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Pop-Up Retailing Could Open The Doors To Temporary Locations For Bulk And Crane Vendors

Henry Schlesinger
swag@earthlink.net

Even as stores and, too often, entire malls shutter locations, a new retail format is emerging that may just hold profitable potential for bulk vending and crane operators. Called pop-ups, these temporary stores may stay in business for a few days or a few weeks before vanishing from the landscape. Short-lived by design, they most frequently specialize in a single product, such as clothing or electronics, often at deep discounts.

The appeal of pop-ups is undeniable. Landlords with vacant space are able to rent storefronts, warehouses and even shopping mall locations for a premium before landing a permanent tenant. As for consumers, they often flock to the stores aware of their temporary nature and potential bargains.

Seasonal pop-ups are nothing new. Retailers specializing in Christmas and Halloween items, for example, have been leasing temporary store space for years during the weeks leading up to those holidays. Even the traditional Christmas tree lots can legitimately be labeled as pop-ups. However, the year-round pop-ups are still relatively new, and they are growing in numbers through major metropolitan areas in southern California, the Northeast and other regions. Fueled by a retail vacancy rate that is estimated at some 13% nationwide, more and more landlords are handing over keys to short-term tenants.

For bulk and amusement machine vendors willing and able to search out pop-ups before they open, these locations could prove to be profitable for equipment that would otherwise sit dormant, gathering dust in the warehouse. Standard bulk vending racks, kiddie rides and skill cranes are likely additions to a pop-up.

WHO POPS?

While the vast majority of pop-ups are created by a distributor looking to unload excess inventory quickly or a savvy entrepreneur who has graduated from flea markets, major retailers are also getting into the pop-up act. For instance, when Gap Inc. wanted to launch a line of premium denim, it opened a high-end pop-up on Los Angeles's tony Robertson Blvd. and created a movie-premiere atmosphere complete with celebrities, including Halle Berry and Ashlee Simpson-Wentz.

Nike, Toys "R" Us, eBay, Target Corp. and Barnes & Noble are also taking part in the pop-up action. Sports gear company Puma took the concept to a new level with a temporary location on Hollywood's Sunset Strip for a two-week run in October. Interestingly, the company packed a 6,500-sq.ft. space with a full array of coin-op devices, from foosball tables and photobooths to Guitar Hero. Like Gap, Puma saw the pop-up as a promotional tool to raise the profile of its brand.

More typical is the pop-up with local flavor that is erected with a significantly smaller budget. The trend, which shows no signs of abating, has also born realtors who specialize in renting space to pop-up operators.

Popupsinsider.com, a website dedicated to linking retailers with landlords, as well as following the latest trends in the emerging temporary retail segment, is one sign of the pop-up times. Launched by Christina Norsig, who has created several successful temporary stores herself, the site and its founder also act as consultants to the industry, guiding merchants through the problems of staffing, insurance, design, marketing and logistics.

"It's become a legitimate form of retailing. I call it: Bricks, Clicks and Quits," Norsig said. "I think you're seeing so many of them now, the urgency for consumers could wear off, but this notion of temporary retail is here to stay."

One of the reasons the concept will become a part of the retail landscape, Norsig said, is that it benefits everyone involved with managing the location. The landlords, of course, make money on retail space that would otherwise sit vacant, but so can surrounding businesses as a result of increased foot traffic the temporary store may attract. A

successful pop-up can also pique the interest of long-term tenants looking for viable retail space.

Temporary locations are nothing new for the bulk vending industry. Those with long memories will recall a time when local fairs, rodeos and charity circuses were standard, if short-lived locations. Amusement operators involved in special events rentals are ideally poised to provide more elaborate vending equipment to temporary sites.

With pop-ups taking hold in the retail landscape, operators have an opportunity to expand their routes, if only temporarily.



PHOTO: For 12 days in the winter of 2007, an unfinished 1,600-sq.ft. space on Spring Street in Manhattan's SoHo district was turned into a vibrant holiday store by Pop-Up Insider's Christina Norsig. The tenant received nearly free rent in exchange for renovating the space, and the landlord benefited by getting a free face lift for his storefront, which soon after attracted a long-term tenant.