

THE ULTIMATE GUIDE TO

**— Opening a —**

**POP UP SHOP**

THESTOREFRONT.COM





# YOU WANT TO CREATE A POP-UP SHOP?

# Great!

They go by various names: temporary retail, flash retailing, trunk show, pop-up store, or pop-up shop. But they are all one and the same. The short-term retail concept is upending traditional rules of retail and re-imagining how customers interact with brands.

You may already run a large e-commerce site; sell your wares through Shopify, Storenvy or Etsy; or manage a traditional brick-and-mortar retail store. Whichever retail methods you're currently immersed in, you can grow your business by connecting with new customers, engaging with your loyalists, selling overstock products, and targeting new markets -- all through opening a pop-up shop.

How do you execute a successful pop-up shop? Your goal might be to add a revenue stream or increase your brand awareness. Or, you may simply want to educate your customers about an upcoming product launch. Whatever the case, you are in the right place. We carefully crafted this guide to walk you through the entire process of starting your own short-term store.

Next is a brief table of contents to walk you through what the guide covers.



# POP-UP SHOP THOUGHT LEADERS



"Pop-Up Retail truly empowers brands with the ability to bridge the gap between online and offline worlds.

It enables a targeted experience between brand owners and customers by allowing a company to create

a unique environment that's engaging, as well as generates a feeling of relevance and interactivity. Regardless of the online success of a brand, nothing can replace the element of touch and feel, and human interaction."

Melissa Gonzalez,  
Founder of Lion'esque Style

"Considering that everyday something in technology changes, it's so refreshing that the world of retail is also now changing. One might think the answer is the ever growing presence of the Internet. However, the answer is the emergence of short-term Pop-Up Shops as merchants aren't tied down to long-term leases. This causes a huge positive effect for sales and overall profit. The Storefront team has found the newest holy grail in retail!"

Scott Orenstein  
Former President, GH Bass & Co (A division of PVH)

"Pop ups are giving any-sized retailer an opportunity to break into the market. In every city there's an empty space for entrepreneurs to rent out on the cheap.

On the flip side, pop ups give mature brands the opportunity to be playful and creative without having to overhaul their permanent locations."

Greg T Spielberg,  
Founder of Imagination in Space



"We have seen at first hand the benefits small businesses derive from time in our PopUp Britain shops. They meet customers, make sales, and do deals with each other as well as large retailers who come to view them in situ. PopUps are becoming a staple of the retail landscape in Britain. This is good news for the thousands of online retailers who want a high street experience and for savvy customers who enjoy the entertainment and conversation that comes with buying direct from the artisan or entrepreneur who created the product. Someone asked me recently if PopUps were a passing fad. From what I'm seeing, they are most definitely - and rightly - here to stay."

Emma Jones,  
Cofounder of Startup Britain



"Pop-up retail is something we have committed to doing because it's the best way to create a wicked retail experience."

Kyle Vucko, CEO of Indochino

"People want to feel good about their purchases. They want to meet and talk with the people behind the brand. Pop-up markets enable us to create these connections seamlessly and generate tremendous PR for our vendors."

Mark McMillan, Founder of Northern Grade





Design Center Ground Floor Gallery Space  
San Francisco, CA  
Entire Store 500 sqft

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# FINDING AND SECURING A LOCATION



Before you frantically run around the city to scout potential locations, set your intentions first. What is your mission? Why do you want to open a pop-up shop? By stating what you desire to accomplish, you will save time and energy, as well as be much more strategic while you search.

*left to right:*

*The Old Bowery Station  
New York, NY  
Entire Store - 2,000 square feet  
Corner Building + Billboard  
New York, NY  
Entire Store - 11,520 square feet*

Next, what are some key requirements for your store?

How crucial is securing the right location? That includes thinking about city, street, and the type of space -- vacant, mall, store within a store, or a unique space like a hotel lobby.

Do you need a space with a certain square footage or select features?

What's your budget for the space? What about for running the entire pop-up shop?

What dates will the store be open?

When you have a clear purpose and a few 'must-haves' for a location, you can refine your search and still be flexible to what's available during your time frame. The highly mobile nature of pop-ups lets you go to where your customers are and experiment with your retail strategy.

You might be eyeballing a couple locations already or have just started scouting. Here is an adaptable workflow to go from location scouting to signing the lease or licensing agreement.

## SCOUTING FOR POTENTIAL LOCATIONS

### *How to pitch hesitant owners*

As you approach landlords, property owners and the commercial real estate brokers that often manage these properties about temporary leasing, you might find some that are more resistant to the idea than others. Property or space owners and commercial real estate brokers generally prefer 5-10 year leases because they translate into a stable, long-term revenue streams. Highly-profitable tenants also tend to make improvements to their space, which usually translates to longer lease terms to amortize their expenses. If you meet brokers, they are paid on commission and longer term leases mean more rent over that term and

thus larger commission. This all goes to say that more transitions between tenants means more periods of vacancy -- and no rental income for a period for the space owner.

Vacancy is a phenomenon they want to avoid. Generally, vacancy begets more vacancy because people are more likely to avoid the remaining occupied spaces at the street level.

Space owners of boutiques, event spaces and other unique retail spaces are generally more open to shorter timeframes in the days or weeks.

### *So what's the appeal of short term leases for space owners?*

For the owners of vacant property, it's a way to gain more exposure to prospective renters. Receiving

at least some rental income can't hurt either. Short-term tenants could provide positive visibility and create fewer maintenance issues that vacant building attract, like vandalism. Renters might also make small improvements to the space that can make it more desirable for a longer term lease at higher rental rate.

So why might they be hesitant? Sometimes, owners will be uneasy about the intended use or transformation of their space. The planned changes might make their property less desirable for future renters. But a more compelling reason might be this: A less lucrative short-term deal could deter a more lucrative long-term prospect. The fear of missing out on a larger payoff is probably behind their reluctance.



# TEMPORARY RETAIL IS A \$80 BILLION A YEAR INDUSTRY

source: [thestorefront.com](http://thestorefront.com)

So it's helpful to emphasize that having an occupant now could ultimately lead to more demand for the space or an even more lucrative, long-term tenant. Meanwhile, leverage your strong history of web sales or your consistency in reaching your monthly sales goals during rent negotiations. Your ability to draw people in will make their property more accessible, and its desirability could lead to long-term revenue gains and enable the owner to be more selective. It's a win-win situation for both, if done right.

## What questions to ask owners

What do you need to know in order to make informed decisions? Here are some things you may want to ask to qualify and evaluate your rental options. This is also a good list for space owners to include on all their Storefront listings at [www.thestorefront.com](http://www.thestorefront.com).



## RETAIL STORE

Move-in-ready vacant store where you can own the experience.



## MALL

Build your presence off high foot traffic and nearby retailers.



## BOOTH

At a market, fair, festival or other event with high foot traffic.



## STORE SPACE

Shelf or table space inside a boutique or store.



## MOBILE RETAIL

Park at specific locations ready to display your wares.



## KIOSK

360-degrees views of your product or service.



## UNIQUE

Target specific demographics at one-of-a-kind locations.

- Is the space is up to code and has a current certificate of occupancy for commercial-based uses?
- What is the rental cost and what are included in the rent?
- What are the utility costs? How will they be split and who is responsible for what?
- What does the floor plan look like and what are the dimensions for windows, door sizes, ceiling heights, etc.?
- Do you have images for the interior and exterior?
- When is garbage and recycling collection?
- Do you have specific needs/requests for leasing terms (include what, if any, modifications they will allow)?
- What is your preferred method of contact in case of minor issues or emergencies with the space?

- What is the extent to which I can control the space?
- Conversely, the owner might ask you for some information as well. Be prepared with answers to the following, with as much detail as possible:
- The intended use of the space.
  - Ideal dates for opening the shop.
  - Your contact information and preferred method of contact.
  - Information required as part of background check process, if required.
  - Best times of availability to meet you for a walk-through, negotiations, signing the lease, payment, etc.

## Budgeting rental costs

Here are general budgeting suggestions. We just want to give you a rough outline, so customize it based on the scope of your shop!

- **Rent:** Depend on your duration, its property value, and owner's asking rate.
- **Refundable deposit:** One month's rent, usually. Sometimes not required.
- **Utilities:** Negotiate which you pay and which owners pay, depending on rental length.
- **Insurance:** You'll need to get liability and property insurance if you don't have one already.
- **Shop and property maintenance:** For example, cleaning supplies for the upkeep or services to return the space to the original condition.
- **Legal/professional support:** For someone to look over the lease.





## NARROWING DOWN LOCATIONS

Know what your venue must have and what you can be flexible on. The more clear you are with the criteria, the easier it will be to evaluate the venue options.

### ***Determine your needs***

Your shop's duration could determine the rental structure you might pursue. If you're opening only for one or two weeks, the agreement you sign might contain a clause preventing any alterations or enforcing stricter hours. But it might also release you from paying any utilities. If you're opening for one or two months, the owners might give you more control over their space.

You might also encounter differences upon approaching

owners who are renting out part of a space versus an entire one. Certain limits will follow each: If you're occupying part of a larger space, you might have less control over things like your shop's design but the rent is lower and it could free you from maintenance requirements. The converse is higher rent and liability but with more complete control.

In either case, it's best to determine whether you're focusing on speed or customization. When your primary goal is getting your shop from concept to opening as soon as possible, renting part of a larger space might satisfy your mission. When your primary goal is creating a custom experience, renting a vacant space will give you more control over its design and hours.

### ***Lease or license?***

Property owners might use different rental agreements to match your intended rental duration and space requirements. If your occupying duration is extremely short (one or two weeks) or you only need a section of a larger space, the owner might present you with a rental license. If your pop-up shop is open longer or need the entire venue, you'll want to hold a rental lease in your hand.

Usually, a lease will give renters more rights than a license. Particular clauses can limit what's possible in the space, but they're typically given exclusive use and command of it. On the other hand, a license has more limited arrangement for how a renter can use the space and what claim they

have to it (e.g. others will have the right to access the space). Make sure you ask what options are available!

### ***Do I need a permit?***

This depends on the intended use of a space and where it is located. For example, if you plan on selling food, you'll want to apply for a permit to comply with health and safety regulations. Make sure you check your city's zoning ordinances and receive consent from the owner for planned activities!

### ***Do I need insurance?***

With rare exception, you will need property insurance to cover theft or damage to the merchandise, supplies, property, or any repairs to the space. You will also need

liability insurance for covering injuries that could happen within the premises. Both are usually a prerequisite for signing an agreement, so you'll want to figure out the coverage you need and be ready to present evidence for them. The property owners will have their own property and liability insurance policies and will usually include the cost of premiums in the rent.

If you already carry a property and a liability insurance (for your company office), see if they will cover your shop's needs. If you are collaborating or partnering with other businesses, you'll want to work out a suitable coverage agreement with them as well.

left to right:  
FOUR81 Gallery  
New York, NY  
Entire Store 1,200 sqft  
47 Greene Street  
New York, NY  
Entire Store 4,064 sqft



left to right:  
FOUR81 Gallery  
New York, NY  
Entire Store 1,200 sqft  
  
Boutique Second Floor Loft Space  
New York, NY  
Entire Store 6,400 sqft  
  
Upstairs Space right off Market Street  
San Francisco, CA  
Unique Space 1,500 sqft



## NEGOTIATING AND SIGNING THE LEASE

### Negotiating rental agreements

You’ve reached out to the property owners through Storefront. You’ve scouted out several possible locations to see them in person, and you made sure they are up to building code. You asked the owner questions about the space to make sure it fits your business goals (e.g. the intended use of the space). And you might have pitched them on things you can do to offset some of the rent. When you’re ready to secure a venue, it’s helpful to understand the typical legalese behind rental agreements so you can leverage it during your negotiation.

### TYPICAL TERMS OF AGREEMENT FOR A LEASE:

- **The duration of use and the total rent.** You can negotiate lowering the rent based on “free improvements” you’re able to make.
- **Specific monetary terms.** Typically, it will make clear the rental rate per month and a lump sum held as security deposit -- usually one month’s rent.
- **Spelling out maintenance requirements.** It will list items that need to be cleaned (i.e. floor, windows, toilets, sinks, drains, radiators, etc.) and that you’re responsible for, such as garbage disposal and removing any obstructions. Sometimes, maintenance responsibilities will increase as the rented square

footage increases. It might also require you to provide proper permits and an owner’s consent before selling any food and beverage.

- **Criminal background checks.** This is to ease the owner’s concerns about the renter, but it may not be on every lease agreement. If it is, be sure to provide the required information.
- **Agree to comply with all applicable laws.** This is a boilerplate item that says you agree that this property already complies with all relevant building codes and regulations, and also you will comply with the intended purpose of the lease. Basically, you’re getting the space “as it is” so make sure it is up to code. You may want to walk through the building with the owner and address any possible code

violations or plans for modification.

- **The need for insurance.** You’ll need to get property insurance to cover glass repairs, property damage, and public liabilities.
- **Owner’s liabilities.** This is to protect owners from any damage or loss brought on by lessor’s actions and unforeseen utility failures like pipes bursting. Owners are also not liable for any damage caused by tenants above or next to your space.
- **Alterations.** Here, the owner will detail what alterations you could make to the space. Do you want to paint the space? Hang signs on the walls? Have an artist transform the entire space for an installation? Generally, improvements are done at your own expense. If you do implement certain improvements, make sure to install or update

things in a proper manner consistent with building code. (i.e. How close can you put things near the emergency exit before it’s considered an “obstruction”?) Make sure that it’s not permanent and doesn’t cause damage to any electrical or mechanical systems.

- **Utilities.** Usually, the tenants will pay the utilities because of the incentive to keep expenses low. But the short term lease might create enough hassle for owners that he/she might retain all the accounts and/or pay for them. Ask the owner if he/she has a system for dividing the utilities. It could be that they are already included in the rent.
- **Setting clear expectations and resolving disputes.** This is another boilerplate item for how to deal with disputes like rent, damage, or breaking the terms of the lease. Figure out the expected process should this occur and have this outlined in the lease.

### Typical terms of agreement for a license:

The terms are usually similar to the lease. The main difference is shared claims to the space if you’re renting only a part of a larger space.

Modifications. It’s stricter on what modifications you could make, if any. Since you’re renting for a very short period, it might not make sense to make dramatic improvements.

Defaulting. Usually, there are a term for defaulting on the agreement. If you decide to cancel the license after signing it, you still might have to pay the total rent in its entirety. Find out what exactly will happen and have the agreements written down in the lease.

During your discussion, consider details like store hour restrictions (based on space type: vacant, within existing retail space, in a lobby, etc.), the number of available electrical sockets, and if there is sufficient lighting. Does the space meets your requirements (i.e. location, square footage, configuration, rent, ability to alter it)? How flexible you are with them?

Sometimes the negotiation will be easy, especially if you know the owner. You might be able to take up a small space within your friend’s business for free, although you’ll want to do something to make it easy for your friend to say yes!

### Signing the lease or license

If you’re confident that the agreements align with your vision and plans, sign your signature to secure the location. It might be a great idea to have a legal professional specialized in commercial real estate take a look at the agreement if you’re worried about potential conflicts. After you have signed the form, set up a time to meet with the owner to get a set (or two) of keys. When you have them in your hand, you’re good to go!





# DESIGNING YOUR STORE ENVIRONMENT

When you've secured a location, it's time to hit the gas pedal! Timing is crucial but setting the stage for success is even more crucial. For most companies, their main goal comes down to sales, brand awareness, or education. Set the outcome(s) you want. Finding your focus will ensure that your shop opens on time and on budget. Though each requires different ingredients, here are the five common areas you should to consider.



## MERCHANDISING

How will you attract and engage visitors? You may not be directly selling products or services to them, but if you are, this could be the most compelling part of their experience. The decision about what you will offer in-store should be made as early as possible when you've committed to opening a pop-up shop. Even if you are using the pop-up shop to drive traffic to your website for making actual purchases, you'll want sample products that customers can touch and interact with.

**Here are some of the merchandising decisions you'll need to make:**

**Product design:** Are you offering limited-edition or specifically-crafted products? If you take this route, budget more time for designing and manufacturing processes.

**Selection:** If you are curating products -- are you bringing in overstock, mixing old and new, or featuring other company's products? You'll want to match your selections with the neighborhood and

demographic in which you'll open your store.

**Packaging:** A unique packaging could add to your brand's aura before and after a purchase. Is it made out of post-consumer recycled paper or plastic? Could customers re-purpose the packaging into something useful? Sometimes these attributes can speak to your brand's values and show authenticity.

**Pricing:** Do your pricing strategy maximize sales? How will you adjust it to reflect the people you want to attract? Will discounts bring in more people, or will it impact the brand negatively?

**Visual display:** How do you want people to perceive your products? How will you highlight the features and benefits of the product? You might also group relevant items together. Make sure they complement each other within the group! If your primary purpose is educating your customers, you might vary your method of communication. Visual, interactive, experiential -- make sure they remember it!

This also includes wayfinding systems. You'll want your products to be easily found; relevant information clearly communicated (i.e. Prices -- if you're attracting customers that are price sensitive, and directions -- if you want customers to perform an action); and your product selection easily tailored to fit varying needs (i.e. Could customers easily accessorize or mix and match items?)

**Sales method:** Do you want customers to purchase within the shop or online? Do customers want consultation before making the purchase? Will you have a designated area for point-of-sale? Or, will you be approaching transaction-ready customers with an iPad equipped with Square? These are important touch points to decide on before drawing your floor plan.

**Inventory:** If your success metric is sales revenue, determine the quantity of each item you plan to sell. Even if you are funneling sales through your website, you'll want to coordinate with your manufacturer on fulfillment and forecast expected number of orders.



left to right:

The Old Bowery Station  
New York, NY  
Entire Store - 2,000 square feet

Pier 57 NYC  
New York, NY

“THERE  
ARE MORE POP-UP  
STORES THAN EVER,  
ESPECIALLY IN NEW YORK  
WHERE THERE MIGHT BE 200  
AT ANY GIVEN TIME.  
BUT THEY'RE CHANGING  
FROM A PLACE TO PICK UP  
A PRODUCT TO THE PLACE  
TO EXPERIENCE THE  
PRODUCT.”

- JONATHAN DAOU,  
FOUNDER OF OPENHOUSE



# 59 MILLION U.S. SHOPPERS

WILL USE THEIR SMARTPHONES  
TO SHOWROOM IN 2013.

POP-UP SHOPS PREVENT THIS  
EFFECT WITH THEIR TEMPORARY,  
EXCLUSIVE NATURE.

## SCRIPTING EXPERIENCES

Why do you want to script experiences? You could just open the doors and expect people to show up, but then you might wonder why business is so slow. When you put on social and interactive activities to engage visitors, those will heighten their experiences and help them spread the word about your shop. Shopping is an event, so make it one!

### *Develop your story*

Start by crafting the story for your pop-up store. What are you trying to do with the shop and why? How do you want visitors to feel once inside it? What do you want visitors to do once they enter the shop? What do you want them to talk about once they leave the shop? A great story inspires desired actions!

The degree to which you want to incorporate the story into your retail design depends on your goal. If you're focused on sales revenue, it might not be as important as selecting the right products/services to feature. But if your goal is increasing brand awareness, this could be an important tool to connect with your customers and extend your influence.

### *Create interactions*

Do you want people to meander? Bounce from one activity to another? Stay as long as they can? Socialize and learn from others? Make something? Set clear goals for what you want to happen while leaving room for serendipity and spontaneity!

You might organize a workshop, discussion panel, opening party, competition, product demonstration, or other activities that create excitement around your pop-up shop. Create ways for visitors to play a role in your story, as well as to invite each other to participate. When you help facilitate dynamic social connections, it will help your pop-up become a vibrant hub of activity that might further attract more people.

If you're serving food and drinks, make sure to check if you need a permit or if any regulations prevent you from doing so. If you're hiring a vendor, check that their certifications are up-to-date.

### *Gather collaborators*

Not everyone needs to partner with other companies. In fact, if you need total creative control over your vision, you might forgo this route. The advantage of inviting vision-aligned

partners to co-create the experience is that they help amplify your influence. When you collaborate with brands that complement your vision, you'll have the potential to reach a wider network -- and that could be valuable for achieving your goals within a shorter amount of time.

If you choose to collaborate, how do they fit into the vision? Which part of it are they responsible for? Are you the main character in the story and they're just the supporting cast? Or, will they be co-leads? Determine what roles they will play and what they will contribute. Then, draft agreements for items such as the square footage of space they will take up, the amount of money they will invest in designing the space, the percentage of utilities they will pay, and the share of revenue they'll receive. After the partnership agreements are signed, you can begin to coordinate the logistics to execute your plan.



## RETAIL DESIGN

What do you want your shop to look like? This includes the floor plan, wall colors, graphics, decor, interior architecture, fixtures, signage, etc.

You might begin by imagining what functions you want your space to serve. If you are planning a robust events schedule, design modular spaces that cater to multiple uses. If you want to make the shop conducive for social exchange and movement, you could design several centers of activity while guiding people in and out of the space. Provide people with alternative actions to take if they're less engaged with a particular aspect of your shop. Create a floor plan that reflects the activities you're planning and behaviors you're expecting.

If you're sharing the space with other vendors, maximize their accessibility and navigability. How much creative control will they have in designing their own environment? Or will you be solely responsible for the look and feel of the pop-up store?

### ***Finding collaborators for design and construction***

Do you need to hire an interior designer or will you use an in-house design team? If you choose to collaborate with an interior designer or a few design specialists, come to an agreement on the scope of the

project. Will they handle the entire project from start to finish; create the concept and the overall look; create/rent out pieces for your pop-up; act as a consultant; or assist in sourcing the necessary decor?

Think about how involved you want to be in the process. You could provide input that helps the designer create the concept, but you will be ultimately responsible for purchasing all the materials, hiring and supervising any contractors, and executing on bringing the concept to reality. Or, you might hire them to complete a specific project detail or task you need help with. The smallest scope a designer might tackle could be designing the font, message, or logo for the event. A large scope might be hiring and managing other design and construction services in addition to developing the concept for the shop.

When you prepare for consultation, gather as much detail as possible about your concept, including the billing for design and construction services, fees for consultative services, and/or decisions for material purchases. Vet potential hires with references. Usually, the best strategy for finding design and construction services that match your needs is through recommendations from a trusted friend or colleague.



## PROJECT TEAM AND PLANNING

Project management and communication planning ensures that you open the shop on time and one budget. Before you begin, recruit the right team members and decision-makers within collaborating businesses and bring all partners together to create a detailed timeline and deliverables. Identify who is ultimately responsible for the deliverables and assign responsibilities accordingly. Create a communication plan for bringing clarity to who is the go-to person for decisions, who is reporting to who, and who is doing what and when.

## BUDGET

How will you maximize your budget? The costs will vary based on your project timeline and the scope you choose. Professional services, rent, and material costs will likely take up much of your budget. Maintenance and utility costs might also incrementally increase based on the square footage of the space.

If you are hiring professional services, have a clear understanding of what the billable hours are or what percentage of the project costs you will compensate. Spell out the payment terms and responsibilities on a written contract or agreement. Since fees and material costs will vary by geographic location; experience; and whether it is a single practitioner, a larger

team, or a firm, it's best if you research comparable services and responsibilities. You'll have a more accurate estimate for your budget that way. If you are partnering with vendors, perform similar due diligence before negotiating on a written agreement on payment, responsibilities, and working schedule.

What will you take on internally? You might allocate a portion of the budget to develop materials for marketing and advertising, website development, property maintenance, insurance coverage, fees for any permits, and compensating project staff.

Also, make sure to budget an amount for unforeseen expenses relative to the scope of your project!





# CONSTRUCTION, LOGISTICS AND MARKETING

Before you rush into executing your plan, set clear scope, expectations, and deliverables from each partner. Lay out the project timeline, management/communications structure, and each person's responsibilities in a document so that everyone is on the same page. As you create a roadmap towards opening your pop-up shop, you'll begin to solidify -- and adjust -- the budget according to reality.



## “RETAILERS WILL TURN VACANT SPACES INTO ADVERTISING”

-JONES LANG LASALLE, TOP RETAIL TRENDS 2013



## CONSTRUCTING THE ENVIRONMENT

As you begin, conduct a detailed site survey -- door sizes, ceiling heights, electrical load access, and access/exit issues. Make sure your design and shop layout comply with building ordinances and your components fit. Obtain the right permits for construction, too.

How extensive is your modification? It will vary by the square footage, materials, and design and labor services required to transform the space according to your vision. It's easy to overrun your budget, so edit your design!

**Materials:** Your selection of building material will make or break your budget first. Custom-built wall coverings and specific interior architecture will take up a large portion, but returning a cheaply-

altered space back to rentable condition could be costly, too. You might look into faux materials, vinyl graphic coverings, or renting modular units to save money.

**Site preparation:** If you do any remediation on electrical or mechanical systems, plumbing, lighting, flooring, walls, etc., you'll need to obtain the appropriate permits and hire specialty trade and labor services. They will not be cheap, so consider negotiating with the owner on cost sharing.

**Design and build:** Are you hiring a retail designer? You might also need to hire a team to construct your design elements on- or off-site. If you build off-site, include transportation costs for bringing the pieces on-site. Do you need wayfinding signs, exterior shop signage, window or wall treatments, and other branding graphics?

Reserve part of a budget for graphic or visual designer, too.

**Installation:** Do you need to install lighting, interior/exterior signage, shelving, or display surfaces? Do you need to setup and install prefabricated pieces? You might consider budgeting for contractors to help you.

**Fixtures and decor:** Consider first: Whether products speaks for itself and require minimal display support or more detailed, ornate display will help. Also, audiovisual and media displays will likely take up a large part of your budget. Rent items or use factory-built solutions to decrease your material costs. After you select your shelving, tables, cabinets, display surfaces, chairs, etc., you'll need to include packaging and freight costs to get them to your shop.



top to bottom:

Maiden Lane Gem Near Union Square  
San Francisco, CA  
Entire Store 500 sqft

Exclusive Space at Crocker Galleria  
San Francisco, CA  
Entire Store 1,700 sqft

Hudson Terrace  
New York, NY  
Unique Space 5,000 sqft





IN A JUNE 2013  
RETAILWIRE.COM POLL

**73%**  
**OF RESPONDEES**

SEE POP-UP RETAIL  
INCREASING  
IN THE NEXT 5 YEARS

### **COORDINATE DESIGN, FABRICATION, AND TRANSPORT PARTNERS**

How will you coordinate various teams to transform an empty space into an environment people would be excited to visit? Create working plans between different teams to ensure everyone is on the same page and hire knowledgeable builders, specialty trade laborers, art/creative directors, and identity designers that will collaborate well together. Material selection will determine a large part of your budget, so select those that fit your spending plan during the initial consultation. Make sure your installation and construction plan comply with existing regulations and owner consent.

Also, don't forget transportation services for bringing fixtures, decor, and products to your location, safely and on time. The important thing is to choose great partners who share your vision and can deliver the results you need. Take some time to vet your prospects and ask for recommendations from their past clients.

*both photos:*

*Market Street Level Space  
Street, San Francisco, CA  
Entire Store 2,730 sqft*

### **HIRING AND STAFFING**

Unless you're superman or superwoman, you'll need to hire staff to help you coordinate the operation and make your shop a success. Do you need knowledgeable salespeople to educate customers and cater to their particular needs? A project manager to ensure the shop opens on-budget and on-time? An experienced events manager to coordinate logistics with various vendors? Specialized consultants to augment your service offerings? Success goes hand in hand with execution, so cement together team members with the right skills, experiences, and personalities!

Budget for speed, too. The more compressed the project timeline, the higher the costs for staffing. Longer duration for opening your pop-up shop will also increase staffing costs.

**Staffing:** Recruit, hire, and train sales representatives to complement your service model. Make sure they know how to talk about your products and brand, and provide above-and-beyond customer experience.

**Training your staff:** Since first impressions are important, make sure your staff is well versed on how to match potential customers with the right information. Deep knowledge on FAQs and product use cases are crucial. Speaking with passion about the offering and evoking brand personality are often overlooked but could turn a wandering visitor into an excited customer. Create a training guide if necessary to educate your staff.

### **MARKETING YOUR POP-UP EVENT**

To get the most people who fit your target customer group into your shop, you may need to engage

them further in advance. Develop your key messages for why people should care about your pop-up. Whether it's through blogs, social media, or word-of-mouth, reaching them through appropriate channels is important for keeping your brand top-of-mind. You might even cross-promote campaigns with neighboring businesses to help drive more foot traffic into the area. Special offers and exclusive events could create more excitement around your launch!

The marketing effort doesn't stop once you open your shop. Analyze the metrics and be ready to adjust your strategy. Engage your visitors on and offline by documenting the event through photos, blog posts, and videos. But sometimes, your staff and customers are the best evangelists for the shop, so empower them with various ways to share their experience.





# CASE STUDIES



left to right:

111 Minna Gallery  
San Francisco, CA  
Entire Store 4,000 sqft

Westfield San Francisco Centre Store (#457)  
San Francisco, CA  
Entire Store - 588 square feet

San Francisco Centre Space (inline #430)  
San Francisco, CA  
Entire Store 1,026 sqft

## BONOBOS: TESTING A NEW REVENUE STREAM

Bonobos is an online retailer focused on outfitting men with great fitting and stylish clothes. Started in 2007 with a pair of “perfect” khakis, Andy Dunn, its chief executive and co-founder, opened six new brick-and-mortar stores in 2012.

It wasn’t always that way.

While Bonobos originally started as an e-commerce company (and was online-only until 2012), Dunn started experimenting with opening physical stores based on his customers’ repeated requests to try on items in person before purchasing them. Dunn, who used to be zealous about the online-only model, realized that sending customers multiple sizes didn’t really fit with his ethos of great service.

Because of that realization, he converted part of Bonobo’s fifth-floor office into into a store called Guide Shop, where customers can make appointments to try on its merchandise. Instead of leaving the Guide Shop with a shopping bag, customers can place an order online with its sales representatives which are often delivered to them the next day.

How did Dunn leap from his realization to opening the Guide Shop? After discovering that the cost of marketing the website and free shipping both ways amounted close to physical store expenses, he placed two sales representatives in Bonobos office lobby to show its clothes. He generated more than \$250,000 in sales within six months from each sales representative. That success led to the decision to open its Guide Shop.

## WARBY PARKER & ETSY: ENGAGING CUSTOMERS OFFLINE

Warby Parker has opened pop-up stores in the past two years (2010 & 2011) and Etsy’s Holiday Shop in 2012 was its first. Both created whimsical shops full of personality, but they focused on creating vibrant social activities that encouraged customer interactions -- with each other and with the products.

Warby Parker’s most recent experiment is aptly named “Class Trip”. It’s a nationwide tour across America on a refurbished yellow school bus, stopping along eight cities to set up shop. It’s a charming, literary-inspired concept for companies that are inclined to hit the road. If you’re planning a stationary shop, look at its NYC Holiday Spectacle Bazaar during January 2012. The pop-up shop took

place in a giant yurt (that you could actually buy if you had \$10,000) that was housed in a 4,000 sq. ft. garage.

Like Andy Dunn of Bonobos, Neil Blumenthal -- its co-founder -- found that his customers really wanted to try on different styles of eyeglasses and sunglasses prior to buying them. Adding to that is finding ones with the right prescription. Keeping that in mind, Blumenthal connected customers to an on-site optician to get their eyes checked out to make sure they purchase the right ones. While that’s not a novel combination, its cheeky collaborations are. Warby Parker shared the yurt with the publisher, McSweeney’s; a letterpress studio, The Arm; Yestadt Millinery for fashionable hats; the artisanal candy boutique, Papabubble; and illustrator, Jason Polan, to create Holiday cards.

“ THE FUTURE OF OUR BUSINESS AND THE FUTURE OF ALL RETAIL WILL HAVE SOME ONLINE COMPONENT AND OFFLINE COMPONENT. ”

-DAVID GILBOA,  
WARBY PARKER  
CO-FOUNDER



left to right:  
W Hotel San Francisco MIXX  
San Francisco, CA  
Unique Space 642 sqft  
Openhouse  
New York, NY  
Entire Store 4,500 sqft  
Pier 57 NYC  
New York, NY  
Unique Space 80 sqft



They then followed it up in the summer with a kiosk at The Standard Hotel called, “The Readery”, where customers can indulge in literary cravings fit for 1960’s newsstands while perusing eye wares (complete with vintage books, periodicals, and even toiletry products).

It’s a great reminder that with a pop-up shop, you’re able to go where your customers are, and spare your company the long-term lease contracts and the high-overhead costs associated with traditional brick-and-mortar stores.

For another e-commerce darling, Etsy, 2012 was its first attempt at the pop-up concept. Their Holiday Shop featured a rotating crop of businesses selected by guest curators, including Martha Stewart and Tina Roth Eisenberg of SwissMiss. According to Etsy’s creative director, Randy Hunt, its primary objective wasn’t to sell. It is bringing the brand’s online marketplace experience offline.

To that end, Etsy gave customers a place to add to their festive spirits. Some sensory experiences included free in-store haircuts from high-end

barbers, evening open bar, and a diverse lineup of workshops like ornament-making. It also organized lectures for people interested in opening their own Etsy shop, such as “Selling with Social Media” and “Getting Started with Wordpress.” Though selling wasn’t the shop’s primary focus, cards with product and website information encouraged shoppers to make purchases online after experiencing the products in person. With such an eclectic offering, we weren’t surprised that the foot traffic exceeded their expectations.

Warby Parker and Etsy focused on making shopping as a social event. They provided a place where people can go and do things together, which is hard to replicate online. Collaborating with other complementary brands and acting as a curator are great for widening the circle of influence and attracting even more people to the store. Making your pop-up shop more event-like is a win-win for both your customers and your shop.

78%  
OF TEENAGE  
WOMEN

AND

75%  
OF TEENAGE  
MEN

PREFER  
SHOPPING IN  
STORE

SOURCE: PIPER JAFFRAY & CO.

### INDOCHINO: TOUCHING, FEELING, AND TRYING ON PRODUCTS

Indochino has no niche target customer since it offers custom products. But when that offering is a men’s made-to-measure suit for less than \$500, it tends to attract a lot of first-time suit buyers. Since launching in 2007, it has grown to serve over 50,000 customers and aims to deliver the best custom suits and accessories at a price that an average guy can afford.

So why did this custom online menswear company decide to develop an offline footprint? Indochino’s co-founder, Kyle Vucko, found that men had a hard time appraising suits without actually touching the

fabric. So their pop-up shop has been integral in solving a major problem in the made-to-order business: As an online retailer, how do you make custom goods for people without them actually experiencing the final product in advance?

Indochino’s answer is the Traveling Tailor, where it matches customers with expert tailors and stylists. Men who visit the shop will leave with their measurements (its “fit specialists” can help you do that instead of doing it yourself) and an account on Indochino, of course. Need a matching tie and a fancy pocket square? Its stylists can help you with that, too. Presumably, once you know your suit size, you’ll more likely order merchandise on a whim, which you can do on a desktop, smartphone, or tablet.

The key advantage for Indochino’s Traveling Tailor, which has been hitting major cities across North America, is its responsiveness to the changing market and to correcting information asymmetry. Sometimes, Vucko explained, customer’s perception of good fit and Indochino’s perception of good fit can be very different, even if you measure correctly. (They offer \$75 credit for getting your suit adjusted by a local tailor). And being flexible to react to men’s tastes can ward off disadvantages of made-to-measure business. To stay relevant, for example, Indochino debuted a collection inspired by the movie, “The Avengers” and the popular TV series, “Boardwalk Empire.”



Lower Haight Boutique  
San Francisco, CA  
Entire Store 300 sqft

## BIGGER BRICK-AND-MORTAR RETAILERS ARE GETTING INTO THE ACT

Pop-up shops aren't just for the little guys. Or niche online retailers. The cost-effective strategy has also attracted larger and more traditional brick-and-mortar retailers.

The "shop-within-a-shop" concept has proven popular during the 2012 Holiday season. For example, Toys R Us and Macy's teamed up to place temporary toy shops within the department store chain at select locations. Toys R Us opened the roughly 1,500 sq. ft. shops for about three months to provide an edited assortment of popular toys during one of the biggest shopping season.

Another large retailer, Target, joined the fray earlier in 2012. It launched The Shops concept to give select small boutiques and specialty stores, like The Candy Shop in San Francisco, access to a larger, more diverse customer base. In turn, by partnering with these niche retailers to create a line of goods, the Minneapolis-based retailer were able to boost its product offering and create excitement around its stores.

Not to leave larger online retailers out, Piperlime, a division of Gap Inc., forayed into the Soho neighborhood in New York City to open its own pop-up store in fall 2012. For Piperlime, it was more about casting a luxurious image and differentiating from their mainstream offerings. Besides having great foot traffic and being known as a shopping destination, the Soho neighborhood is home to many boutiques. By opening shop along the same street as Tiffany & Co., the company hopes to boost its branding and draw a more exclusive customer base.

**Conclusion:** As more businesses embrace the pop-up shop concept, their competitive advantage is meeting customer needs more effectively while refining their business strategy with less cost. While it's not news that the Internet and social media are quickly changing the retail landscape, what's new is the fact that temporary retail space is the easiest offline method for quickly socializing retail businesses. Visit Storefront for the one-stop destination for opening your own pop-up shop.



[\*\*CLICK HERE\*\*](#)

FOR MORE CASE STUDIES OF  
POP-UP SHOPS POWERED BY STOREFRONT



# Our Growing Community of POP-UP SHOP PEOPLE



“Storefront is giving power to the independent brands. There has always been a need for small independent brands to break through into larger markets, and this is exactly what Storefront is doing. In this new sharing economy, they’ve found a market that is doing more than just bringing new forms of revenue to store, but exposing customers to brands they might never have known about.”

Devon Chulick, Owner of DSF Clothing Shop



“We’ve been delighted with pop-ups. It has allowed us to introduce our new collection in person to our followers. We love it.”  
Matt Suhr, Owner of Kid Monarch Clothing Company

Pop-Ups have proven to be viable alternatives to brick-and-mortar stores. They provide merchants with an outlet for their creativity and the ability to test new markets, and allow customers to enjoy exciting, innovative, and one-of-a-kind shopping and dining experiences.

Jeremy Baras,  
President of PopUp Republic



“Our pop-up shop allowed us to reach a new audience and increased our holiday sales by 30%”  
Jennifer D’Angelo, Founder of Nooworks



“My pop-up shop experience was amazing. I was open for two days before Christmas and was still making sales up until 6:15pm on Christmas Eve.”  
Elyce Zahn, Owner of Cocotutti

“We dig the pop-up shop format. At After Eleven we have been able to open multiple pop-ups with Storefront in the past few months. This has been a smarter way for us to grow our business in brick & mortar.”  
Morgan Gore, Founder of AfterEleven



“I always wanted a store. I started a fashion truck because I couldn’t find a space. That’s why I jumped at the opportunity to join the Storefront-Storenvvy pop-up shop and then open my own pop-up store in Crocker Galleria. I was ecstatic!”  
Christina Ruiz, Founder of TopShelf Boutique



“Pop-up retail provides new possibilities of sharing and using space. It can be a cost-effective way for entrepreneurs to get feedback and validation early and often, while giving buyers with more ways to interact with products, services, and brands.

It will be exciting to see the innovative ways pop-up retail can bring people together while creating value.”

Neetal Parekh,  
Founding Editor of Innov8Social



“Pop-up retail represents an opportunity for creative entrepreneurs to experiment with new business concepts quickly and cost-effectively. It’s an awesome way to go

directly to consumers without having to commit to long-term space (and all the headaches that go with it).”

Clara Brenner,  
Founder of Tumml.org



“Spontaneous retail, in unexpected places, in un-conventional ways sparks a curiosity within the consumer. A discovery, an experience, a connection that entices to explore, investigate, engage.

We believe that the ‘store’ is wherever and whenever you dream it can exist.”

Jennifer Davis  
Director, Client Services & New Business Development at  
Medallion Retail



“In a time when traditional brick-and-mortar retail is closing stores by the thousands, Storefront is building the offline platform for the next generation of retailers. Anyone -- from the small indie entrepreneur who wants a low-risk physical presence to test market her products to the large online

brand who wants to bring their brand alive locally through seasonal or special event pop-up shops -- will be able to do so efficiently and affordably.”

Yulie Kim,  
Former VP of Product, One King's  
Lane



“Our pop-up shop gives us the ability to experiment with physical retail in order to understand what works without huge risk, and also to get to know our merchants better than we ever thought possible. It’s a powerful concept.”

Jon Crawford  
Founder of Storenv

“There are more pop-up stores than ever, especially in New York where there might be 200 at any given time. But they are changing from a place to pick up a product to a place to experience a product.”

Jonathan Daou  
Founder of Openhouse



“We are excited to work with Storefront. It’s a excellent opportunity to create visibility and drive foot traffic to our properties with the ultimate goal resulting in a long term commitment. What better way to drive traffic and hype to your site than with a cool pop-up?

David Zar, Managing Member of Zar Property NY

“Pop-up shops in NYC have gone way beyond just temporary storefronts. Online retailers are finding new, experimental way to test out brick-and-mortar, and offline brands are competing with that by tailoring their merchandise and hosting special events to really engage the consumer.”

Tiffany Yannetta, Editor of Racked NY





**WWW.THESTOREFRONT.COM**

*Special thanks goes to Clem Auyoung,  
the Storefront team, and the countless brands and  
space owners that are revolutionizing retail.*

***Storefront***