



Economic Development □ Market Analysis □ Urban Planning

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Invigorating Main Street with Pop-Up Businesses

*“Do not be fooled by the fleeting nature of pop-up shops, say local organizers.
The effects following the final store transaction are lasting.”*

Pop-up businesses are an exciting new trend that present downtowns with an opportunity to revitalize empty storefronts and re-energize shopping districts. Also known as flash retail, temporary retail, trunk shows, or pop-up retail, these short-term sales spaces are becoming a fixture in downtowns throughout the country. Pop-up spaces have been successfully used to animate key vacant storefronts in neighborhoods where city investments have yet to translate into new tenants. They offer a low-cost, quick turn around, highly visible way to incubate creative entrepreneurs while marketing retail spaces to potential tenants. Here are some of the basics:

What is Pop-Up Retail?

Pop-up retail is a short-term sales space or event/installation space in a venue that temporarily activates an otherwise vacant space. Shops tend to be small and allow a company to build consumer interest while creating a unique environment that engages customers or test the market for a new product. Pop-up art installations can range from longer term installations that mask vacant storefronts or temporary active spaces such as galleries, services such as classes or businesses with a creative emphasis, or other artist-driven experiments that provide an immersive experience. The emphasis of pop-up spaces is to reinvigorate the public's perception of a district by energizing the streetscape and providing interesting new products and experiences.

What are the Logistics of Pop-Up Retail?

The length of leases varies and can be as short as a day for a special event to several days or weekends during a holiday season. Art installations usually have a one to six month lease. Usually tenants pay a discounted lease rate or forego rent in lieu of paying all utilities. In exchange property owners provide tenants with spaces that are up to code and ready for move-in. Leases allow property owners to terminate with 30 days notice, allowing them flexibility if they find permanent tenants. Cities or arts organizations can also support property owners with grants to cover small improvements to storefronts include painting and cleaning.

What are the Benefits to a Downtown?

First and foremost, pop-up shops can fill vacant storefronts that otherwise might project an image of a less than successful commercial area. Pop-up retail can improve the appearance and image of a district by offering consumers an ever changing, dynamic retail experience. Clusters of pop-up spaces generate a buzz for a neighborhood and build an image of a

creative cluster. Temporary stores also support local entrepreneurs and let them get a foot in the door as they test out business concepts. Pop-up shops can end up signing leases and becoming longer-term retail businesses that generate sales revenue for downtowns. Even if the businesses remain temporary, property owners can benefit from back-to-back tenancy until they are able to attract a tenant for a long-term lease.

- Additionally hundreds of visitors are attracted and the space is marketed to creative professionals potentially looking for commercial space.

What is the Ideal Location of a Pop-Up Store?

Pop-up stores are best located in districts with a high amount of foot traffic in order to generate visibility given their lack of advertising and temporary nature and near existing retail of a similar nature to build off synergies. Cities should try to focus pop-up shops in existing retail districts that they are trying to enhance/promote with further development in order to create buzz and solidify a district identity or in struggling retail areas with a large number of vacant retail storefronts that they are trying to reimagine/market as safer and cleaner.

How to Get Started?

Cities can proactively pursue this downtown revitalization strategy:

- Determine existing retail neighborhoods with sufficient foot traffic and additional city investments to target for pop-up retail or events. Make sure zoning allows this type of retail; if not, make changes to allow it.
- Survey vacant storefronts and reach out to property owners. Work out details of temporary leases and provide owners with successful examples of pop-up retail and explain space needs of potential tenants.
- Consider offering grants to attract small entrepreneurs or local artists and assist in permanent tenant improvements or other forms of assistance such as securing business licenses.
- Market portfolio of temporary spaces to potential vendors.
- Develop marketing effort to publicize pop-up retail stores and consider tying in with other events or festivals to increase foot traffic.

POP UP TRENDS

- Feeds into trends of “massclusivity” with consumers being granted exclusive access due to limited time span and need to be “in the know.”
- Often shops are not geared toward profitable sales but to promote demand for goods thereby increasing profitability long-term and/or in other modes of retail. This is very appealing to smaller, self-owned businesses trying to build a physical location beyond Etsy, EBay or other online marketplaces.
- Pop-up retail is also used by major existing brands for marketing purposes to raise the profile of the brand or to market a new line or product and/or test a market or product before committing to a larger investment.
- Historically pop-up retail has been used for seasonal sales such as Halloween costumes, Christmas gifts, or fireworks.

- Spaces and events can tie into larger, existing city events. For example, New York provides rent-free space for a month around Fashion Week to innovative fashion retailers and fashion-related technology companies in order to strengthen the city's position as a global fashion retail leader. Cities should think about the brand they are seeking to promote and target key industry clusters/types of retailers.
- Pop-up events can include temporary patios offering outdoor space, night markets with local artisans, or a temporary urban forest. Examples of artist-driven spaces include break dancing classes for kids, a working food art studio, a pop-up shop for shared fabric and crafting materials, and artist residency spaces.
- Temporary art spaces can address to some extent the lack of affordable arts spaces due to increasing costs and development. Such a program can appeal to individual artists and mid-size to small arts groups who can't afford a permanent space.
- Trend can be improved/leveraged with additional investments on the city's part. For example, Portland offered free parking certain days of the week during the holiday season that also tied into special deals and live music at certain retailers.
- This strategy is becoming more and more attractive to various cities throughout the country as downtowns strike deals with vacant retail spaces and incorporate pop-ups into their downtown activation strategies.
- Other instances of pop-up events include chef's cooking one night a week in an existing restaurant or mobile vendors who "pop-up" in different locations.