

# Pop goes the concept

As retailers seize the brand-building prospects of pop-ups, landlords are also embracing this new leasing landscape. Will the trend pass as the downturn ends or remain and lift the high street? By **Ben Cooper**



Liberty's pop-up store at Westfield Stratford City

**A** historic and unique retail space set behind one of the capital's most iconic fascias, Liberty is a permanent fixture on Regent Street. But in 2012, as part of a drive to get the name out there, the luxury department store business took a distinctly temporary decision: to open a pop-up store at Westfield Stratford City.

The way that retailers such as Liberty view temporary space has moved on. A wave of tech providers has emerged to enable a new form of leasing to flourish and, perhaps crucially, landlords are beginning to embrace a new generation of pop-up operations that goes beyond a simple space-filling exercise.

So with signs of recovery around the corner,

what have been the big developments in pop-up retailing, and are the latest trends here to stay even once the economy – and demand – is fully back on track?

Everyone is familiar with the old-school model for pop-up space. The hastily assembled store ready just in time for December, with a rag-bag of products, seasonal gifts and discount goods is all too familiar.

Without any intention of long-term occupancy, temporary tenants often underinvest in their space, doing nothing for the overall feel of a centre and the neighbouring stores, and swoop in to take advantage of short, sharp bursts of shopper spend, which those around them have been waiting for all year.

For a lot of landlords, alienating existing tenants by bringing in a temporary retailer is something they shy away from. Miles Dunnett, the head of asset management for property development group Grosvenor, says: "Where other retailers have stuck with you throughout the year it doesn't feel fair to cannibalise spend. It could be a difficult conversation with the retailers."

However, despite this, Grosvenor has not just experimented with, but embraced the pop-up, including at Liverpool One, which Dunnett heads. Recently taking space there, Harvey Nichols made a name for itself with a Christmas pop-up space designed to create a stir.

The aim of the pop-up was to promote the addition of a fourth floor to its iconic Knightsbridge site, and temporary space provided the perfect solution. Using a Boxpark-style shipping container inspired by the new floor, the retailer toured key locations in London to create a buzz around town.

The fact that Harvey Nichols has made a point of using pop-up space in this way says a lot about the way the model is being viewed in modern retailing.

Harvey Nichols group press and marketing director Julia Bowe says: "Every year we get customers asking us when our Christmas pop-ups are opening. They look forward to them and they have become part of the Harvey Nichols' identity. We treat them as a separate entity to our main stores, so each year we

“

**Pop-ups are important to landlords, customers and us. It's a win-win situation all round**

Julia Bowe, Harvey Nichols

have a different design scheme, which keeps them fresh and fun. Pop-ups are important to landlords, customers and us. It's a win-win situation all round."

## Temporary appeal

So what is the 'win-win' appeal of the pop-up space, given the reservations landlords have had in the past? At the front line of the sector is a new generation of online retail space marketplaces such as Appear Here and We Are Pop Up, offering temporary lets for a range of spaces.

We Are Pop Up chief executive Nicholas Russell says part of the benefit for landlords is the opportunity to try something out and enliven their tenant mix. ↘

“Pop-ups allow you to shift your demographic. If it’s stable you can shake things up and drive it. You can take a centre in a new direction,” he says. “For the landlord it’s an opportunity to flex their offer to the consumer in a different way.”

With so little property development having taken place over the last six years, and credit scarce even for major refurbishments, any opportunity to revitalise retail space is often welcomed by landlords and their tenants. And, as Russell says, temporary space is a quick and commitment-free way of doing this.

But, he adds, it goes deeper and is part of a wider shift in the mentality of managing shopping space, inspired by technology.

“It’s about curating space,” he says. “In the same way that the App Store is curated of individual brands, landlords are coming around to the fact that independents are similar and move very quickly.”

### Evolution of space

Appear Here founder Ross Bailey believes that changing attitudes have brought about the evolution of the pop-up. In a world where sales are increasingly coming from ecommerce, the very purpose of retail space is under question, according to Bailey.

He says: “Landlords and brands are realising that retail is media. Physical space is part of that. We’re finding more and more high-end brands are coming to us that want to attach themselves to a moment. And it’s not just experiential, it’s about people getting out there and getting their name heard.”

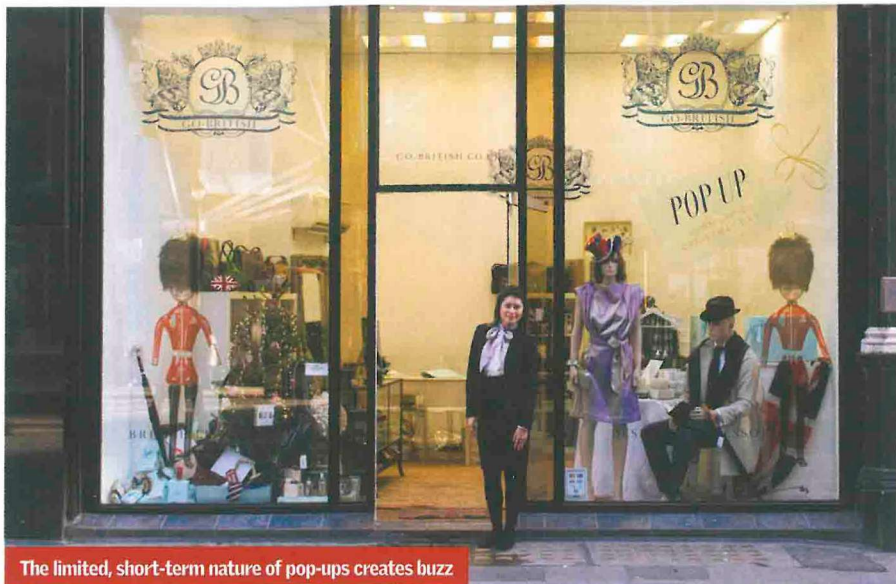
Appear Here offers hundreds of exclusive spaces nationwide for short-term rent in Bath, Birmingham, Edinburgh, Liverpool, London and Manchester. It was the company behind the Liberty experiment at Westfield Stratford, where the Australian developer has made a point of maximising the pop-up opportunity.

Westfield director of UK operations Bill Giouroukos says, particularly at Westfield Stratford but also elsewhere, one major event in 2012 can’t be overlooked as being a driver of cementing the success of pop-ups.

He says: “It’s not just about filling and plugging the gaps it’s about having relevance to your customers. What the Olympics did for pop-ups was give them a high profile. The masses of footfall we got through the centre helped to put a lot of people onto the concept of pop-ups.”

John Fell, director of UK sales at retail property consultant FSP, believes the pop-up model isn’t just an opportunity for shopping centres but could be a solution to the much-discussed problems on the high street.

He says: “The interest is in the limited short-term nature of it – that’s what creates



The limited, short-term nature of pop-ups creates buzz



Harvey Nichols' fourth floor relaunch pop-up

the uniqueness. There’s a potential for town centres to cash in on this idea as well. This is one idea that could work. Local authorities could use this to generate interest, like the fourth plinth in Trafalgar Square.”

But even with major investment from landlords, and a smarter, more sophisticated type of occupier, pop-ups by their very definition are a transient type of space. And while they are becoming a legitimate sector in their own right, do they pose much of



**Pop-ups allow you to shift your demographic. If it's stable you can shake things up and drive it**

Nicholas Russell, We Are Pop Up

a threat to the established order of retail property leasing?

CBRE senior director for central London Steve Stedman isn’t convinced. He says: “As the economy improves that opportunity for pop-ups is going to get more scarce. Landlords tend not to want to be that short term. It’s not from a commercial point of view, it’s a branding point of view – it’s mainly for promotional purposes.”

Whether this analysis rings true in the end, or if the We Are Pop Up and Appear Here model is closer to the pulse, remains unclear. But without doubt the next generation of temporary space has arrived.

The concepts of a landlord being a ‘curator’ of space and of stores being ‘media’ for a brand, are straight from the cutting edge of retail property. Whether the industry as a whole stays there once the post-downturn era begins, depends on its ability to innovate not just out of necessity but through a genuine desire to evolve. ■