



aptos®

Retail is Popping Up All Over

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Why thinking differently about pop-up shops can create a winning sales model for the experience economy

True or False: People go shopping

FALSE

People no longer **GO** shopping.
Rather, we are **ALWAYS** shopping.

Whether at home, work, in a cab,
in a bar or even on the operating table...
we never stop shopping.

We check out new styles, research
peer reviews, and check for deals,
all on our phones.

We have apps and notifications; our
social media feeds are filled with
bragging friends and branded ads.

Whenever inspiration strikes, our phones
are there to help fuel our desire to shop.



we shop...

at **home**



at **work**



on **the way to work**



at **Starbucks**



in an **Uber**



at **the gym**



even at **church**

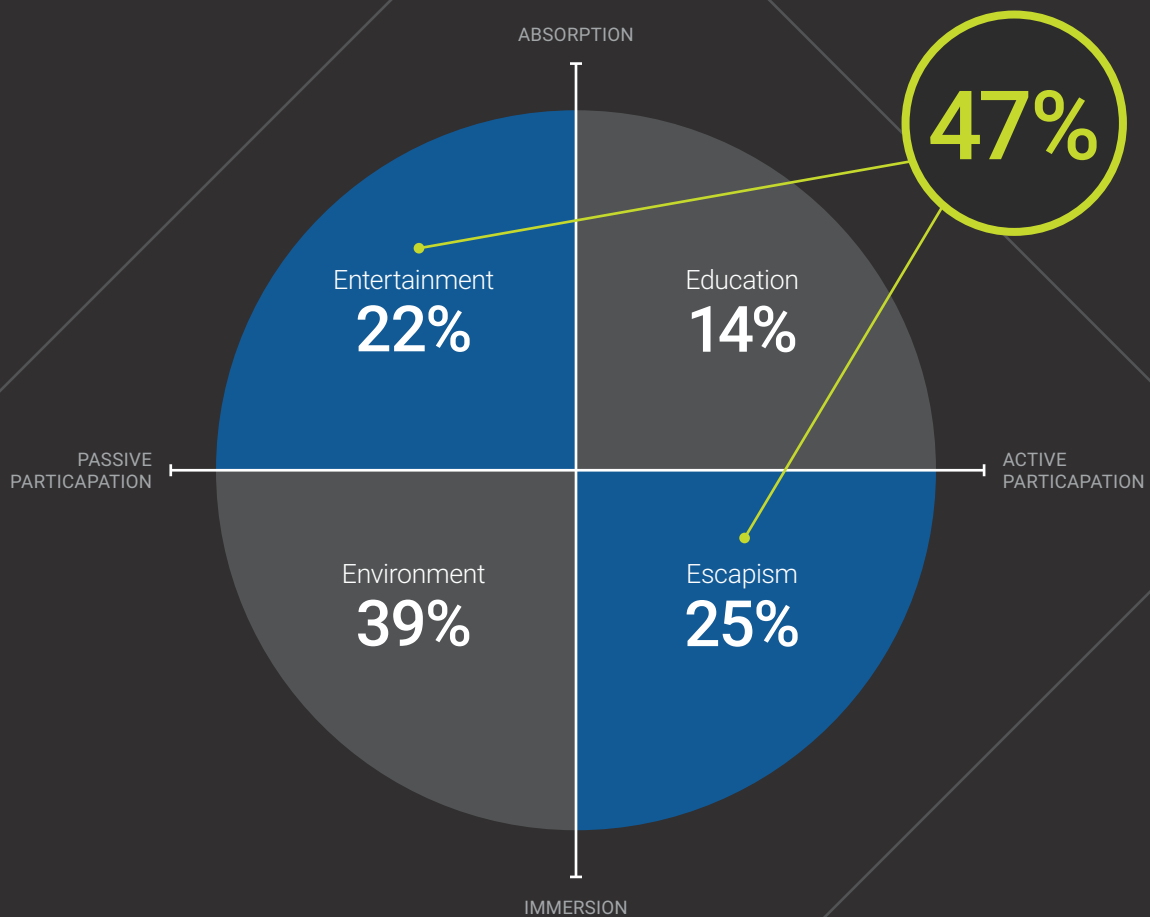




43%
are likely to **spend more money** with a retailer who offers a **meaningful shopping experience** in-store



24%
would **pay more for the same product** if they received a **meaningful experience** when purchasing



The new experience economy takes shape in retail

In this world of seemingly endless choice and relentless connectivity, to engage shoppers and draw them into your stores, **experiences matter more than ever.**

Great products, fair prices and compelling marketing aren't enough anymore.

Shoppers must be engaged through compelling *experiences*.

In fact, 43% of shoppers would pay more for the same product if the purchasing process was a 'meaningful experience'. In fact, 24% claim to be willing to even pay more for it if the experience was compelling enough!¹ Shoppers tell us that when they visit a store,

the single most important factor is the 'environment' in which they shop. They want convenience, cleanliness, easy navigation, and supportive staff. Cool tech like smart mirrors and good tunes to match the vibe don't hurt, either.

But consider this: almost half (47%) of shoppers surveyed say that either 'escapism' or 'entertainment' are the most important factors impacting their experience.

Unfortunately, most stores aren't designed as entertainment hubs, and escapism requires immersion, a complex challenge in the always-connected digital age.

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Today's consumers care much more about the experiences that come with consumption, which means retailers must **bring the experience economy into their establishments.**²

- Stores Magazine

Bringing new experiences into stores

The store as more than a place to buy stuff is certainly not a new concept, but it has gained significant momentum in recent years. For better or worse, there is no prescription for guaranteed success, but by working to gain a deep understanding of their customer base, several retailers have found success by creating unique in-store experiences that go far beyond simple transaction processing.

HOT TOPIC

**UR
BN**

B A R N E Y S
N E W Y O R K

Saks Fifth Avenue

PAPER  SOURCE™

Hot Topic Doing it live

For more than two decades, Hot Topic has emphasized the value of celebrity events and promotions—including concerts in their stores—and pop culture-oriented activities like customer photo shoots. From the early days of delivering a deep goth vibe, to more recent events with the girls from 'Glee', Hot Topic has always catered to the evolving interests of their base.

HOT TOPIC®



Urban Outfitters Doing it all

Urban Outfitters has mastered the art of leveraging the store as a de facto community center. Their unique location in Brooklyn, named Space Ninety 8, is a shopping destination moonlighting as an art gallery, yoga studio, cooking classroom and event space. This five-story 'space' is less about pushing products and more about being a place shoppers want to be, creating a relationship and loyalty to the brand, organically.

UR
BN





Saks 5th Ave

Doing it with tree pose

Want proof that giving up floor space to promote experiences is worth it? Saks 5th Ave in New York City, boasting some of the most valuable real estate in the world, removed an entire floor of selling space and replaced it with a fitness/yoga/pilates studio. The studio amplifies their brand identity to those who enjoy the fitness and yoga space, even if it does stretch the value of their footprint (pardon the pun).

Saks Fifth Avenue



Barney's

Doing it with exclusive events

Another traditionally conservative, upscale, classic retailer, Barney's took a different approach to in-store experiences by hosting a three-day product drop event, Drop@Barneys, during which 80 designers launched custom merchandise as DJs spun tracks and tattoo artists gave out 'free samples'. It might have been a departure from their norm, but the exclusivity and hype around the event was undeniably a success.

B A R N E Y S
N E W Y O R K

Paper Source

Doing it with class

Paper Source, an Aptos customer, built a unique program to provide a more comprehensive benefit to their customers by designing and hosting artwork and wrapping workshops. Giving their customers something to take home that included creative engagement helped instill a deeper connection and inspired strong social media sharing.

PAPER  SOURCE™



Venturing beyond: Pop-ups have taken off

But there's no reason to limit experiences to the four walls of permanent stores, as evidenced by the number of retailers that have started—quite literally—popping up temporary stores.

From fashion to footwear to food, from the highest end products at Tiffany's to recycled items from vintage stores, no retail segment has ignored the potential of the pop-up store.



Why Pop-Ups Work

Pop-ups bring new access to customers, powerful engagement opportunities, and with the right approach, a legitimately decent chance—as they go—of ‘going viral’.

They offer unique propositions to customers who may or may not otherwise enter a brand’s store or research the product online.

They allow shoppers to encounter a product drop or meet a celebrity manning the cash register. They bring a sense of exclusivity and scarcity, as they sometimes are the only place to get a new product, at least for a limited time.

If there’s one thing people love, it’s being first.



To help develop your pop-up strategy, download our Pop-Up Checklist:

10 Things to Consider Before Investing in a Pop-Up



A timeline:

From a floating store to Yeezy

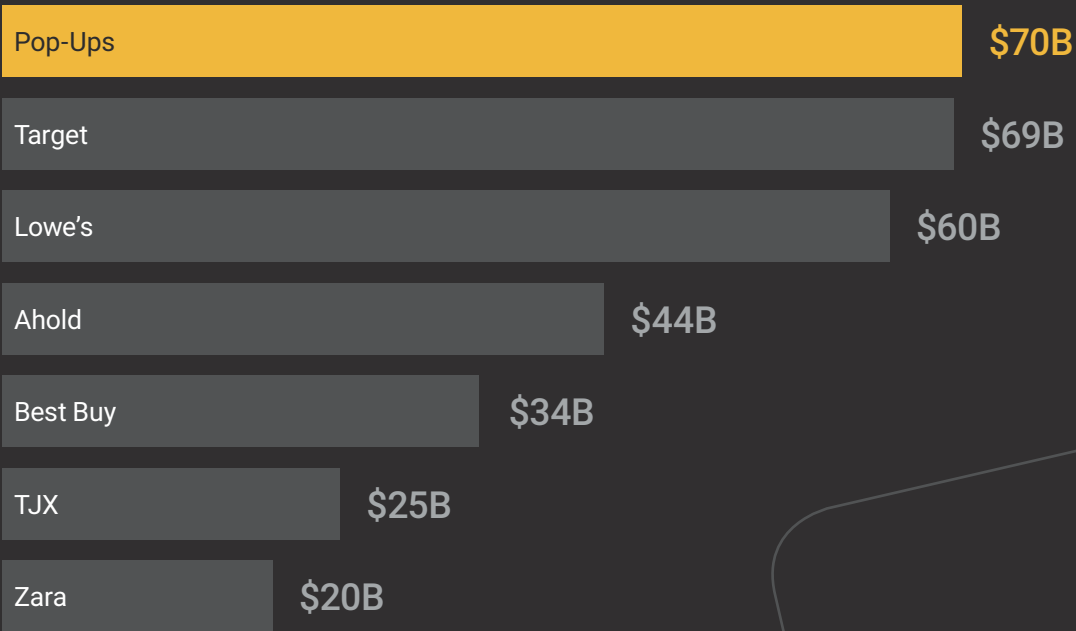
Most industry watchers credit Target with launching the first real pop-up shop when they launched a Christmas-themed store inside a boat docked on New York's East River in 2002.

Today, celebrities like Kylie Jenner regularly launch pop-up shops, which always draw significant media and public attention. Kanye West used his celebrity to launch his own *The Life of Pablo* merchandise line in 2016 to amplify the debut of his album by the same name earlier that year. He went live with 21 pop-up shops across the world, turning the launch into a global phenomenon while maintaining a sense of exclusivity and pop culture relevance. His Yeezy line has also entered the zeitgeist, and his pop-up shops always draw long lines of shoppers anxious for the latest product to drop.

Other artists have followed suit, from Daft Punk to Justin Timberlake, who recently hosted a three-day Man of the Woods Collection in New York in conjunction with the release of his album by the same name. Even if you wish that's where the album had stayed (RIP classic JT), the pop-up was hugely successful and generated a lot of publicity for a launch that went well beyond music.

The best part of it all? The culture of the audience doesn't matter; pop-ups can work for everyone. Even Gwyneth Paltrow has gotten in the game with her lifestyle brand, goop. If she can do it, so can you.

All of this momentum has catapulted pop-up shops into rarified air when taken in context of the broader market. You might not believe it, but industry estimates of \$70 billion in annual pop-up revenues eclipse the annual revenue of many leading brands, including Target, Lowe's, Best Buy and TJX and their thousands of permanent locations.³



There's always a catch

All of this good news about these pop-up experiences is exciting, but here's the catch:

Celebrity-driven, big-brand and high-profile pop-up shops can be hard to execute!

Executing a pop-up shop like Tiffany's little blue box-shaped shops on Oxford Street in London require several significant investments in time and money, including (but definitely not limited to) the following:

Step 1

Scouting possible locations

For major brands, the question of 'where' can be a showstopper. You say your customers are mostly young urban professionals? OK...

- Which of the dozens of large and hip global cities will you invest in?
- Are you going for a street corner vibe, an urban oasis in the park, or taking over an abandoned warehouse space?
- Who are you sending to scope the scene?

It's hard enough for three people to afford a one-bedroom apartment in London—opening even a temporary storefront near Hyde Park won't be any easier. This process can get complicated and expensive, fast.

Step 2

Negotiating the lease

Renting real estate for pop-ups is so common that there is now a whole industry catering to those looking for short-term commercial space. So, you'll have to set a budget, and maybe a big one, for a store that won't be around long.

Step 3

Make your pop-up stand out

Finally, for a pop-up to have maximum impact and create social media hype without the drama surrounding product drops (or the investment needed to get Shaq to shill your Big and Tall brand on-site), designing a unique venue is really important. Remember, shoppers want to visit stores with unique experiences and environments.



There's a way to pop-up differently

But do not despair. Pop-ups don't always have to be that difficult. There are now so many ways to get to your customers by simply going where they gather, because

we tend to shop where we gather

We shop at music festivals and food festivals. We shop at street fairs and parades, and we shop at sporting events—anywhere friends and strangers join forces to share a common experience.

Considering how many brands are competing for shoppers' attention every day, the flexibility and convenience of popping up small shops and meeting those shoppers where they choose to gather is a great way to channel their energy and win their business.

Why do we shop where we gather?

There are many factors that lead us to shop at events, including:

- A sense of community
- Peer pressure from friends
- The merchandise on offer is often highly relevant to the experience
- Showing off your participation
- Building memories

We shop when we
gather at **music festivals**



We shop when we
gather at **food festivals**



We shop when we
gather at **street fairs**



We shop when we
gather at **parades**



We shop when we
gather at **sporting events**





FO·MO

/fōmō/

Fear of missing out, or **FOMO**, is a pervasive apprehension that your friends might be having rewarding experiences from which you are absent.

Today's shopper doesn't want to miss out

At the core of it all, the reality is that **FOMO** fuels the experience economy.

In fact, 69% of all millennials experience FOMO.⁴

But millennials aren't the only ones with FOMO. It's just different from the FOMO of the past.

Baby boomer FOMO = 'Keeping Up with the Joneses' by purchasing nice cars, clothes and fear of not being included in the higher ranks of their neighborhoods and communities.

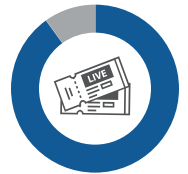
Millennial FOMO = 'Hanging Out with the Joneses' by spending money on live events out of fear of not experiencing the events their friends do.

To overcome FOMO, millennials are spending money on experiences. In fact, despite the fact that many are in the early stages of their careers and starting families at the same time, they're nonetheless outspending Gen X and Boomers on experiences.⁵

Case in point? Nine of 10 millennials have attended one live event in past 12 months. This trend isn't showing any signs of slowing, either, as Millennial investment in experiences as a percentage of total expenditures has grown 6.3% since 2014, while spending on services grew 4.7% and growth in spending on products was only 1.6%.



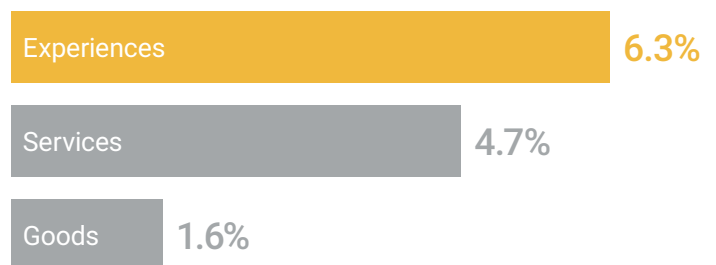
90% of millennials have attended one live event in the past 12 months



We All Love Experiences

Millennials may be the ones you see posting all the well-choreographed selfies, and they certainly are the biggest spenders on events, but they're not the only ones ramping up experience spending. **Since 1987, the share of U.S. consumer spend on live events has increased by a stunning 70%.⁶**

Investments as a Percent of Total Expenditures



Go where your customers gather

It's clear that consumers are interested in experiences. So why not bring your store to all these experiences?

In addition to bringing the experience to your store, bring your store to the experience.

As we mentioned previously, simply go. Go where they gather. Thanks to how much is spent on experiences, there are now plenty of places to find your target customers.

Growth in the event industry has exploded recently, and event organizers are very good at knowing exactly who they're trying to reach, and how to reach them. With a little research and outreach to event sales teams, you can easily find unique details about the crowds targeted by each event, which can help identify which events appeal to consumers that are important to you.

For example, Lollapalooza's 300,000 attendees spend 28% more on light beer and 70% more on bourbon than the average consumer.

Attendees of Coachella—as much a fashion event as a music festival—spend 35% more on cosmetics than the average consumer.

Bonnaroo draws a smaller, 65,000-person crowd who is 60% more likely to drink coffee than the average consumer and they spend 45% more on their java.



LOLLAPALOOZA



300,000 attendees



Spend **28% more** on
light beer than average
light beer drinker



Spend **70% more**
on bourbon than
average consumer



COACHELLA



250,000 attendees



Spend **35% more**
than average
cosmetics buyer



Spend **55% more**
than average
lipstick buyer



bonnaroo



65,000 attendees



Almost **60% more likely**
to drink coffee than
average consumer



Spend **49% more** on
coffee than average
coffee buyer

Where might your customers gather?

Some traditional examples:



Local Road
Races



Comic-con
Events



Beer
Festivals



Concerts



Renaissance
Fairs



Youth Sports
Tournaments



Wellness
Retreats



We've gone from
Woodstock to what?



Harry Potter festivals

Lumos maxima festivus!



pinknic

PinkNic Festival

Powered by rosé, everyone's favorite summer wine.

Duct Tape festivals

This one really...sticks with you.



Lebowski Fest

An annual gathering of the Dude(s). Think it's weird? Yea, well, that's just like your opinion man.

Eeyore's Birthday Fest

A...unique...festival in Austin, TX celebrating our favorite gloomy donkey.

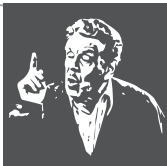


Cat videos festivals

Like we don't see enough of these every time we go online.

Festivus festivals

A festival for the rest of us!



**FO
MO**

FOMO festivals

Certainly the most meta example... They boast one stage so attendees don't miss out on any bands.

Aptos clients finding their niche

Several Aptos clients have found great success creating pop-up stores at events that help them extend their reach, grow sales, and assure their brand experience is in line with what their customers expect.



New Balance Exclusive Sponsorship

As the title shoe sponsor of the New York City Marathon, New Balance created two pop-ups at the Javits Center, home base of the marathon for three days. To riff on the Big Apple's famous eateries, they created a t-shirt 'deli' with custom shirts relevant to the marathon and another store selling shoes and other apparel, each with 40 Aptos-powered registers.

The campaign was a huge success that produced tens of thousands of transactions and impressive sales over the course of the three-day event.

Boot Barn

Going Whole Hog

Six times a year, Boot Barn builds pop-up stores at several of America's largest rodeos. These slightly upscale shops are big—up to 9,000 square feet—and act as a complete store with 4-30 registers per location and a dedicated staff of sales associates.

Since the rodeos last for up to three weeks, these fully functional stores garner lots of traffic and attract both existing and new Boot Barn customers who enjoy the complete Boot Barn experience in between bull riding and hog-tying events.



Cole Haan

Lightning in a Bottle

Trade shows and conferences can wreak (and reek) havoc on your feet at conferences. To offer attendees some relief at the National Retail Federation's 2018 Big Show conference, Cole Haan launched a unique pop-up inside the Aptos booth. It was a "bare bones" production—three associates with iPads running Aptos Mobile POS and one pair of shoes in each size. When an attendee purchased a pair of shoes, Cole Haan used Aptos Order Management to execute same-day delivery of the shoes to their hotel rooms, often before the show closed for the day.



Despite zero advertising and a minimal footprint inside the booth, this pop-up was an instant hit. In fact, it was one of the top performing Cole Haan stores for all three days of the show.

The fuel to help your pop-ups hit the road

So how can you go about bringing your store out into the world?

There are three typical options for pop-up deployment that necessitate different levels of technology and planning:

1

Feet on the street

The most basic and straightforward option—send your employees out with products, accept cash and record transactions at the end of the day.



2

Bring the store to the customer

Go where your customers gather! Set up a store with a separate store number and sell at an event. This is the approach Boot Barn takes with new, separate stores open for just three weeks a year at major rodeos.



3

Extend the store

Simply extend your store outside of its walls. Cole Haan did this at the NRF Big Show. While customers were able to make purchases at the Aptos booth, the in-booth orders were credited to and fulfilled by the local SoHo store.



NRF 2018
RETAIL'S BIG SHOW

Key considerations when popping-up



Priority #1: Connectivity

Will you have internet connection where you are? Will it be Wi-Fi, landline or cellular service? The answers to these questions are fundamental to adequately planning your pop-up. Whether your store will be online or offline impacts everything from payments to tracking inventory and sales. Here are the things to consider if you'll be offline or online:



Offline

Registers or a server with no connectivity:

- Transactions will be synched after the event
- Credit Payment, if offered, would still require cellular/Wi-Fi/landline access
- CRM would be offline – names entered would be synched after event
- EOM would not be available
- Limited options for mobile (resilient devices only)



Online

Mobile devices, registers or server with landline:

- Wi-Fi, or cellular
- Payment online
- Transactions synched near real-time
- CRM online
- EOM available
- All Mobile options available (iOS, Windows, etc.)

Priority #2: Tenders & Payments

Once you've determined your connectivity, you'll know how you need to approach payments, and whether on-site configuration may be required. Cash or physical tenders require a "Cash Drawer." You'll also need to address how to best handle the money and plan a strategy with your team. Meanwhile, credit cards and gift cards require cellular, Wi-Fi or landline connection and payment sleds for mobile.



Cash / Paper Tenders



Credit



Gift Cards



Priority #3: Hardware

Next in the planning process, you'll need to determine what kind of hardware to use in your pop-up. The chart below offers insights on your options regarding registers, mobile devices and networks, as well as what will require internet connectivity.



Registers



Scanners



Printer

(not required if using email receipt)



Cash Drawer

(if accepting applicable tenders)



Payment devices

(if accepting credit)



Mobile devices



Payment devices



Scanner

(typically integrated into sled or use camera)



Printer

(not required if using email receipt)



Cash Drawer

(if accepting applicable tenders)



Networking



Cellular router



Wireless



Landline router



VPN

Priority #4

Inventory & Fulfillment

Once you get this far, your team will need to decide how to manage inventory and fulfillment. One option is to keep inventory on-site at your pop-up store. This will not require any enterprise connectivity and will assure that your customer gets their product immediately. However, this also requires storage space that may not be available.

An alternative is to offer an endless aisle model by leveraging your omnichannel order management system (OMS). Doing so allows you to provide select items in-store for sizing or sampling and then deliver the final products to your customers (or allow them to pick up the items in-store, if it is nearby).

Some pop-up shops choose to blend these two models by offering some physical inventory with other items available virtually for delivery or pickup.



Physical inventory at event



Endless Aisle leveraging OMS

- Have select items for sizing and samples
- All purchases sent to customer
- Or customer can pick up at store



Blend of these two models

- Some physical inventory, some virtual

Conclusions

Hopefully by now we have made our position clear: we strongly believe that it is time to consider adding pop-ups to your customer experience strategy. Consumer spending on experiences continues to rise, and the number and variety of experiences is rising in lock-step with spending patterns. There are now countless opportunities to find places where your target customers gather, and as we believe we have shown throughout this document, taking your stores to those places is easier than ever before.

In short, it's time to bring your stores to the experiences.

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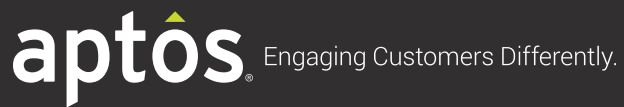
How Aptos Can Help

Aptos Store and Mobile Store are tightly integrated with Aptos Order Management, and together these solutions are ideally suited to support pop-up strategies of any size and variety.

Aptos Store is widely regarded as the industry's most robust POS solutions, and several Aptos clients, including New Balance, Boot Barn and Performance Bicycle have had great success bringing those capabilities on the road to support their pop-up experiences. Even in unfamiliar surroundings, associates in pop-up stores are empowered with the knowledge and tools they need to deliver meaningful interactions and efficient transactions. Learn more [here](#).

Aptos Mobile Store uses the same architecture as our standard Store application to facilitate rapid delivery of virtually all of its functionality on mobile devices. It gives store managers and sales associates instant, on-the-go access to the tools they need to enhance customer service and productivity by completing end-to-end POS transactions, looking up items, locating stock, and much more. Learn more [here](#).

Aptos Order Management optimizes every phase of the order lifecycle, from order entry to fulfillment to ensure pop-up promises are kept. Real-time inventory visibility from across the enterprise, plus powerful order brokering and sourcing logic, minimizes the need to bring lots of inventory on the road and also ensures that every order is sourced from the most profitable locations. Learn more [here](#).



Aptos: Engaging Differently, from Concept to Customer

In an era of virtually limitless choice, sustained competitive advantage only comes to retailers who engage customers differently—by truly understanding who they are, what they want and why they buy. At Aptos, we too, believe that engaging customers differently—yours and ours—is critical to our success. We are committed to a deep understanding of each of our clients, to fulfilling their needs with the retail industry's most comprehensive omni-channel solutions, and to fostering long-term relationships built on tangible value and trust. More than 1,000 retail brands rely upon our Singular Retail platform to deliver every shopper a personalized, empowered and seamless experience... no matter when, where or how they shop.

Learn more: www.aptos.com

Sources

¹ Retail Economics - **The Retail Experience Economy: The Behavioural Revolution**

² Smart Brief - **Loyalty, relationships drive consumers in the experience economy**

³ STORES - **STORES Top Retailers 2017**

⁴ Eventbrite: Millennials - **Fueling The Experience Economy**

⁵ McKinsey - **Cashing in on the US experience economy**

⁶ Eventbrite - **New Data on Millennials Reveals What Draws Them to Events**