Pop-Up Stores: the New Flagship Retail Model

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Pop-Up Stores: the new flagship retail model

Definition:

A shop or store that is set up and opened for a relatively short period of time.

The term “Pop-up” comes from the idea of “popping up” - stores that can suddenly appear one day and possibly disappear the next day or soon after.

Scope: Operations in shopping centres and city centres, in corners of department stores and in major transit locations.

Methodology:

This qualitative study is based on data from a permanent IFLS watch on trends in retail and shopper behaviour, from interviews with experts, brand and retailer managers, and managers of shopping centres, downtown and transit areas. The IFLS works constantly with all these players to support them as they build tomorrow’s shopping experience.

It is based on the analysis of over 50 recent pop-up stores (2012-2015)
What is a Pop-up Store?

A communication operation in a location featuring active animation and demonstration, etc.

A new, temporary shopping adventure in town & city centres, shopping centres, transit areas in commercial locations or in public places.

A new physical retail format that can build on the link between consumers and shopping brands and pure players in a festive (or other) shopping relationship.

Suitable for all sectors
Fashion
Sport
Food
Automotive, etc.

And all product range levels
From hard discount to luxury
A Growing Phenomenon

• First appeared in the United States in the early 2000s.

• All players began to be interested in them.

• Consumers appreciated the concept.

• A majority of commercial pop up stores.

• Over 360 operations reported in Europe since 2008 in the fashion, sports, accessories and cosmetics sectors. (Source FashionMag)

• Over 50 recent operations analysed by the IFLS.
Reasons for Their Success

A hybrid concept

**Street Marketing and Events**
- Sampling
- Beach events
- Tour de France
- Concerts and sports competitions

**Pop up stores**
- Commercial (or not)
- In towns, seaside and mountain resorts, shopping centres etc.
- Demonstrations, tasting sessions

In line with consumer trends.

It corresponds to the need for the rapid renewal of products on offer, so as to capture consumers with a penchant for zapping.

Consumers have become accustomed to regularly discovering new versions of their favorite websites.

It meets the expectation for new physical shopping experiences with an event-like dimension that appeals to the under-35 target demographic.
Excellent communication media

- Product launches, to extend ranges by sampling, product testing.
- Build or boost reputations.
- Pop-up stores are a fashionable way to attract consumers and generate buzz about a brand.
- Synergy with a media and online communication campaign.
- Feeds brand content to social networks.

Agile retail format

- Test new concepts and locations.
- Occupy empty neighbourhoods and revitalise town centres.
- Animate shopping centres, town centres and transit areas.

Experiencing a location

- Provide consumers with a unique, new, rare and personalised experience. This corresponds to a genuine consumer expectation.
- Create a physical link between brands, consumers and pure players.
A New Format Attuned to Commercial Fundamentals

Pop-up shopping attuned to new consumer trends

When shopping creates events
New retailers and shopping centres capture footfall

The marketplace mindset

Busy activities in city or shopping centres, train stations, etc.

The euphoria of short-lived sales opportunities increases the urge to buy
Big exhibition-fairs such as the Foire de Paris are beating records for revenue
A New Way to Link with Consumers

From virtual to real...
From an online to ... a physical experience

Internet & Social Networks = Videos, chats, online games
E-commerce

Pop-up Stores
Food trucks
Escape rooms
Animations / Tasting

A unique way to play on scarcity
Itinerant so as to build an online saga

• Consumers have become primarily Internet users. Getting close to them means using brand or retail sites, social networks and video platforms. Yet brand content cannot only be built on a virtual relationship mediated by animated films or games. It also needs to take on a physical, experiential dimension in stores, on the street, and during sports or cultural events.

• Video games also need this physical experience, hence the success of escape rooms that immerse the player in a setting where they have to solve puzzles.

• Food trucks and pop-up stores are ways of getting closer to consumers independently of shops in a more festive and less market-driven relationship.
Consumer Expectations: Main Results of the Ipsos Poll on Pop-up Stores for HopShop
83% of urban consumers aged 16 and over would like to:

"Make unexpected and original discoveries when they go shopping outside large retail chains,"

82% consider that:

"Shops that keep changing are better than unoccupied commercial premises."

As for stimulation and events, there is a satisfaction rate of:

• 55% in city centres
• 54% for shopping centres

Source: IPSOS for HopShop
Online survey from Ipsos' Access Panel. December 2014
1,008 individuals surveyed, aged 16 and over living in urban areas of 100,000 or more inhabitants.
• Customer satisfaction with local shops is very relative.

• With respect to access to shops (transport, traffic, etc.) the satisfaction rate among urban dwellers is high: 83% for shopping centres, 77% for city centres.

• Urban dwellers are less enthusiastic about product offerings. 43% are satisfied with the opportunity to discover something new and see and try out lots of products in local neighbourhoods.

• The desire for novelty is also not fully satisfied. 69% were satisfied with the ability to see and try out new products in shopping centres and 59% in town/city centres.

• With respect to stimulation activities and events, urban dwellers are fairly underwhelmed (54% satisfaction rate for shopping centres and 38% in neighbourhoods).
• There are many consumer expectations.

• A high rate of 91% of consumers feel that the main drawback with the Internet is not being able to touch and try out products before ordering them.

• 83% of them would like to make unexpected, original discoveries when they go shopping outside the large chains, would appreciate more variety in terms of retailers and brands, and believe that shops that change often are better than vacant premises.
Q. Have you ever seen a "pop-up" store i.e. a shop or store that was only set up and opened for a deliberately short period (just days or weeks)?

Yes, several times 31%
Yes, once 23%
No, never 46%

Yes 54%

Pop-up shopping is already well-established in urban purchasing practices. 54% of urban dwellers have already seen a pop-up store and among these 31% are used to them.
These Shops Generate Very Positive Emotions.

- People are intrigued (68%), surprised (65%), looking forward to discovering others (56%), and amused (53%).
- Consumers are even disappointed ... that pop-up stores do not remain open longer (51%).
- Pop-up stores also help boost the consumer image of the brand (45%).

79% of urban consumers think that the number of pop-up stores will grow in the coming years.
**Q. Do you think that there will be many more pop-up stores in the coming years?**

Nearly 80% of the consumers surveyed are convinced that the number of pop-up stores will grow in the coming years. This shows consumer maturity about a recent phenomenon. It also shows how strongly pop-up shops have become a contemporary phenomenon in terms of the consumer experience, the rapid renewal of products, and a vibrant sense of activity in city centres, shopping centres and local neighbourhoods.
Location is a key criteria for a pop-up store. It will determine footfall, and its particular characteristics will (or will not) amplify the buzz around the pop-up store.

- Downtown / Historic Area
- Thoroughfare
- Business district
- Shopping centre
- Department store
- Holiday resort / Festival / Concert / Sports Event
- Vending vehicles and food trucks
City Centre Challenges

STRONG POINTS

Effective for boosting brand visibility
Testing a location
Generating sales
Creating a link to an online sales site.

WEAK POINT

Strong competition from local on-site shops all year, which can damage a brand that lacks a reputation.

A special target:
City centres tend to attract tourists, over-50 year olds ... and the under 30s.

Uniqlo
Testing a Uniqlo shop in the Marais (Paris), before the opening of its flagship store at Opéra. Each week, a special theme plus live music and entertainment.
**STRONG POINT**

High footfall, with a high revisit rate.
Relatively longer visiting time.
Stimulation activities offered by the shopping centre to improve the buying experience.
Easy access

*Increase in empty premises in shopping centres can stimulate rent negotiations.*

**WEAK POINT**

More family-based and lower-income population.
Shopping centres are struggling to attract high-income groups

*There are two kinds of pop-up stores: those in an empty unit, and those in a shared area of the shopping centre, which is much more interesting in terms of footfall.*

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**Kindy**

Installing a temporary shop in the Les Quatre Temps shopping centre in La Défense.
December 2014.
Aim: To increase the brand’s visibility and spread information about the new e-commerce site
Transit Area Challenges

STRONG POINT

Retailers are expanding the number of innovative projects due to high consumer traffic in these areas.

The operation must be quick and easy to understand, with an open space and a clearly visible entrance/exit (apart from airports which have the advantage of much longer consumer visits)

High footfall areas make it possible to give a different brand experience to these captive consumers.

Oxybul

The Oxybul shop on the square in front of the rail station in Lyon just before Christmas.
Aims: expand its audience and broaden brand awareness.
Also, test a new POS system and touch screens.
Duration: 3 months
Sales: 1,000 per week
Ingredients for Success
Anticipate and Size the Operation Effectively

Work hard upstream of the event

Find a premium or high-traffic location, plus the ability to rent it for a short period (short-term lease), or a site devoted to pop-up stores.

Get your staff on-board (excellent way to communicate internally)

Install the pop-up store and a payment system if shopping is planned.

Use temporary staff or staff from your business

Prepare communication and media relations.
Leverage Originality and Rarity

- The success of pop-up stores is largely associated with the curiosity they generate among consumers.

- Novelty, a limited opening time, and the rarity of the value proposition, all encourage consumers to visit a concept where each model is different. The sense of commercial euphoria is similar to that found at trade fairs and exhibitions.

- The consumer’s brand experience is the vital ingredient. To turn consumers into brand ambassadors, they must feel that the story they are being told is absolutely authentic.

- It must be sufficiently intriguing and offer a unique experience to consumers while maintaining the brand’s individual codes.

- Being creative is absolutely key.
Many pop-up stores are not commercial. By removing the retail dimension, they simply become effective communication media.

For commercial operations, selling on the spot is an important dimension. Monetization provides a complete new purchasing experience.

Purchasing is more involving for the consumer in their relationship with the brand than simply being given a sample.

The more involving the relationship with the brand, the more easily consumers become brand ambassadors on social networks.

The pop-up store must provide an exclusive yet limited offering for a "unique" purchasing experience. It must feature brand universe-related animation activities.

Adidas Pop-up Store

Pop-up store in London shaped like shoe boxes to celebrate the Stan Smith.

With an exclusive collection and the ability to customize one's Stan Smiths.

Communication on Twitter where consumers can win customized Stan Smiths.
It is worthwhile including digital tools to give a innovative feel to brands and retailers.

To get closer to consumers, pop-up stores use the same tools (tablets, etc.) and allow pop-up store customers to comment, share, try on, and register.

There are various applications: Facebook, Twitter, online ordering, product customization, contests etc.

By creating connected pop-up stores, the brand becomes multi-channel. For consumers there is a link between the two. All they have to do is take advantage of the brand experience.

Camper and Vitra pop up. Weil am Rhein.

The pop-up project tells several stories. It presents Ethical Fashion that showcases the work of craftspeople from Ethiopia or Haiti, in collaboration with Camper. It also features a shoemaker who will craft shoes on the spot.

The pop-up also aims to test new concepts such as consulting the various models and the origin of their design on digital media, and make a customized sole using an optical scanner.

*It embodies the entire brand universe*
Social Media and Networks take Priority

Media relations to boost visibility

The limited opening time should encourage journalists and bloggers to quickly publish information and could lead to high media impact concentrated on a short period.

Publishing on social networks

Pop-up stores generate rich content that can be transmitted via social networks to feed and mobilize the brand community. This also helps to maintain a link with a community once the event is over.

The powerful relationship with the consumer during the event can therefore be sustained.
A strategy needs to be developed ahead of the event to plan for pictures, animation activities, quizzes and other easily linkable elements.

Twingo Pop-up Store
To grow closer to a young, female audience, Twingo set up a shop near the rue de Rivoli in Paris. T-shirts and hoodies were created for the occasion and could be won in exchange for messages on Twitter.
Test-driving the new Twingo was on offer.
Expect Considerable Benefits

Reputation and top of mind

Create buzz around a brand on social networks

Revenue for commercial pop-ups

Sell off stocks

Collect data for connected pop-up stores

Test new products or locations

Customer reviews

Calculate ROI

The ROI of a pop-up store is not calculated solely by revenue, as the operation also aims to create buzz or collect consumer data. At the beginning of the operation, focus carefully on what the goals are and how to measure them.

- Revenue
- Assess media coverage
- Measure visits to sites and traffic on social networks
- Watch and listen to consumers. Collect their opinions on products or on the store concept.
- Measure consumer attachment to the brand.
For Brands

Reputation and top of mind.

Test innovations

Due to the ephemeral nature of the pop-up experience, it is a less risky method for brands to test an innovation, which in turn encourages them to be more creative.

Consumer reviews of these novelties are also easier to obtain. Pop-up stores are good testbeds for product innovations, but also for merchandising, customer services, and sales techniques etc.

The Kenzo pop-up store in the Marais in support of the Blue Marine Foundation association that combats overfishing. On a screen, customers choose a model from the collection and leave with a ticket to validate the purchase online. March 2014.
For Pure Players

Videdressing.com, the first community website for “wardrobe sales” switched from virtual to real in the spring of 2015 by launching a tour of major French cities with a fashion truck offering more than 400 vintage pieces. The event was widely reported by fashion bloggers.

A physical connection with the consumer and between the consumer and products.

The ability to purchase and return the product immediately.

Reassurance as to the retailer’s seriousness.

Boosting reputation for recent players
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