

Pop-Up Shop Quickstart Guide



As an ecommerce merchant, you have a successful online store, a loyal community of customers who love your brand, an audience of fans on social networks, and a question lurking in the back of your mind:

What's next?

We believe that low-budget, short-term, quick-install pop-ups are set to surge in the coming months. A few years ago, it was easier to build an ecommerce business. But the oversaturation of online channels, on particularly social media, means it's harder than ever to cut through the noise and reach online shoppers.

It's why 32% of brands said they'd be establishing or expanding their use of pop-up and in-person experiences in the next year, while 31% said they planned on establishing or expanding their physical retail footprint according to a <u>commissioned Forrester Consulting</u> study conducted on behalf of Shopify.

What is a pop-up shop?

If you're interested in testing out a retail presence for your business, but you're put off by the financial risk and commitment of a permanent storefront, a pop-up shop could be the solution for you. A pop-up can take the form of a street level retail store, a booth at a fair, a store within a store, a gallery event, a farmer's market booth, an art and craft fair, a kiosk or vacant store at a shopping center or mall, and more.

A pop-up shop is a temporary retail activation which could last for a day or as long as three months, where you can sell your products without the headache of committing to a lease, managing swarms of employees, or thinking about how to consistently drive loads of foot traffic to your doorstep.

A <u>pop-up shop</u> can also play an important role in the omnichannel experience offered by your brand. Today's customers learn about your products on social media, search engines, in print, and everywhere in between. Complementing your established online experience with an offline experience to match is an excellent way to build a network of loyal, engaged shoppers.

In this quickstart guide, start by answering some questions related to your products and customers to set the foundation for your pop-up. From there, we'll run through some ideas to get you started.



Questions to ask before running a pop-up

1. Why?

- □ Are many of the online-bought products returned because the item looked different in real life?
- □ Are you selling high ticket items that you think your customers are hesitating to buy without seeing first?
- □ Are you looking to build a stronger community around your brand?
- □ Do you have older inventory that you'd like to clear? Pop-up shops are a great way to say goodbye to aging stock with new visual merchandising elements.
- Do you have an engaged audience with increasing ecommerce traffic and sales?
- Do you want to offer a more immersive brand experience?
- Are you considering expansion or opening a new location?
- Are you ready to break into a new market or new segment?

A huge downside of online shopping is the fact you can't see, touch, or interact with a product. It's partly why return rates for ecommerce retailers are 11% higher than for retail stores. A whopping 22% of online returns happen because customers felt a product looked different in real life.

UNLOCK NEW OPPORTUNITES WITH SHOPIFY

Only Shopify POS integrates your online and retail store data into one easy-to-understand back office. Spot trends faster, capitalize on opportunities, and jumpstart your brand's growth.

Learn more

2. Where?

- Look at historical sales data from your ecommerce store.
 Do the majority of your customers live in a concentrated area?
- □ What items are popular in that area?
- What is the average price range of a sale?
- Does this area offer spaces within budget and where your target customers shop?
- What is the foot traffic like in the areas that you're considering? Be sure to ask the property owner or neighboring shops or booths for insights as well.
- What types of businesses are near the location? Are there restaurants, similar shops, parks?
- How easy to access is the location and is there parking? Some 77% of shoppers say being able to find an open parking spot is their biggest frustration.
- Will this be a once off event, or are you looking for a more regularly occurring pop-up?
- What is the rental cost of the space you're looking at?
 What is included in the cost (utilities, size, amenities)
- □ Can the space be modified?
- What are the dimensions of the ceiling, windows, door, counters, etc?
- □ Is there wifi?
- Will you need insurance at that location?
- Do you need a permit or license?
- □ How much of a deposit is required?



There is no clear-cut answer to the question "Where do your customers shop?" Ecommerce could form a large percentage, as with brick-and-mortar. But there's a high chance people combine the two. Retailers experience a <u>190%+ increase</u> in revenue when they sell on more than one channel. Some <u>56%</u> of shoppers visit a store before making a purchase online.

PUT YOUR DATA TO WORK WITH SHOPIFY

Only Shopify unifies online and physical store data in the same reporting dashboard. View and analyze ecommerce sales, customer, product, staff, marketing, inventory, and financial data to make more informed decisions around pop-up shops.

Learn more

RETAIL Pop-Up Shop Quickstart Guide

3. How?

- How much budget do you have?
- Do you have a point of sale system?
- Do you need to hire retail associates?
- How will you manage inventory on site and combine with your ecommerce stock?
- Will you offer contactless payments?
- Will you include QR codes that can be used by customers to view more colors and sizes, or complete their purchase online via their mobile phones? If you're a Shopify merchant, <u>Shopcodes</u> (Shopify's QR code app) lets you generate QR codes within your store.
- How are you going to promote this pop-up? Influencers, digital creators, partnerships, your social media channels, emails to your current customers, local media, and social media pages of the farmers market or event venue are a few ways to start!
- □ How will your pop-up look?
- Do you want to offer appointment shopping?
- □ How will you measure success? We've seen our merchants measure success by sales by breaking down sales by date, customer, product, and employees.

GET STARTED

Shopify POS is the fastest way to accept in-person payments, sell at events, or open a popup shop. Download the Shopify POS app onto any smartphone or tablet and rent a mobile card reader to start selling wherever your customers are.

Get started

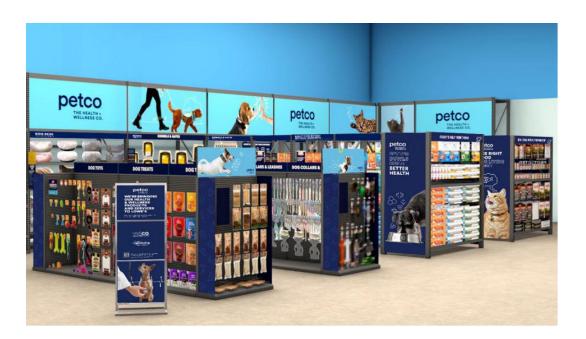
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Based on how you answered the above questions, you likely have an idea of a location, price point, and size for your pop-up. Here's a breakdown of different venues that fit every budget and vision:

A Store Within a Store

Partner up with another retailer to create a store within a store or a "pop-in." Working with a similar or complementary brand, set up a section of the store to display your products. This option gives the store owner buzz and new foot traffic, and you'll get a move in ready space that requires minimal setup and a current customer base.

This concept is popular with brands big and small. In 2022 Lowes will be rolling out Petco products and services in a section of select stores. Why? Lowes did research on their customer base and found that 67% of their shoppers said their pets have been their greatest comfort over the last two years, while 50% found comfort in their homes. Lowes already allows pets in store, so this partnership seemed like a no-brainer. The store's within a store will offer Petco's food, health and wellness supplies, vaccinations, and even pet grooming!



Gallery or Event Space

Depending on your product and customer, a gallery or event space can carve out a unique experience for your customers. The spaces are usually aesthetically pleasing, and the owners are already used to hosting events and drawing a crowd.

Showrooming

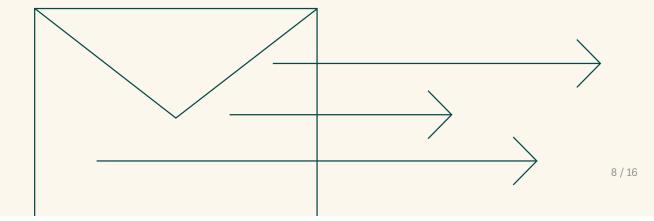
Showrooming works by running a reduced inventory store stocked only with your bestselling products. Online shoppers visit the store and see what the item looks and feels like in real life. Once they give the purchase the green light, they can either:

- 1. Scan a QR code for the product they've tried in-store. The code then directs them toward the product page on your ecommerce website.
- 2. Have a retail store associate email a personalized shopping cart for the in-store shopper to complete their purchase online.

GET STARTED

Use Shopify POS email carts to send shoppers pre-loaded shopping carts by email that include the products they were interested in while shopping at your pop-up. If the shopper completes the purchase online via the email, the pop- up shop gets credited with the sale.

Start your free trial



Black Friday Cyber Monday or Seasonal Events

A seasonal pop-up can drive retention long after your shop is closed and the holiday season is over, turning seasonal shoppers into lifelong customers. If you host seasonal pop-ups regularly, you'll build a sense of anticipation among your most loyal customers.

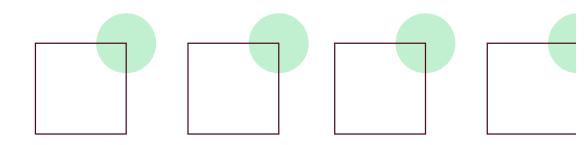
Vendy awards 2015 finalist for "Best Dessert," Squish Marshmallows makes small-batch handcrafted marshmallows in New York City and ships nationwide. Founder Katherine Sprung has had great success popping in at the Union Square Holiday Market in New York City.



"It's an amazing pop-up Holiday shopping experience right in the center of Union Square, the location definitely helps make it a high traffic area," says Sprung. Offering homemade hot chocolate during the winter holiday gifting season was a huge help in luring in customers.

Farmer's Markets

High foot traffic, free food samples, and Saturday? What isn't there to love about Farmer's Markets. This relaxed environment is a great place to meet your community and other merchants. Be sure to consider the vendor requirements and what kind of commitment they require.



Art and Craft Fairs

These types of events go by many names, festivals, fairs, or marketplaces. Customers are often looking for unique, local, or personalized gifts and love the idea of supporting entrepreneurs. Just like with Farmers markets, be sure to do your research. Obtain logistical details upfront like spots available, size of booths, commitment, and cost.

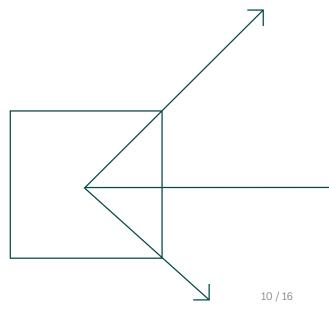
Mobile

If you don't want to limit yourself to one location, consider going mobile and renting a truck or bus to host your own traveling pop-up shop. In 2017, Casper's Nap Tour traveled from Vancouver to Toronto, offering customers throughout Canada the chance to test out its mattresses. This opens you up to operating in various locations and maximizing your reach you can set up at a farmer's market, park, or any public setting that you think your customers would be frequenting.

Three months into the pandemic, <u>Paka Apparel</u> founder, Kris Cody, decided to go on <u>tour</u> with his two alpacas—Chaska and Luna—to meet customers in-person.

"While everyone was going online, I really wanted to go offline and connect with people. I saw how much fear technology and the media was causing. I wanted to give people a break from it. Alpacas are magnetic creatures, so I made them the focal point of my tour instead of pushing the products in an unnatural way," says Kris.

Knowing that the bulk of his customer base was in the U.S. West Coast, he organized the "Paka Tour" down the coast with his alpacas and trailer in tow. All he had was his mobile point-of-sale and unique wood-carved \$20 gift cards that could be used to purchase anything on Paka Apparel's website. He brought his alpacas to farmers markets, parks, and surfing competitions, offering free alpaca hugs to whoever wanted them.





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Without any product we created this incredible funnel from offline to online just by collecting emails in exchange for gift cards. We got thousands of customers into our system over the course of two months,

Kris Cody Paka Apparel founder

Shopping Center or Shopping Mall

Generally, newbie retailers have two options: You can rent a kiosk or booth space that allows you to set up shop right in the middle of the action, or you can look at vacant in-line stores that the shopping center reserves just for pop-up shops or has had a hard time renting out long term. Although renting a space in a shopping mall may be less cost-effective than the other venue ideas mentioned above, this would be ideal for those who have a certain degree of experience selling in retail environments.

Vacant Street Level Retail Space

Depending on the city or neighborhood where you'd like to host a pop-up shop, search for vacant commercial properties in the area. Contacting real estate agents for hard-to-lease commercial spaces can often land you a great deal on a beautiful storefront without the need for a lengthy retail lease.

Now, for the fun part. How will your pop-up look and feel? How will you keep the momentum of your pop-up shop? This will vary depending on the type of space you've decided on.

Draw out your pop-up shop layout before building it. Consider: traffic flow, lighting, POS, weather coverage (for outdoor shows), and placement of signage. Tip: use an interior design app for iOS or Android to plan the space.

Trying to decide which layout is right for your store? Download these <u>free templates</u> to learnwhich types of layouts work best for different industries and draw inspiration for your own design.

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The booths that really stand out always have two things in common: lots of lighting, and enough room for products to be seen clearly and customers to feel comfortable spending some time in the space.

Avril Loreti

Here are some things to consider:

Frontage

Does the storefront have a sidewalk for walk-ins and foot traffic? Is the frontage big enough so that you can easily manage <u>curbside pickup</u> orders? How much can you decorate the outside of your booth?

Signage

Check to see if the location you're looking at comes with signage and, if so, whether you're allowed to customize it. Some spaces may already have branded entrance or storefront signs, which could prevent people from noticing your shop. Other spaces may not allow signage at all. Determine what you need and how customers are going to find your pop-up. If you're selling at a craft fair or farmer's market, see if you can be added to the map and if you're allowed to add a sign in front of your stand.

Condition and cleanliness

Landlords typically ensure the interior of a pop-up space is pristine, but the exterior can be susceptible to the elements. You'll likely have to assume responsibility for its cleanliness. Get out there with a broom, bring your own potted plants, or invest in a bottle of Windex to get every last face smudge off of the venue's windows.

Lighting

This seemingly small decision can guide the customer to experience different moods and emotions. Whether they feel like they're in a nightclub, a fashion runway, or right at home will depend largely on how you decide to use lighting. Using spotlights to highlight certain products is also a surefire way to direct attention and make sure people see your top products. For more information on how to use lighting to highlight your product displays and visual merchandising, read our guide to retail lighting design.

Visual merchandising

Done well, merchandising can influence how much time a customer spends in-store and the choices they make. You'll need to make decisions about product placement, arrangement, color scheme, music, and grouping. Read on to learn more about the art and science of visual merchandising.

Giveaways

Nothing draws people like food and beverages, even if it's just a jug of lemonade and cups. Do your due diligence and check with the organizers, but if you can get away with offering free coffee and tea, the foot traffic will be more than worth it.

Build your mailing list

Ideally, you want to be able to carry over the momentum from the popup long after it's over, and one way to do that is to build your email list. Especially, if you also happen to have an online store and want to incentivize those who didn't make a purchase to do so at their own convenience. Nowadays this can be as easy as having a sign-up sheet or using <u>Shopify Email</u> to add customers directly to your email list. If you're finding it tough to get email addresses, you can try running a raffle draw and offer one of your more upscale products as a reward.

PRO TIP

Want to create beautifully branded emails to promote your next pop-up? Use <u>Shopify Email</u> to create, send, and track campaigns, all from within Shopify—no coding experience required.

Learn more

A pop-up shop isn't just a way to generate quick sales—they can be part of your overall brand strategy. They're a powerful customer acquisition and retention tool, an accessible way to test ideas and gather data, and a great way to build buzz and awareness for your brand.

No matter how post-pandemic retail trends shake out, one aspect of pop-ups will remain unchanged: they offer an affordable first step into physical retail for digital brands who want to connect with their community. Online will always be a key distribution and marketing channel, but physical retail is where brands can create long-lasting connections with their customers.

Now that you have a deeper understanding of pop-up shops, you can use these examples to plan and execute your next event. There really are no rules, so get creative, have fun with it, and take advantage of meeting and learning from your customers in-person.

