

Pop-up stores and the international development of retail networks

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Abstract

Pop-up retail is a temporary retail space, intentionally opened for a short period of time (Niehm & al. 2007). Since the pioneering action of the Japanese high end fashion brand retailer *Comme Des Garçons*, temporary stores have boomed to develop international retail operations.

Whereas pop-up store has become a far from uncommon internationalisation mode for retail companies, it has enjoyed very little interest in the international retailing literature, to date. Meanwhile, this academic literature recognises the choice of a foreign operation mode as a key and troublesome challenge. Therefore, it seems critical to better understand the pop-up store format as a foreign operation mode. Hence, the purpose of this research is to describe the characteristics of the pop-up store format in an international context, to investigate the motives for international pop-up retail and to analyse the context of management of this format.

As there has been no empirical research on pop-up store as a foreign operation mode to date, the research could only be exploratory in nature. A multiple-case study was adopted. Research was carried out through semi-structured interviews with senior managers in charge of developing and managing pop-up stores internationally. The objective was to capture the experiences and thoughts of the key informants about the pop-up store format. Interviews were audio recorded and fully transcribed. A conceptualizing content analysis was carried out manually and using N*Vivo software.

The main results concern:

- the characteristics of a pop-up store in an international context: location, design and architecture, scenography, mobility, offer and events associated to the store are cited by retail managers as key characteristics;
- the motives for the choice: three main reasons were highlighted by retail managers;
- the management of the pop-up store format: the research results reveal a dynamic approach in the management of pop-up store as a foreign operation mode, in line with the longitudinal character of a retail internationalisation process.

Keywords: Pop-up store, foreign operation modes, retailing, internationalisation.

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Introduction

A Uniqlo store opened for two months in *Le Marais* - Paris, a Azzaro shop launched for ten weeks in Ryad, a Louis Vuitton outlet established for four months only at the heart of the Museum of Contemporary Arts in Los Angeles... these examples illustrate the increasing trend for international retail brands in using pop-up stores in foreign markets.

Pop-up retail, also known as pop-up store, itinerant retail or guerrilla store, is a temporary retail space, intentionally opened for a short period of time (Niehm et al. 2007). The Japanese high end fashion brand retailer *Comme Des Garçons* is often referred to as the initiator of the pop-up retail trend in an international context, with its store located in an old warehouse in former East-Berlin for one year only, in 2004. Since this pioneering action, temporary stores to develop international retail operations have multiple insomuch that they are viewed as the “latest expression of innovative solutions” in marketing channel (Musso 2010: 37).

Whereas pop-up store has become a far from uncommon foreign operation mode for retailers, it has enjoyed very little interest in the international retailing literature, to date. Meanwhile, this academic literature recognises the choice of a foreign operation mode as a key and troublesome challenge. Managerial reports have also recently stressed the fundamental role of the foreign operation mode decision in the success of a retail international expansion: “Perhaps most critical is the method of entry into the chosen market.” (Deloitte 2009: 3). Therefore, it seems critical to better understand the characteristics of the pop-up store format, the motives for pop-up retail in an international context and to analyse the consistency between the format characteristics and the challenges of the internationalisation process for a retailer. In which conditions the choice of this foreign operation mode seems appropriate? To which market and retail company objectives is this format perceived as better suited?

Hence, the purpose of this research is to investigate the context of choice and management of a pop-up store as a foreign operation mode. It aims at exploring how heads of international retail brands assess the characteristics and features of the pop-up store format at the entry stage as well as at the expansion stage, in a given foreign market. In summary, the objectives of the research are threefold:

- (1) to describe the characteristics of this new format;
- (2) to explore the motives for the choice of this format as a foreign operation mode;
- (3) to analyse the context of management of this format.

The paper is structured as follows. The following section presents an overview of the relevant foreign operation mode literature and pop-up retail literature. Research methodology is then presented. The main results concerning the choice and management of a pop-up store as a foreign operation mode are presented. Finally, a discussion, a conclusion and suggestions for further research are provided.

Retail internationalisation modes and pop-up store: literature review

Since the seminal work of Wind and Perlmutter (1977), choosing the most appropriate foreign market operation mode has been largely acknowledged as one of the most critical but difficult decisions for an international marketer (Welch, Benito and Petersen 2007). Options are numerous and new ones – such as pop-up store – seem developing; choices are complex and adjust or evolve over time.

Retail foreign operation mode options

Retail foreign operation modes refer to the “means by which retailers establish an operational presence in non-domestic markets” (Alexander 1997: 278), that is to say the way of operating in foreign markets. The works of Waldman (1968) and Hollander (1970) were the first to document foreign operation modes in retailing. According to the latter, the most common

foreign operation modes were “the purchase of existing stores and firms, participation in joint-ventures, establishment of foreign subsidiaries and franchising plans” (Hollander 1970: 145). Management contracts and mergers were mentioned and presented as less frequently used. This topic had remained under researched up to the beginning of the 90s when works on the internationalisation process of retail companies began to consider the foreign operation mode as a key component in the internationalisation process (Burt 1991; 1993). Dawson (1994) developed a synthesis on retail internationalisation and presented five main operation methods with which retailers were pursuing growth internationally: internal expansion, merger and takeover, franchise type agreement, joint-venture and non-controlling interest.

In recent years, there has been a growing interest in retail internationalisation process and foreign operation mode topic in international retailing literature (Doherty 2000; 2007; Burt & al. 2008). Qualitative research works and case studies were developed which shed light on retail experiences. Foreign operation modes that were not mentioned in conventional typologies were observed: flagships stores, concession already mentioned by Waldman (1970), shop-in-shop or wholesaling (Moore 1998; Fernie, Moore & Lawrie 1998; Hutchinson & al. 2007; Doyle & al. 2008; Moore, Doherty & Doyle 2010). Yet, the range of modes presented in the traditional typologies (Dawson 1994; Howard 2004) is more limited than the options effectively used by retail companies: this illustrates a “discrepancy between theory and practice” about foreign operation mode decision (Benito, Petersen & Welch 2009: 1455). An extended typology of retail foreign operation mode options is presented in table 1.

Insert table 1 here

To date, if a work has been devoted to the Guerrilla store “Comme des Garçons” (Doyle & Moore 2004), pop-up store in itself has not been observed as a foreign expansion mode and is not included in the range of alternatives.

Retail foreign operation mode decision: mode choice, mode switching and mode combination strategy

The issues related to the choice of an appropriate operation mode to develop a retail store network in a foreign market are largely acknowledged: in the short-run, positive effects on the network market share (Moore 1998), its efficiency in terms of turn-over / m² (Gielens & Dekimpe 2001), and its strategic efficiency (Evans, Mavondo & Bridson 2008) and, in the long-run, on the network survival (Burt, Dawson & Spark 2003). More generally, the choice of a mode drives the nature of the marketing process and strongly influences the international marketing strategy in terms of countries where the retail company can operate and speed of development. When choosing a foreign operation mode, international retailers trade-off the advantages and disadvantages offered by alternative modes. The decision is complex, with numerous and conflicting influential elements.

Five sets of factors are recognised as key determinants of a retail foreign operation mode decision (Doherty 2000; Picot-Coupey 2006; Hutchinson & al. 2007): (1) the perceived characteristics of the targeted foreign market, (2) the industry context, (3) the retail marketing strategy (brand, location, assortment and market coverage strategy), (4) the retailer's general strategy and finally (5) the retail company's characteristics (size, motives for international development, relationship networks). These determinants influence the final choice of a foreign operation mode through the dimensions of the mode. Foreign operation modes are traditionally analysed along two dimensions, the ones of risk and of control (Root 1994). A mode is then analysed as a risk management tool (Waldman 1970). Further development in international management research suggested four dimensions: dissemination risk of specific assets, control over strategic and operational decisions, resource commitment and desired flexibility (Driscoll & Paliwoda 1997). This echoes the view of Treadgold and Davies (1988) about the importance of three criteria in retail foreign operation mode decision, namely the

desired degree of control over the operation, the amount of resource dedicated to the project and the degree of flexibility. When empirically applied to retail foreign operation mode choice in the expansion stage (Picot-Coupey 2009), the dissemination risk of specific assets appeared as the key dimension while the importance of the “control over strategic and operational decisions” dimension had to be put in perspective. Moreover, flexibility was not observed as a dimension of a mode: it appeared determined by the volume and the nature of resources devoted to the project during the expansion stage.

Foreign operation modes remain typically presented as alternative methods of operating in a foreign market and the choice discrete. Yet the internationalisation process is dynamic and the approach of the foreign operation mode decision cannot be static: the entry mode may not be suitable for the expansion stage as circumstances and objectives may be different (Fisher, Clement & Shankar 2005). If the longitudinal dimension of an internationalisation process is explicitly considered in retailing since the 2000s (Dawson 2001), it remains rarely taken into account as far as the foreign operation mode choice is concerned. However, current strategic issue in foreign operation methods is mode development over time, with two strategies: mode shift and mode combination (Canabal & White 2008; Welch, Benito & Petersen 2007; Benito, Petersen & Welch 2009). Mode shift corresponds to a switch from one foreign operation mode to another, the later replacing the former. The motive for the change may be either difficulties with the mode in use or new objectives in the targeted foreign market due to a relevant local market experience or a search for more ambitious market presence. Mode combination consists in the addition of one mode to another for short or long term. Combined modes may be unrelated to serve different businesses in a foreign market, segmented to handle differently various customer targets, complementary to manage different value chain activities or reach various objectives, hybrid to monitor goal congruence between the principal and the agent or, finally, competing with the use of multiple operation modes to

benchmark local operations (Welch, Benito & Petersen 2007). The degree of coordination and integration of these combined modes may vary greatly, from complete independence to permanent benchmark. Such a combined use of retail foreign operation modes is documented: the combination of concession and company-owned stores (Waldman 1980), plural form associating company-owned stores and franchised stores (Dant, Perrigot and Cliquet, 2008) and multi-modal forms combining over time wholesaling and franchising (Moore and Fernie 2000; Petersen & Welch 2000) or company-owned stores, franchises and shop-in shops (Moore 2000; Picot-Coupey 2009).

Pop-up store in the literature

While there is already a large array of foreign operation methods for retailers, pop-up store appears as a new popular one when observing its increasing use in an international context. Therefore, it is important to investigate this format if it has to be included for consideration as decisions arise about retail store network development in a foreign market. To date, very little academic research has been conducted in regard to pop-up retail, especially when used as a method of foreign operation. Table 2 overviews the dedicated works.

Insert Table 2 here.

Definition and features

Existing definitions of pop-up retail adopt two different perspectives. On the one hand, pop-up retail is defined in terms of characteristics, as a temporary and short-term retail space deliberately springing up and closing rapidly (Kim & al. 2010; Surchi 2011). Consequence of this temporary nature, improvisation characterises pop-up retail according to Surchi (2011). On the other end, pop-up retail is defined in a functional perspective. It is presented as a “method of marketing communication” (Marciniak & Budnarowska 2009: 4). It is considered as a new experiential marketing format based on surprise and exclusivity and intended to

engage consumers (Niehm & al. 2007). In this perspective, pop-up retail presents a theatrical nature and may be imagined as an art format (Marchetti & Quinz 2007). Historically, a main goal of the Japanese retailer *Comme des Garçons* with her guerrilla stores was to challenge the conventions of retailing, searching for radicalism and revolution (Doyle & Moore 2004).

Table 3 provides an overview of the key features of a pop-up store format. If location is acknowledged as a key point, results diverge about where pop-up stores are located: “invariably strategically located in high traffic shopping areas” (Surchi 2011: 260), in innovative locations (Niehm & al. 2007; Kim & al. 2010), in fashionable and economically significant cities (Marciniak & Budnarowska 2009) or in radical and little-known places for initiated consumers (Doyle & Moore 2004). The promotion of a pop-up store is essentially- if not entirely- based on word of mouth (Surchi 2011).

Table 3 to be inserted here.

Pop-up retail requires a modest investment (Surchi 2011): cost is circumscribed, with limited resources invested in the project. A pop-up store has communication relevance to stimulate and develop a long term relationship beyond direct profit generation (Doyle & Moore 2004; Marciniak & Budnarowska 2009; Surchi 2011); no ambitious sales objectives are fixed, simply the break-even. Pop-up retail aims at producing demand rather than generating revenue and is “a sort of synthesis between communication and selling” (Surchi 2011: 260).

Motives for choice

Analysis of the reasons motivating retailers in choosing pop-up stores as a foreign operation mode is very limited. Marciniak and Budnarowska (2010) assert that pop-up retail aims at raising the international profile of a brand in a new foreign market. Surchi (2011) qualifies it as a method of brand dissemination and communication across international markets. She

observes that it is a means to test a new store concept for an established retail brand and foresees that it would help to further establish a store network in a target foreign market.

In addition to this, three general reasons behind the domestic use of pop-up retail are acknowledged. Firstly, a store format based on surprise, exclusivity and discovery is a well-suited response to current consumer expectations, which fits well with the new patterns of the post-modern economy described by Firat and Venkatesh (1993). It is a means to follow the more rapid pace of changes in demands (Decorp 2008). According to Kim and al. (2010) results, pop-up retail appeals to consumers because of hedonic benefits linked to the novelty and the distinctiveness of the retail concept and the uniqueness of the experience, rather than utilitarian benefits such as the facilitation of purchase decisions. Secondly, in a context of limited efficiency of traditional media communication, the point of sale as a media is of strategic importance. Pop-up retail is thus a means to create awareness and buzz with a promotion plan based on word-of-mouth communication, guerrilla marketing and social networking techniques (Marciniak & Budnarowska 2010). A pop-up store delivers a consistent and distinctive message and provides an interactive environment for consumers and retailers (Kim & al. 2010). Thirdly, pop-up retail is analysed as a solution to the challenging economic climate facing both landlords and retail managers. For the former, it is a way to fill vacant space (Mulvihill 2010) while the latter is able to sell off excess warehouse stocks or to maintain sales level at certain periods with limited investment (Surchi 2011).

Context of management

Up to our knowledge, the way pop-up stores are managed to contribute implementing the internationalisation strategy of a retail company has not yet been investigated as a research question. The following scare points on this issue can be highlighted from the research mentioned in table 3. On the one hand, a pop-up store experience may be managed to help making future business decisions relative to the internationalisation strategy: indeed,

according to Surchi (2011) a pop-up store can be managed to decide if a permanent store is interesting or not. In this perspective, it can be hypothesised that pop-up retail could be a means of market selection as it could allow assessing a market potential and appraising a foreign culture. On the other hand, the way pop-up stores are managed is analysed in the perspective of multi-channel distribution. Pop-up retail is said to be managed to increase traffic in permanent outlets and to produce profitable business at these other locations. In an international context, the question arises as to whether pop-up stores are managed alone or in combination. What benefits would offer the combined use of pop-up stores with other foreign operation modes such as company-owned stores, franchise stores or shop-in-shop? If used as a sole foreign operation mode either at the entry or expansion stage, how are they managed to fulfil the roles they should play in the implementation of an internationalisation strategy?

The literature review on foreign operation mode in retailing and on pop-up retail stresses some characteristics of the pop-up store format and sheds light on motives encouraging retail companies in choosing pop-up stores. But it reveals important gaps in the understanding of the pop-up store format as a foreign operation mode. Therefore, this article is an attempt to address this gap.

Research methodology

Given the lacunae of research findings on pop-up store as a foreign operation mode, our study aimed at investigating the characteristics of this new format, understanding why the retail managers choose this format and exploring how they manage it in the internationalisation process of the retail company. Considering these objectives and the dearth of existing research on pop-up store as a foreign operation mode, an exploratory qualitative study in the form of a multiple case study methodology was considered appropriate. Indeed the research sought the how and why of a pop-up store format as a foreign operation mode, context in which this

methodology is said particularly relevant according to Yin (2009: 1). Moreover a case-study research is also considered suitable in the early stage of a research on a topic (Eisenhart 1989) and retailers-side view of pop-up retail is nearly inexistent (Niehm & al 2007). This methodology is also consistent with recent views arguing that foreign operation mode research would greatly benefit from qualitative research in order to tackle the complexity of the phenomenon (Canabal & White 2008; Welch, Benito & Petersen 2007).

Case companies selection and description

Multiple case study approach was selected for this research for two reasons. Firstly, this methodology allows for observation of patterns and replication among cases (Stake 2005; Yin 2009) which were needed to investigate the different approaches in the use of pop-up retail as a foreign operation mode. Secondly, multiple case study is said to derive more compelled findings (Miles & Huberman 2003; Yin 2009).

Cases were selected purposefully, according to the fact they typify three characteristics considered influencing retail foreign operation mode decision (Doherty 2000; Hutchinson & al. 2007; Petersen & Welch 2000): brand status (established retail brand with a consistent high street presence versus small young retail brands), foreign operation modes in use (equity, contractual or exporting modes), and finally length of international experience (long versus recent). In the absence of an official list of pop-up retail operations in foreign markets, the case companies were selected from a database developed by the author since 2007, on the basis of a systematic review of newspaper articles, press releases, Internet alert and retailer website consultation. This list gathers information on pop-up store operations by either French speciality retailers in any foreign country or by any foreign specialist retail brand in France, as well as contact details. Mid-2011, this database comprises 41 retail companies and 56 pop-up store operations as a foreign operation mode. Potential key informants were approached via e-mail and phone to participate to the project.

Table 4 provides key information on the case companies. For reasons of confidentiality, all studied retail companies remain anonymous. In terms of size, they range from small to major companies with an average turnover of 5900 million euros. As far as foreign operation modes are concerned, they differ from purely company-owned networks to ones developed via shop-in-shops. Regarding sector, they cover beauty, fashion and luxury food. The objective of reaching an in –depth understanding of pop-up stores as a foreign operation mode guided the total number of observed companies. In total, 13 cases were studied.

Table 4 to be inserted here

Data collection

A variety of data gathering methods was used, in the form of semi-structured interviews, secondary data (press articles and company material), systematic observation of social media techniques supporting a pop-up store and, when possible, visit to the pop-up store. The objective behind multiple sources of data collection techniques was data triangulation to reinforce the research results and conclusions (Yin 2009).

In each retail company, one or two semi-structured interviews were conducted with senior managers in charge of developing and managing pop-up store format internationally or in a given foreign market (marketing director, merchandising director, international business developer or CEO). The objective was to capture the experiences and thoughts of these key informants about the pop-up store format, especially the connections they make between this foreign operation mode choice and some determining factors, and subsequently to contrast these experiences. Interviews were all conducted by a single senior researcher in a unique language (French) to ensure consistency and equivalence in data collection (Sinkovics, Penz & Ghauri 2008). The interview guideline, previously tested by interviewing a retail manager, was structured around 4 key themes and possible prompts. Additionally, a field note book, memos, case summary and transcription coversheets with specific information on the retail brand and the interviewee were documented to multiply sources of evidence.

Data analysis

The suggestions of Huberman and Miles (1994) and Sinkovics, Pen and Ghauri (2008) drove the data analysis process. Interviews were registered; they were then fully transcribed to meet the desired analytical needs regarding how pop-up retail as a foreign operation mode was framed and managed. The object of our analysis was a 209 pages corpus consisting in the complete transcriptions of 16 interviews.

Pattern-matching logic was pursued in case analysis. A conceptualizing content analysis was carried out manually and using N*Vivo software. Adopting the iterative pattern coding process (Miles & Huberman 1994), the first 9 interviews were examined and coded; the 7 final ones were subsequently analyzed and coded with the residual material method (Mukamurera, Lacourse & Couturier 2006). Consistency of conclusions between initial and final findings was checked. Since one of the aims of interpretation was to find relations between variables, matrix intersections and tabulations of events frequency were also developed (Miles & Huberman 2003). Following Stake (2005), excerpts from verbatim text will be used as illustrative quotes to exemplify specific codes or themes.

Research results

The main results concern the characteristics of the format, the motives for the choice and the management of the pop-up store format as a foreign operation mode.

Characteristics of the format as a foreign operation mode

The observed retail companies operated their pop-up stores in various foreign markets during 30 days to 5 months, with an average duration of 2 months and an half. The pop-up stores became permanent stores in 3 cases either once the operation, used as a test of the foreign market, was considered conclusive or because pop-up retail was intentionally used as a means to showcase and speed a store opening in a foreign market.

Location, design and architecture as well as scenography and mobility, offer, events associated to the store and, to a lesser extent, surface were presented by the retail managers interviewed as pivotal characteristics of a pop-up store in an international context:

- Store location: the temporary nature of a pop-up store allows small or young retail brands to have access to locations they could not afford for permanent stores. As some specific or prestigious but expensive locations are necessary to build an international image, pop-up retail is a mode that eases internationalisation. In their discourse, all the retailers underlined the strategic role of store location in expressing retail brand positioning and values to foreign consumers relatively ignorant about them. “Location should embody our values” (interview with B). As location has to be consistent with the desired positioning in the country and the motives for the choice of the pop-up format, various sorts were chosen (prestigious avenues, pioneering locations or unfamiliar sites). This result contradicts the findings of Surchi (2011: 260) for who pop-up stores were “invariably strategically located in high traffic shopping areas”.
- Store design and atmosphere: in-store design, visual merchandising and store atmosphere were considered crucial by all the retailers interviewed. Except M, all retailers wanted to offer consumers an immersive experience. This result is consistent with the experiential dimension of the format (Marciniak & Budnarowska 2010). 11 out of 13 retail companies had an architect and/or a designer for their pop-up stores’ projects in foreign markets. The objective was “to create a special place to promote our values, our culture, our... our style thanks to any artistic form” (interview with P). Creativity is central to international pop-up sale spaces in order to give the store an air of strong design thanks to antique furniture, movable installations or “rough and ready” materials and to showcase mobility. This result is consistent with Marchetti and Quinz’s view (2007) of a pop-up store as an art format.

- Merchandise mix: in their discourse, the retailers linked the depth and width of the merchandise mix to the motives behind the international pop-up store. M presented a seasonal product range in sea-side pop-up stores, while O, P and T displayed their complete product range as their objective was to switch quickly to permanent stores. In the other cases, a narrower product range was proposed, exposing representative products, symbolic products or expensive special editions to foreign consumers in order to emphasize an image that corresponded to that of the product or that was inspired by the retail brand's heritage.
- Promotion and events: if pop-up store in itself was unanimously considered as a marketing communication tool, promotion operations were also carefully planned to attract attention and increase stakeholders' awareness. Temporary web sites, street marketing campaigns, social networking sites and word-of-mouth were used to showcase pop-up stores. This result supports the social networking approach of pop-up retail (Marciniak & Budnarowska 2010). Retail companies pursuing a relational objective with their international pop-up stores described events with artists and community groups as a means to generate long lasting effects beyond the life-time of the store. Pursuing a transactional objective, M also favoured media communication to promote its seasonal pop-up stores in the foreign localities where a temporary outlet was operated.
- Sale space: sale size appeared less chosen than imposed by available retail spaces; it ranged from 33 to 570m². A, G and D operated pop-up stores larger than their permanent stores: according to the respondents, these relatively large sale spaces – even moderate - were justified by the fact that pop-up stores were used as temporary flagship stores.

All these characteristics were carefully defined in relation with the internationalisation strategy and the international marketing strategy of the retail banner. All interviewees underlined that the temporary nature of the store should not be synonymous of approximation: a very specific analysis has to be done. There are sensitive questions of programing and timing: “What appears to be spontaneous, hem...extemporaneous is in fact the fruit of a true thought. That’s organized improvisation” (interview with Q). The research findings do not confirm Surchi (2011) conclusion about the improvised character of a pop-up store.

The cost of a pop-up store amounted to a fraction of the cost of a normal store. As far as A, G, and D’s temporary flagship stores were concerned, while high budgets were devoted to the projects, these 3 retailers insisted on the fact that it was a way to optimize the resources invested in a flagship store project. In the 10 other cases, there was a search for cost effectiveness. Especially, for the small young retail brands, pop-up retail was a foreign operation mode used in order to reach a rapid return on investment and help finance the international expansion. In all cases, the resource commitment dimension of a foreign operation mode was crucial.

Motives for the choice of pop-up store as a foreign operation mode

In terms of motives for the choice, three main types of reasons emerged from the retail managers’ discourse about pop-up stores as foreign operation modes.

Firstly, this format was chosen as a foreign operation mode by both young and established retail brands in order to test the receptivity of their concept by foreign consumers and media who were unfamiliar with. It was viewed as a cost-effective mode to observe a foreign market and understand the potential of a retail concept in this market as it included all the aspects of a full retail operation. “It is a test *grandeur nature* ... a full scale market study at low cost” (interview with T). Pop-up retail as a foreign operation mode made possible to address key

issues in an international context, about consumer preferences and format adoption: “If the youth rush in, we know it’s won” (interview with C). Thereby, it allowed assessing feasibility of future store openings and could initiate the international development of a foreign brand. This result deepens Surchi’s (2011) observation of pop-up retail as a means to test a new store concept. The phase of observation offered by a temporary outlet exists without any long-term commitment: it allows withdrawing easily from a foreign market as few resources were invested: the flexibility dimension of the foreign operation mode was thus important at the entry stage whilst mentioned in relation with the resource commitment one. Further empirical research will be necessary to investigate if flexibility constitutes a full dimension at the entry stage of if this dimension is appreciated via the type and amount of resources committed in a foreign project as in the expansion stage (Picot-Coupey 2009). In this perspective, the choice of a pop-up store as a foreign operation mode had consequences on the international market selection process of the retail companies. On the one hand, foreign operation mode decision helped screening potential countries and markets. On the other hand, it influenced the market expansion strategy: a sprinkler approach rather than a waterfall approach was followed; consequently, pop-up store speeded and eased the internationalization process as rapid and simultaneous entries in various foreign countries were possible.

Secondly, pop-up retail format choice appeared motivated by the fact that it was an efficient means to build as well as to manage an international brand image. It helped anchoring the international status of a brand with stores been – temporary – located in a number of international “places to be”. International pop-up retail was qualified as a kind of showroom that offers visibility to the retail brand at a lesser cost than permanent stores. “It is possible to take advantage of a premium location we could not normally afford” (interview with O). This result founds empirically the assertion of Marciniak and Budnarowska (2009) of a pop-up store as a means to raise the international profile of a brand. In this communication use, pop-

up stores were operated in a relational perspective with in-store themed events. According to the retailers interviewed, they wanted foreign consumers to experience their brand by choice via a pop-up store operation. Following Sands, Oppewal and Beverland (2009), the role of in-store themed events was to help differentiate the stores from competitors by offering consumers uniquely enriching experiences. Behind this “international brand image management” motive for the choice of pop-up retail as a foreign operation mode, three different approaches appeared. First of all, pop-up retail was considered a very efficient mode to tease consumers and influencers and to target a niche audience at the pre-entry stage of the retail company in a foreign market. “We were arriving with a concept which created a break with existing codes. We wanted to express we were coming directly from Japan with something terribly new” (interview with Q). Pop up retail was a tool to create some buzz, attract attention and thus gain access to influencers who are key at the pre-entry and entry stages of a foreign retail company in a market (Uusitalo & Rökman 2003). It helped creating brand momentum. Then, pop-up store was viewed an appropriate foreign operation mode to educate foreign consumers and potential partners to the retail concept via the promotion of the concept or specific products in the assortment. Actually misinterpretation of a concept represents a main risk in an international context and pop-up stores could help facing it. Finally, pop-up retail in a foreign market was motivated to sustain brand awareness, to update retail brand recognition and maintain personnel connection with consumers and stakeholders to the development of the retail brands in the foreign market. “The question was: how to rejuvenate a tired brand positioning in this market with energetic outreach?” (interview with M). In this perspective, pop-up retail as a foreign operation mode constitutes a brand management tool: the ability of this foreign operation mode to offer the necessary conditions for an efficient implementation of the retailer’s international marketing policy is a key factor

behind the choice. This result is consistent with previous research on the determining factors of a foreign operation mode (Burt 1993; Doherty 2000; Picot-Coupey 2009).

Thirdly, pop-up retail format choice appeared motivated by the adaptability this format offered. This mode was viewed as bringing “agility and reactivity to a network that is otherwise static” (interview with M). The retailers questioned highlighted the fact that it was a mode that enabled them to follow the mobile customer. “Some specific international locations are the place to be at certain period of the year” (interview with T). Seasonal pop-up stores helped expanding the retail network in an efficient manner. Moreover, this format allows developing “rough and ready” concepts without shocking the consumer, thus, generating immediate revenue and thereby helping to finance the international development. Finally, it was also described as a format that helped solving the standardisation – adaptation dilemma via its creativity characteristics. It was possible to refine the concept according to consumers’ feedbacks without incurring high costs and to tailor the format to the market conditions.

Management of the pop-up store format in the internationalisation strategy of a retail company

The research results reveal a dynamic approach in the management of pop-up retail as a foreign operation mode, in line with the longitudinal character of a retail internationalisation process. Given the temporary character of pop-up retail, mode development over time is not surprisingly a strategic issue for the retail managers interviewed. The way pop-up retail is managed varies from mode switch at the entry stage to mode combination at the further expansion stages.

At the entry stage in a foreign market, pop-up store is an operation method used in isolation, to study foreign consumer behaviour and market characteristics. Pop-up store is a full market entry mode, interesting for control and resources considerations. “We needed a controlled presence to observe, to... to have a feeling of the market but clearly we could not afford long

term company-owned stores” (interview with A). It helps evaluating which post-entry mode and strategy could be best suited. “Whether we experience high or low success with the operation, it is a tool to decide future development” (interview with Z). It allows to exit if the foreign market reveals non attractive; it helps to prepare future development if the experience via the pop-up store seems promising and justifying more intensive market presence. Mode switching is then anticipated, with well organised procedures to anticipate and implement such mode switches. This result is consistent with previous research on mode shift (Welch, Benito and Petersen 2007). Pop-up retail helps managing the expansion pattern of a retail company and its strategic sequencing of foreign-market entries. As there is no long-term rental commitment, it brings flexibility to the strategy. This empirical result confirms our anticipation of the pop-up store format in an international context as a market selection tool.

In the expansion stage, the use of pop-up stores appears in a context of relatively complex mode combination. Primary mode(s) exist(s), with which the pop-up store format is associated: a mode package is developed (Petersen & Welch 2002) in a search of appropriate mode configuration (Benito, Petersen & Welch 2009). International retail managers look for an optimal channel mix: retail networks are made up of various modes (company-owned stores in the form of traditional stores, flagship stores or pop-up stores, franchises and/or shop-in-shops). Such combinations of retail foreign operation mode develop synergies; enhance their respective advantages while overcoming some respective disadvantages (Picot-Coupey 2006). Retailers try to take advantage of the association of these different modes to enhance their respective features, revealing new properties of the internationalization modes as with composite materials. Thus, they attempt to develop what can be labelled a composite mode. The roles fulfilled by a pop-up store used in combination correspond to the motives for the choice. The objective is more generally to give the international development a boost with the pop-up retail operation driving attention on other stores (on-line store or physical stores).

Such a management of combined modes to support and enhance each other's corresponds to what Benito, Welch and Petersen (2011) have typified complementary modes.

Moreover, according to all the interviewees, pop-up stores were said to play a pivotal role in the internationalization process and strategy of the retail company: they are managed in order to connect and interact with consumers, with a foreign market and its specific culture, with landlords, with journalists and trendsetters as well as with local authorities. Pop-up retail operation are managed in order to develop and strengthen networks with different stakeholders: consumers via immersive experiences and relationship approaches, landlords via the temporary commercial leases, journalists and especially foreign media which is a primary target audience for pop-up stores via promotion operations, social media activity and temporary websites that help "to show case the event to ensure its effects will last long after the closure of the store" (interview with N). This result is consistent with previous research which highlighted the pivotal role played by relationships networks in the internationalisation process of a retail company (Uusitalo & Rökman 2003); relationship networks facilitate access to and further development in a foreign market (Elg, Ghauri & Tarnovskaya 2008; Picot-Coupey 2009).

Finally, pop-up stores are said to be relatively easy to manage and can simplify the internationalisation process of the retail banner: in a logistic perspective, there is no issue of complex restocking; in a legal perspective, contracts - especially in terms of commercial leases – are simpler; in a strategic perspective, termination of the international operation if necessary goes without saying. Thanks to pop-up retail operations, it is seemingly easy to adjust the internationalisation process over time. The retailers interviewed mentioned very few perceived drawbacks of this format in an international context, except disproportionate time that could be necessary to invest in negotiations for a short period.

Discussion

The purpose of the article was to explore retailers' assessment of pop-up stores as a foreign operation mode. According to our results, pop-up store allows addressing challenges of a retail internationalisation process in terms of (1) market study, market screening and market selection strategy; (2) market expansion strategy; (3) international promotion strategies; and (4) relationship network management.

This research is an initial step in exploring the pop up-store format in an international context.

Theoretical implications

This research provides several theoretical contributions to the existing body of research on pop-up retail and retail foreign operation mode choice.

Pop-up stores appear as nomadic stores. In this perspective, ephemeral is becoming a structural principle (Lipovetsky 1987). It exists a kind of culture of the ephemeral leading to the fact that temporary concept performs better than the permanent ones. In museums permanent art collections are neglected while temporary exhibitions turn down people (Decorp 2008). Pop-up store as a foreign operation mode is analysed both in a logic of understanding and meeting post-modern consumers' preferences and in a logic of increasing search for efficiency in the management of an international retail store network.

Firstly, a pop-up store as a foreign operation mode is as a kind of sounding board for a retail brand. Through the temporary operation, a sense of permanence is however necessary in the way of delivering the brand experience to the customer such as in the temporary architectures and arts operations (Jorg 2008; Lecoq 2011). Ephemeral operations help affirming an identitary binding like in the architectural works of Christo (Rinuy 2011). Disciplinary boundary crossing exists via pop-up retail operations as they were previously observed in fashion retailing (Crewe 2010).

Secondly, the relational perspective is dominant: the substance of the experience offered to a foreign consumer relatively unfamiliar with a store concept is key in the success of international pop-up stores. This result can be discussed in the perspective of the work of Oldenburg (1989; 1991) analysing the development of third places – the “great good places” where people can gather and interact.

Thirdly, pop-up stores as foreign operation modes provide agility to a retail network and can be a way to develop local solutions in a given foreign market. It echoes managerial observations: “It is vital to find balance between a localised model that allows flexibility and encourages a fast response to changing consumer behaviour or competitor action; with a centralised/global model which generates efficiencies through product development/innovation, sourcing and manufacturing.” (Deloitte 2009: 4). Following Wigley and Chiang (2009), a key factor of success for an international fashion retailer lies in its ability to apply and adjust the retail marketing mix elements according to specific market conditions. It is important to manipulate components of the marketing mix to be successful in diverse markets. Hence, the choice of pop-up retail drives the retail marketing mix towards flexibility: this foreign operation mode allows offering diversity in an offer otherwise relatively standardised and that can be perceived as homogenous by consumers.

Finally, the development of relationship networks with the various stakeholders to the internationalisation process is a critical factor behind the choice of pop-up retail.

Managerial implications

Our research provides important strategic guidelines for retailers who consider adopting pop-up retail as a foreign operation mode and, more largely, for retailers engaged in foreign operation modes management.

The research highlights the advantages and disadvantages of pop-up stores as a foreign operation mode in the entry stage and the expansion stage, both when used in isolation and in

combination. On the one hand, it can be a cost-effective way to analyse and study a new foreign market, while controlling the information and with no dissemination risk of specific assets of the retail network. On the other hand, it can be an efficient mode to enhance other modes used in a market. Pop-up stores could remain a consistent part of a retail brand internationalisation strategy as long as their roles are clearly defined and the pop-up store operations carefully prepared.

Limitations and directions for future research

Results from this research should be interpreted relative to its inherent limitations. Whilst the data was collected from different sectors, the study sample only includes speciality retailers. Mass retailers such as grocery retailers have notable differences in their internationalisation process compared to speciality retailers (Lowe & Wrigley 2009). Future research is therefore required to further test the findings of this study in the context of mass retailers. As another more general avenue emerging from the present findings, future research could examine the dynamic of foreign operation mode choice over time in retailing, especially how and why retail companies shift from one mode to another and how and why different foreign operation modes are used in combination. This would require longitudinal and in-depth research (Benito, Petersen & Welch 2009; 2011) to get detailed insights into retail internationalisation processes and foreign operation mode decision. Additional issues warranting further investigation include exploring how and why pure players on the one hand and manufacturers on the other hand engage in operating pop-up stores.

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Table 1 – Retail foreign operation modes: an extended typology

	Foreign operation mode	Benefits at the entry stage	Benefits at the expansion stage	Drawbacks
Export modes	- Export & wholesaling - International internet sales	Test of the market Low cost and low risk entry mode For Internet, develop direct relationships with consumers	Generate sales, especially from smaller locations where it is difficult to maintain physical stores	No internationalisation of the physical stores
	Agent	Test of the market, means of knowledge of the market	Generate sales in distant or less attractive countries	No internationalization of the retail concept, difficulties in recruiting and managing the agent
	Shop-in-Shop	Test of the market A means of retail brand positioning in its competitive environment	Brand image development, generate sales in distant or difficult-to-enter countries, commercial location with specific consumer targets	Control on the retail space dependent on the operation contract of the shop-in-shop
Contractual modes	Licensing	Access to hard or closed markets	No commitment in the foreign market	Use of the licensing contract outside the framework of the contract
	Concession	Very limited commitment as it is put in charge to a partner	Simple daily management	Distributor as a barrier between the foreign market and the retailer ; difficulty in writing the contract to impose the marketing policy
	Management contract	Support on a local partner	Fast market development	Cohesion of the retail network to ensure
	Franchising • Direct franchising • master franchising	• Direct management of the activity • Unique contact to whom the responsibility of the retail network development is given	• Close contacts between franchisor and franchisees; • Fast internationalization with a limited investment	• Difficulty in managing numerous foreign franchisees, • Difficulty in managing respective interests of the master-franchisee and of the franchisor
Hierarchical modes	Minority stake participation	Market observation	Strategy and management implemented by managers well aware of the market characteristics	Limited influence on the decisions
	Joint-venture	Resources complementarity; helps avoiding bureaucratic pitfalls	Fast market development, mutual knowledge	Dissemination of knowledge or of specific assets; difficulty in communication; risk of conflicts of interest
	Merger and acquisition	Provide a minimum size to enter the market, generate immediate cash flows.	A means of strengthening a market position, acquisition of commercial locations	Difficulty in managing the operations
	Organic growth • flagship stores • company-owned stores	• Showcase and build the brand image • Test of the concept, means of knowledge and adaptation to the market	• A means to manage retail brand image (relational marketing) • Control and management of the concept	• Cost of n°1 locations; cost of the projects • Significant cost, extensive time to develop an important network.

Table 2 – A synthesis of the literature on pop-up store format

Author (Date)	Research purpose	International perspective
Doyle and Moore (2004)	Analysis of the use of guerrilla store as a method of international market development, with a case study of the Japanese retail brand <i>Comme des Garçons</i>	Yes
Kim, Fiore, Niehm and Jeong (2010)	Analysis of the consumers' psychographic characteristics affecting beliefs, attitude and patronage intentions toward pop-up retail	No
Marciniak and Budnarowska (2009)	Theoretical exploration of the use of pop-up stores in relation with mobile technologies and Internet	No
Niehm, Fiore, Jeong and Kim (2007)	Analysis of American consumers' perceptions of and receptivity to pop-up retail as an experiential marketing strategy, according to their demographic characteristics	No
Surchi (2011)	Analysis of the reasons behind the choice of pop-up stores as a marketing tool, in the context of fashion retailing in Italy	No

Table 3 –Pop-up store format: main characteristics

Merchandise mix	- Narrow compared to the traditional store format - Focused on one product line
Store design and atmosphere	Pronounced in-store atmosphere, architecture and design to create a favourable and long-lasting experience
Sale space - size	Small compared to the permanent retail store format
Price positioning	Premium price in comparison to the price structure of the retailer
Store location	4 different results - Innovative location - High traffic shopping location - Fashionable and economically significant cities - Radical and little known location
Promotion	Based on social networking and word-of-mouth

Source: Doyle and Moore (2004); Kim & al. (2010); Marciniak & Budnarowska (2009); Niehm & al. (2007); Surchi (2011)

Table 4 – Research sample: retail companies' characteristics

Company name	Turnover (M€) [% foreign markets] (2009)	Established retail brand	Organisational form in the domestic market	Start of international expansion	Number of foreign markets	Foreign operation modes ¹
[O]	Non disclosed [20%]	No	25 company-owned stores 51 concessions 37 shop-in-shops	90s	39	40 concessions 20 shop-in-shops
[A]	520 [18%]	Yes	2 flagship stores 138 franchised stores	1997	60	5 flagship stores 145 franchised stores 300 shop-in-shops
[N]	2200 [80%]	Yes	1 flagship store 14 company-owned stores 13 shop-in-shops	1900s	50	9 flagship stores 305 company-owned stores
[B]	440 [50%]	Yes	150 company-owned stores 56 factory outlet stores wholesaling	80s	30	75 company-owned stores 47 franchised stores 38 factory outlet stores
[G]	140 [60%]	No	28 company-owned stores 4 franchised stores 89 shop-in-shops	2000s	10	6 company-owned stores 160 franchised stores 30 shop-in-shops
[M]	Non disclosed [70%]	No	1 flagship store 162 company-owned stores 31 concessions	1990s	19	2700 company-owned stores 147 franchised stores
[Z]	4 [60]	Yes	1 flagship store 16 shop-in-shops	1980s	10	25 flagship stores 38 shop-in-shops wholesaling
[T]	Non disclosed [25%]	No	6 company-owned stores 5 shop-in-shops	1990	5	11 company-owned stores 3 shop-in-shops
[D]	1420 [80%]	Yes	31 company owned stores 3 franchised stores	1998	10	13 flagship stores 167 company-owned stores 24 franchised stores
[C]	120 [22%]	Yes	7 company-owned stores 22 franchised stores 10 shop-in-shops	1981	8	7 flagship stores 12 shop-in-shops
[Q]	43000 [10%]	Yes	823 company-owned stores 21 franchised stores	1998	10	6 flagship stores 112 company-owned stores 59 shop-in-shops
[M]	Non disclosed [40%]	No	3 company-owned stores Wholesaling	1980s	20	7 company-owned stores wholesaling
[P]	Non disclosed [50%]	No	60 company-owned stores Wholesaling	1992	70	110 company-owned stores 50 franchised stores wholesaling

¹ Foreign operation mode used in combination with **international online stores except for Q.**

Table 5– Motives for the choice of a pop-up store as a foreign operation mode

Company Name	Motives for the choice	Stage of the internationalization process
[O]	Development of the international retail network. Immediate profitability of the store; with a limited budget is immediately operational	Expansion stage
[A]	- Test of a foreign market (observation of consumer behaviour and needs); - Promotion of brand values (temporary flagships stores)	- Entry stage - Expansion stage
[N]	Enhancement and promotion of brand values: exclusivity, scarcity	Expansion stage
[B]	Original and creative mode to claim a brand positioning to consumers who are unfamiliar with	Expansion stage
[G]	Context: objective to increase its presence in Asian markets while upgrading its positioning. Used as temporary flagship store to express its values to consumers	Expansion stage
[M]	Seasonal pop-up stores to follow mobile consumers	Expansion stage
[Z]	Test of foreign market and observation of countries and cultures	Entry stage
[T]	- Test of foreign markets - Seasonal pop-up stores to optimize sales	- Entry stage - Expansion stage
[D]	Creation of a very original and luxury sale space to keep contact with actual consumers and recruit potential ones; considered as a temporary flagship store	Expansion stage
[C]	- Test of a foreign market for future opening in a foreign city - Promotion of brand values via little-known location	- Entry stage - Expansion stage
[Q]	Teasing before the opening of the 1 st store in a foreign market to reach the media, the connoisseurs and the early adopters and expressing a country of origin	Entry stage
[M]	Expressing brand values and promoting an image that corresponds to the one of the product	Expansion stage
[P]	Thanks to store design and atmosphere, expressing brand values and interacting with consumers whilst having a store immediately operational	Entry or expansion stage