into skateboarding and punk rock in Iowa oftentimes meant I didn't fit in anywhere, except for the internet really.

And so for me it was, okay, let's tell a story of otherness, can we create someone who ethnically can look and feel like anyone, if you're Filipino or Dominican or from the great state of Missouri, you could see this character and see part of yourself inside of them and also understand that that experience or their experience is one of being othered.

HOFFMAN: A character like this could reflect all these different experiences, but also encourage people to understand each other.

McFEDRIES: Most of the artists or celebrities or characters that dominate my consciousness, I'll never touch or interact with. They all kind of exist in this black rectangle that I hold in my hand. And so for me, there was this idea that potentially we could out-compete or better serve fans with a character that was infinitely scalable. And that idea was the one that I had to kind of go battle test.

HOFFMAN: This idea of battle testing is important. Trevor wasn't going out and focus grouping the idea within an inch of its life, like a Hollywood exec trying out different movie endings on test audiences. But he was seeking input from people whose opinions he trusted.

McFEDRIES: And so it was talking to peers and saying, "Hey, do you think that you would engage with a character who wasn't real but was having a conversation about things that felt very topical or things that were happening in your reality?" Got a lot of no's, got a few people who said, "Yeah, maybe and you're probably just weird enough to figure it out."

HOFFMAN: Trevor's weirdness was an asset. It was the sign that the idea was pretty way out there – an idea that could work, but would take a very special founder. And I put it to him that being told you're "weird enough to figure it out" is the best feedback an entrepreneur can get.

HOFFMAN: By the way, one parallel to the advice I give entrepreneurs is basically to go tell the smartest people you know about your idea, saying what's wrong with it. Then generally speaking, you know that you're on a good path when the majority of smart people tell you won't work. And why's that? What they tell you, you can then say, "Okay, I think I know how to make that work despite the smart person telling me this," because then you have something that's both contrarian and right. You have the unique thing of creating something that, by the way, is very different and therefore also has the opportunity of potentially getting to massive scale. That sounds like exactly what you were doing?

McFEDRIES: That was exactly the experience, just going up to the smartest friends that I knew and saying, "Hey, I think I have a vision here for building a kind of modern Marvel or Disney. And I think if we get this right, we can share a lot of really important stories with the world." And I think being in Hollywood and being surrounded by people that have tried to develop successful celebrities, or personalities, or characters was a minute of "Wow, this is really freaking hard, good luck."

HOFFMAN: Trevor also knew that an undertaking this big would require skilled artists, writers, musicians, and other creatives. In short, he needed funding. So he started pitching his idea to investors. The result was that chorus that's so familiar to nearly all founders.

McFEDRIES: I mean, right off the bat, I suppose I look atypical, but my background is probably atypical as well: when I had this idea, it was very clear to me this was a venture-sized business, and that it's something that I should explore with venture capitalists. And when I went out, I probably heard about 40 no's. I think a lot of that, looking back on it now, was actually me trying to do my best version of like a Stanford GSB graduate or something, and not really being true to who I am.

HOFFMAN: Then Trevor had a meeting with Kara Norton of [Upfront Ventures](#).

McFEDRIES: And in talking to Kara, I basically had kind of given up the shtick. I was like, "You know what? This is who I am. This is what I want to do. This is how I see it. I want to blow all this up. I want to destroy this." I didn't really obscure any language. It was really the purest version of myself. And she really responded to that.

HOFFMAN: That meeting and the authenticity Trevor displayed opened doors to a number of investors.

HOFFMAN: So one thing you've already said that I think is great advice for entrepreneurs, which is don't try to be anyone other than yourself. Try to say, "Look, this is me and this is the huge thing that I'm trying to accomplish and this is why I'm motivated for it, and this is why I have some of the relevant skills in order to make it happen." Great advice. What are the other things that you would say you learned about,

which kind of investors to approach, how to understand no's, what the thing you need to do to hunt for the right connection for you is?

McFEDRIES: It was about doing my homework. You can read some fancy tweets or some nice LinkedIn posts, but when you get into the weeds and you figure out who the founders they backed are what those outcomes were, and chasing down those founders and saying, "Hey, how did that go?" And getting solid feedback, that's been the biggest thing for me. Because when the goings are good, I'm sure things are rosy all around. When things get tough is when the true colors come out. So doing that homework, I mean, people are usually pretty responsive, LinkedIn message, we'll get back to you and say, "Hey, this went well, they're great." Or let's —

HOFFMAN: Call me.

McFEDRIES: Yeah, call me. "Let's get on the phone" is when you know, "Okay, maybe I should reconsider."

HOFFMAN: Yes, there's a challenge here at least.

McFEDRIES: Yeah.

HOFFMAN: I often say to founders that investors are people that you essentially get economically married to. Like marriage, it's a serious commitment. And if you enter into it with the wrong person, it can be a calamity. Investors become later-stage financial co-founders, they're on the board, and the board can prospectively fire you, the CEO and founder.

Finding the right investors involves a deep, deep choice. So digging into their track record before you sign is really, really important.

Of course, sometimes as an entrepreneur, you only have one financing option, in which case, generally speaking, you'll take it.

But if you have strong doubts about who is offering you the money, then it's not too melodramatic to ask yourself: should I shut the company down or take money from this person?

If your only source of funds is an investor who is guaranteed slow sabotage, you're better off having a quick death for your company. That way, you can move on to your next idea, rather than being locked in the vise of a toxic partnership.

Sometimes your one option isn't setting off all the alarm bells, but you still need to be aware, "Yeah, I'll have to actively manage this person. They won't be really genuine partners, but I'll manage it." It'll add some difficulty, but the money will let you take your shot. And if you're succeeding, most people are reasonably good partners.

For Trevor, it wasn't simply a matter of doing his due diligence. There was another reality to face: Trevor was a young, Black founder navigating the very white world of venture capital.

McFEDRIES: And now when I'm talking to Black founders, what I try to do, especially, also venture capitalists who might not be Black, I try to explain, there's oftentimes skill sets that are obscured by language that might not resonate. And I talk a lot about [Lil Nas X](#) who wrote that "[Old Town Road](#)" song.

In my opinion, if you know his story, he's like a God-tier growth hacker or growth marketer. He was using Reddit and tweetbot, and finding all these novel ways to kind of like build this audience and grow this community. But if you were to bring him into an office or in a boardroom, he probably wouldn't describe himself as such. And so for me, it's about trying to figure out how to enable Black founders to speak a language that will translate, and at the same time, giving venture capitalists the cues or the tools so that they can kind of dig and find those really talented folks that can build big businesses.

HOFFMAN: Notice how it's not about "cracking the code" of white venture capital. Instead, Trevor wants Black founders to be able to come to VCs on their own terms, remaining authentic to who they are and their vision; and he wants to show VCs what they need to do to be open to this well of talent.

With VC backing secured, Trevor set to work creating Miquela.

[AD BREAK]

HOFFMAN: Before the break, we heard how Trevor got the funding he needed to start developing Brud's first character. He found inspiration from somewhere a little surprising.

McFEDRIES: Yeah, you know one of the things that I've been deeply curious about for a long time is professional wrestling.

HOFFMAN: Just to be clear, when Trevor says "wrestling," he's talking about the WWE variety – with big hair, big costumes and big leaps of fantasy.

McFEDRIES: This idea that you're telling this nonfiction story in a space traditionally reserved for fiction and this mechanic that made me take pause in a world where I'm endlessly scrolling and just channel surfing. And so to me, to see someone get hit with a chair and be like, "that's not real, but that looks real," and to that space that I know it to be real is actually what I wanted to explore.

HOFFMAN: Trevor wanted his constructed celebrity to leap out of social media feeds and draw people into a world where the lines between fact and fiction were blurred; but in which no one was misled.

The lead character is Miquela, the singer and Instagram influencer we met at the top of the show.

McFEDRIES: And so with Miquela, it was very much about, "Okay, let's get this character into environments that are familiar with people and then try to go engage them and make them take pause, and let's see if we can create a space that very much resembles wrestling." This kind of space where traditionally nonfiction stories are told, people are sharing their meals and their sunsets, and say, "Hey, this is now a space where fiction can exist."

HOFFMAN: Miquela's Instagram account launched in 2016. Since then, she has built up over 2 million followers. Her music and video diaries on YouTube get millions of views.

But what is even more impressive is the kind of comments her followers post.

McFEDRIES: And so one of my great joys, especially early on, was to have some 11-year-olds say, "Hey, she's not real." And have a 12-year-old say, "She's realer than Kylie Jenner." And then to watch this debate about reality and identity,

HOFFMAN: At first glance, Miquela may seem like a computer-generated version of an Instagram influencer. But her story and character is far more nuanced than that, and this is something that Trevor and his team put a lot of effort into.

McFEDRIES: Our week-to-week conversation is like, where are we in the story? Where are we with the character? What things have changed?

And we've really internalized that. And we've tried to say there are some core themes we want to speak to, but how do we, like any great entrepreneur, listen to your customers and understand where they're looking to go. And when you want to take them on a ride, or when you want to listen more literally and take them where they want to go.

HOFFMAN: This is what fascinates me about Miquela – she's a construct that encourages people to think differently about themselves and their interactions with each other. I put this to Trevor.

HOFFMAN: Well, one of the things that I found amazing when I first encountered Miquela and what was going on, and I didn't know you or the backstory, was the attempt, and the actually I think the success, but the vector of how do we have this character try to help us be more human, to connect with each other in human ways, to connect with

the character in human ways, to understand the tangibility of issues that we grapple with in human life. And it's partially that kind of mirror lens that I thought was so amazing.

McFEDRIES: Yeah, I mean, I think that was very much intentional. If I'm a student of anything, I'm a student of [Daft Punk](#). And Daft Punk to me has always been an incredible thing, because they're effectively these robots exploring humanity in a time where every human musician is chasing pop perfection, is auto-tuning and pitch-correcting themselves to a point they all sound the same. And so this idea that a robot, this virtual robot Miquela, could explore human ideas and we could create these allegories that explore these things that are really meaningful was absolutely always the intention.

HOFFMAN: The power of the authentic connections between Miquela and her fans has become clear during the rise of the [Black Lives Matter](#) movement.

McFEDRIES: A large part of what we wanted to do was use our platform to amplify voices that needed it.

And so that was, daily, using the platform to share information about important subjects or themes, books that were important, and also handing it off to different creators and people that they likely had something to say. What's exciting for me is that it's become clear there's a generation of young people, Miquela included, who recognize this isn't just a moment, this is a journey that we're going to go on, and we're going to need to share and hold each other accountable for a very long time.

HOFFMAN: And these virtual interactions spurred by a fictional character are having real-world impacts.

McFEDRIES: Yeah, I mean every single day I have to say that there's a subset of literature that we were sharing that I thought might be a little dense or intimidating for really young people, like 9-, 10-, 11-year-old kids, but they're really passionate, and they really care. And that was very obvious. And so they've gone on and done the homework and reached out with questions, and have engaged Miquela and us and myself, especially about what else they can be doing. And I think that kind of stuff: it's easy to talk the talk or to share an Instagram post or whatever it is, but to go and read the work, and do the homework, and get out in your streets and protest, it was really heartwarming and incredible to see.

HOFFMAN: And although Trevor and his team study the way users react to Miquela's posts, these user reactions do not dictate where Brud takes the character.

McFEDRIES: I've always been a believer in being data-informed versus data-driven. I'm very much a believer, as I know you are, of the human magic. And so for us it's always about, "Okay, let's try to understand, like, the ideas and the stories that we'd like to tell.

Let's go test these hypotheses out in the wild, see which ones fans respond to, and then to double down and triple down so we can better serve them." But along the way, if we stumbled into something that feels magical, let's do more of that. And so early on it was, "Okay, look, we've got some ideas about what we want Miquela to look and feel like; let's go put them into the ether." And people loved it, which was awesome.

It was us saying, "Okay, we think we understand how to talk to young people at eye level," and so often I think generationally people are talking down to kids. I think kids are brilliant, they're going to save us all. And so for me —

HOFFMAN: We hope.

McFEDRIES: Yeah, we need ... if you're out there kids, please. I'm betting on you. But it was very much ... I think kids are super-bright, super-intelligent. They've been talked down to for a long time. So how do we introduce complex ideas and complex themes in ways that they'll be excited about and want to go even deeper on?

HOFFMAN: Trevor also makes sure that authenticity is part of his company's internal culture.

McFEDRIES: I got to say, it's probably one of the things that I'm most proud of, of all the things that we've done, is that allowing people in these spaces that can feel like pressure cookers to say, "Hey, thank you for being you, not the you necessarily in the workplace, but the you that brings her dog to work or you that calls me when I'm having a rough one, or the you that takes care of their mother, that's the stuff that I recognize and see in you." And that's the stuff that keeps me going.

HOFFMAN: That's awesome, I actually haven't heard that version of it before. I think it fits the bill exactly, which is, this is a way to say, how do you run a creative in touch with the emotional fabric audience, which obviously has some volatility, but how do you make that a positive experience? These chances to appreciate and connect in a human way, brought into the office, not just in the product.

HOFFMAN: The power of forming an authentic connection with your users is that they make you a part of their lives. In doing so, they help you scale through their discussions and interactions with other people.

But you need to be a constant curator of that authentic connection. And also understand that people will have different levels of interaction.

McFEDRIES: We can have a story unfold across channels, and there are different passion cohorts. If you're deeply passionate, you can go through everything and find everything and build your own fan wikis and timelines. Those fans exist, and we're so thankful for them. And there are the more passive fans that are like, "Hey, I love these

outfits and these locations and these characters are almost like a magazine to me that can guide me to interesting things happening in the world." That's fine too.

HOFFMAN: So your original kind of founding idea is, we can make a new kind of human story, a new kind of entity that essentially can be global, has the scalability characteristics of software, and can go to narratives that are super-important and super-important to have at scale. What have been the lessons about that hypothesis so far?

McFEDRIES: I think the biggest lessons for us thus far have been the sexy technology stuff doesn't matter as much as the narrative. I remember when we finally developed a new way to do some of our animation to do it better, faster and cheaper, we shipped out some of the first video stuff and I was like, "I can't wait for the fans to see this." And their reaction was like, "Yeah, duh, totally. She can walk to the restaurant and I hang out with their friends. But who are the friends and what is she wearing and what's going on?"

And I was like, "Got it. Of course, yes. It comes back to this story always, it comes back to this character always." And to not get lost in the stuff that I love getting lost in, the tech stack, has been a super important lesson for us.

HOFFMAN: Note how this lesson goes back to the character itself, not the technology behind the character. Once you build something that has established an authentic connection with your audience, they won't care how you made it. They'll care about how it makes them feel, think and interact with the story and with each other.

Miquela is also spurring change in the traditional entertainment industry. She recently became the first virtual character to sign with famed talent agency CAA.

McFEDRIES: Where it gets really interesting for me is also on, kind of, the architecture of the entertainment industry and how, in my opinion, how broken it's always been, and what this type of talent now allows for. I think there's real opportunities for us to create more equitable futures for artists and creators.

And it's really hard to be a public figure. And I think it's also really hard to be someone behind that public figure, whether you're a manager, or you're a songwriter, or you're a producer, a lot of the value is traditionally accrued at the labels.

And so for us, what we're able to do is effectively create talent that can act as almost like a platform or a vehicle, where we can say, "Okay, if you cut out the middleman of that talent, so to speak, of the traditional embodied human talent, can we then take those resources and redistribute them and re-allocate them such that we can create kind of a more equitable system?"

We think that we can build a modern Marvel or Disney and the idea of if you were building Disney, you probably wouldn't start in theaters, or building Marvel, not in comic books. And so we want to have the kind of economic lots of stuff, potentially one day shape policy and shape discourse in a kind of more traditional way.

HOFFMAN: Building something on the scale of Marvel or Disney is certainly ambitious. But Trevor's deep understanding of the potential for new types of media means it's a huge goal that is definitely possible to hit. But there's an even wider mission that I see in Brud, which I put to Trevor.

HOFFMAN: Giving voice to empathy and giving voice to connecting with people who think differently and discovering a common humanity. That's part of why I see you doing.

McFEDRIES: No, that's great. I think one of our dreams has absolutely been to embody a set of principles and a set of beliefs and a set really of ideas, that our audience sees as being important and will want to see through in their everyday lives. One of them obviously is empathy. We think with these characters we can embody otherness in people who have been othered or marginalized and showcase that these people are important and that their ideas and their contributions to the world are valid and important.

And I hope that when people see Miquela contributing to the world with her music, with her art, with her story, with her confessionals, or any of our characters, they say, "Hey, that's important." I might not have recognized it as such because this virtual robot thing wasn't important to me immediately. And I think in the workplace, or in their schools, or in their homes or in their daily lives and say, "I'm going to take a moment to listen to people that I might have written off immediately."

HOFFMAN: Awesome, yes. A bridge to empathy.

McFEDRIES: A bridge to empathy, exactly.

HOFFMAN: Building that bridge to empathy doesn't need to involve cranes, girders or huge feats of engineering. It can begin with something as simple as a single stepping stone.

I'm Reid Hoffman. Thank you for listening.