



Look What's POPPING UP All Over

They can be temporary or long-term, a store, a fixture or even a digital screen.

By Steve Kaufman, Editor-at-Large

Gilt.com, the fast fashion e-tailer, has been tinkering with physical retailing for a while. Its Gilt City Warehouses have been going into vacant urban storefronts in major cities, like New York and San Francisco, and running two-day warehouse sales of excess merchandise that hasn't been snapped up in its online "flash sales."

While the primary objective is to clear its warehouses of merchandise, this pop-up strategy is also a way to collaborate with its brand vendors, promoting their presence while also producing additional revenue for the company.

Win-win.

But Gilt recently tried for a win-win-win with a longer-term pop-up presence near its major fulfillment center in Shepherdsville, Ky. Last year, it took over an empty former Borders bookstore in a nearby Louisville shopping center for a full month.

"We had never done a physical retail venture



for more than a couple of days," says Chris Halkyard, chief supply officer, Gilt Groupe (New York). "And we'd never opened it to the general public." (Its Gilt City stores are by "ticket only," much as the Gilt site is "member only.")

The proximity of a warehouse full of merchandise makes the longer-term pop-up efficient and cost-effective. "With our warehouse nearby, the store's stock can be replenished easily, on a daily basis if necessary," Halkyard says. "And keeping our distribution costs down allows us to discount this merchandise even more deeply than we do on our website."

Pop-ups are an increasing phenomenon, whether online retailers are trying to clear out stock, or traditional retailers are launching holiday promotions (Christmas and Halloween have been the most active seasons), or brands are seeking a presence during an event, like the annual New York Fashion Week every February.

Samuel Langley-Swain, insights manager, Green Room Retail Design Ltd. (Birmingham, U.K.), says pop-ups have evolved into a high-performing retail channel "that allows brands to examine their marketplace and audience interaction, as well as the opportunity to provide elevated sales levels and immediate

brand exposure, or just trials or samplings."

It's also a testing strategy for retailers launching a new retail concept or e-tailers experimenting with a brick-and-mortar presence before making a commitment. Bonobos.com has recently opened brand shops in seven Belk department stores. "It gives us exposure to the South, where we're a little under-penetrated," Bonobos President Brad Andrews says. "And the shops will help provide insights where and when we might someday open our own stores."

NastyGal.com is looking for its first retail site, in Los Angeles. "One of the benefits of being online first and now going into retail is that we aren't burdened with the legacy systems that big retailers have," founder Sophia Amoruso told *Women's Wear Daily*.

Certainly, there are landlords with plenty of vacant space. The website storefront.com has comprehensive listings of all retail spaces for short-term rent in major U.S. cities. A recent visit showed 134 available spaces in New York, from a \$200-a-week shelf in a SoHo store to a \$25,000-a-day hall in Grand Central Station.

And there were 158 spaces available in San Francisco recently, from 17,000 square feet in the Financial District for \$114,000 a month to \$50 a day for a sidewalk table between Whole Foods and Trader Joe's on Polk Street.

Left Vans' Off-the-Wall's pop-up store coincided with a two-week skating event in London's Spitalfields Market. The skatewear installation, in a former art gallery on Brushfield Street, referenced the "spit and sawdust" pubs of Victorian England.

Above The Body Shop's 1000-square-foot pop-up store, designed by Green Room, was prominently positioned at the annual Goodwood Vintage Festival in Chichester, U.K. The idea was to honor the brand's heritage.



POPPING UP AT AIRPORTS

And then there's the new pop-up opportunity at San Francisco International Airport, part of the airport's complete redesign of terminals 2 and 3. The concourses include two 300-square-foot spaces adjacent to the waiting areas and restaurants.

"The idea was to create an envelope for pop-up retailers who could afford a small financial investment for a short term," says Melissa Mizell, senior

associate and design director at Gensler's San Francisco office, who was part of the airport design and strategy team.

The idea was also to feature local, non-traditional retail names that already had an existing concept somewhere in the Bay Area.

The first two pop-up occupants were Collector, a Berkeley, Calif., art gallery focusing on hand-

made jewelry, paintings, pottery and gifts; and McEvoy Ranch, a local purveyor of olive oil and body care products that had a small, Gensler-designed store at the San Francisco Ferry Building.

The airport provides some wall fixtures, "but McEvoy went beyond what the airport provided," says Gensler Principal Michael Bodziner, "bringing in some of its own branded loose fixtures for an elevated brand presence."

But even for those without their own store components, the project allows for a minimal investment, making it attractive for small local businesses that can benefit from the exposure. (Even the terminal's newsstand is run by a local company.)

"And if it doesn't pan out, it has been for only a limited time," says Bodziner. "Either way, the brand

exposure is considerable, like buying a billboard on Hollywood Boulevard."

Or maybe even more. Mizell says Boarding Area E alone has the potential for 1.9 million visitors each year.

"I think there's something refreshingly unexpected about a pop-up," she says, "especially in an unconventional experience. It grabs people's interest. There's an element of surprise."

SELLING IN THE SUBWAY

Pop-ups have been in inline stores, kiosks, shop-in-shops, carts, tables, tents, individual fixtures, counters and even digital presentations, like the virtual supermarket called Home Plus that British retailer Tesco established in South Korean subway stations. The concept is aimed at the country's more than 10 million smartphone users.

The store's "shelves" are product pictures featuring QR codes, so the shopper can use her phone to scan her choices and build a shopping basket while she waits for her train. Deliveries are measured in hours, or even minutes, rather than days.

THE ANYWHERE, EVERYWHERE SHOP

"As consumers become more used to purchasing 'anywhere,' their perceptions have definitely changed," says Green Room's Langley-Swain, whose firm is one of Europe's leading experiential design practices. "They have become more accustomed to the pop-up as an integral part of the purchasing funnel."

However, he cautions that retailers should put as much design thought into pop-ups as into full inline stores. "When considering the pop-up activation, brands and retailers need to be mindful of the overall journey to and beyond the pop-up experience," he says. "Building hype and awareness through in-store, digital, social and above-the-line (ATL) channels will not only avoid the pop-up becoming an isolated, deflated experience, but also allow visitors to extend the brand experience beyond the pop-up itself." ▀



Top Collector, a Berkeley, Calif., art gallery, took one of the two dedicated pop-up spots at SFO's renovated Terminal 3. It's an affordable, short-term commitment for a chance to reach a million passersby.

Above San Francisco's McEvoy Ranch grabbed the airport's other pop-up envelope for its olive oil and body care products. Though fixturing is provided by the airport, the retailer brought in its own branded merchandising system.