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Shopping with a Time Limit: Why Pop-Up Shops Are Hot



By Sean Gregory

Despite the negative sales forecasts for the holiday season, now might be the right time to open a store.

As long it's going to go away. As landlords and mall operators struggle to fill vacancies, and companies try to squeeze as much revenue as possible from the high-traffic holiday season, temporary retail outlets, or pop-up stores, are very much the rage. "Because of the significant empty-space issue across the board, pop-ups are an opportunity for both entrepreneurs And big brands to make some money without having to worry about overhead of a five-years lease," says

Mike Kraus, retail consultant for allbusiness.com.

Plus, if your store is going to shut down anyway, you don't have to fret about bankruptcy. "Pop-ups are a national phenomenon," says **Faith Hope Consolo**, head of retail leasing at **Prudential Douglas Elliman**.

Pop-ups are no longer somewhat shady operations looking to make a quick buck. A broad range of big name retailers have entered the pop-up game. Toys "R" Us is opening 350 Holiday Express toy outlets in an attempt to boost sales and steal some of the share that might have gone to former rival KB Toys, which shut down earlier this year. About 80 of them are freestanding mall outlets; the rest will be temporary toy departments within the company's Babies "R" Us stores.

On October 21, American Eagle opened a pop-up for its 77kids brand in a Pittsburgh mall; the store will stay open for 77 days. The Gap opened, and just closed store in Los Angeles dedicated to its 1969 jeans brand and a similar outlet is set to open in New

York City this week. J.C. Penney hawked its denim in six vacant retail spaces in California during back-to-school season. Gucci is opening pop-up shops, which were given the sexy name Gucci Icon-Temporary, for two to three weeks in seven cities around the world (Miami Beach, New York City, London, Berlin, Paris, Hong Kong and Tokyo).

Pop-ups provide an opportunity for retailers to test a product and create some buzz around their brand. "They are making a short-term investment for what could be a long-term gain," says **Consolo**, who has been besieged with requests for prime pop-up locations throughout New York City. Ann Taylor, for example, tried three pop-ups in New York City in early October, and after they closed, traffic to the permanent Ann Taylor stores in those areas increased. Landlords will always hold out for long-term leases until the last possible moment, but if a location is still vacant, some rent for three weeks is better than nothing. "Plus, having a store filled gives other retailers the impression that the location must have some value," says **Consolo**.

Pop-ups can be tricky for shoppers, as return policies are often much stricter. If a temporary store is part of a chain, you can usually return an item to another location if the one you shopped at goes out of business. But if it's a one-time operation, you're out of luck. So enjoy the deals that these quickie outlets will be offering this holiday season. But pop-up shop at your own risk.

