

**CASH CRUNCH**

## **Pop-Up Shops.** More brands are turning vacant retail space into temporary stores. How companies, and consumers, can win

**BY SEAN GREGORY**

DESPITE THE NEGATIVE SALES forecasts for this holiday shopping season, now might be the right time to open a store. A temporary one, that is. As landlords and mall operators struggle to fill vacancies and companies try to squeeze as much revenue as possible from the high-traffic holiday season, short-term retail outlets, or pop-up stores, are very much the rage. "Because of the significant empty-space issue across the board, pop-ups are an opportunity for both entrepreneurs and big brands to make some money without having to worry about the overhead of a five-year lease," says Mike Kraus, retail consultant for AllBusiness.com.

"Pop-ups are a national phenomenon," says Faith Hope Consolo, head of retail leasing at Prudential Douglas Elliman. No longer limited to shady operations looking to make a quick buck, pop-ups are being embraced by a broad range of big-name retailers

from Gap to Gucci. Toys "R" Us is playing the pop-up game in a big way, opening 350 Holiday Express toy outlets in an attempt to boost sales and take some of the market share that belonged to its dearly departed rival KB Toys, which shut down earlier this year.

Pop-ups provide an opportunity for retailers to test new products, create some buzz or simply remind customers of an older brand's existence. In October, American Eagle

opened a boutique for its 77kids brand that will stay open for 77 days in a mall in Pittsburgh, Pa. That same month, Ann Taylor opened and closed three pop-ups in New York City and afterward noticed an increase in traffic to its permanent stores nearby. The two chains' pop-up experiments are examples of what Consolo calls "a short-term investment for what could be a long-term gain."

Landlords would no doubt

prefer longer leases, but three weeks' worth of rent is better than nothing. Temporary stores can also be tricky for shoppers, as return policies are often much stricter. If a pop-up is part of a chain, items can usually be returned to another location. But if it's a one-time operation, consumers may be out of luck. So enjoy the deals that these quickie outlets will be offering this holiday season. But pop-up shop at your own risk. ■

