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Business Startups

Instant Retail: Would temporary, "pop-up" stores work for your small business?

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by Robert Leroze.

While pop-up stores—businesses that set up or occupy a retail space from a few days to a few months—exist only temporarily, the trend may be here to stay. A 2011 report from [Specialty Retail Report](#) showed that this segment of the market grew by over 14 percent in just six months. It's not surprising, given the allure of short-term leases and the variety of retail settings. Although the start-up costs can be high in some cases—which is why big businesses have taken the lead in this tactic—many small business owners might finally find the return on investment is worth the expense.



Operate professionally

Pop-up stores can be set up to test new products, sell off excess inventory, ignite a quick spike in sales, and spread awareness of a small business. A pop-up store may be short-term, but the regular protocols of business still apply.

"Temporary doesn't mean unprofessional. Temporary doesn't mean bootstrapping. You really have to put the effort in to make sure the consumer experience is what they are expecting," says Christina Norsig, CEO of [PopUpInsider](#), the first online national marketplace for temporary spaces, and author of [Pop-Up Retail](#).

Before founding PopUpInsider in 2009, Norsig opened eight of her own pop-up stores in New York City, the largest one in a storefront across the street from Macy's that was formerly a Payless shoe store. The experience allowed her to see which items were popular, work out a pricing structure, and even figure out the most productive hours of operation. "When I had the store across from Macy's, [peak traffic] was early in the morning to late in the afternoon," Norsig says. "But for my store in Soho, there was no need to show up before twelve because no one was there."

Some customers may take longer to feel comfortable in or trusting of a temporary pop-up store. Having a well-trained sales team who can communicate your business's message and build excitement for your products can bridge the gap.

Inevitably, even well-planned stores will encounter unexpected problems. For example, landlords will often give priority attention to businesses with long-term leases. In Norsig's store on 34th Street, she didn't anticipate the heavy volume of product she needed and struggled to get containers in. "I was sharing the dock time with stores that were there all year round, so they got priority on the loading dock," she says.

Norsig often finds that some small businesses don't even have a defined business plan yet before they ask her to look for space. Rather than inundate landlords with requests for available listings, Norsig questions the small business owner to make sure their idea is complete. "That's not to say that you have to have a warehouse stocked with merchandise," Norsig says, "but you have to be ready to pull the trigger and open up a store and be ready to go."

“Temporary doesn't mean unprofessional...you really have to put the effort in to make sure the consumer experience is what they are expecting”

*Christina Norsig,
author of Pop-Up Retail*

Personalize the experience

Pop-up stores offer small businesses great flexibility in setting up a space quickly, whether it's a kiosk, mobile store, store within a store, or its own free-standing retail space. Whatever space you use, experts say focusing on the customer experience is key.

"If you can go out and demonstrate to the customer how they can use the product, how it will benefit them in their life, and how they will be impacted from their purchase, that is how these pop-ups can be very successful," says Jennifer Davis, director of client services for [Medallion Retail](#), a New York-based agency that specializes in retail marketing.

Every type of business is suitable for a pop-up store, according to Davis. For small start-ups that don't have any retail experience, a pop-up can give them the chance to try something new in the marketplace efficiently. Pop-ups can sometimes break the patterns of customers who never stray far from their usual shopping neighborhoods if the incentive is there. "You need to give them a reason to come to your shop," Davis says. "You need to personalize the experience for them. That's really what retail is about these days." For example, the type of fixtures and store signage in a pop-up will contribute to the overall customer experience.

Small business owners also need to figure out what they can afford to pay. While rents vary because of neighborhood and length of lease, Davis explains that the flexibility of pop-ups can fit almost any budget. "You could do something as simple as taking your product and setting it up at a park or a playground or something much more mobile," she says. "Or you can have four walls within a space. Regardless of your budget, there is a way to get your brand and your product to the consumer in really unexpected, unconventional ways. It allows the customer to have a sense of discovery and make a connection."

An integrated strategy

In addition to the growth of pop-up stores themselves, companies that specialize in finding space seem to be on the rise, too. Case in point: [Republic Spaces](#), a New York-based agency that launched in early 2013. While they concentrate primarily on finding space in the metro New York City area, they have plans to expand their coverage to include Los Angeles next, then major European cities.

For many businesses with a wholly online presence, having a pop-up store has become part of their overall strategy. "For the brand to get to the next stage, they need to be offline in certain respects," says Republic Spaces' founder, Angela Wang. "Designers offline get to connect with new customers, test different markets, and create a tactile experience that's a lot more engaging for everyone."

Obviously, the location of a pop-up is critical, but small businesses also need to market their new location ahead of time to build awareness. Wang agrees with Norsig and Davis that pop-ups that give customers a good in-store experience can propel sales.

While Republic Spaces is still a relatively new company, they seem to have discovered at least one truth about pop-up stores. "A lot of brands are formed pretty fast online these days," Wang says, "but to be successful, you need a very integrated offline/online experience."

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