

RETAIL

Pop-up shops preserve exclusivity for luxury brands in new retail

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Window display for Prada's Galeries Lafayette popup. Image credit: Prada

By BRIELLE JAEKEL

Luxury brands have placed pop-ups at the core of their strategies, allowing these designers to keep up with the changing retail landscape while maintaining their exclusive status.

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Pop-up shops have created a unique opportunity for brands to connect with consumers on a more personal and fun level and are forcing many to rethink retail, says a [new report from Fashionbi](#). For luxury brands, the pop-up shop offers them a chance to provide unforgettable experiences that they are known for while also staying relevant.

"I believe that the brands will continue to launch the pop-up stores. The temporary availability of the collection can make a brand even more desirable," said Yana Bushmeleva, chief operating officer at [Fashionbi](#), Milan. "For the established markets the pop-up stores can allow [brands] to have an additional touchpoint with a customer and sell a new product or provide new services, while for the new markets pop-up store can increase the visibility of a brand and test the waters before opening the brick-and-mortar stores.

"In general, pop-up stores give flexibility to the retail strategy, the brand can follow its customer during the vacation season or during major world events," she said.

Popping up in retail

While the term "pop-up shop" was coined in 1997, the concept started to build momentum with high-fashion brands in the later 2000s.

As consumers become more comfortable shopping online and brands move their inventory to ecommerce, pop-up shops drive more one-on-one experiences. Shoppers often appreciate these shops more, as online options can be prone to induce decision overload.

Other modern elements such as social media and direct-to-consumer subscription models have also pushed the popularity of pop-ups, allowing consumers to take "Instagrammable" pictures they so covet.



Dior's Pink City pop-up in Macau. Image courtesy of Parfums Christian Dior

Storefront predicts that the temporary retail industry will generate \$80 billion per year.

Fashionbi categorizes pop-up shops into five categories: Kiosk, Store within a Store, Gallery, Event or General Vacant Space, In-Line Shopping Centers and Vacant Street Level Space.

Kiosks or booths are often located in high foot traffic areas, such as shopping centers and festivals, and require little investment and infrastructure.

While the strategy offers smaller space than other pop-up methods, meaning less inventory to sell, it can create a wide range of loyal customers from built-in traffic.

One effective example of this type of pop-up is Louis Vuitton's first freestanding pop-up in Canada, at Yorkdale Shopping Center in Toronto for its fragrance division. For an Instagrammable and eye-catching moment, the shop's walls were built using an estimated 3,000 paper tube packaging containers that its perfumes are sold in.

While the shop was unique to look at, it was also easily accessible and sold seven of Louis Vuitton's fragrances as well as accessories from the Les Parfums division.

For the Store within a Store concept, brands will often take up space in a fitting retailer. The option requires even less infrastructure and allows for flexibility and quick turnaround.

Brands undertaking this strategy will need be sure they do not disrupt their host's daily operations.



Inside Bloomingdale's The Carousel. Image courtesy of Bloomingdale's

Department store chain Bloomingdale's exhibits a keen way of adopting this method, taking an editorial approach to retail with the debut of an evolving concept shop-in-shop.

Launched this past fall, The Carousel at Bloomingdale's features an eclectic mix of products picked by a curator based on a specific theme. Creating newness, the pop-up will evolve every two months as a different tastemaker takes over ([see story](#)).

The Carousel allows various temporary brands or curators to take up space without impacting Bloomingdale's infrastructure.

Temporary experiences

Art galleries and event spaces are important spaces for pop-up stores and are often move-in ready for brands to set

up shop. However, these spaces' businesses are solely built on events, so it could be difficult to book a space.

As an example, Fashionbi cites audio provider Sennheiser's pop-up in a New York gallery that allowed visitors to travel through a sound tunnel.

In-Line Shopping Centers are the shops that line the malls in between the department store anchors. These spaces are developed for short-term leases and make pop-ups easy to manage.

For instance, German automaker Mercedes-Benz invited consumers to explore its latest models in an Atlanta experience center.

Located at Phipps Plaza, the Brand Center offered consumers the chance to virtually test-drive vehicles and interact with Mercedes' newest in-car technology. The opening followed a series of Brand Centers in other markets, which have helped to drive traffic to dealership ([see story](#)).

Vacant Level Street spaces require big budgets but offer complete control and a highly immersive experience for shoppers.

French fashion house Christian Dior is bringing its fall 2019 men's collection to North American consumers through a series of pop-up shops.

Taking inspiration from the futuristic designs, the modular stores feature metallic details and an example of the Vacant Level Street pop-up. These pop-ups enable Dior to present its collection in a more branded and thematic environment, immersing consumers in creative director Kim Jones' vision ([see story](#)).

"The premium location, assortment and design of the store, basically the same principles as for the permanent store, are valid for the pop-up store," Ms. Bushmeleva said. "Plus the pop-up store can be attributed to the special occasion, for example the anniversary of the brand or new product launch or to the special event, [such as] fashion week, music festival, sport event and so on."