The Evolution of
Pop-up
Retail

Pop-up retail has been around as long as retail itself, from the swap meet startup to the trade show booth, this is not a new concept. So why now are we seeing Pop-up stores making headlines and why are so many brands that are traditionally only in year-round brick-and-mortar or pure play online moving into the game.

Retail is in for a period of carnage and rebirth as evidenced by the massive store and company closings we see even in the first weeks of this new year. It's harder than ever to make a profitable play in traditional retail today.

Looking deeper into this trend, especially with a focus on fashion, showcases some key business drivers of Pop-up retail.

INSIGHT

Consumers are driving change in retail. Today's social media savvy consumer knows what trends are hitting the runway right when they do and will tell you what they want to buy. But having the product they want is only part of the puzzle now, as similar choices are readily available on-line. So, store-based retail can shift focus to the shopping experience. Limited availability Pop-ups can provide the product the consumer wants along with the experience they need.

CHALLENGE

Traditional retail institutions have giant store footprints and heavy investments in inventory, where professional buyers attempt to tell the consumer what they should be buying based on aged in-store inventory. Then consider the need to move product multiple times to balance inventories across large chains, thus reducing margin; hence the challenges driving change in retail today.

SOLUTION

With Pop-ups the brand, wholesaler, or retailer can quickly and with little investment put current fashion in front of an informed consumer, in a fun environment where they can enjoy the experience of buying from them. The business can test new product and get rapid feedback and sell through a more limited run, with less risk and with less overhead from high rents and long supply chains.

BENEFIT

Delivering this core Pop-up experience to the consumer further endears them to the brand, as now they can easily have a universal customer profile that also works seamlessly with that retailer's online shopping experience. It is clear that In-store retail will always be relevant; even vastly successful online merchants like Gilt and Amazon push their business into Pop-ups and stores, the key is how they do it.

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Key Technology Enablers for
Pop-up Retail

Technology has certainly been a deterrent to a wider adoption of Pop-up by retail. Traditional POS technology footprints are not synonymous with efficiency, speed of deployment, or cost effectiveness, until now with the maturation of cloud and mobile based SaaS applications like Teamwork Retail. One Step Retail Solutions has developed an expertise in delivering implementations for Pop-up using Teamwork Retail

VISIBILITY INTO THE OPERATION

Real time enterprise class visibility; of inventory on-hand at any location from anywhere, sales information, and the real time interaction with customers and their transactions, both in-store and online, allows assortments to be balanced and decisions made to allow quick reaction where customers have access to all the inventory no matter where it is; it's universal and it's real time.
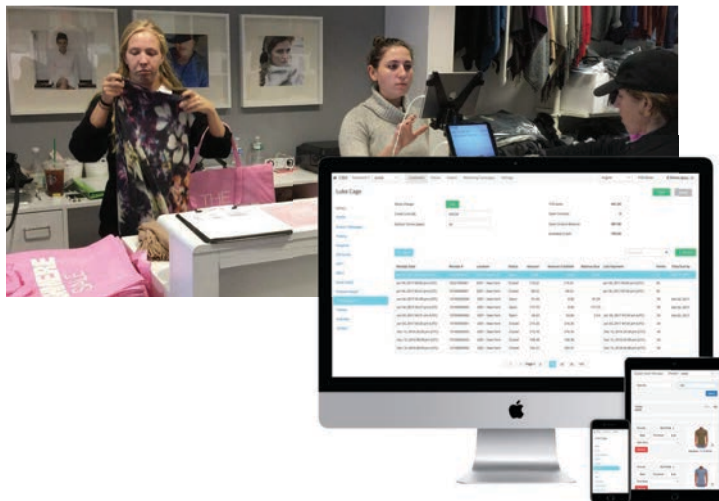
EFFICIENCY AND PRODUCTIVITY

Once the cloud headquarters environment is established, the inventory catalog is secured, CRM is set, customers imported, then stores can be set up. The unique nature of a native iOS app means that all functions from POS, to shipments, to stock count can be initialized in a matter of minutes and then run even offline. Therefore, stores can be set up technologically in a matter of minutes and staff can focus on the product and the people; the technology, while powerful, stays in the background.

SPEED

Reactions to what is occurring in the business can occur fast because there is immediate visibly, systems and stores can be deployed rapidly, and resources can be kept lean. One Step Retail Solutions has established a program whereby a new client can go from signed contracts to opening stores, in 90 days. This goes beyond a seasonal Pop-up opening opportunity for travelling sales, weekend events, shop-in-shop and the like.

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The Cashmere Sale just completed their 15th year of Pop-up retail, with 19 locations for the 2016 holiday season along with a Shopify ecommerce site. They are a true innovator in this space and it shows in their success.

> **"Our mission is to make the world a softer place the best way we know how – by sharing beautiful cashmere and savings with you."**

The company is "A growing branch of a major New York-based apparel company… founded and driven by a group of passionate, fashion-oriented women, [who] operate on a simple premise: provide customers with in-season, high-quality cashmere at irresistible prices."

By limiting their nationwide Pop-up stores to once a year and offering online shopping, they eliminate traditional brick-and-mortar expenses and pass the savings on to their customers.

Case Study
The Cashmere Sale

VISIBILITY INTO THE OPERATION

For The Cashmere Sale, visibility into the business was a critical issue. This meant things like seeing a location underperform expectations and deciding to close it down after 2 weeks and moving the goods to another location that was performing. It also meant seeing in detail down to the color / size level what inventory was performing well in different markets (sometimes running counter to expectations like heavy coats on the west coast) and moving those goods so as to not miss out on those sales and sell through.

EFFICIENCY AND PRODUCTIVITY

Using the Teamwork Retail native iOS apps, the operations staff were able to deploy technology to 19 locations in roughly 45 minutes per location. The store staff could then focus on the customers experience in the store, the technology simply working and fading into the background. As an example, they were able to use a customer facing shopper display app (unique to Teamwork Retail) to help achieve their highest retention rate of new customer profiles, thereby feeding the future of the brand.

SPEED

Working with the One Step project team The Cashmere Sale went from signed contracts in June 2016 to deploying stores in September for the October through December selling season. The ability to act and then react fast allowed them to consolidate inventory to top performing stores by early December and then consolidate back to the warehouse in January, with less than a 1% inventory variance. Using the Shopify ecommerce site integrated with Teamwork Retail they ran an online consolidation sale that produced 400% more orders than expected.

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Future
Focus

In the case of The Cashmere Sale, the success of the past seasons guided by their technology provide them confidence to grow the store footprint along with the brands or lines offered in coming seasons. They plan to expand their use of the technology by implementing additional CRM functions like shared gift cards and loyalty both online and in-store as well as using marketing mean to enhance to customer experience. Management can see 50 locations near-term (even 100 potentially) plus a growing ecommerce business.

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