RETAIL POP UP STORES 4 YOU!
POP-UP shops are a new phenomenon worldwide.

What is a Retail Pop-up Store?

Essentially, a store will open for just a few days, weeks or months purely to give a shot in the arm to a shopping centre or shopping strip.

It also gives the retailers a low-cost way to show their wares and test a new outlet without the heavy overheads of a long-term lease.

The concept works, says a new study. CBRE's *Retail MarketView* report shows that pop-up shops have helped fill vacant stores on some of Melbourne's most prominent shopping strips.

They have also given retailers and landlords the chance to focus on new marketing and brand initiatives in the tough retail environment.

CBRE's associate director, retail services, Max Cookes, said growing inquiry from pop-ups, combined with strong demand from international retailers, had helped keep the vacancy rate on Melbourne's prime strips at historic lows despite poor consumer sentiment.

The report shows that the overall vacancy across Melbourne's top 10 retail strips fell to 3.5 per cent over the second half of last year, with the most marked decrease on Bridge Road.

Mr Cookes said retailers benefited from the low upfront cost while testing the market or clearing excess stock. ''At the same time, landlords benefit by avoiding vacancy while letting tenants try before they buy or while waiting for the right long-term lease deal or concept,'' he said.

The pop-up is not just a Melbourne phenomenon. This year in Sydney, cult California fast food chain In-N-Out Burger had a pop-up store at the Potts Point restaurant Barrio Chino that opened for just a few hours (with a wait time up to 90 minutes).

Mr Cookes said the concept had become popular among brands targeting the youth market, which liked the spontaneous nature of what was often regarded as a retail ''event'' - the idea of here now, gone tomorrow.

Retail analysts had dubbed shoppers who flock to pop-ups as ''transumers'' who enjoy transient, temporary shopping experiences, he said.

What does The Retail Factory do?

We are the Retail POP UP Stores experts in Australia.

The Retail Factory has been leading the Retail POP UP segment through the research, development and execution of Retail POP UP Store programs that work for you!

We have tried and tested Retail POP UP concepts with key customers like Telstra for over 12 months to be which we have refined the programs to get you the real results you are after.

At The Retail Factory we are the one stop shop for all your Retail POP UP needs:

1. Source space options in Shopping Centres for a Retail POP Up site for you.
2. We design and manufacture the Retail POP UP elements for your brand.
3. We arrange installation and removal of POP UP stores.
4. We manage the ongoing storage and maintenance of your Retail POP UP stores.

For all your Retail POP UP Store needs … Contact The Retail Factory on 4735 8411 or contact Tom Bilinski on 0432 553 113.

FAD OR FOREVER

Retail analyst MICHAEL BAKER examines retail's flavour of the decade — the pop-up.

#6: POP-UP STORES

"Pop-up shops are a way for retail brands to expose and test their products in markets without first committing to a long-term lease."

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Pop-up shops, I hardly need to explain, are temporary stores set up by retailers in conventional locations such as shopping centres, or unconventional ones such as the "Very Small Mall" shipping container that General Pants trucked in to last year's Splendour In The Grass music festival in Woodford, Qld.

Once considered quirky and edgy, the pop-up phenomenon has now become mainstream. And with Australian retail in a stubbornly prolonged funk, concepts that have been demonstrated to work for both retailer and landlord in hard times are pure gold.

The first thing to understand is that pop-up shops have their roots in marketing and research, not sales. They are a way for retail brands to expose and test their products in markets without first committing to a long-term lease.

E-commerce can perform a similar function, of course, but there is nothing quite like the buzz you can create around a brand by putting exciting merchandise right under the consumer's nose in an unexpected manner.

That's why American burger chain In-N-Out Burger used a cafe in Sydney's Kings Cross to test its wares on local consumers. (They were all sold out of burgers in a single morning.) And that's why Samsung launched its Galaxy S II

smartphone from a pop-up in Sydney's George Street in October last year, grabbing a location cheekily close to competitor Apple's flagship store.

Telstra is in on the trend, too, with a roving shop that lands at NBN trial locations around the country. It popped up at Kiama, on the NSW South Coast, at the beginning of this year.

So pop-ups are great for marketing, but how do they help landlords? And small retailers?

Well, when the GFC cut a swathe through US malls, shopping centre managements found that pop-ups were a very handy way of not only squeezing some income out of unoccupied space, but also refreshing it. In a world of bland homogeneity, pop-ups created some excitement in the tenant mix.

In Australia, there is little question the squeeze is on, too. And shopping centre landlords are faced with the problem of how to keep marginal space filled and generate excitement in the shopping experience. Enter pop-ups.

Simon Fonteyn, CEO of Sydney-based retail advisory firm Leasing Information Services, believes pop-ups are a great thing for Aussie landlords. "Landlords in Australia used to have no interest at all in pop-ups, but now it's the opposite," he says. "They are encouraging it, particularly in high-traffic areas that have the potential for short-term vacancy, such as shop spaces between leases. Landlords realise they can

make substantial short-term income. Diversification of the income stream is particularly important in the current market environment."

Shopping centre management's aren't the only ones taking an interest — as time goes by, e-commerce is likely to result in large-format retailers finding that their standard stores have become too large for their needs. This presents another opportunity for pop-ups, who might be able to carve out temporary space within 'big box' stores (physically large retailers).

A prototype is already in the making with plans by Target in the US to permanently allocate space to a revolving series of pop-ups within its store fleet. There's no reason why some Australian retailers can't follow suit.

VERDICT

Pop-ups are here to stay because they offer a potent marketing vehicle for local and international brands alike. Shopping centre landlords have clearly embraced the concept, too. They will be particularly interested in pop-ups when the economic chips are down and they are struggling to get takers for marginal space. Retailers that operate large formats are also going to find pop-ups an attractive option for subletting unproductive space.