

2. New Mavericks: Risk Taking and Diffusion Platforms

'If I'd asked people what they wanted, they would have asked for a better horse.'

Henry Ford, car-manufacturing pioneer on the Ford Model T (1908)

PARIS, MARCH 2009

'I bet that these two are going to the same place I am...' I prefer walking down Rue de Rivoli to taking the Métro on this gloriously sunny day. Instead of minding my own business, I become intrigued by the pair walking in front of me: he speaks in American English while she speaks fluent English with a French accent. 'They're probably not a couple... perhaps business acquaintances,' I think. Nothing clearly denotes their 'type', but I can surmise that they are creative professionals of some sort. The further we walk, the more I am convinced that they'll take the same right turn as me, and... bingo! They do. Will they turn right again? Yes! Our shared destination is the concept store, colette, at 213 Rue Saint-Honoré. Guillaume Salmon, Head of PR at colette, is having a smoke outside (a habit he has since quit). He greets the couple, clearly part of the initiated circle. I congratulate myself on having guessed their destination as well as their 'consumer type'. Guillaume then says 'hi' to me – colette may be the most fashionable concept store in the world, but there is still the touch of a local pub about it. Every time I go to colette, there is bound to be someone I know there, even if it is colette's own staff popping down from the office to the store or its restaurant.

I was going to the restaurant myself on that occasion. I sat at the bar for a late lunch/early supper. I was not even halfway through my meal when a familiar figure appeared. Before I saw the face, I clocked a pair of sexy boots coming down the steps, worn by someone in an extravagant cape, the next thing given away as the heels descended. The full silhouette revealed my friend from London, Alexia Somerville. We have known each other since the early noughties. A Hoxtonite who became inspired by *P.U.R.E.* magazine, the influence of which will be evident by the end of this chapter, Alexia's career followed the typical hip trajectory of paying her dues. She had first explored new ground at *P.U.R.E.*, followed by projects with photographer Nick Knight and the late fashionista Isabella Blow, who always had an eye for young talent. Alexia was by now an established stylist, and her portfolio included magazine editorials, an array of commercial clients, styling for music videos (Robbie Williams, Pink, George Michael) and personal

styling for actress Rachel Weisz. Alexia was in town for Paris Fashion Week...

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THE BIRTH OF THE NEW PREMIUM CONSUMER

The New Mavericks

So far, we have established that hipsters carry the bug that spreads to wide sections of the population, while maverick businesses infected by the hipster bug are fundamental in converting it from incubation stage to pandemic. The 1960s, (Frank's 'homeland of hip'), provides the prototype for this model of social contamination. With the advent of the counterculture in this decade began the marketers' fascination with the youth market, a segment constructed by non-conformist businesses that embraced their 'revolutionary' idioms. Having lain somewhat dormant through the inflation-troubled 1970s and conservative 1980s, the hip virus resurged with a vengeance in the 1990s with MTV becoming the archetype of cool. In the noughties, the principle of hip's trajectory from a small group of taste-makers towards mass-market acceptance remained the same – but the protagonists were new. The emergence of the second-generation Hoxtonites post Cool Britannia coincided with the emergence of maverick businesses sharing their values. From that union the niche market segment that is the holy grail of marketing – in other words the 'new youth' – was born. That elusive segment of early adopters, who represented the next concentric circle in the hip continuum following the alpha trendsetters, contained the precursors of the new hip consumption trend that would later spread into the mass market.

Going against the concept of innovation as seen through the prism of risk-management in the corporate sector, a breed of entrepreneurs (start-ups that would develop into well-known brands) and artisans began to think of innovation in radical terms. Instead of robust consumer and market research, their approach was more intuitive. At the heart of this approach was the belief that a shared passion for what their business stood for would be the way to reach the customer. At the same time, a number of pioneering brands and unbranded businesses, which had already been operating on a niche scale for years (or even decades) became fashionable, and part of this rising trend, because they shared the same set of values. All were independent small-scale operators. In one way or another, all were eco-aware, broadly pertaining to organic and natural products and practices

that took into consideration environmental, humane and health concerns. This key ethos created a kinship between these unrelated businesses, which would ultimately lead to the formation of a market category in its own right. Though diverse and geographically dispersed, what these mavericks all had in common...

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AN ALTERNATIVE TO THE MAINSTREAM CONSUMER RETAIL SECTOR
The Mainstream Retail Market Trends

In 2001, Prada opened its flagship store on Broadway, New York City. A retail plot of some 23,000 square feet in a prime location, it was designed by superstar architect Rem Koolhaas of OMA (Office for Metropolitan Architecture), and reportedly cost some \$40 million. This grandiose design concept was later replicated in Los Angeles, Tokyo and Shanghai. The opening ceremony of Prada's cathedral to luxury brand-worship in New York symbolically inaugurated the age of bling. Fashion retail in the first half of the noughties was marked by the rise of lush mono-label stores. Clothing brands (high-end, as well as high street by emulation) were also diversifying into accessories, footwear and perfume, all of which could be purchased in their flagship stores. And yet, for all the provision of variety, whether in Paris, London or New York, it seemed the high-end stores and high street chains had the same window displays. Luxury was what equalled status, across the board. No longer was the focus on craftsmanship – not least because a lot of production was being outsourced from small artisan ateliers to overseas factories where labour was cheaper. Desire for luxury goods was further heightened through the medium of celebrity-red-carpet magazines.

While fashion retail brands were thinking grand, the mass grocery retail sector started to think small. At the turn of the millennium, supermarket giant Sainsbury's announced a major push into the convenience-store market with the launch of its new brand, Sainsbury's Local. This was a mini-market or a 'tennis court-sized [...] around 3,000 square feet' version of the store (to quote a spokesperson). A move that was, above all, a response to loss of market share to competitor Tesco, it also meant that Sainsbury's Local entered into a price battle that undercut the traditional corner shop and smaller grocery chains such as Spar. The local formula would prove to be a successful one and was emulated by Tesco itself as well as other supermarket brands, from Marks & Spencer in the UK to Monoprix in France. At the heart of Sainsbury's strategic decision to

open the local stores were consumer needs that had not previously been catered for (remember, this is the age of insight-led marketing). The local stores were for 'people with no time', thus putting convenience at the centre of innovation strategy. Though the move was towards smaller shops, the overarching retail strategy for both local and large stores was 'category management', ie products sold in small, discrete groups, as discussed earlier in 'From Street to Boardroom'.

The hospitality industry was going through a similar process of market consolidation and homogenisation in spite of the diversity of services on offer. Whether five- or two-star accommodations in whatever part of the world, the trend for hotel brands was to deliver the same level and quality of experience, commensurate with the number of stars. Marketing strategies were for the most part centralised, adhering to one brand proposition and aiming to deliver that promise across diverse markets. This was coupled with the arrival of new money, especially from ex-communist countries. The needs of these small but extravagantly wealthy segments would put their stamp on the luxury end of the industry, keen to dip into their deep pockets. Finally, the rise of extreme luxury resorts in the guise of six- and seven-star hotels in places such as Dubai would also set new standards of luxury service expectation.

It was difficult to argue that there was no choice in the mainstream. Whichever sector you looked at, there was plenty of stuff to consume. The corporate market was constantly investing resources in innovation to stay a step ahead of the competition. You might have thought that there was no room for more. And yet, another new trend would emerge premised on the need for diversity in a world where we appeared to have reached the 'paradox of choice'. How come? The issue was not so much the paradox of choice (ie too many varieties of jam). The paradox was that corporations had to operate within their own limitations, which meant that as a corporation, you needed to be innovative – but not totally. Corporate innovation was channelled through pre-determined categories, for fear of stepping out of line (perceived as a risk). What you got was constrained innovation.

Every now and then, there is a genuine 'Eureka!' moment but, more often, 'innovation' is used to describe upgrades from double- to triple-velvet toilet paper or added aloe vera for extra comfort on your bum. This is OK as long as brands compete with each other within their category (whether it be loo roll or washing powder) because all corporations are constrained by the same imperative of trying to be innovative while still managing risk. The challenge comes when

someone from the outside, with a greater investment in risk-taking, comes along. Imagine recycled toilet paper? Or no toilet paper at all! Imagine something like soap and water instead... Bonkers? Think again. If you open your eyes to cultures with as-deserving derrières but where toilet paper is not the norm, you will find that toilets with water jets are commonplace in public places. In Japan, they have washlets. Washlets are the hi-tech cousins of the bidet, specifically created for public places. They are so sophisticated that they even have a dryer for the end of 'the cycle' as it were. In Muslim countries, it has always been part of the culture to wash rather than use paper. It is common to find toilet cubicles with a shower-type option, or a jug in less sophisticated premises. The point is that if you step outside what's familiar, you never know what you might find. This openness to diversity (or curiosity) is what new diffusion platforms would need to adopt. (Incidentally, the colette store also adopted the washlet – let's see if the trend takes off.)

The Alternative Consumption Trends

It was against the homogenising tendency (within which the corporate sector has to operate) that new opportunities arose. This is how the diffusion platforms, which are above all retail environments, managed to find their niche. This is also why the kinship between maverick businesses and hipsters was essential. Mutually dependent, together they would create an alternative network of consumption. The diffusion platforms are the missing jigsaw piece in our alternative-world puzzle. Though diverse, geographically dispersed and often unrelated (just like the new maverick brands), diffusion platforms shared a common vision that challenged the established distribution networks. Their approach, too, necessitated a quantum leap.

Instead of thinking within market categories and well-defined consumer segments, the new wave of diffusion platforms was more eclectic. It was all about fusion. It is helpful to go back one more time to the questions that the hipsters had grappled with: 'am I a designer, an artist, a DJ, a promoter, a retailer or a knitting instructor?' One person could be all. This fusion mindset – or a refusal to be categorised – is also relevant here, in the consideration of diffusion platforms. In the emerging market you could sell candles, skincare products, bars of chocolate, books and clothing items under one roof, with a pile of flyers by the till listing the evening's entertainment. However, the mentality was quite different from that of the supermarket, where products were categorised (all the

chocolates together with the rest of the confectionery) or the mono-label store (a diversity of articles but all from one brand) or indeed the department store (a diversity of articles and brands but all departmentalised, hence the name). Also, in most cases, the new brands associated with the new diffusion platforms would not be available in mainstream outlets – yet.

The new diffusion platforms created a sense of complicity with their customers by highlighting the labour of love aspect; they had something special to share with you and they hoped you would like it. And, once again, just as with the maverick brands, it was often a matter of taking a well-educated risk. It was indeed conceivable that people who were curious enough to step into that intriguing place that looked like a store but had no window display would be willing to pay extra for a limited-edition item from that store. Or that people who made an effort to ask around about a nice place for a short break (thus avoiding tourist brochures) would indeed pay the extra money to stay in that boutique hotel recommended by a friend of a friend. Or that someone who made an effort to go the farmers' market on a specific day, between specific times and in the odd postcode where there was one, would indeed purchase something, even if only a slice of home-baked cake with a cup of Fairtrade coffee or a box of strawberries. However, it would be wrong to assume that everything in concept stores or markets was expensive. Some stuff was dead cheap, either because it celebrated the 'everything for a pound' shopping sector (Hoxtonites love a bit of tat and anything trashy) or because it was second-hand (before it turned into 'vintage'). The main point was that it was different. You just had to have the confidence to buy it. The main customer in these new diffusion platforms was the NPC.

However, this was not about stocking a shop with any old bar of chocolate, candle, skincare product or piece of kitsch – or indeed a random flyer. On the contrary, it was very selective. The choice was sifted through a specialist knowhow process, or 'curated', a term increasingly used to describe this skill. The curator was guided by street-chic ideology, where the alternative environment was roughly composed of both a new definition of street that celebrated craftiness (artisan and 'granny nostalgia' elements), with the established definition of street (select streetwear and an affinity with exclusive Japanese brands), with curios and trinkets, with exclusive luxury items and, last but not least, with kitsch (select mass-market products). Another important aspect of diversity was the retail experience itself. The value of time in this context was less about maximising convenience

and more about the quality of the time spent, be it in the discovery of a curio that made you smile for a second, or a magnificent stay at some chic lodging. The approach was mainly intuitive rather than researched, but it nevertheless unleashed the early adopter market. Embracing the street-chic ideology, the new diffusion platforms were environments where the mentality of the street market was effortlessly blended with elements of luxury service and experience. It was about reclaiming craftsmanship and personalised service.

Diffusion platforms emerged in each of the retail sectors covered by the mainstream (fashion design, grocery, hospitality, publishing) to provide an alternative retail experience, and they even challenged those categories themselves. A *pâtissier* might act like a designer, doing seasonal, twice-yearly cake collections. A fashion shop might also double as an art gallery or a massage parlour. A magazine brand could also be an events promoter, and so on. That mentality would start breaking down the boundaries that were the legacy of the 1990s cool brands that became mainstream, an approach that would also leak into the mainstream market over time.

Fusion Boutiques and Concept Stores

Fusion Boutiques

With their curated array of products, fusion boutiques began to provide a new kind of shopping experience. Their basic premise was a desire to introduce the customer to something different. It was all about the labour of love. Fusion boutiques were small, independent stores, where the owner was often a designer. They were closely connected to an independent network of designers, artists and artisans and they thrived on supporting the new. They were similar to the original Hoxtonite street boutiques like Victim, Kokon To Zai and Black Block, but with a nuance; they had emerged in the maturation phase of the scene and operated within the fashion retail industry tempo of seasonal buying, though with more investment in risk-taking in terms of brands stocked compared to their mainstream equivalents. They would often be the first to showcase new talent and provided a much-needed platform for emerging designers. Though fashion tended to be the main focus, they sold anything from interior design items to books, if it felt right. Often, they also acted as galleries. Labour of Love and Beyond the Valley in London are prime examples of fusion boutiques.

Initially, these boutiques were scattered around London, Paris, Berlin and

other cities. The only way to find out about these stores without stumbling across one was through word of mouth. When Rachael and I went to Paris to...