



# The Pop-Up Story Continues

Estimated to be a \$50 billion business in 2017, pop-up stores are evolving and spawning new models

By Joanne Friedrich

Shorter-term leases. Experiential-oriented marketing. The growth of influencers and social media.

These are just a few of the impacts that pop-up stores and their hybrids have had on the retailing landscape. Estimated to be a \$50 billion business in 2017, according to the American Marketing Association, pop-ups have ushered in new brands for established retailers, allowed digitally native sellers to test the brick-and-mortar waters and created a sense of urgency among consumers—better see it and buy it before it's gone—especially if there's a celebrity involved.

In its nascent stage, the pop-up craze was mostly about taking over a vacant storefront and putting in a temporary retail store. Today, said Karen Herman, CEO, design director and disruptive retail specialist for Gustie Creative, the pop-up format is just one of the easiest points of entry into the world of disruptive retailing.

Major retailers have played in the pop-up space for years, from Macy's Marketplace to Wayfair's holiday shops to Target's multiple experiments with the concept. Williams-Sonoma frequently hold pop-up events to launch new partnerships.

Herman has identified more than 30 types of disruptive retailing, and pop-ups are among the most effective, although other pop-up hybrids such as guideshops, where personal assistants aid in making online purchases using in-shop merchandise, and shoppable walls, employing interactive video for a 24/7 shopping experience, are gaining ground.

"We think everyone should have a disruptive retail presence," said Herman, whether it's a pop-up or something else.

"People are bored with shopping on screens," she said. "They are looking to be engaged," and temporary stores, with their marketing buzz and opportunity to see in person something that has often existed only as an image on the internet or is only available for a limited time, "is entertaining and experiential."

Digitally native brands have been some of the most active in the pop-up realm; having tasted success with their online concept, they then branch out into fleeting retail venues to give shoppers a chance to see products firsthand.

Nectar, an online mattress company, chose to make its retail debut as

one of the stores in the BrandBox retail concept at a shopping mall in Tyson's Corner, Va. — not a true pop-up format, but not a traditional retail space either. The company is one of six curated by BrandBox, each with its own flexible 1,500-square-foot space with movable walls. Within Nectar's space are vignettes that let visitors experience the mattress. Unlike a typical mall store, Nectar has just a one-year commitment and BrandBox provides retail support such as analytic data on shoppers and foot traffic.

On the other side of the equation are companies like Flicht Furniture, which used a holiday pop-up shop to showcase its products before launching its online store.

Charlotte Myers, operations manager for Flicht, said the company's participation in a shared space pop-up in Raleigh, N.C., from October to December gave them the opportunity to show and get feedback on their furniture along with other local makers.

Located at the front of the 650-square-foot space, Flicht brought in its stools, plant stands and modular units, Myers said, both displaying them and allowing them to be used as seating and storage for the on-site coffee vendor.

"The main thing was exposure," explained Myers of the rationale behind doing the pop-up "and making connections. It wasn't necessarily about sales," although they did sell some pieces, especially the more portable plant stands.

"I think getting the exposure has helped our online sales," she said, adding "we can definitely see we've had sales because of the pop-up."

Similar to Flicht's experience, where brand recognition was its primary goal, national brands and retailers have used the pop-up concept as a marketing tool, sometimes not even giving visitors the option of making a sale.

Cristina Fernandez, director and senior research analyst at Telsey Advisory Group in New York, said retailers who do one-day events focused on a new product line aren't doing it to sell product, but are just generating brand awareness.

Retailers already committed to brick-and-mortar stores, which encompasses the home furnishings retailers that Fernandez tracks, can employ the pop-up model to improve awareness. "They have the locations," she said. "For them, it's about driving people to their brands."

These retailers, she said, can also use pop-ups to test new markets or locations within existing markets. And they have opportunities by doing in-store pop-up events that may feature local makers or limited-edition collaborations, she added. "It's similar to a flash sale—customers know it's limited and they need to go," she said.

The home furnishings retailer has a tremendous opportunity in this category, said Christina Norsig, CEO and founder of PopUp Insider. "Tabletop and home have not really tapped into their full potential," she said. She noted a Lladro pop-up in the Hamptons last summer as an example of what can be done. The brand also showcased its porcelain at pop-up shops at Tyson's Corner and in Costa Mesa, Calif.

"A lot of times, it's a market test," said Melissa Gonzalez, CEO and founder of Lioness Group and author of "The Pop-Up Paradigm." Brands and retailers using pop-ups can gain insights into merchandising, marketing, which SKUs are moving, which promotions are driving sales. "I think there's a lot you can learn," she said.



*Above images: Flicht Furniture used a shared holiday pop-up shop to showcase its products before launching its online store.*

*Left: Karen Herman, Gustie Creative: Pop-ups are the easiest point of entry to disruptive retailing.*

## COVER STORY: POP-UPS

And often times, that can result in adopting a conventional retail model. “Thirty percent of our clients are pop-up to permanent,” said Gonzalez.

With brands such as Dormify, however, which is focused on the back-to-school market, it makes sense to be a pop-up retailer because they operate on a seasonal model, said Gonzalez.

Collective models, like the one Fitch participated in, are another area more brands are exploring. While there are obvious benefits to being in a shared space—lower costs, common staff—brands still need to have clear point of view. “A collaborative model is good if it’s curated,” Gonzalez explained. “You can co-promote each other without competing.”

One example is Batch, a collection of home and lifestyle brands with locations in New York and San Francisco, she said. The curated collection changes every six weeks, mixing furniture and rugs with clothing, pet supplies and accessories.

As the pop-up model matures, duration has also fluctuated. Most observers said three to six months is now the typical timeline for a pop-up—longer than the original model. The Citizenry, which sells textiles, home décor, tabletop and furniture and which Gonzalez helped open, was supposed to be open just 22 days, she said, but extended its physical stay in New York to six months.

Likewise, the advent of pop-ups means retailers aren’t being tied to long-term leases. “It’s no longer the case that a brand needs to sign a 10-year lease,” said Norsig. “It’s now an industry norm for brands to do a temporary lease to test a neighborhood or introduce a concept.”

Nor is it about staying in one spot. Mobility has entered the pop-up domain with vans, trailers and other conveyances bringing events to shoppers. Mattress brand Allswell is currently doing just that with a tiny home on wheels that is traveling from New York to Seattle, making stops along the way for people to check out the mattresses, while creating a social media stir. In some instances, Allswell is teaming with brick-and-mortar retailers, as it did in Nashville, parking in the lot of Draper James, the store owned by celebrity Reese Witherspoon.

Celebrity has had its own impact on pop-ups, whether it is personalities such as Ayesha Curry opening a pop-up at Jack London Square in Oakland, Calif., or brands using celebrities and influencers to drive people to their temporary location or event.

“Celebrity and influencers are big from some brands,” said Herman, who advises retailers to have a social media marketing strategy tied to their pop-up. “Make it visual, with good pictures of the product,” she said. And skew the social channel to the demographic you’re after, she said.

Pop-up retailing continues to evolve, said Norsig, and marketing is a big part of that. “The biggest trend I see are pop-up activations—really marketing initiatives—with a major push toward Instagram followers. The link between pop-ups and Instagram exposure is huge,” she said.

The use of technology will also increase, said Gonzalez, with more ability to collect and track data and use it to refine concepts. ●



*Above and left: Pop-up durations fluctuate. The Citizenry was originally supposed to be open for 22 days in New York but wound up doing business for six months.*



*Above and left: Celebrity chef Ayesha Curry opened a one-month pop-up at Jack London Square in Oakland, Calif., in February.*



*Online mattress retailer Nectar made its brick and mortar debut in BrandBox in a Virginia shopping mall.*