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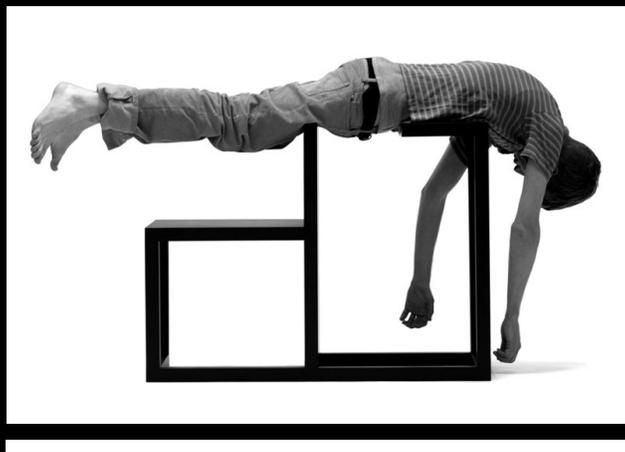
K-HOLE #1: FRAGMORETATION

A REPORT ON VISIBILITY

K-HOLE invites you to examine the following scenario:
Company A has spent a quarter century horizontally integrating luxury brands, only to find that conglomeration and mutual association have weakened their identity and reduced the growth of their aggregate sales. In 2011, they decide to fragMOREtate their company by specializing their sub-brands to an extreme. They are now Companies A–Z, establishing each of their brands as autonomous corporations under the contract that each license only one luxury good. Company C now sells only cappuccinos.



Company H runs three exclusive hotel franchises: one in New York, one in LA, and one in Berlin. Company B sells only boots. Company E sells only eye moisturizer made from foreskin. Company A then launches a tastemaking lifestyle advertisement campaign, releasing each company to its respective industry. Companies B–Z all become fully integrated into their markets. Company C cappuccinos are featured in no-reservations, cash-only restaurants worldwide. Company B boots have been seen on off-hour models and early-career artists. Company A renames itself Project A, becoming a lifestyle corporation.



This information is not secret: the long-term success of a fragMOREtated program revolves around the eventual reconnection to the parent brand.

Project A's success is due in large part to its fragMOREted advertising campaign. The campaigns for Companies B—Z emphasized limitations, underscoring the notion of product as experience.

The products were not marketed as creating a lifestyle, but rather as providing a fragment of a lifestyle ultimately defined by the consumer. The campaigns consisted of images fragmented and dispersed across various cities, distressed and scratchittied in New York subways. Their fashion labels released cloth swatches. Their skin-care brand distributed elements of their new moisturizers as samples in magazines, which would only become effective when mixing parts A and B.



A close-up photograph of a person's hand, wearing a white shirt cuff, pointing with the index finger towards a missing puzzle piece. The puzzle is set against a vibrant red background. The missing piece is a white silhouette of a puzzle piece, creating a stark contrast. The lighting is dramatic, highlighting the texture of the skin and the edges of the puzzle pieces.

**“WHERE OUR PRODUCT
ENDS, YOU BEGIN.”**

Ultimately all of these campaigns were shrouded in opacity unless integrated into the lifestyle of the consumer.

K-HOLE believes that the hazy activity of aimless mall-walkers once known as shopping is over. Consumers are spending less, and being choosier about what they spend on. The consumer of the future will make purchases. Taste and shrewd cost/benefit analysis will guide their spending. This is the new discreet character of consumption.



It's bad news for the lifestyle brands that have waddled into the experience economy unprepared. You can't erect a megastore and think you've given your customers a shopping experience.

By refocusing marketing strategies on individualizing products and constraining visibility, fragMORE-tation reintroduces discretion into marketing and consumption.

The brands that built their empires around accessibility and ubiquity (hazy shopping) succeeded through distribution, not the enigmatic force of their branding (thoughtful purchasing). They forgot that saying who you aren't is just as important as saying who you are. Limits localize you. They tie you to a certain place, and more importantly to a certain vantage point. When your products can be bought just as easily in New York as Shanghai (not to mention every Factory Brand Outlet in between) it's pretty difficult to convince the consumer that you're doing anything different from anyone else.

We would like to term this emerging strategy of "this is what we are not," fragMOREtation.

FragMOREtation is an attempt to catch the eye — not by being big or flashy, but by being broken-off, hidden, and/or decontextualized.

We see marketing strategies aimed at the negative positioning of a product or brand winning the day.

Not negative in the sense of “not good or worthy,” but negative in the sense of a photo negative: obscured or hidden. Uniqueness relies on what you DON’T do.

FragMOREtation

Secrecy
Somewhere
Dispersion
Discretion
Opacity
Longing
Delay
Segmentation
Indifference
Isolation

FLATmentation

Disclosure
Everywhere
Conglomeration
Ostentation
Transparency
Satisfaction
Immediacy
Continuity
Ambivalence
Connection

THE COMPANY MAN

Future growth potential lies in tapping consumers' desire to realize their individuality. (And by this we mean: they would love to slavishly adopt a niche brand.)



WE DON'T WANT TO KNOW

**Dear Corporate America,
The world is a depressing place. Wars, famine, poverty, terrorism, global warming, derivatives — the list goes on. We know that many of you have your fingers in the honey pot somewhere along the line. We're not going to ask for an explanation. We're not even going to demand that you stop whatever terrible things you are doing. We're just going to ask that you never bring up this conversation again.**



HOT MASS

Probably the most hallucinatory road trip you can take across America is one in which you only allow yourself to stop at malls. If you think the trippy part of the experiment will be the stark similarity of their walkways, soundtracks, and dining options, you're wrong. At least there will be slight variations in the architecture and food, nodding to the regional diversity of the United States (strip mall or multiplex?). What you'll be struck by is how this consumer paradise of a nation seemingly has only about fifty different stores. If a taste for vintage shopping has crept from sea to shining sea, this situation is to blame. Fifty options is (kind of) a lot. But when you compare it to the (literally) hundreds of 'High Street' stores that line London's Oxford Street, it's not nearly enough.

DAFFY'S UNDERGROUND PUZZLE

In April 2010, Daffy's launched an unbranded advertising campaign titled 'Underground Puzzle' that effectively leapt over all of these hurdles.

It compartmentalized the fashion- and budget-conscious aspects of their campaign without making the terms mutually exclusive. Since it was an unbranded campaign, it even allowed potential customers the opportunity to dig out the brand using the Internet (a ritual usually reserved for coterie brands spotted in boutiques or unearthed in vintage stores).

The 'Underground Puzzle' campaign consisted of a fragmented image dispersed throughout New York City's subway system. With each poster revealing only an illegible geometric cutout of a larger image, subway riders were urged to follow up on these enigmatic fragments by searching the captioned hashtag #UNDERGROUNDPUZZLE on Twitter.



REG PRICE:
\$7000

OUR PRICE:
\$700

Enter for a chance to win this \$7000 up to 10 item designer luxury apartment, fully furnished, in the heart of the West Village, all in amazing Daffy's CircleOne.

Go to Daffys.com to learn more.

DAFFY'S
HIGH FASHION. LOW PRICES.

What 80% off actually looks like.

DAFFY'S
50 - 80% OFF, EVERY DAY.

DAFFY'S.COM

NO CHILD-LABOR LAWS WERE BROKEN TO BRING YOU FASHION THIS AFFORDABLE.

HIGH FASHION LOW PRICES. **DAFFY'S**

Shop Online, In-Store, Designer, Sustainable Made in the USA. See Daffys.com for our nearest location.

LAWRENCE
DAFFY'S CUSTOMER SINCE 2004

JULIAN
DAFFY'S CUSTOMER SINCE 2004

WEAR A SUIT WITHOUT BEING ONE.

HIGH FASHION LOW PRICES. **DAFFY'S**

Shop Online, In-Store, Designer, Sustainable Made in the USA. See Daffys.com for our nearest location.

When pieced together, the full Daffy's advertisement was revealed: an image of a woman receiving oral sex from her partner, clothing stripped off and strewn across the room in the heat of the moment. This image was captioned with the phrase 'MORE BANG LESS BUCK,' and the prices of the stripped Daffy's clothing items were discreetly footnoted (of course).

Using the tactics of symbolic reduction and strategic withholding, Daffy's 'Underground Puzzle' implements what we would term a fragMOREtated advertising campaign. With its semi-pornographic imagery and division into parts, the advertisement alludes to both censorship (which sexualizes withholding) and to scaling back (which maintains discretion). Daffy's successfully links desire to reduction (or, in more direct terms, that pair of coveted shoes with the reality of your bank balance) transforming the shame of the bargain basement shopping bag into your own dirty little secret.



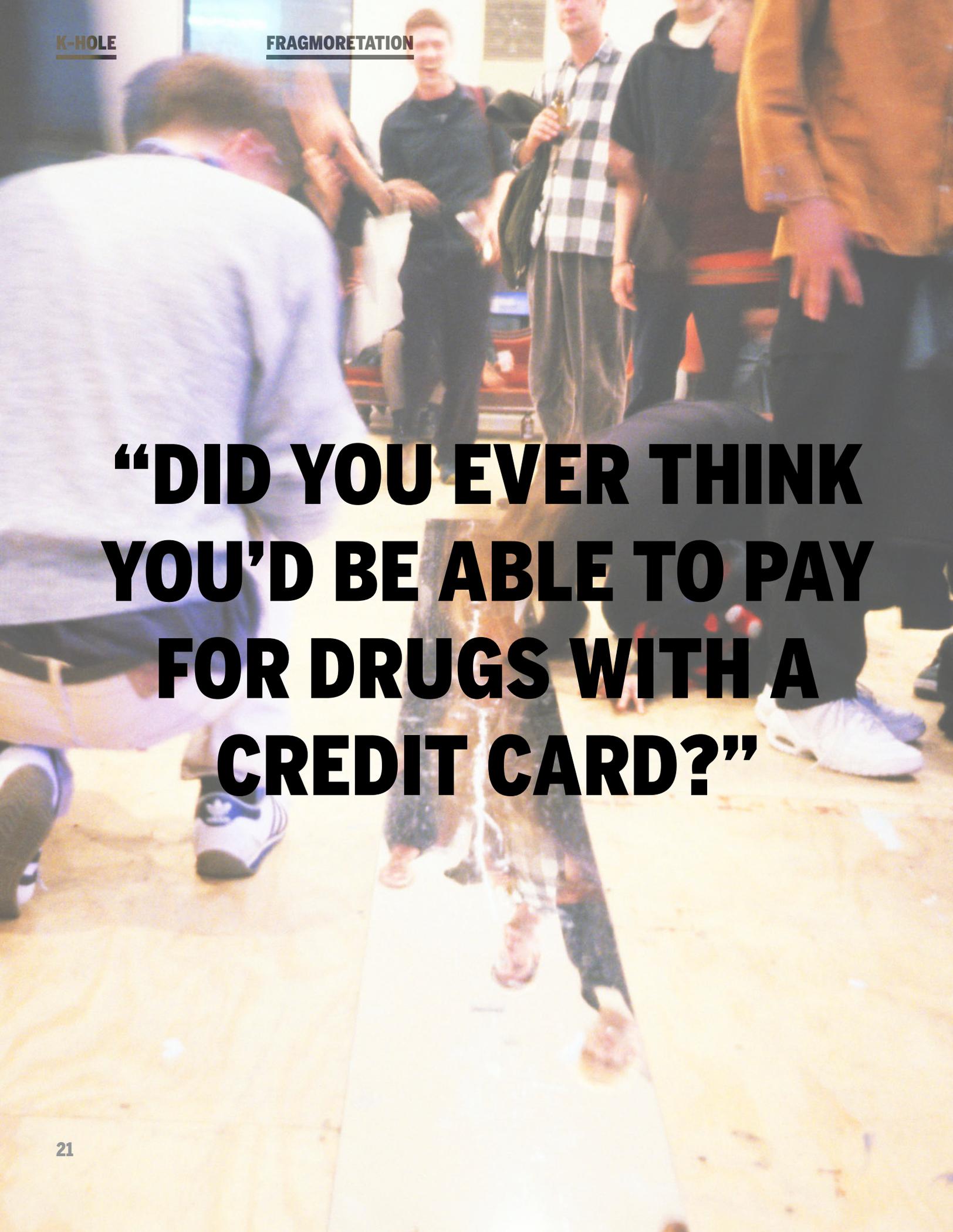
VENMO MONEY, VENMO PROBLEMS

Venmo is a free iPhone and Android app that's designed to instantly send money to your friends' bank accounts like a text message. Intended for the smaller, cheekier sums that make up the financial-social life of the New Millennial, Venmo is an easy, cashless way to pay your friend back for a taco. "As if your phone and your wallet had a beautiful baby," Venmo has rebranded paying for stuff as fun, formulating a new app-driven social game of money.



As a transparent app, Venmo is primed to interface with your existing social networks. Its only content is money. With a phone capable of sending a text message, Venmo can immediately sync your phone number, contacts, social platforms AND bank account into a cohesive interface.

It's easy and fun: you buy me a sandwich, I zap you some cash, and we both become safe consumers who never rip off their friends or get hosed.



**“DID YOU EVER THINK
YOU’D BE ABLE TO PAY
FOR DRUGS WITH A
CREDIT CARD?”**

All at once, Venmo congeals the me-lancing young user into a cohesive, mobile, moneyed unit. Venmo reminds us that our phones are our entire lives plus all of our money.

1. THE NEW POLITE

Compared to dirty money or the clinical glare of your online banking, Venmo transactions are genteel. Venmo avenges generosity and helps negotiate smooth social interactions surrounding money, sheathed by the safe, personal zone of your phone. Venmo is a way to discreetly demand that your friends pay you back for shit.

But what about the vassal/liege relationships, the feudal knots created by the sentence “I don’t have any cash”? Before Venmo, we had three possibilities:

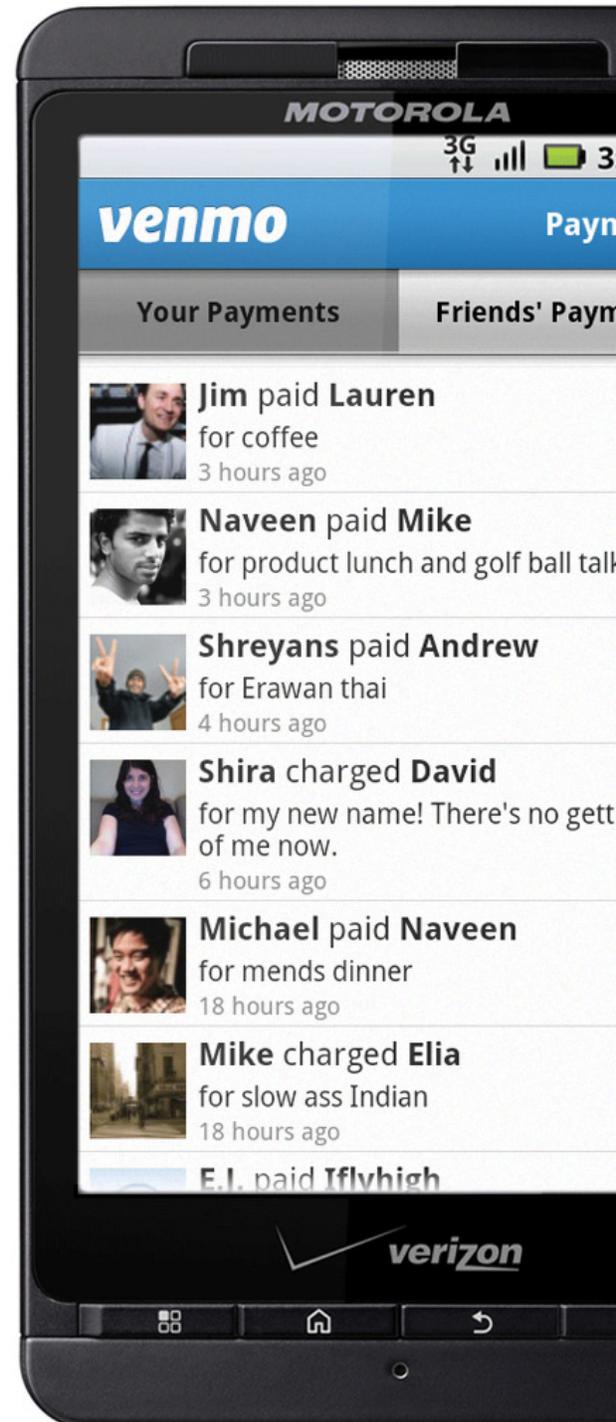
Option A: demand a credit card split (tedious negotiation)

Option B: demand an ATM visit (and go out IN THE RAIN?)

Option C: “I’ll cover you,” or “no problem,” or “don’t worry about it” (how every poor, charming kid finds their benefactor)

So if Venmo attains its vision – a truly cashless society – then in the same motion it will erase the subtle/totally intentional whoring in which the poorer or cheaper party lets the other party cover their tab under the guise of convenience.

An interesting social element of Venmo's structure is the "trust account," in which you can set preferences to allow a particular friend to borrow or take money from you without your pre-approval. Yet this communal pot is still much more controlled than someone's hand dipping into your bag: the Venmo user still can deny the charge immediately if someone oversteps.



2. VEILED ECONOMIES: DRUGS & PROSTITUTION



Because money exchange over Venmo is determined by a community, not an institution, Venmo is the perfect medium for micro-economic transactions: the first, and most exciting, is drug dealing. Did you ever think you'd be able to pay for drugs with a credit card? Since the purpose of a Venmo payment is input by the users, a bag of

MDMA can be a Seitan salad.

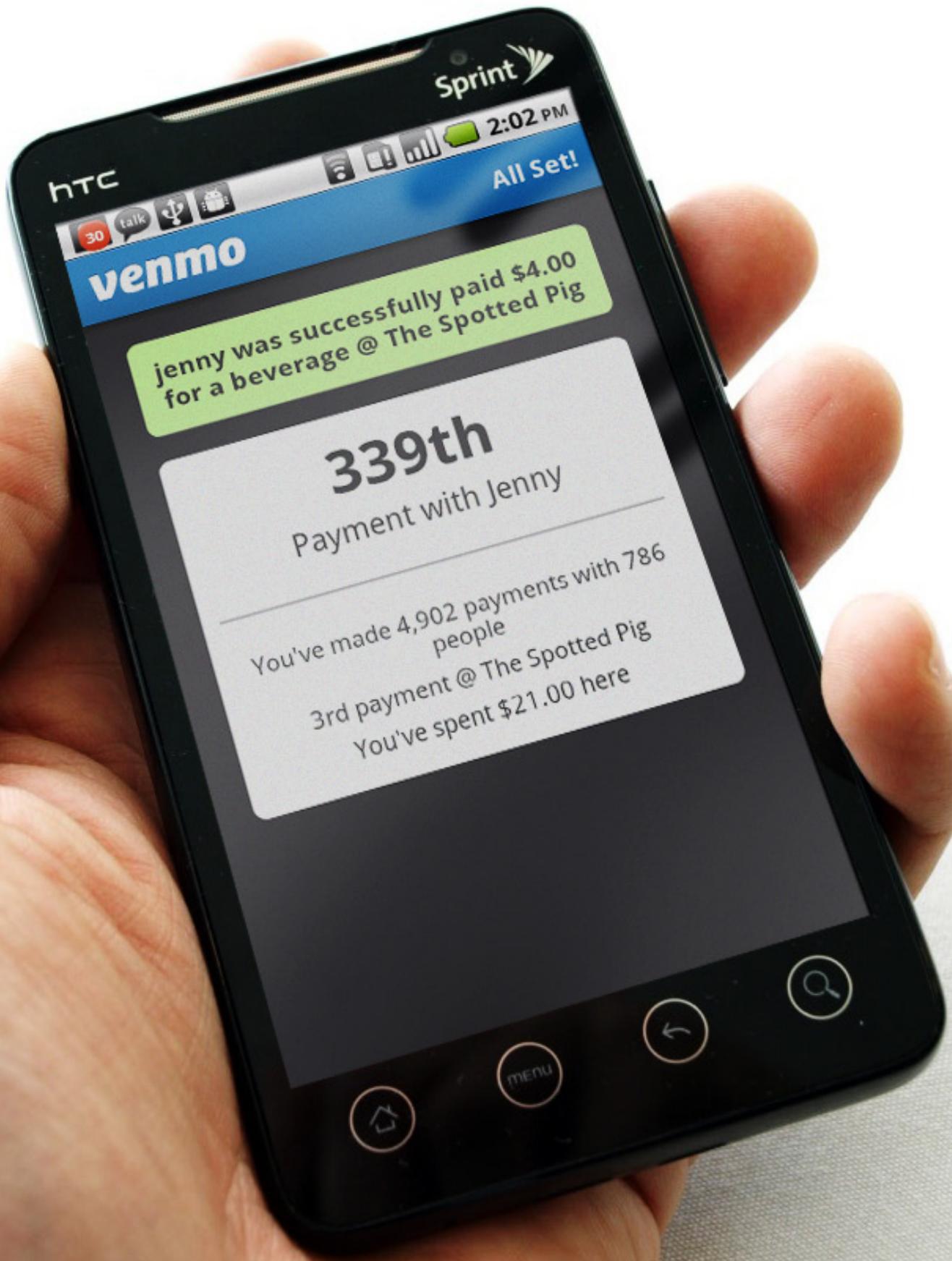
Grindr is a popular gay hook-up app. Using GPS, it locates other users in your vicinity and allows you to chat, send pictures, or throw your beau a Google Map with directions straight to your door.



With the advent of Venmo, you can now use Grindr to find a john, make an appointment, receive directions, and have him prepay enough money for your cab, all while hanging out with your friends in a bar.

Some economies are veiled because they are spread out over space. The add-on GIBI syncs Venmo to Foursquare. With GIBI, you can plant sums of money in certain places for your friends to redeem — you can pay for a friend's latte from across town with just your phone.





VERDICT

One consumer caveat for Venmo is that it's a bit too earnest, too comfortable, as if a young consumer wants to bookkeep her personal life in the same manner as her widgets factory. Venmo assumes a user who wants his balance sheet even. All the same, Venmo has invented that consumer as much as it has responded to one.

K-HOLE ACCEPTS DONATIONS BY VENMO :)

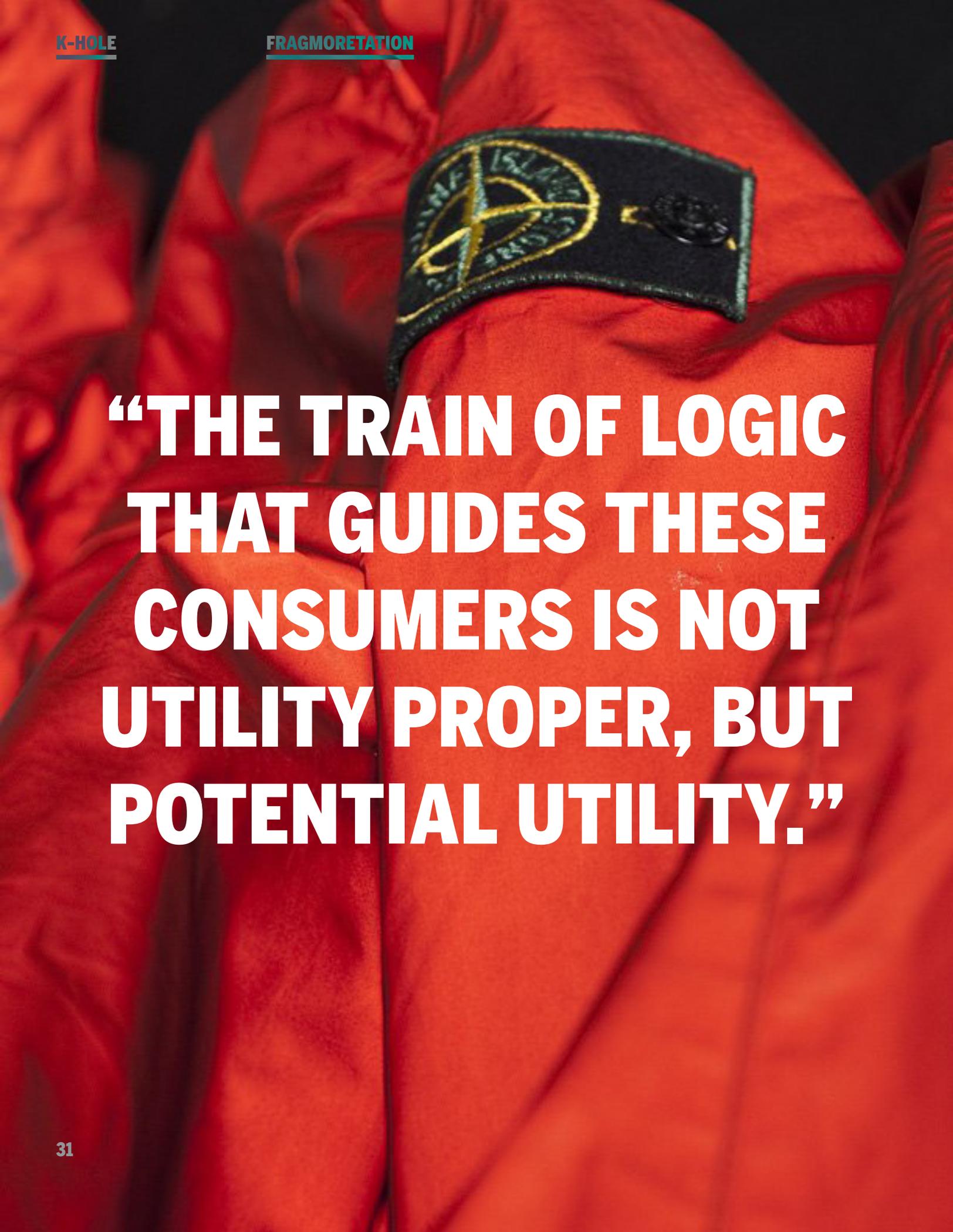


STONE ISLAND

The first line of Stone Island was released in a collection of seven jackets in 1982, inspired by the writings of Joseph Conrad. Massimo Osti, the Italian designer behind the brand chose the word 'Island' to elicit a feeling of freedom and 'Stone' to recall the materiality of the jackets, whose fabrics are produced through exhaustive research and development. Osti's first fabric, Tella Stella, incorporates tarpaulin fabric into sportswear couture, utilizing the simple graphic element of a different color for each side.



At the core of Stone Island's brand ethic is textile development. Osti's Raso Ray fabric, developed in 1983, is rubberized and waterproofed cotton sateen. The 1991 Reflective Jacket has a coating of glass microspheres. The 1993 Thermojoint is resistant to nuclear radiation. At the root of these fabrics lies an immanent threat. They are paranoid jackets of illusion and defense.



**“THE TRAIN OF LOGIC
THAT GUIDES THESE
CONSUMERS IS NOT
UTILITY PROPER, BUT
POTENTIAL UTILITY.”**



Like an animal caught in the forest at night, the Stone Island jacket must respond to environmental hazards. Yet the question rises: exactly what danger is at hand? It is not environmental, but rather a symbolic market threat.

The technological fabrics that emerge from this research are inserted into a market of consumers appropriating a history of military-grade preparation for leisure sportswear. It's a bit esoteric, but in the end not so different from the technophilia that dominates a lot of male consumer spending. The train of logic that guides these consumers is not utility proper, but potential utility.



The counter example, then, to Stone Island is not a traditional jacket, but Uniqlo's Heattech technology. It uses recent technological innovations to respond to such quotidian needs as temperature regulation (Doesn't a jacket already do that?). If your jacket is Uniqlo, it heats up when it's cold; if it's Stone Island it turns into camouflage.



THE CONE

**“MAKE IT WORK
FOR YOU”**



If you were to walk into a room containing the Cone Vibrator, odds are that you wouldn't know what to think. It's definitely noticeable: a 5" tall cone with an 8" diameter base, molded in a soft pink or black plastic. Given a casual glance, the Cone passes off as a vaporizer, a mood lamp, or a MoMA salt/pepper shaker.

The nagging question is what can one do with a cone? In a world of ergonomic objects that fit the contours of our bodies precisely (Earsound custom earbuds, OXO Good Grips, Radius toothbrushes, Aeron chairs), the Cone is ambiguous because it is simple. The Cone is ergonomic in that it's a sex-toy for a body, but not a gendered body — from a design standpoint, the Cone doesn't reflect a body at all. The Cone's neutral design necessitates interpretive use: you have to make it work for you. The Cone's consumer innovates in the dark. You can use it and still do other things (make coffee! take a personal phone call!). It isn't handheld. You put it down and turn it on. There's no wrong way to use it, so you can fool around and get off.

K-HOLE

FRAGMORETATION



**K-HOLE is a trend-forecasting report by a
team of young cultural strategists.**

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