

Now you see it... now you don't. How pop-up stores add to the retail mix

By *The ARA Retailer* editor Andie McMaster

The retail industry is facing a series of stresses on doing business. One of these is the rising cost of tenancy, especially compared to the overall lack of sustained increase in retail turnover.

Like most successful business owners, retailers realise they need to come up with new solutions which not only keep costs down, but also work to meet consumer demand. Pop-up stores are something of a phenomenon and have (quite literally) popped up more and more over the last few years.

Designed to be temporary, pop-up stores have appeared in shopping centres, on shopping strips and in other locations where foot traffic is guaranteed.

Scott Williams, founder and principal of shop fitting business instant retail told *The ARA Retailer* there were many types of pop-ups, as well as countless reasons why retailers choose to set up these temporary fixtures.

Some of these retailers include online businesses who want to have an occasional physical presence, or retailers testing out a new area- they can use a temporary store to test the location, demographic, mix and range, and are able to do this without signing up to a long lease.

Williams says globally he has seen large retailers who have a permanent store under construction, and while they're waiting for its completion open a pop-up store around the corner either as an example of what's to come or as a way of announcing the opening of the new store.

Williams also points out there are varying degrees of pop-up stores. "The [pop-up store] industry has grown over the last two-and-a bit years and there are certainly more temporary installations.

"Some I wouldn't classify as pop-up stores. For example, some are really just a warehouse sale trying to get rid of stock, with only bundles of clothes on a rack. I have seen more interesting installations over the past few years and they are becoming more sophisticated in what they do with the installation," Mr Williams said.

Williams explained these days pop-up stores aren't just a bundle of clothes on a rack, but stores which look appealing, have good signage and are backed up by marketing, promotion and social media.



Sally Trainor, World Vision



"They [pop-up stores] have become more mature and sophisticated and tell the whole story about the brand. The objective should be to enhance the perception of your product - that's marketing," Mr Williams said.

A few years ago, World Vision embarked on a pop-up store strategy, putting up temporary structures in various places around Christmas and winter time. National Retail Manager for World Vision Sally Trainor said while around 80 percent of World Vision's pop-up stores were in shopping centres, they were also set up in places such as corporate buildings to target a specific audience.

Ms Trainor said the pop-up stores help achieve the ultimate business objective of raising money for the poor and engage with both new and existing audiences.

"With pop-up stores, we like the flexibility of being in the right place at the right time, without being tied into long term leasing arrangements.

"We can also be really targeted with where we put our pop-up stores - for example, if we want to target youth or teenagers we might set up near the cinemas rather than where the fashion stores are. We have a great relationship with Westfield, and rely on such quality partnerships to roll out an effective pop-up store strategy," Ms Trainor said.

Opening for anywhere between four and eight weeks as part of an overall retail brand strategy, World Vision pop-up stores have proved to be an effective way for the company to stand out in a cluttered environment and be present in an area where people want to spend time. Ms Trainor pointed out the benefits of having a brand presence not only to raise money and make it easy to engage with people, but also to thank existing customers for their very generous support.

Scott Williams identified a market for products which supported pop-up stores and temporary installations due to

the growth of the pop-up store industry.

"My personal background is in design and exhibition management [as well as shopfitting]. I know how to do a temporary installation and take it away again, and I can do it without leaving any marks or footprint. That's the trick - it has to be able to be moved in and out quickly and efficiently without a trace.

"I saw pop-up stores as a global industry opportunity. At the moment in Australia if you want to do a temporary installation you have to source the materials from many different places. Instant retail is a one-stop solution and the more we do it, the more of a network we have with the venues and suppliers, as well as knowing what works and what won't work," Mr Williams said.

ARA Executive Director Russell Zimmerman has also witnessed the growth and improvement of pop-up stores over the years, and says the opportunities don't stop with the business opening the pop-up store.

"Pop-up stores and temporary installations often increase foot traffic and reignite interest in a particular precinct because they offer something new to the consumer, so the advantages extend to surrounding retailers.

"This has obvious flow-on effects for permanent retailers in the area, who can take advantage of more people in the area spending money and the benefits for tourism as the area is again seen as a destination.

"The retail space is more than just a place where people come to buy goods. People come to socialise, engage with their surroundings as well as travel to different places as destinations. It makes sense from a branding point of view to ensure your business is taking full advantage of this tourism opportunity," Mr Zimmerman said.

Scott Williams added that it was better and more attractive when shops were full and operational, both for people in the area and also as an advertisement for others to open a store in that area.

"Pop-up stores are a win-win situation for retailers and landlords - and also consumers. Fashion brands and retailers can launch a new range or move stock quickly, and landlords are provided with an opportunity to promote an otherwise dark and empty shop. Buyers are drawn to pop-ups because of their temporary nature; they are often highly original in concept and create talkability for the brand and also for the neighbourhood," Mr Williams said.

Mr Zimmerman added, "Permanent retailers might think about opening a temporary pop-up stores in a different area, as part of a marketing strategy or simply find creative ways to leverage off the new customers and increased foot traffic in their area due to new and exciting shopping options."

Following on from our chat with World Vision's Sally Trainor, the people at World Vision sent us a follow up statement as they implement their pop-up store strategy in the lead up to the Christmas season:

"During the festive season, our stands focus largely on promoting child sponsorship and the World Vision Gift Catalogue. They provide a great environment to talk to the public about our work and the lasting difference sponsoring a child makes to poor communities around the world. In addition the retail stands have twelve different gift cards available. The cards represent a gift that shoppers can buy so their friends and family and family can help those less fortunate this Christmas. There are stocking fillers like pencils at \$5 which are provided to school children who may otherwise not have access to even something as basic as a pencil or the gift of a goat for \$40 whose milk provides valuable nutrition for children and can also be used to make cheese and yoghurt. To draw attention to the gifts available, the stands will have a cute plastic pig that we hope will make people stop to find out more."

Retailers who want to learn more about pop-up stores can visit Scott Williams' blog: www.popupshopsmelbourne.com.au.

For more details on World Vision's retail operations, head to <http://www.worldvision.com.au/Give/ShoppingCentreLocations.aspx> ■



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