

"NO-FRILLS CHIC"



Japanese Muji offers low price products that are anything but humdrum; from basic bath products to foldable cardboard speakers.

We discussed **NO-FRILLS CHIC** during our recent [seminars](#) in Amsterdam and London, so time to officially coin the trend with this brief newsletter entry. **NO-FRILLS CHIC** can be defined as low cost goods and services that add design, third-party high quality elements and/or exceptional customer service to create top quality experiences at bottom prices.

NO-FRILLS CHIC is where the low cost revolution (think Wal Mart, Costco, SouthWest Airlines, easyJet) meets our [GRAND BOUTIQUE](#) trend (representing the powerful force of product and experience design).

Which means that if you sell anything low cost that involves even a hint of experience, you had better pay attention! No juicier example to illustrate this trend than pairing off easyJet and Ryan Air, Europe's leading low-cost airlines, and US-based no-frills airlines [JetBlue](#) and [Song](#). easyJet and Ryan Air offer (by now) old style no-frills: bare-bones service, garish design, unassuming food for which passengers have to pay, and on-board entertainment that mainly consists of crew members telling knock-knock jokes.



Song and JetBlue have brought a welcome sense of style (and comfort!) to low-cost flying.

Compare this to JetBlue's roomy all-leather seats, each equipped

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with free live satellite television, offering up to 24 channels of DIRECTV programming, and soon up to 100 channels of free digital satellite radio and pay-per-view movies.



Or consider Delta-owned Song's in-flight menu: passengers still have to pay for their meals, but at least the food is from quality brand names: Sara Lee's bagels, Newman's Own dressings on Song's Own salads, and organic yogurt from Stonyfield Farms.

Song also has a special deal with New York's hip candy store [Dylan's Candy Bar](#). Not to be outdone on solid ground, Song's **NO-FRILLS CHIC** approach extends to their [POP-UP RETAIL](#) stunt (an on-the-fly Song store in Soho, NY, last December).



NO-FRILLS CHIC is in many ways a natural evolution of the no-frills concept: in the end, there aren't THAT many goods and services that require no experience at all, even if available at very little cost, whether it's a three hour air trip or a one hour shopping spree. So creating a **NO-FRILLS CHIC** experience will win over some of the most cost-conscious consumers, and lure other customers away from the traditional luxury market.

Want more **NO-FRILLS CHIC** examples and inspiration?

Check out US-based [Target](#), Holland's [HEMA](#) (products below), and Japanese [Muji](#) who all offer stylish homeware goods at low prices.

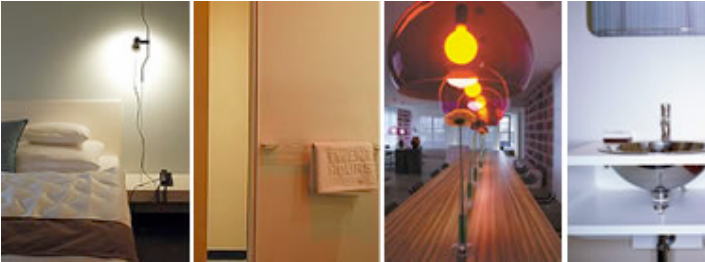


For no-frills chic supermarkets, be inspired by fast growing [Trader Joe's](#), who stocks eclectic and upscale foodstuffs for the chic wine and cheese set at no-frills prices.



For clothing, learn from now ubiquitous [Zara](#), a fashion label that is a business trendsetter in many more ways than just predicting 'in' colors for Fall 2005.

And when it comes to accommodation, [25-Hours Hotel](#) in Hamburg, Germany combines boutique with affordable rates, making it a poster child for German **NO-FRILLS CHIC** hospitality. In their own words: "Who says you can't have style on a budget? Why miss out on Living Divani daybeds, Brionvega televisions (you know, those cool table-top TVs with rounded corners that you wouldn't have been seen dead watching 15 years ago) and first-run, special-edition Sixties-style lamps by Flos? The fun and funky retro theme suits the young media and creative types who frequent this part of Hamburg, to the west of the city center."



OPPORTUNITIES

Mind you, **NO-FRILLS CHIC** is NOT the same as 'recession chic'! With consumers caring less about certain status symbols, the low cost revolution is here to stay, yet so is the need for esthetic pleasure and experience. The reason a trend like **NO-FRILLS CHIC** is important to all B2C sectors has to do with its power to change consumer expectations. Frugal consumers will like the chic experience at virtually no extra costs, dumping no-chic low cost offerings. And old-style 'luxury' consumers may be tempted to forego more expensive, traditional products and services.

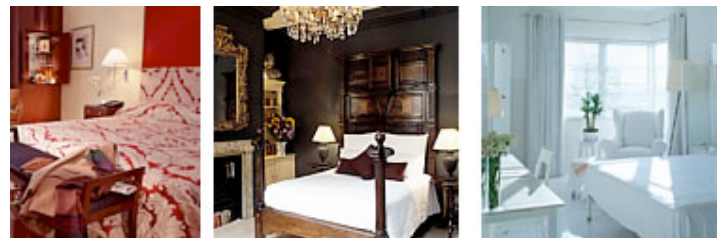
So, TRENDWATCHING.COM's advice, as always: LOOK SIDEWAYS! Figure out how **NO-FRILLS CHIC** could work for your company, learning from industries already undergoing this transformation. >> [Email this trend to a friend.](#)

JULY 2004 | Spotted for you: these catchy billboards in New York (below), on the corner of Houston and Broadway, not only cleverly sum up [Song Airline's](#) **NO-FRILLS CHIC** strategy, but should go a long way in helping you explain the **NO-FRILLS CHIC** concept at large to your own employees or execs.



Sticking with the world of travel: boutique hotels, having gone from very small to now approaching standard chain hotel sizes (think W Hotels!), are joining the low-cost bandwagon. In a previous edition we highlighted the [25-Hours Hotel](#) in Hamburg, Germany, which combines 'boutique' with affordable rates. Now make way for:

InterContinental Hotels Group, owner of the Holiday Inn brand, is launching the [Hotel Indigo chain](#). In true **NO-FRILLS CHIC** style, Indigo will offer low room prices AND hardwood floors, area rugs instead of wall-to-wall carpeting and glassed-in showers -- no bathtubs. The first Hotel Indigo is scheduled to open later this year in Atlanta, with room prices in the USD 95-100 range.



Designer [Todd Oldham](#) is apparently also planning a mid-priced boutique hotel chain in the US, the first of which is hoped to open this year. Oldham has teamed up with architect David Rockwell,

known for designing high-end restaurants like Nobu in New York -- as well as designing Starwood's W hotels -- in an effort to launch a boutique chain. (Source: WSJ).

And, last but not least, **Choice Hotels**, the parent company of Econo Lodge, Comfort Inn, and Quality Inn, plans to introduce the same mass luxury with up to 500 boutique hotels (tentatively titled 'The Diplomat') in the US, with rooms featuring details like flat-screen TVs and stylish shelving units instead of walls.

OPPORTUNITIES

NO-FRILLS CHIC is of course a typical (and great!) example of Creative Destruction: 'established' chains like Hilton and Marriott are still experimenting with offering boutique services to new-luxury and design-savvy guests, while aggressive up-and-coming competitors like W Hotels have already proved that **GRAND BOUTIQUE** is here to stay. Then **NO-FRILLS CHIC** comes along, raising the bar once more, forcing both incumbents and rising stars to adjust to ever-shorter innovation cycles, and ever-faster changing customer expectations. It's going to be sleepless nights for the laggards, but hey, that's what a **MASS CLASS** world is all about! Is your industry next? >> [Email this trend to a friend.](#)

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OCTOBER 2004 | NO-FRILLS CHIC is about the next evolution in a WalMartized world: with consumers caring less and less about traditional status symbols, the low cost revolution is here to stay, yet so is the need for aesthetic pleasure and experience. Frugal consumers will like a chic experience at virtually no extra cost, dumping 'no-chic' low cost offerings. Old-style 'luxury' consumers may be tempted to forego more expensive, traditional products and services. As **NO-FRILLS CHIC** continues to make waves, TRENDWATCHING.COM spotted yet another batch of new **NO-FRILLS CHIC** initiatives from the US, UK and India.



NO-FRILLS CHIC now has its own magazine: US based **Budget Living Magazine** is aimed at **NO-FRILLS CHIC** consumers pursuing: the publication is all about spending smart yet living rich. It

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bargain hunts so readers do not have to, combing the market for the best (and best-priced) objects of desire. The magazine's look is in line with its philosophy: luxurious, hip, and modern, and attracts an equally hip and desirable demographic. Most Budget Living are readers between 25-44 years old, and have an average household income of USD 70K, while 90% of them are college educated. Who's next in Europe and Asia?

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And what about **NO-FRILLS CHIC** in the staid private car hire sector? Get inspired by British **Blueback**. In its own words, Blueback aims to become the Starbucks of the London taxi market (a GBP 840 million market, with more than 2,200 private-hire companies). Their chauffeured cars come with refrigerated Blueback spring water, mobile phone chargers, a complimentary Financial Times, notification via email of the arrival of your Blueback, and uniquely uniformed drivers (so clients can instantly recognize their driver at airport arrivals). On the Blueback website, which allows for online bookings, punctuality ratings are displayed on the homepage (this week, 92% of all Bluebacks arrived at the pickup early or on time). The company is doing well: its fleet of 30 cars is expected to grow to about a 100 within the next few years. Nice.

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In cosmetics, it's **e.l.f.** (eyes, lips, face) that has taken the **NO-FRILLS CHIC** lead: a new line from Scott Borba, the man behind Hard Candy and Neutrogena Men, that improves the skin but doesn't break the bank. All twelve boutique-style products, from acne-preventing Clarifying Pressed Powder to Hypershine Lip Gloss, are only USD 1 each, online and at chic clothing boutique Cantaloup, 1036 Lexington Avenue, at 74th Street. (Source: newyorkmetro.com.) If it can be done in cosmetics...

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In fashion too, **NO-FRILLS CHIC** is the thing to wear this Autumn: Karl Lagerfeld will add the necessary 'chic' to low-cost, high-fun apparel phenomenon H&M. Lagerfeld has designed a collection of around 30 pieces to be produced and distributed by H&M under the label "Karl Lagerfeld for H&M", a one-time collection available from November 12th. The collection will be sold in most stores in H&M's 19 markets in Europe and North America. Zara and Prada anyone? Or Mango and Gucci?

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And last but not least, some truly interesting new initiatives from **NO-FRILLS CHIC** battlefield par excellence: hospitality.

The most exciting new kid on the block must be UK-based **YO-TEL**, another cool business idea from the people that brought us **YO SUSHI** and other YO concepts. YOTEL will be a chain of funky **NO-FRILLS CHIC** hotels offering small but highly designed rooms (resembling sleeping pods now found in some first class airline cabins), featuring Sony flat screen TVs with surround sound speaker systems, WiFi access, a choice of hundreds of downloadable movies and CDs, double rotating beds, aircraft cabin mood lighting, and rain showers. Check in/out will be automated.



However, the truly revolutionary element of YOTEL is its windows, which are internal rather than external - they look into the corridors, which are in turn naturally lit through reflective mechanisms

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and channeling of light. This allows YOTEL to boldly go where other hotels simply can't - tricky central city locations, airports, even underground. Reduced property costs and savings can then be passed on to consumers, resulting in a **NO-FRILLS CHIC** experience at **NO-FRILLS CHIC** prices: about GBP 70 per night, or USD 125/EUR 105.

YOTEL is already thinking big: starting in London next year, the company is inviting property owners in cities like Amsterdam, Barcelona, Bucharest, Berlin, Copenhagen, Hong Kong, Singapore, Madrid, Paris, Rome and Sydney to give them a heads-up about suitable buildings. One to closely watch, and not just if you're in hospitality!

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In India, giant Tata Group has launched **indiOne**, a chain of **NO-FRILLS CHIC** hotels with well designed, air-conditioned rooms with refrigerator and flat screen TVs, going for about USD 20 per day. The first indiOne hotel is in Whitefield, Bangalore and has 101 rooms. The Tata Group plans to open about 12-14 such hotels (roughly 1,500 rooms) within the next 12 months, and 150 hotels within the next five years, before taking the concept overseas (source: Rediff.com).

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Last but not least, a quick update on [Indigo](#), InterContinental Hotel Group's new **NO-FRILLS CHIC** brand. Its first hotel (out of a planned 200) will open for business in Atlanta on November 1st, offering rooms for USD 100 a night. Indigo's rooms feature 'chic' elements like oversized beds with oversized pillows, hardwood style flooring, and a spa-style shower. High-speed internet access included. Were we to manage run-of-the mill 3 star hotels, or overpriced 5 star venues (we don't), we'd get pretty nervous.

OPPORTUNITIES

NO-FRILLS CHIC is proliferating fast, with 'new' brands claiming the leadership position in anything from airlines and hotels to lipstick and rental cars. Not surprisingly, today's experienced, smart, pick 'n' mix consumers find this combination of rock-bottom prices and attention hard to resist. If your business is purely low cost, or, even worse, if you offer staid service at yesteryear's prices, not jumping on board of **NO-FRILLS CHIC** is going to cost you. A lot. [>> Email this trend to a friend.](#)