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THE PROGRAM TRANSCRIPTS

Pop-Up Store Popularity

By ERIKA MILLER

SUSIE GHARIB: Halloween costumes will be sold out or packed up by the beginning of next week and the same goes for many of the stores that sell them. Those temporary locations are called pop-up stores and this year, there are 15,000 seasonal Halloween stores, up from 15 percent from a year ago and that's according to research firm IBIS World. Erika Miller looks at why pop-ups are growing in popularity.

ERIKA MILLER, NIGHTLY BUSINESS REPORT CORRESPONDENT: Fiends and ghouls aren't the only things making an appearance this time of year. Many seasonal stores have also been popping up. Spirit of Halloween is operating 850 temporary stores nationwide for exactly a month. Christina Norsig of pop-up insider helps merchants find short-term space.

CHRISTINA NORISIG, CEO, POP-UP INSIDER: What you are seeing now is there's a 13 percent retail vacancy rate around the country. And as a result of that, we're seeing a lot of empty storefronts and owners are more receptive to the idea of having a temporary tenant.

MILLER: Pop-up stores are not just for seasonal retailers. Some consumer products companies also using them to generate buzz about a brand, like this pop-up store for Pop-Tarts. In the case of Pop-Tarts, the product gains visibility it would never get on store shelves. A temporary location can also be a good way to try a new concept, like this Levi's photo workshop in New York City. Retail real estate expert Faith Hope Consolo says pop-ups are being used by many fashion designers this year.

FAITH HOPE CONSOLO, RETAIL GROUP, PRUDENTIAL DOUGLAS ELLIMAN: This is a good market for brands to test a new style, a new venue or just a neighborhood that they would have never gone into.

MILLER: So what happens when the real estate market recovers? Will pop-ups fizzle?

NORSIG: In my opinion, I think the trend as a marketing tool is here to stay. It's what I call bricks, clicks and quicks. It's the bricks and mortar stores. It's the clicks, which is the Internet and quicks, meaning temporary retail, is now a tool in the arsenal of every retailer.

MILLER: They are also a tool for landlords, a way to bring traffic to a neighborhood. They also know a short-term rental can sometimes lead to a long-term one.

CONSOLO: It brings attention to the property and what happens is maybe a retailer that was thinking about it can see the store in action.

MILLER: Of course, whether the lease is extended depends on the type of merchandise being sold. After all, who wants to look at this face after Halloween? Erika Miller, NIGHTLY BUSINESS REPORT, New York.