

MANNREPORT

RETAIL

February 2011

The Insider

thearticles

What Brokers Need to Know About Pop-Up Retail

by Christina Norsig, PopUpsider.com



The business philosophy term “thinking outside the box” certainly has a lot of wear and tear on it, but real estate brokers should be thinking outside and inside the box when it comes to possibilities for pop-up retail. No longer the new kid on the block or a temporary fix that can bring in just incremental income, pop-up retail can be an excellent income stream provider for landlords who seize on opportunities.

More commonly referred to as pop-up shops, this retail platform has come a long way from being holiday-oriented theme stores and will continue to be an important element of successful retail marketing campaigns in the years ahead.

Thanks to the increasing amount of digital media, businesses have new avenues to tout their wares. This has essentially shifted the retail landscape, providing vast opportunities for fledgling businesses, established retail heavy hitters and businesses that never previously considered having a retail outlet for their brand.

The overarching goals to increase brand recognition and build personal connections with the customer base have remained the same, but an increasing number of retailers have recognized the “instant gratification” nature of the consumer as the impetus toward temporary retail outlets. Having a brick-and-mortar setup gives them a chance to build loyalties with customers, who get a chance to see the look and feel of a brand in person.

The current market is prime for small businesses to take advantage of opening up a pop-up shop, which can spur sales, reach new demographics and create anticipation.

Brokers need to see that the potential for pop-up retail is not limited, but limitless. And with so much commercial real estate space sitting vacant, this reuse is not just a creative one, but one that is a viable response to the situation at hand.

Look Around

Examine all the spaces you represent, and survey landlords to find out who is receptive to the business model. With so much retail space in play and rumors that other retailers will be closing up shop in the coming year, a landlord who would not previously consider leasing for pop-up space, might have

changed his tune as time went out with no new tenant in place and limited future prospects.

Pop-up retailers look for well-located, well-trafficked sites. Something unique or intriguing that would turn off a long-term tenant might be a selling point for a pop up. And there's always the possibility that one successful pop-up venture could lead to more.

Listen and Remember

Another trend is finding space within space. You might have a tenant with a complementary business that has some space they'd be willing to share for a short period of time. It could be a win-win situation with the excitement of something new bringing in fresh customers who might stick around for a bit and browse or even buy other items or services.

Offer Advice

Calm the fears of landlords. Have all the facts and figures to allay their concerns, and let them understand that pop-up retail is not something to fear. Focus on the advantages and the opportunities, and answer their questions.

Pop ups bring anticipation and a new traffic pattern to a space. For landlords, a short-term lease not only offers instant cash flow, but also can reinvigorate the property and have others see it in a new light.

See Potential

Building relationships with a temporary tenant might lead to a more permanent status somewhere down the road. Today's startup venture could be tomorrow's next big thing.

If you're in on the deal at the beginning and make the players feel comfortable and trusted, you might just be the one they continue to turn to as they grow the business and need additional space.

Pop-up retail: It's not just for empty space anymore; it's not a temporary fix, but an inventive and resourceful solution. To use another business cliché, pop-up retail has become the “new normal.”

*Christina Norsig
Founder and CEO
PopUpsider.com*