



## How Luxury Brands Can Combat Pop-Up Fatigue

**Modern-day temporary retail blurs the line between shopping and marketing – thus demanding a strategy of its own.**

Not so long ago, the shopping centre was a consumerist paradise that doubled as a vibrant community gathering place. But increasingly, both retail purchases and social activity are moving online. While physical retail is far from dead, it looks anything but lively, compared to the omnipresence and convenience of digital alternatives.

However, there's a bright spot blinking amid the drab scene that brick-and-mortar has become. Pop-up stores have infused the sector with much-needed spontaneity, and consumers have taken to the trend in droves. The popularity of pop-ups partly stems from changing consumer tastes. The sought-after millennial demographic craves new experiences, especially if they provide moments that can be compellingly captured and shared via social media. Built for speed not durability, pop-ups are ideally suited to tap into youthful consumers' fascination with whatever is novel and unique.

Of course, there's nothing new about the concept of ephemeral retail. One well-established example is seasonal stores such as the Halloween emporia that materialise with the autumn chill and vanish come November. But today's trendy crop of pop-ups have a different intent. Broadly speaking, they operate more as an extension of a brand's marketing

strategy than to sell products *per se*. As explored in my recent paper for the *Journal of the Association for Consumer Research* (co-authored by Thomas S. Robertson of the Wharton School and Ludovica Cesareo of Lehigh University), the most exciting contemporary pop-ups aspire to generate intangible brand currency, i.e. buzz. For example, luxury brands have used pop-ups to engage the curiosity of consumers who might never find their way into a flagship store. Therefore, our paper argues, pop-ups should not strictly adhere to the rules and best practices designed for stores whose remit is to drum up revenue.

### **What buzz is – and isn't**

Before going any further, we must distinguish buzz from word-of-mouth, with which it is often conflated. According to the research literature, word-of-mouth is a person-to-person exchange of information about products intended to reduce uncertainty and risk in purchase decisions. Buzz is a form of amplified word-of-mouth, in which messages circulate throughout consumer communities on a much wider scale, as happens when an online post goes viral. Though word-of-mouth exchanges are buzz's basic component, the variety and intensity of buzz render it a very different animal. Simply put, buzz is best understood as a kind of collective emotion, whereas

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word-of-mouth is more cognitive, having mainly to do with how the brain processes information.

### Social network positioning

Our paper mines extant research on word-of-mouth and buzz for insights that may be relevant for brands participating in the pop-up explosion, or considering doing so. The points we cover may be of particular interest from a customer segmentation point of view.

Research suggests that not all members of social systems are equally likely to initiate buzz. So-called “marginals” – people who are not firmly entrenched within the network – are more likely to bring new and unfamiliar products to the group’s attention. The tastes and habits of fully ensconced members, by contrast, more often hew to the network’s mainstream. The less organic overlap there is between a pop-up’s brand profile and a targeted customer segment, the more important it is to cultivate influencers on the margins of that segment, rather than at the centre.

We also know from past research that buzz changes as it matures. If buzz lasts long enough to spread beyond brand loyalists and their close-knit social networks, the general tone becomes increasingly negative. This is because consumers with direct experience with a product tend to share more positive information, while people conveying second-hand word-of-mouth are generally more critical. In order to keep the buzz-cycle short and sweet, brands should seriously consider a highly abbreviated lifespan for pop-ups.

### Need for status, need for uniqueness

As stated above, established luxury brands are using pop-ups to reach moneyed consumers who might not fit the familiar upper-crust mould. In doing so, brands should be mindful of a fundamental distinction that researchers have drawn within the luxury consumer base.

Luxury purchases can be driven by either need for status (NFS) or need for uniqueness (NFU). The two needs are mutually exclusive. Status asks to be advertised to the largest possible audience, whereas uniqueness depends upon a certain amount of secrecy, lest one trigger a dreaded flood of imitators. Consumers high in NFS, therefore, are more likely to start buzz about a pop-up, painting themselves as savvy, “in the know” consumers to friends and followers. NFU-driven consumers’ tendency to remain strategically silent about their purchases makes them unlikely to initiate buzz. However, they are even more likely than status-seekers to patronise pop-ups, drawn as they are to all things promising to elevate them over the herd.

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### Fighting pop-up fatigue

Pop-ups are ideal for brands that want to cause a stir. But as the trend grows more and more widespread, that sense of conversation-starting novelty becomes harder to achieve. It’s unclear how much the public can absorb before pop-up fatigue sets in.

Case in point: Fashion brand Comme des Garçons pioneered the pop-up renaissance in the early 2000s with a famous string of “guerrilla” stores, but abandoned the paradigm altogether after executives decided it had become old hat. Hermès recently retired its “Hermèsmatic” dip-dye scarf pop-up after a modest four-city stint in the United States. The creativity bar for pop-ups will probably continue to climb, and the attention span brands can expect from consumers will further dwindle. Keeping the pop-up paradigm fresh will require extra agility and care from managers.

Brands should also remember that the maxim “All publicity is good publicity” does not apply to buzz. Communication amongst consumers carries an authenticity – and thus an authority – that paid media lacks. Without managerial intervention, the buzz-cycle can easily be hijacked by negative voices, deeply damaging a brand. To ensure that their pop-ups don’t blow up in their faces, companies will need to be proactive about identifying and assuaging the sources of negative buzz.

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